



Volume: 02 Issue: 06 | June 2021 ISSN: 2660-454X

<http://cajitmf.centralasianstudies.org/index.php/CAJITMF>

## Prospects For Property Tax Development

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Received 10<sup>th</sup> April 2021,

Accepted 21<sup>st</sup> April 2021,

Online 15<sup>th</sup> May 2021

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**ABSTRACT:** Taxes represent one of the main instruments of public fiscal policy and have traditionally been included in the list of the most controversial because tax issues are directly related to the solution of social, economic and political problems of society development. The results of these reforms will affect both legal entities and individuals. Nevertheless, it is too early to talk about any results of the reform, as it is focused on the long-term perspective.

**Keywords:** property tax, cadastral value, market value, real estate tax, local budgets.

### I. Introductions

Property tax is one of the oldest taxes. Nevertheless, during its current period, this group of taxes and levies has been repeatedly adapted and amended in the implementation of reforms and changes. Changes that arise from the formation of new groups of property objects, can be associated with a change in the relationship between the property object and the owner.

The reforms carried out, changes in the methodology for the formation of the tax base, individual approaches to the taxation of each group of property, and the use of other factors have a significant impact on the taxation system of property.

It should be noted that the term "taxation of property" refers to the concept of aggregation by legislative parameters. It includes a system of taxation and levies for various categories of property. One of the features that unite these categories is the direct nature of the property tax. Another sign is that the subjects

of taxation are the owners of property objects. The third feature is the relationship to the value of the property, regardless of the availability and amount of income received during its operation.

Among the features that distinguish the sphere of taxable property, one can distinguish the following: the names of property taxes and fees, the scope of taxpayers, the methods of formation of the tax base, as well as the procedure for payment of property taxes. From the point of view of the mode of payment, it is possible to distinguish the legality of taxes: for example, annual fees paid during the renewal of the tax object and the transfer of property from one taxpayer to another in terms of buying and selling transactions, as well as one-time payments paid in the performance of transactions related to the transfer. Certain property taxes apply to individuals and legal entities, others to all categories of taxpayers.

Property taxes are divided into levels of their management: state (federal in the Russian Federation); regional (the US and Australian states or Canadian provinces); local (municipalities within the regional entities of the states).

The classification of objects of taxation of property can be made taking into account the very large volumes of taxable objects, taking into account various classification signs. Thus, the objects of taxation of property can be real estate (buildings and structures, as well as Land), Securities, jewelry, rare-art items, foreign currencies, and precious stones and metals, as well as digital financial objects.

## II. Materials and methods

Some states legally share property taxes together, while others prefer common laws, especially for real estate. When considering the taxation on property, there are issues of interrelation with other taxes. It is known that property tax appeared almost simultaneously with the formation of legal and legal concepts of property, so they reflect the history of the development of the state. Unlike other types of taxes, property tax does not have globalization and internationalization signs, they are more specific to taxes such as Value Added Tax [1].

When studying the legislation on taxation of property, it is necessary to take into account various interpretations, since the content of the definition of property may differ in different jurisdictions in terms of conditions that determine whether the property belongs to one or another of its types: movable, immovable, etc.

When considering any proposals for amendments to the system of taxation of property, in particular, in the process of reforming the tax system, it is necessary to apply to the international experience and advanced experience of foreign tax administrations, which have had problems with the taxation of property and real estate of legal entities.

At the same time, it is wrong to compare the methods and directions of taxation of property by countries with significantly different economic systems and sources of tax revenues.

Nevertheless, these differences, when studied in-depth, should not interfere with the adaptation of the best foreign experience of taxation of property to the conditions of Uzbekistan. Property tax in our country, as in many other countries, is a tax at the local level, is determined by the state, and has independence in the policy of the relevant local subjects. This fact allows us to conduct a comparative analysis of taxation on property not by states, but by subjects with similar conditions of socio-economic development.

An important indicator for comparison is the number of taxable items, the share of property tax receipts in the total amount of tax receipts.

In the US, the object of taxation is the only property that is located on the land plot, which includes buildings or structures. In addition, the methods used in the evaluation of property objects differ from each other, on this basis, a tax base is formed.

In Canada, property tax is related to the total property tax on the value of objects, which is determined annually by the total market value of land and buildings. Tax rates are subject to different property types and may vary depending on the planned budget expenditure and the applicable tax base. The authorities independently determine the rates of property tax in each province.

In foreign practice, the tax on real estate is taken into account when discounts are applied in favor of the income tax. Nevertheless, when calculating deductions for taxes on non-recoverable land with buildings and structures, the amount of the discount can be applied only to the total income received from the use of these land plots. Exceptions that may not apply to this rule are cases in which the main types of entrepreneurial activity are rental and rental of real estate objects, the sale or construction of real estate objects.

In the UK, where there are signs of entrepreneurship, the practice of taxation of real estate with a single common tax is used. The taxable value is determined by the annual rental fee for the property.

### **Main part**

France distinguishes three types of taxes depending on the availability of premises or premises belonging to the taxpayer or used for living in the taxation of real estate. If real estate is represented by a building or construction, then these objects are taxed using the scale of the coefficients, which is approved from time to time by the regional government of France, taking into account the amounts of rent in accordance with the Land Register of the local subject of the state.

Residential real estate is subject to local taxation, annually levied on all individuals living in this property. The amount of the tax is calculated by multiplying the rent for this residential property by the coefficients established by the tax authorities.

Real estate in Sweden is subject to taxation if it is used for the construction of housing, as well as for commercial or industrial purposes. The value of real estate two years before the tax period is the basis for calculating the tax. The advantage of this method is that in the process of assessing property objects, government bodies can take into account in full all the information that affects the final value of the property in the process of its evaluation. The scope of real estate tax rates depends on the type of real estate: residential property 1,3%, commercial buildings-1%, industrial property - 0,5%. For five years, new residential facilities will be exempt from property taxes, and for the next five years, half of the rate will be applied to them.

In almost all countries of the world, real estate is subject to taxation, but the system and structure of taxation on real estate objects vary.

Therefore, in some countries, the tax revenue from the property tax is more than 3 percent of the state budget. Countries such as the United States and Great Britain have tax revenues of 9,2% and 10,4%, respectively. In Canada, the proceeds from the property tax are 8,16 percent of the local government budget. Approximately 5% of the budget corresponds to the share of property tax in Japan and Australia (5,7 and 4,6%, respectively). Since property tax is local, it constitutes the mainstream of tax revenue to local budgets. Austria the tax revenue on property taxes will supplement more than 90% of local budgets, in Canada and the US these shares are slightly lower (80 and 75%, respectively). Uzbekistan is significantly behind a number of foreign countries in this regard. In our country, this tax is slightly more than 2 percent of the state budget.

Thus, taxation on real estate in foreign countries is carried out at the local and (or) regional level. At the same time, land plots, buildings, and structures are the main objects of taxation. Some countries use common laws in the taxation of lands and buildings (structures), for example, Sweden, Spain, Germany, and Turkey. In other countries, there are individual taxes for the regulation of various taxation objects: New Zealand, Australia, Denmark. The most unique system is used in France, where the property tax is regulated by three different laws: the first determines the land plots and the objects of real estate located in them; the second and the third - determines the individual order of taxation, if the property is distributed among several taxpayers or there are no structures or buildings on their territory .

In most countries of the world, there is a system of property tax exemption. Basically, privileges apply to state property, state companies, and management structures at the municipal and federal levels; consulates, embassies, and other diplomatic property objects. Religious and charitable organizations that do not intend to receive benefits use benefits. The basis for granting concessions is the type of owner (public or private proprietor). Plots of land intended for agriculture, medical institutions traditionally use benefits.

In our country, the problem of determining the object of taxation of property (taxpayer) was solved in favor of the owner of the property-the person responsible for paying the property tax. If there is such a need, the owner can load this load on the tenant of the property. In some countries, for example, in France and Great Britain, the real user of property (tenant) is defined as an object of taxation and is fully responsible for the payment of property tax.

The tax base of the property is determined by assessing the value of buildings, structures, and land plots. Objective the lack of evaluation criteria, the priority importance of clearly defining the tax base, and the need for in-depth individual co-operation with this process complicates the process of property tax management. The disadvantage of property valuation lies in the long interval between reassessment. To more accurately determine the value of objects of taxation in a number of countries, they use the system of deductions, deductions, and benefits. It is based on the fact that in the member states of the Organization for Economic Cooperation and development (OIC) there are no such systems or there are not enough opportunities for interaction with tax payers.

The tax community is discussing the entry of real estate taxes into the category of regressive or progressive taxes. Historically, property tax has been regarded as regressive, but current trends are demonstrating a new approach in the consideration of this tax.

If the object of Taxation has a low income and as a result can use discounts when calculating them, then the property tax will have progressive characteristics. From this point of view, many local governments manage the property tax share. When calculating the amount of tax, they take into account the solvency of the subject of taxation.

In our country, with the transition to market relations in the early 90s of the XX century, the concept of private property and property became new, and accordingly, taxation of these objects was the concept that first appeared in the legislation. Through the active introduction of property tax laws, the development of entrepreneurship has accelerated, which is still of great importance. The real estate tax does not cover the entire complex of real estate (land plot, buildings, or buildings located in it).

Land plots are subject to a land tax, and depending on who owns the real estate located on these plots, a property tax or personal property tax of legal entities is imposed. Other property objects of these persons are regulated by laws.

In international practice, there is also a tax on clean property, which is a regular (annual), Which is applied to the property with the removal of the sum of all costs (liabilities) for this object.

For the first time such a tax was introduced in the Netherlands at the end of the XIX century, and then at the beginning of the 20th century in the countries of Northern Europe and Scandinavia, and in Japan until the end. war (in the 1951 year) and by the end of the twentieth century. Distributed in the countries of Central and Western Europe. At present, many developed countries that are members of the Organization for Economic Cooperation and development (OIC) use clean property tax.

Australia, Canada and the United States are not included in the list of these countries, but some European countries, such as the United Kingdom, use a combination of classic property taxes or capital income taxes.

Traditionally, the tax on net assets received annually is considered in conjunction with corporate income (or income of an individual) tax. The reason for the initial introduction of this tax was that, despite the existing differences, States sought to separate property from income. It may also be the desire to rebuild wealth among the population Distribution (to reduce the difference between the rich and the poor) or the tax system to a more progressive system. The difference between the rates of taxation on the clean property can reach 1% in the taxation of individuals, but most often this varies from 0,5 to 1,5%. Some countries of the Organization for Economic Cooperation and development (OIC) apply this tax to legal entities. In some cases, the tax on net assets is a partial alternative to corporate income tax. [2].

Objects of taxation of property, in their content, require not only economic but also legal assessment. Property is one of the main objects of civil rights. Depending on the scope of action, the property can be described as something (this includes both money and securities), property rights, and other property. In the legislation of our country, these properties are defined as an item. In accordance with the legislation, the division of property into movable and immovable property is of particular importance (Article 83 of the Civil Code), its classification is given and the requirements for its registration are indicated [3].

Legal entities and individuals own property on the basis of property rights, according to the laws there are cases of use of the property by persons who do not own this property, they are given the right to use the property.

It is also important for real estate to distinguish real objects (buildings, structures) by nature. The definition of such things arises from the fact that they cannot be transported without certain physical and economic risks and losses.

For tax purposes, not only the income from the sale or use of them (income from the sale of property, income from the rental of own property, income from the use of property for entrepreneurial activities), property that can be used as a source but also objects of ownership and right of use, are also important.

It should be borne in mind that the terms "property tax" and "property taxation" have different meanings.

"Property tax "is the transfer of ownership, eternal change of ownership and, if it reflects others," taxation of property " is a reflection of the fact that property is an object and subject of taxation.

At the same time, the tax code provides that within the framework of taxation of property, the object of taxation (that is, the taxpayer) becomes only an individual or legal entity that is the real owner of the property. The fact of obtaining income from the exploitation of property objects does not affect the tax policy in relation to the taxpayer. [4].

Based on the considered legal norms, when considering an object of property of a natural or legal entity as an object of taxation, it is necessary to take into account the physical nature of the object of ownership (building, construction, land plot) and its legal status in property matters.



### Conclusion

Analysis of foreign experience in taxation of real estate, the existing differences in the application of certain tax incentives and other benefits, belonging to different levels of Applied property tax allows us to conclude that there are some points that are common to our country's tax practice, such as the management of taxes and the application of the tax on pure property.

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