

## Ways To Collect Personal Income Tax And Reduce Tax Arrears

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**Abstract.** In this research paper provides increasing and decreasing tax arrears has become quite relevant. In the periodicals, in the works of various scientists, the topic of the shortfall in tax payments is disclosed, various proposals are made to reduce tax arrears in such areas as tightening control over taxpayers, and making new proposals for the development of tax incentives. Concept of "tax debt" is the total amount of unfulfilled obligations to pay statutory taxes and fees, penalties for late payment of taxes and fees, and penalties awarded for violation of tax legislation, expressed in monetary terms.

**Keywords:** collect, personal income tax, reduce tax arrears, ways.

### Introduction

Recently, the topic of increasing and decreasing tax arrears has become quite relevant. In the periodicals, in the works of various scientists, the topic of the shortfall in tax payments is disclosed, various proposals are made to reduce tax arrears in such areas as tightening control over taxpayers, and making new proposals for the development of tax incentives.

Number of updates and amendments have been made to the Tax Code of Uzbekistan. The tax policy for 2021 will maintain the basic rates of taxes, in particular, VAT (15%), income tax (15%, for some categories - 20%), personal income tax (12%), property tax for legal entities (2 %), land tax for agricultural land (0.95%), social tax (business entities - 12%, budget organizations - 25%) and turnover tax (base rate - 4%).

The procedure for calculating and paying VAT, as well as the rate of 15% remains the same. Regardless of the amount of income, the range of enterprises that pay VAT is expanding at the expense of stationary outlets for the retail sale of alcoholic beverages, including beer, as well as markets and shopping malls.

For taxpayers whose trade turnover of goods (services) does not exceed 1 billion soums per month, the tax period is set as a quarter.

Changes have been made to the procedure for applying benefits in the provision of passenger transport services in urban passenger transport and public passenger transport (excluding taxis, including route taxis). If the khokimiyats have set a single tariff and the transport is carried out according to this tariff, the discount will be applied by the carriers.

## **Methods of research**

The procedure for applying benefits at the expense of international financial institutions and foreign public financial institutions has been established.

Now the tax is exempted from the sale and import of goods (services) purchased at the expense of loans from international financial institutions and international loans from government agencies, if this privilege is provided by law.

Accordingly, Articles 243 and 246 of the Tax Code were amended.

The order of calculation and payment of excise tax has been preserved.

Excise tax rates are determined by the Tax Code (Articles 289-1 - 289-3). However, in calculating the excise tax on imports, TIF TR codes (PQ-3818) operating in accordance with the Presidential Decree of June 29, 2018 shall apply until the relevant decision of the Cabinet of Ministers is approved.

In the absence of a commodity item in Articles 289-1 - 289-3, respectively, excise tax shall not be levied on the missing goods.

73 types of excise taxes were abolished, including electrical products (refrigerators, air conditioners, washing machines), tractors and semi-trailers (trailers), food products (margarine, confectionery and other products) and others.

Excise taxpayers are clarified, in particular, when imported (imported) excisable goods (gasoline, diesel fuel, liquefied and compressed gas) sold to the final consumer are used for their own needs, the persons who imported these goods for their own needs are recognized as taxpayers. are given.

Natural wines (except for bottles) sold in the tasting zones (places) organized by producers along tourist routes are not taxed.

The excise tax rate on mobile services will be reduced from 25% to 15%.

The procedure for calculating and paying income tax, as well as the tax rates applicable in 2020, have been maintained.

Property acquired or purchased (built) at the expense of funds received in accordance with paragraphs 8, 9, 14, 15 and 17 of Article 304 of the Tax Code, as well as purchased or built at the expense of funds released as a result of tax and customs benefits ) property is not recognized as depreciable assets and is not depreciated.

If the taxpayer re-evaluates the value of depreciable assets in subsequent reporting (tax) periods, the result of such revaluation shall not be taken into account for tax purposes in calculating depreciation allowances.

The value of a depreciable asset is calculated by amortizing the cost of the asset, excluding revaluation.

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According to the accounting data as of January 1, 2021, the value of depreciable assets available to the taxpayer, taking into account the previous revaluation, is the initial value for tax purposes.

At the same time, the taxpayer has the right to submit to the tax authorities a certificate on the amount of advance payments based on the expected amount of profit in the current quarter by the 10th day of the first month of the next quarter. Previously, this norm was provided for in the Presidential Decree of 3 April 2020 (PF-5978).

### Income tax from individuals

The procedure for calculating and paying personal income tax, as well as the 12 percent tax rate, has been retained.

For taxpayers who pay a fixed amount of tax, the following is provided:

Tax rates are determined by the Tax Code. However, the size of the tax rates in effect in 2020 remains the same;

Some norms provided for in the Law on the State Budget for 2020 related to the application of these tax rates will be transferred to the Tax Code.

Income received by individuals from the lease of property is taxed at a rate of 12%. The minimum rental rates for individuals who lease property for tax purposes are set out in Annex 8 to the Law on the State Budget for 2021.

District and city Councils of People's Deputies retain the right to set coefficients that reduce or increase the amount of tax for individual entrepreneurs (YTT) from 0.7 to 1.3, depending on the specifics of the place of activity of YATT, as well as the seasonality of activities.

The source of tax payment from individuals who have an employment relationship with an individual entrepreneur shall be the procedure for calculation and withholding when a tax agent - an individual entrepreneur pays income to a taxpayer.

At the same time, the procedure by which individuals in an employment relationship with an individual entrepreneur have the right to choose to pay tax on personal income on the basis of a fixed amount or an annual return is abolished.

The order of calculation and payment of social tax, as well as in 2020 the tax rates for legal entities will remain at 12 percent, and for budgetary organizations - 25 percent.

For some categories of individuals, the following are available:

1) payment of tax in the amount of at least 1 measure of the base value calculated per year for the calculation of service life:

optionally:

Self-employed persons;

citizens of Uzbekistan working abroad on the basis of an employment contract, as well as citizens working in trading houses, representative offices (including non-legal entities), organizations established (opened) in foreign countries by state bodies and other organizations of Uzbekistan.

compulsorily:

Students of the school "Master - Apprentice" (after 25 years);

dehkan farms, as well as individuals working on a dehkan farm, engaged in raising at least 50 head of cattle or poultry on a private plot of land with an area of at least 4 hectares or in this area. At the same time, the head of the farm pays the tax compulsorily, and other members and specified persons - voluntarily;

2) the deadline for payment of taxes for this category of individuals is set until December 1 of the reporting year. In this case, the amount of tax is calculated based on the amount of the principal value determined on the date of payment.

The procedure for calculating and paying taxes for other individuals remains the same as in 2020.

The order of calculation and payment of turnover tax has been preserved.

The list of persons who are not subject to this type of tax is completed, taking into account the payment of VAT for a certain category of taxpayers. The following persons are not entitled to apply the sales tax:

stationary outlets for the retail sale of alcoholic beverages, including beer;

markets and shopping malls.

The tax rate for individuals engaged in real estate activities has been reduced from 25% to 13%.The remaining tax rates for 2020 remain the same.

The procedure for calculating and paying property taxes for legal entities and individuals, as well as the base tax rate for legal entities was maintained at 2 percent.

The reduced tax rate for legal entities continues to be gradually brought to the base rate by increasing the reduced tax rate from 0.2 to 0.4% for the objects provided for in the fourth part of Article 415 of the Tax Code.

The tax rates for individuals in 2020 will be indexed to 1.15 times. This is due to the fact that the size of the cadastral value (tax base) of taxable objects, determined by the bodies carrying out the state registration of rights to real property for individuals, will be maintained in 2018.

At the same time, the amount of tax calculated on the basis of the cadastral value determined in 2018 for individuals in 2021 should not exceed 30% of the amount of tax calculated for 2020.

The tax exemption will be abolished in some sanatoriums located in tourist zones.

At the same time, the Jogorku Kenesh of Karakalpakstan and the regional Councils of People's Deputies were given the right to reduce the tax rate or exempt from property tax on land occupied by certain sanatoriums located in tourist areas.

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The object of taxation on property tax of individuals includes a car park, which is inextricably linked with a multi-storey house. This property is taxed at a tax rate of 0.23% on the tax base.

The procedure for calculating and paying land tax from legal entities and individuals, as well as the established tax rate for agricultural land was maintained at 0.95 percent of the standard value of agricultural land.

For fruit and vegetable agricultural enterprises, the procedure for payment of land tax based on the normative value of agricultural land will be introduced for lands occupied by fruit and vegetable products, as well as for irrigated and non-irrigated agricultural lands of dehqan farms.

The calculation of the tax on agricultural land allocated for farming is carried out by the tax authorities at the location of the land plot on the basis of the data of the body determining the standard value of agricultural land excluding agricultural land plots that are not subject to taxation.

Homeowners' land plots allocated to individuals for individual housing construction and beautification of a residential building shall be subject to the tax rate established for land plots allocated for individual housing construction.

The Tax Code sets the basic tax rates (in absolute terms) for non-agricultural lands for legal entities and individuals based on the conditions of the country's territories.

The specific amount of tax rates for non-agricultural lands is determined in the following order:

The Jogorku Kenesh of the Republic of Karakalpakstan and the Councils of People's Deputies of the regions determine the tax rates depending on their economic development in districts and cities on the basis of the established basic tax rates, using reduction and increase coefficients from 0.5 to 2.0;

The Councils of People's Deputies of districts and cities shall introduce reduction and increase coefficients from 0.7 to 3.0 to the established basic tax rates in the established tax rates for the city of Tashkent in the more densely populated areas, mahallas, streets.

At the same time, district and city councils have the right to set land tax rates increased up to 3 times in relation to individual land plots, as well as land plots used by individuals with an area of more than 1 hectare located in tourist zones.

Legal entities must submit tax reports on non-agricultural land for 2021 to the tax authorities by January 10, 2021.

The amount of tax levied on individuals in 2021 (excluding individual entrepreneurs) should not exceed 30% of the amount of tax assessed in 2020.

Some norms related to the application of tax rates provided for in the law on the state budget for 2020 will also be transferred to the Tax Code.

Article 429 of the Tax Code provides for a reduction of the tax rate of the tax rate from 0.1 to 0.25 in respect of land occupied by certain objects that were previously granted tax benefits.

Land plots allocated for storage and disposal of all types of waste are excluded from the object of taxation on land tax levied on legal entities.

Tax exemptions for legal entities in the occupied part of the following lands will be abolished.

resort facilities located in tourist zones;

maternity rest and wellness places, rest homes.

At the same time, the Jogorku Kenesh and regional councils were given the right to set a reduced tax rate or exemption from land tax on land occupied by certain sanatorium-resort facilities located in tourist zones.

Tax incentives for the introduction of water-saving technologies are being expanded to include other types of water-saving technologies. Until January 1, 2021, the tax credit was available only to taxpayers who used the drip irrigation system.

From January 1, 2021, the month in which water-saving irrigation technologies are introduced (sprinkler, discrete and other (including drip)) land will also be exempt from tax for up to five years.

If the water-saving irrigation technology system becomes unusable or dismantled within five years from the beginning of the month in which it was introduced, the tax credit will be revoked with the resumption of tax liabilities for the entire period to which the tax credit applies.

Measures will be taken to set higher tax rates on lands occupied by inefficiently used artificial reservoirs for fish breeding and to abolish land tax exemptions.

The procedure for calculating and paying taxes for the use of water resources has been preserved.

Tax rates are set by the Tax Code, their indexation is 15 percent, and for some sectors of the economy - 30 percent.

At the same time, tax rates for utilities will remain at the level of 2020, and the single tax rate on the volume of water used for fish breeding (cultivation), including irrigation of agricultural lands and farms, will be set at 40 soums per 1 cubic meter.

The tax base of fish farms in artificial reservoirs is determined by the difference between the volume of water taken from natural and artificial reservoirs and returned to these reservoirs, except for the volume of water returned to the collector-drainage network;

In the absence of water meters and the impossibility of determining the actual volume of water resources used, the tax base in agriculture, including fish farming, is determined in accordance with the norms of water resources consumption approved by the competent authority in the field of water use and consumption.

Taxpayers engaged in several types of activities with different objects of taxation and (or) tax rates are required to keep separate accounts for such activities, and the procedure for payment of taxes at the appropriate tax rates is introduced.

The authorized body in the field of water use and water consumption annually provides information on the expected volume of water resources they use:

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no later than December 10 of the current tax period - to legal entities using water resources in agriculture, including fish farming, to determine the tax base;

no later than January 20 of the year following the reporting year - to the tax authorities at the place where water was used or water was consumed to calculate the tax for farms.

The procedure for calculating and paying taxes for the use of subsoil has been preserved.

In the amount of 5 percent for the following minerals, but 1 cu. m, a single tax rate of not less than 7,500 soums is set: construction sands, sand-gravel mixture, sandstones, building pebbles (carbonate rocks), building pebbles (granites, porphyries and shale rocks).

Tax rates for gold, silver, palladium (20%) and copper (15%) for Navoi Mining and Metallurgical Combine and Almalyk Mining and Metallurgical Combine were set at 15%. For other types of minerals, the tax rates that will apply in 2020 remain the same.

The amount of payment for gold jewelry sold at retail is kept at 1000 (one thousand) soums per 1 gram.

From January 1, the annual mandatory revaluation of fixed assets will be abolished for all business entities, regardless of the form of ownership.

The period of application of the zero rate of customs duties on the import of 19 types of goods into the territory of Uzbekistan has been extended.

### Conclusion

Consequently, tax debt is expediently viewed as total tax debt. The settlement mechanism for the purpose of reducing debt is legally established regardless of the nature, causes of occurrence, status level of tax debt. Debt makes sense to disclose in aggregate. Cumulative tax debt is the total amount of identified and confirmed tax shortfalls, statutory taxes and fees, penalties accrued and penalties awarded, in respect of which a settlement mechanism is applied in order to reduce it. Regardless of which debt is being considered and analyzed, suspended or hopeless for collection, temporary arrears or recoverable, the aggregate of tax debt is divided into two interconnected alternating categories: settled debt and unsettled debt.

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