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ANALYSIS OF POPULATION INCOME COMPOSITION AND THEIR TAXATION IN UZBEKISTAN

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Abstract: The rapid growth of Uzbekistan population's real incomes and the increase in the amount of income at their disposal is a very important and urgent task facing the government. As a result of the fundamental reforms carried out in recent years, the gross domestic product of our country is growing, and, in turn, the real incomes of the population are increasing. The role of the income taxation mechanism in this matter is very significant. This article provides a detailed analysis of the structure of the population's income and their taxation in our country.

Keywords: taxation mechanism, the principle of fairness ("equality") of taxation, tax incentives, tax burden, income from property rental, standard deductions, tax rates.

Introducing

Personal income tax is the main source of income of the state budget, and the scientific analysis of its calculation and collection mechanism is a very important necessity and one of the controversial issues. It is known that personal income tax is the main direct tax on the income of individuals with taxable income. While the amount of revenues coming to the budget through personal income tax in the developed countries of "OECD" is a significant part of tax revenues, it is known through the critical analyzes that the amount of tax coming to the budget through this type of tax is relatively small in Uzbekistan. In particular, according to the information presented in the "Budget for Citizens according to the approved budget for 2021" prepared within the framework of the implementation program of the joint project "Financing sustainable development in Uzbekistan" of the United Nations Development Program (UNDP) and the Ministry of Finance of the Republic of Uzbekistan in 2020, the state budget revenues in 2020 132,938.1 bln. 11.3 percent of the total budget revenues, i.e. 15,140.8 bln. that the income corresponds to the share of income tax collected from individuals, similarly, the share of personal income tax in the total tax revenues directly collected by the State Tax Administration is decreasing year by year, and the fact that 14.6 percent of the total tax revenues in 2020 corresponds to this type of tax indicates that there is a high possibility of increasing the fiscal importance of this type of tax. In our opinion, the reason why the fiscal importance of income tax is not increasing is

that there are no specific mechanisms for taxation of individuals who are self-employed and earn income through various sources, incomes found outside the source of payment are not fully covered by tax authorities, taxation of individual entrepreneurs is available only in some countries of the world. (CIS countries) still applying a fixed rate of income tax, self-employed and a member of a trades union, complete exemption from income tax for persons engaged in certain business activities, regardless of the amount of income they earn, in general, the mechanism of taxation of all citizens with a source of income has not been developed, it is not strengthened by legislation, and there is no minimum amount that is not subject to tax, and it is presented to the tax authorities through the declaration of income, non-use of incentive instruments is an obstacle to comprehensive and fair taxation of personal income tax.

Since the introduction of the declaration mechanism, which is used in the practice of developed countries in the practice of income taxation, is a means to expand the scope of taxable income and to eliminate the secret economy and corruption cases that exist through various loopholes and "loopholes" in the country's legislation, we conducted a study on the application of the foreign practice of the income declaration mechanism. it is necessary to go. Also, a list of individuals who do not have taxable income and whose expenses, based on foreign practice, exceed the amount of income indicated in the declaration, will be formed and segmented, and tax authorities will be able to deal separately with this category of taxpayers, saving time and additional costs.

The introduction of the universal declaration mechanism covers the income of individuals more fully and more widely, increases its fiscal importance, reduces social inequality in society through the redistribution function of taxes, and as a mechanism against such evils as corruption and looting of state property, which are the source of the economic development of any country, sharply reduces these evils in society. causes it to decrease.

Using international practical experience, it is an urgent problem to start and improve the mechanism of taxing income on the basis of declaration in Uzbekistan.

Review of literature on the subject. Many scientists and economists have expressed their opinions on the taxation of the income of the population, including the income tax of individuals. O. Abdurakhmanov, explaining the nature of taxes from individuals, defined them as follows: taxes from individuals are non-equivalent mandatory payments of citizens from their personal income received from the sources of any legal activity to the state [1].

I.Niyazmetov's monograph (2017) and doctoral dissertation (2018) paid special attention to the income declaration system and expressed his views. In particular, I.Niyazmetov criticized the fact that one of the factors differentiating the tax system of

Uzbekistan from the international tax practice is the lack of a mechanism for taxation based on the general declaration of income and the fact that the mechanism for taxation of income based on declaration in Uzbekistan is not comprehensive [2]. Also, according to the results of the analysis, there is a high potential for increasing the share of personal income tax in the state budget in Uzbekistan, and for this, it should be implemented not by increasing the tax burden, but by increasing the number of taxpayers and expanding the base, and the mechanism of taxing income based on the declaration is the most effective. a scientific conclusion has been made that it is considered an effective instrument.

Also, according to A.Bozorov (2019), incomes related to property owned by individuals are not fully and timely taxed, in particular, the current declaration mechanism for taxation of income from renting property belonging to individuals is not working effectively, as a result of declaration, the taxable income is determined the lack of direct integration of data with the data of tax authorities, the insufficient use of the mechanism of deduction and accounting of social expenses in taxation of incomes was criticized, and it was emphasized that there is a need to further improve the mechanism of declaration in Uzbekistan [3].

Research methodology. In the preparation of the article, the formality of normative legal documents, used literature and Internet information, comparative and critical analysis of the scientific and theoretical views of economists on the subject, the results of the study and generalization of advanced foreign experience and the data of the State Statistics Committee, the State Tax Committee, and the implementation of suggestions and recommendations is determined by being done. Systematic analysis, generalization, scientific abstraction, induction and deduction were used in the study of the subject along with general economic methods.

Analysis and results. In all economically developed countries where the principles of market economy and freedom of business activity are applied, the practice of general declaration of income is widely used by citizens. Researching the experience of these countries and analyzing the practical experience of declaration of income of individuals in our republic shows that it is appropriate to implement the system of general declaration of taxation of income of individuals in our country step by step.

The introduction of the system of declaration of the total income of individuals in the Republic determines the possibility of disclosure of the income of citizens, helps to create more favorable conditions for the development of private entrepreneurship as a path to the hidden economy. The introduction of the system of declaring the total annual income of citizens is considered an objective and necessary condition for the formation of market relations.

Table 1.2 below presents information on the number of the population of the Republic in 2016-2021, income and income structure of the population. As can be seen from this table, the economically active part of the population in the Republic in 2021 was 14,980.7 thousand people, of which 13,541.10 people were employed in the economy. This year, the total real income of the population is 465,271.8 billion. amounted to soum. The total annual income per capita was 14,769.0 thousand soums, the income per economically active person was 23,289.3 thousand soums, and the income per capita was 25,585.9 thousand soums. The monthly amount of these indicators was equal to 1,940,800 soums per economically active person, and 2,132,200 soums per employed person. In 2020, the number of economically active population was 14,797.9 thousand people, by 2021, the number of economically active population was 14,980,7 thousand people, of which 13,239,55 thousand people were employed in the economy. In 2021, the total real income of the population will be 465,271.8 billion. total income per capita was 14,769.0 thousand soums, and the income per economically active person was 27,132.3 thousand soums. The monthly amount of these indicators corresponded to 2,261,000 soums per economically active person, and 2,527,200 soums per employed person. This is equivalent to about 241.2 US dollars according to the Central Bank exchange rate at the end of last year.

The analysis of these indicators shows that the income of the population of our country is very low. To come to this conclusion, we can analyze the cases based on the data obtained from the official website of the Organization for Economic Cooperation and Development (<https://stats.oecd.org/>) on the minimum annual salary in foreign countries (Table 1.2).

Table 1.2.

Analysis of the number of economically active and employed population in Uzbekistan, the total income of the population [4].

№	Indicator name	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.
1.	Total number of population, thousand soums	31 575,3	32 120,5	32 656,7	33 255,5	33 905,2	34558,9
2.	Total number of labor resources, thousand soums	18488,9	18666,3	18829,6	18949,0	19158,2	19334,9
3.	Economically active population, thousand soums	14022,4	14357,3	14641,7	14876,4	14797,4	14980,7
4.	Total income of the population, billion soums	197962,4	236893,1	300842,7	365735,6	415085,0	515660,7
5.	Total income per capita, thousand soums	6215,9	7314,1	9128,6	10891,3	12125,6	14769,0
6.	Total real income of the population, billion soums	187517,7	216400,1	255971,0	319336,1	367559,6	465271,8
7.	Real total income per capita, thousand soums	5887,9	6681,4	7767,0	9509,6	10737,3	13325,8

The analysis of these indicators shows that the income of the population of our country is very low. To come to this conclusion, we can analyze the cases based on the data obtained from the official website of the Organization for Economic Cooperation and Development (<https://stats.oecd.org/>) on the minimum annual salary in foreign countries (Table 1.3).

In 2019, the country of Luxembourg took the lead in the countries with the highest income earners. Here, the minimum annual (monthly) salary was 26,252.5 (2,187.7) US dollars. Also on the list are Australia - USD 24,874.8 (2,072.9), Netherlands - USD 24,826.5 (2,068.8), Germany - USD 24,015.6 (2,001.3), Belgium - 22,872.6 (1,906.0) USD, New Zealand - 22,475.8 (1,872.9) USD, France - 21,948.96 (1,829.0) USD in terms of earnings, Russia is at the bottom of the list with earnings of USD 5,026.0 (418.8), Brazil - USD 4,967.0 (413.9) and Mexico - USD 2,510.3 (209.2). corresponded to the amount.

So, as can be seen from these analyses, increasing the real income of the population in Uzbekistan and increasing the amount of income at their disposal is a very important and urgent issue facing the state. The role of the mechanism of income taxation is very significant in this matter.

Table 1.3.

Minimum annual salary in 33 countries of the world, in US dollars [5].

The period is annual				
The currency is in US dollars				
Time	2016	2017	2018	2019
Country				
Australia	23 915,4	24 128,7	24 481,2	24 874,9
Belgium	23 013,8	22 986,1	22 746,8	22 872,6
Canada	18 615,5	18 939,2	20 946,0	21 280,5
Chile	6 682,2	6 880,9	7 044,4	7 330,7
Colombia	7 296,6	7 484,6	7 677,4	7 860,9
Czech Republic	9 163,1	9 937,7	10 789,9	11 609,0
Estonia	9 098,5	9 616,2	9 890,2	10 443,5
France	22 016,6	21 994,5	21 860,3	21 949,0
Germany	23 268,3	23 845,6	23 439,6	24 015,6
Greece	13 268,7	13 121,6	13 040,0	14 307,4
Hungary	9 355,4	10 511,8	11 049,2	11 544,5
Ireland	19 887,5	20 036,6	20 585,9	20 928,3
Israel	13 926,5	14 662,4	15 416,5	15 287,8
Japan	15 885,1	16 189,5	16 607,6	..
Korea	16 187,9	17 037,8	19 540,8	21 586, 1
Latvia	8 148,6	8 226,5	9 168,8	9 011,7
Lithuania	9 422,6	9 457,7	9 694,0	13 143,5
Luxemburg	25 385,8	25 935,3	25 811,0	26 252,5
Mexico	2 058,3	2 127,0	2 238,5	2 510,3
Netherlands	24 741,1	24 843,1	24 859,9	24 826,5
New Zealand	20 996,7	21 296,7	21 716,3	22 475,8

Poland	12 547,3	13 288,8	13 704,8	14 363,8
Portugal	11 899,7	12 337,1	12 720,3	13 114,5
Slovak Republic	8 764,1	9 291,4	10 001,1	10 553,3
Slovenia	15 506,2	15 562,8	16 015,8	16 578,6
Spain	13 594,4	14 404,6	14 731,8	17 891,7
Turkey	13 481,5	13 090,8	12 848,3	14 060,2
United Kingdom	20 610,8	20 721,4	21 132,2	21 764,4
United States	16 063,3	15 728,3	15 353,3	15 080,0
Costa Rica	9 458,8	9 307,5	9 326,5	9 379,6
Brazil	4 872,0	5 014,8	4 925,3	4 967,0
Russian Federation	3 080,4	3 663,5	4 936,5	5 026,0

Now let us look at the composition of the total income of the population in our country in the table below.

Table 1.4.

Total income structure of the population of the Republic of Uzbekistan (in %) [6].

№	The name of the indicator	2019 year	2020 year	2021 year
	Total Revenues-total	100,0	100,0	100,0
	Including:			
1.	Primary income	76,2	75,4	73,6
	From this:			
1.1	Income from production	73,5	73,3	71,4
1.1.1	Income from work	69,1	70,0	68,4
a.	Income of hired workers	27,1	27,0	26,4
b.	Income from self-employment	42,0	43,0	42,0
1.1.2	Income from self-produced services for personal consumption	2,1	2,2	2,0
1.2	Income from property	2,7	2,1	2,2
2	Income from transfers	23,8	24,6	26,4

From the data of Table 1.4 above, it can be seen that in the structure of the total income of the population, the income from labor activity made up 69.1 percent in 2019, 70.0 percent in 2020, and 68.4 percent in 2021. That is, it had a relatively stable trend during the analyzed period. If we look at the structure of income from work, we can see that the share of income from self-employment has been 1.6 times more than the income of hired workers in the past 3 years. That is, in our country, incomes received

from individual business activities, self-employed individuals, as well as employment in households, estates or farms are increasing. In addition, the weight of the population's (property) income from property also had a stable trend. In particular, in 2019, this figure was 2.7 percent, and in 2021 it was 2.2 percent.

Table 1.5.

The share of personal income tax in the budget [7].

Indicators	2019 year	2020year	2021 year
Total budget revenue (billion soums)	112 165	132 938	164 868
Personal income tax (billion soums)	12668,5	15140,1	18918,0
Share of JSHODS budget revenue (%)	11,3	11,4	11,5

From the data of Table 1.5, we can see that the total budget revenues are increasing, and accordingly, the share of personal income tax in the budget is also increasing. Including the data, it can be seen that the personal income tax accounted for 11.3% of budget revenues in 2019, 11.4% in 2020, and 11.5% in 2021.

It can be seen from the data of the table that in the total income of the population, income from labor activity made up 71.0 percent in 2018, 69.1 percent in 2019, and 70.0 percent in 2020. That is, it had a relatively stable trend during the analyzed period. If we look at the structure of income from work, we can see that the share of income from self-employment has been 1.6 times more than the income of hired workers in the past 3 years. That is, in our country, incomes received from individual business activities, self-employed individuals, as well as employment in households, estates or farms are increasing. In addition, the weight of the population's (property) income from property also had a stable trend. In particular, in 2018, this indicator was 3.1 percent, and in 2020 it was 3.0 percent.

From the above, it can be seen that the income of the population of Uzbekistan from self-employment and property has increased compared to the income from hired work. However, based on the analysis, the issue of comprehensive and fair taxation of these growing incomes cannot be assessed positively.

Taxation of the income of the population from self-employment and property rental, as well as from other incomes that cannot be withheld from the source of payment, is the cause of the emergence and existence of the informal economy due to

the lack of a perfect system. This creates inequality in the taxation of the income of the population and has a negative impact on the culture of paying taxes among the population.

The problem of reducing and eliminating such inequality in incomes of the population has been solved to a certain extent in developed countries. However, it still emerges as a problem in Uzbekistan and other developing countries.

For this reason, it is necessary to quickly improve and expand the coverage of the mechanism of informing the existing tax authorities about the income on the basis of the declaration in order to tax the incomes formed through various sources in the present time, when market relations are developing, with a deeper study of foreign practice.

Scientific proposals

- It is necessary to introduce the practice of taxation through the introduction of the mechanism of gradual general declaration of the income of the population. In this case, it will be applied to all residents first on a voluntary basis, then on a mandatory basis, in the 1st stage (from 2022), according to the incomes and major expenses of government officials, in the 2nd stage (from 2023), the annual turnover is 10 billion. declaration of income of founders of business entities over soums, in the 3rd stage (from 2025), to include in the legislation the obligation to submit a declaration of income to persons who earn more than 500 times the annual minimum basic calculation;

- Reconsidering the administration of tax authorities, forming a special structure dealing with taxation issues directly on the basis of the declaration, determining the state units of the structures based on the number of economically active population in districts and cities;

- Introduction of uniform standard tax deductions for all citizens based on the consumption basket, taking into account family members as the source of income, exempting from tax the amount of income less than the consumption basket when living together, in which disabled people of the 1st group and dependents of the family (children, parents) based on the number of children, determining the amount of the discount using a coefficient higher than the standard one, and in the event that the source of income of the population is lower than the specified amount by the state, on the basis of the declarations submitted in order to reduce this social inequality in the income of the population, the state allocates targeted subsidies to citizens and provides social protection of the population, thereby creating an opportunity for the state to take special control of the lowincome segment of the population and control their daily life;

- Ensuring the inevitability of responsibility for persons who have not submitted or not fully submitted a declaration at the end of the year, as well as the mechanisms for calculating and collecting tax at twice the current rate (24%) while canceling all benefits in cases of tax evasion and tax evasion identified by the tax authority introduction;

After all, while the system of general declaration of income increases the fiscal importance of income tax and ensures that more taxes are collected from the rich strata of the population, improving the system of social protection of the low-income stratum of the population, introducing various deductions, one of the fundamental principles of taxation, the principle of "equality" ("justice") to incomes serves as the main tool in ensuring full implementation of taxation.

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