

## TAX SYSTEM OF THE REPUBLIC OF UZBEKISTAN: GENERAL DESCRIPTION

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**Abstract:** This in the article Detailed information is provided about the tax system of the Republic of Uzbekistan . The legal framework of the tax system, existing types of taxes, recent reforms and measures taken to reduce the tax burden are covered. Changes aimed at improving tax policy and improving the investment climate are also analyzed . The article is intended for entrepreneurs, economists and specialists working in the field of taxation useful to be possible .

**Key words:** tax , tax system , tax burden , tax legislation , tax revenue , state budget

Uzbekistan Republic to independence from what has been achieved after his/her own independent tax system formed . State budget main income from sources one was taxes economic stability provide and social programs in financing important role plays . Uzbekistan tax system market economy under the circumstances entrepreneurship activity support , state their income increase and investment attractiveness provide for the purpose shaped .

Historical development of the tax system The tax system in the Republic of Uzbekistan was formed after independence and went through various stages:

- 1991-1997 – The period of formation of the tax system. During this period, the initial tax legislation was developed and tax policy was determined as an independent state.
- 1998-2005 - The stage of tax legislation reform. Tax types were regulated and incentives for entrepreneurship were introduced.
- 2006-2017 – Stage of reducing the tax burden and simplifying tax administration.
- 2018 to the present - The era of tax reforms. The tax system is being modernized and brought into line with international standards.

Legal basis of the tax system. The tax system of the Republic of Uzbekistan is based on the following legal documents:

1. **The Constitution of the Republic of Uzbekistan** - it sets out the basic principles of determining and collecting state taxes and fees.
2. **The Tax Code** is the main regulatory document regulating the general rules of taxation, types of taxes, rights and obligations of taxpayers , tax benefits, and other important issues.
3. **Presidential decrees and resolutions are documents** aimed at improving tax policy and providing tax breaks to certain sectors .
4. **Cabinet of Ministers resolutions** are regulatory documents that establish additional procedures related to the tax system .
5. Regulatory and legal documents and recommendations adopted by **the State Tax Committee** .

The role of tax revenues in the budget. In the Republic of Uzbekistan, taxes are the main source of revenue for the state budget. Taxes income as follows distributed :

- **State budget** – basic expenses financing ( education , health) conservation , social programs , defense and state management ).

- **Local budgets** – regional development , local infrastructure and social projects done increase
- **Pension and social supply funds** – pensions , social protection programs financing .

The share of tax revenues in the state budget varies from year to year. For example, in recent years, tax revenues have accounted for **70-80% of the state budget** . This is an important factor for the financial stability of the state. The increase in tax revenues depends on economic growth, which is ensured by effective tax administration and the development of entrepreneurship.

The black economy and the tax system. The black economy is a set of economic processes that operate outside of state control. The black economy in Uzbekistan can arise due to the following factors:

- **Informal labor market** - a large proportion of workers operate without being officially registered.
- **The advantage of cash circulation** is that cash circulating outside the banking system allows for tax avoidance.
- **High tax burden** – some entrepreneurs move into the underground economy due to the heavy tax burden.

The black economy seriously damages tax revenues and reduces state budget revenues. The following measures are being implemented to address this problem:

- **Reducing tax rates** - creating favorable conditions for conducting formal business.
- **Development of the digital economy** - mandatory introduction of electronic invoices and cash registers.
- **Taxpayer incentives** – providing relief for businesses that comply with tax discipline.
- **Strengthening inspection and control** - identifying entrepreneurs operating illegally.

Tax reforms implemented in recent years have reduced the share of the black economy. However, to achieve more effective results, it is necessary to continue measures to improve tax administration, support entrepreneurship, and attract the population to the formal economy.

Future directions of tax policy development. There are the following plans to improve the tax system in Uzbekistan:

- Tax codex further Simplify .
- Expand tax breaks for small businesses.
- Increasing entrepreneurial activity by reducing the tax burden.
- Widespread adoption of digital technologies to increase tax revenues.
- Developing new approaches that are consistent with international tax standards.

The tax system of the Republic of Uzbekistan is a key component of the state economy. Tax policy plays an important role in the formation of the state budget, the development of entrepreneurship and the improvement of the investment climate. It is expected that the continuation of tax reforms will create more favorable conditions for entrepreneurs and taxpayers.

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