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# Assessment of The Effect of Property Taxes on The Formation of Local Budget Revenues

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**Abstract:** The research analyzes the role and importance of property taxes in the formation of local budget revenues. Property taxes have been viewed as a key source of revenue to ensure financial stability at the local level. The share of property taxes in local budget revenues, their level of collection and effectiveness were evaluated. Existing problems in the collection of property taxes have been identified and suggestions for their solution have been developed. Also, recommendations are made to increase the role of property taxes in strengthening local budget revenues.

**Keywords:** Property Taxes, Local Budget, Land Tax, Property Tax, Tax Revenue, Tax Base, Tax Rate, Tax Benefits, Tax Administration, Budget Revenues

## 1. Introduction

Ensuring the financial stability of local budgets and strengthening their revenue base are one of the pressing issues of today. Property taxes are of particular importance in this regard, as they are recognized as one of the stable sources of income for local budgets. Within the framework of the tax and budget reforms being implemented in the Republic of Uzbekistan, special attention is paid to increasing the role of property taxes in the formation of local budget revenues and improving the mechanisms for their collection. In particular, a legal basis for reforms in this area has been created [1]. Property taxes are a stable source of local budget revenues, and their distinctive features are that they are levied on real estate objects and do not depend on the income of taxpayers. This allows local budgets to ensure stable revenues even in conditions of economic instability.

However, today there are a number of problems related to further increasing the share of property taxes in the formation of local budget revenues, improving the mechanisms of their collection, expanding the tax base, and effectively organizing the tax administration. Studying these problems and finding ways to solve them determines the relevance of this research.

## Literature Analysis

The role and importance of property taxes in the formation of local budget revenues has been studied by many domestic and foreign scientists. Local scientist O.R. Meiliev has studied the role of property taxes in ensuring the stability of local budgets in his scientific works. In his opinion, (Property taxes are one of the most reliable and stable sources of

**Citation:** Abdugaparovich, A. O. Assessment of The Effect of Property Taxes on The Formation of Local Budget Revenues. Central Asian Journal of Innovations on Tourism Management and Finance 2025, 6(1), 9-19.

Received: 15<sup>th</sup> Nov 2024

Revised: 20<sup>th</sup> Dec 2024

Accepted: 5<sup>th</sup> Jan 2025

Published: 23<sup>th</sup> Jan 2025



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income for local budgets, and their effective collection is of great importance in ensuring the financial independence of regions) [2], [3].

Z.A. Abdullaev, in his research, paid attention to the problems of property tax collection. According to the scientist, (Tax collection can be significantly increased by using modern information technologies in property tax collection, creating a single electronic database of real estate objects, and digitizing tax administration) [4].

The research conducted by U.T. Tulakov examined the issues of improving the system of determining property tax benefits and rates. According to the scientist's conclusions, (It is necessary to reconsider the procedure for granting property tax benefits and make them more targeted) [5], [6].

Foreign scholars W. McCluskey in his scientific works studied the role of property taxes in ensuring the financial independence of local authorities. In his opinion, (Property taxes are one of the most effective means of providing local authorities with the financial resources necessary to exercise their powers) [7], [8].

R. Bird, who studied the implementation and effective management of property taxes in developing countries, emphasizes that (when introducing property taxes, it is necessary to take into account the specific characteristics of each country and to use a step-by-step approach) [9], [10].

J. Martinez-Vazquez's research analyzes the institutional aspects of increasing the share of property taxes in local budget revenues. According to the scientist, (Strengthening the institutional capacity of tax authorities, improving the real estate valuation system, and establishing effective dialogue with taxpayers are important in increasing the efficiency of property taxes) [11].

The analysis of the scientific works of the above scientists shows that the role and importance of property taxes in the formation of local budget revenues, as well as the issues of improving their collection mechanisms, have been constantly in the focus of researchers. However, in the conditions of Uzbekistan, the issues of assessing and strengthening the impact of property taxes on the formation of local budget revenues require further in-depth research.

## 2. Materials and Methods

The research used statistical grouping, comparative and trend analysis methods in the analysis process. The article provides a comparative analysis of the scientific and theoretical views of economists on the formation of local budget revenues from property taxes. The reliability of the research results is ensured by the scientific validity of the methods used and the fact that the data used was obtained from official sources.

## 3. Results

Real taxes in the current conditions have lost their fiscal significance, which was the leading source of state income until the beginning of the 20th century. Currently, in most countries of the world, the main revenues of the state budget are formed at the expense of indirect taxes. The trend of reducing the fiscal value of property taxes has been continuing for the past 50 years. As we noted above, property taxes are the main source of formation of local budgets of the Republic of Uzbekistan. The revenues from them account for almost a quarter of all local budget revenues. constitutes Property taxes is a reliable source of replenishment of local budgets, as the income from it is growing steadily, which strategically allows for additional financing from the state budget enables the implementation of a based financial policy.

Property taxes account for approximately 4% of the total tax revenues in the consolidated budget of the Republic of Uzbekistan, with the largest share (approximately 60% of total property tax revenues) being land and property taxes collected from legal entities, and the remainder being land and property taxes collected from individuals.

There are two types of property taxes in Uzbekistan: property tax and land tax. The dynamics of property tax revenues of legal entities in Uzbekistan in 2020-2024 is presented in Table 1.

**Table 1.** Dynamics of resource taxes and property taxes in 2020-2024<sup>1</sup> (billion soums).

Types of taxes	2020 years	2021 years	2022 years	2023 years	2024 years forecast
<b>Resource taxes - total</b>	21,257.0	23,036.4	23,912.8	28,079.5	31,831
Property tax total including:	1,974.3	2,457.3	4,015.4	5,097.7	6,715
legal entities	1,240.8	1,576.1	3,040.5	3,609.3	4,754
natural persons	733.4	881.2	974.9	1,488.4	1,961
Land tax total including:	2,386.7	4,082.8	5,305.9	6,890.1	7,171
legal entities	1,306.8	2,662.5	3,422.0	4,018.1	4,182
natural persons	1,079.9	1,420.3	1,883.9	2,872.0	2,989
Subsoil use tax	16,417.1	15,811.9	13,887.4	15,300.3	16,684
Tax for use of water resources	478.8	684.4	704.1	791.4	1,261

Among property taxes, the largest revenue source for the state budget of Uzbekistan is the land tax collected from legal entities, which accounts for more than 30% of the total stable revenue from property taxes. In second place in fiscal importance is the property tax of legal entities, which in recent years has accounted for up to 30% of property tax revenues. In recent years (2020-2024), land tax revenues from legal entities have been gradually decreasing, while property tax revenues from legal entities have been increasing. Compared to 2024, land tax payments from legal entities decreased by 26% compared to 2021, while property tax payments from legal entities increased by 42% in 2024 compared to 2021.

The forecast for property tax collected from legal entities and individuals in 2020 (1,760.4 billion soums) was fulfilled by 1,974.3 billion soums, or 112.1%.

Of this, the forecast of 774.2 billion soums set for property tax collected from individuals was fulfilled by 733.4 billion soums, or 94.7 percent, or the forecast indicators were not fulfilled by 40.8 billion soums.

The forecast indicator for the land tax of individuals is 965.8 billion. amounting to 111.8% of the execution.

Revenues from property taxes on legal entities amounted to 3 trillion soums in 2022, an increase of 1.5 trillion soums or 2 times compared to 2021.

One of the factors that influenced the growth of property tax revenues of legal entities (despite the reduction in the tax rate from 2% to 1.5%) was the introduction of a norm from January 1, 2022, providing for minimum values for buildings and structures, determined in absolute amounts per 1 m<sup>2</sup>, depending on their location. The minimum values were introduced in order to gradually transition to calculating property tax based on the cadastral value, which is close to the market value.

In order to prevent a sharp increase in the tax burden, the Jokargy Kenes of the Republic of Karakalpakstan and regional Keneshas of People's Deputies are authorized to introduce a reduction coefficient of up to 0.5 to the minimum value, depending on the economic development of the districts.

<sup>1</sup> Compiled by the author based on information from the Tax Committee

Based on this, out of 162 districts across the republic, a reduction coefficient of 0.5-0.9 was approved for the minimum value established by local government bodies for calculating property tax, while no reduction coefficient was applied to 18 districts.

According to this procedure, 13.3% of taxpayers were assessed a tax of 1.6 trillion soums based on the average annual residual value of their real estate, while 86.7% of taxpayers submitted a certificate of payment for 1.4 trillion soums based on the minimum value established for 1 m<sup>2</sup>.

Taxpayers paid 48 billion soums in taxes on public railways, main pipelines, communication and power lines, as well as structures that are an integral technological part of these objects, as well as real estate and unfinished construction objects, the conservation of which was approved by the Cabinet of Ministers, due to the change from 0.5% to 0.6%. In 2022, property tax revenues from individuals amounted to 975 billion soums, an increase of 94 billion soums or 10.6% compared to 2021.

Land tax revenues from legal entities amounted to 3.4 trillion soums in 2022, an increase of 789 billion soums or 30.2% compared to 2021.

A number of factors had a positive effect on the growth of land tax revenues from legal entities.

Including:

due to the increase of the reduction coefficient applied to land tax rates in relation to land plots occupied by certain types of objects (public railways, main pipelines, communication and power lines, real estate objects on conservation of which the decision of the Cabinet of Ministers was adopted) from 0.3 to 0.4 51 billion soums;

145 billion soums of additional income came due to the indexation of the current base tax rates by 7% in 2021 for non-agricultural land.

At the same time, the exact amounts of land tax rates in 2022 will be determined by local government bodies based on the economic development of regions and the prestige of districts (this right was granted to local government bodies in 2021), based on base rates with the application of reducing and increasing coefficients.

In particular, in 2022:

Land tax revenues from individuals amounted to 1.9 trillion soums in 2022, an increase of 464 billion soums or 32.6% compared to 2021. The increase in additional revenues from these types of taxes in 2022 was due to the indexation of land tax rates by 7% and the following reducing and increasing coefficients applied by local government bodies to land owned by individuals, including:

In 2023, total revenues from resource taxes and property taxes will amount to 28.1 trillion soums, an increase of 4.2 trillion soums or 17.4% compared to 2022.

In 2023, income from property tax and land tax will be 12 trillion. amounted to soums. 5.1 trillion from that on property tax. soums, land tax - 6.9 trillion. organized soums.

Revenues from property taxes on legal entities amounted to 3.6 trillion soums in 2023, an increase of 568.8 billion soums or 118.7% compared to the end of 2022.

The following main factors influenced the growth of revenues:

an increase in the reduced property tax rate applicable to certain types of real estate from 0.5% to 0.6%;

Increasing the number of taxable objects by more than 4 thousand based on the minimum value;

221.7 billion. collection of tax debts of soums.

At the same time, the reduction coefficients applied by local government bodies to the minimum value set for 1 square meter of buildings and structures were revised (from 0.5 to 0.9).

Land tax revenues from legal entities amounted to 4 trillion soums at the end of 2023, an increase of 596.1 billion soums or 117.4% compared to 2022. The following main factors influenced the growth of revenues in the previous period of 2023:

% indexation of basic tax rates for non-agricultural land effective in 2022;

An increase in the reduction factor applied to the land tax rate for non-agricultural land from 0.3 to 0.4. In 2023, income from property and land tax from individuals will be 4.4 trillion. amounted to 1.5 trillion soums (property tax - 1.5 trillion soums, land tax - 2.9 trillion soums ) and 1.5 trillion soums compared to 2022. increased to 152.5 %.

In the past period of 2023, the following main factors influenced the growth of revenues:

Indexation of property tax rates and basic land tax rates for non-agricultural land by 10 %, application of reducing and increasing coefficients to basic land tax rates by local state authorities;

The restriction on increasing the amount of property tax on non-residential real estate objects intended for business activities compared to 2022 was canceled (in 2022 this restriction was no more than 30 % compared to 2021);

Improving the tax administration system, including the introduction of new administrative tools, digitization and automation of processes, and informing and advising taxpayers [12].

In general, property taxes are dominated by land tax levied on legal entities.

Thus, the identified trends allow us to emphasize that processes of redistribution of the tax burden on property taxes between legal entities and individuals are taking place in Uzbekistan. In general, the property taxation structure in Uzbekistan can be characterized as relatively stable, with a predominance of taxation of real estate.

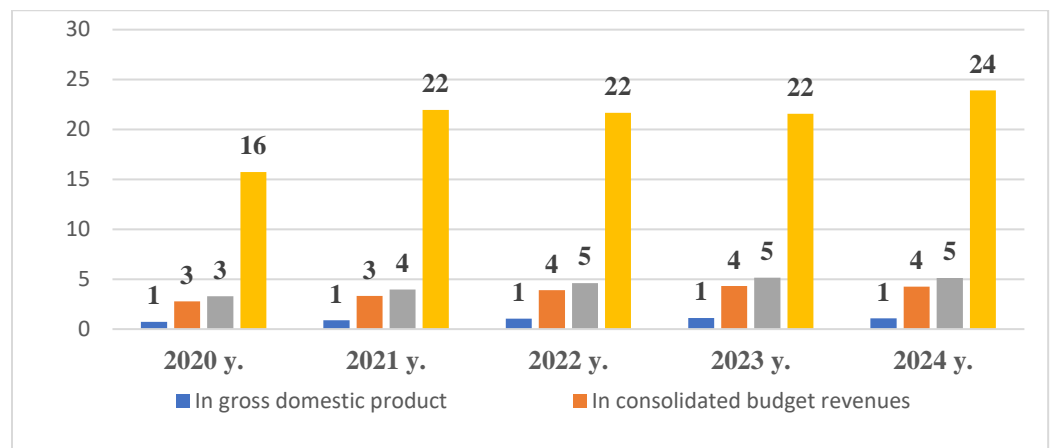
**Table 2.** Dynamics of GDP, budget revenues and property taxes in 2020-2024<sup>2</sup> (billion soums).

Types of taxes	2020 years	2021 years	2022 years	202 3 years	202 4 years forecast
Gross domestic product	602,600	734,600	888 300	1,066,569	1,301,800
Consolidated budget revenues	156,248	197,678	239,561	278 221	325,656
State budget revenues	132,938	164,799	202,043	232,607	270,700
Revenues of local budgets	27 70 3	29,775	43,033	55,537	58,060
Property tax total	1,974.3	2,457.3	4,015.4	5,097.7	6,715
including:					
legal entities	1,240.8	1,576.1	3,040.5	3,609.3	4,754
natural persons	733.4	881.2	974.9	1,488.4	1,961
Land tax total	2,386.7	4,082.8	5,305.9	6,890.1	7,171
including:					
legal entities	1,306.8	2,662.5	3,422.0	4,018.1	4,182

<sup>2</sup>Compiled by the author based on information from the Tax Committee

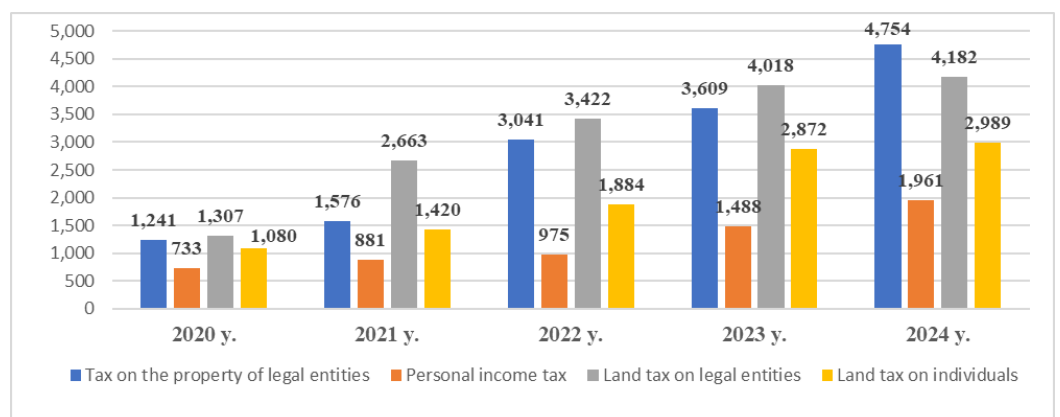
Types of taxes	2020 years	2021 years	2022 years	2023 years	2024 years forecast
natural persons	1,079.9	1,420.3	1,883.9	2,872.0	2,989

Uzbekistan from property taxes The tax burden on the economy has remained almost unchanged at 1% of GDP in recent years. Therefore, the tax burden that these taxes create for taxpayers can be assessed as not very large. 2. According to the data presented in Figure 1, the fiscal role of property taxes in the revenues of the state budget of Uzbekistan is not very large. In 2020-2024, the share of property taxes will account for no more than 4 % of the total tax revenues of the consolidated budget of Uzbekistan and 5% of the state budget. At the same time, a clear trend is observed in the share of this source of income, their amount increasing from 3% to 4% and 5%, respectively (Table 2 and Figure 1 ).



**Figure 1.** Share of property taxes in GDP and total tax revenues in Uzbekistan in 2020–2024, %<sup>3</sup>.

At the same time, despite the fact that the share of property taxes in the revenues of the consolidated budget of Uzbekistan is very small, these taxes have a significant fiscal significance in the formation of revenues of local budgets of Uzbekistan. In the structure of local budgets of the Republic of Uzbekistan, property taxes have accounted for up to 24% of total tax revenues in recent years, increasing from 16% in 2020 to 24% in 2024 (Table 2 and Figure 1).



**Figure 2.** Property tax revenues in Uzbekistan in 2020-2024<sup>4</sup>, billion soums.

<sup>3</sup>Compiled by the author based on data from the Open Budget Portal of the Republic of Uzbekistan

<sup>4</sup>Compiled by the author based on information from the Tax Committee



Among property taxes, the largest revenue source for the state budget of Uzbekistan is the land tax collected from legal entities, which accounts for more than 30% of the total stable revenue from property taxes. In second place in fiscal importance is the tax on the property of legal entities, which in recent years has accounted for up to 30% of property tax revenues. In recent years (2020-2024), land tax revenues from legal entities have been gradually decreasing, while tax revenues from property of legal entities have been increasing. In 2024, payments for land tax from legal entities decreased by 26% compared to 2021, while payments for tax on property of legal entities increased by 42% in 2024 compared to 2021 ( Figure 2).

Although property taxes do not play a decisive role in the formation of the state budget, they are a stable source of tax revenues for local budgets, in which the fiscal function of property taxes is clearly manifested. This is due to the following. First, the tax base for property taxes is not mobile, since real estate objects and land are tied to the local territory. Second, the tax base is stable and its dynamics can be predicted more accurately than for income taxes.

Property taxes are not dominant (in comparison with the main taxes), but nevertheless they are a stable source of tax revenues for local budgets and thus perform their fiscal function. The tax base for these taxes is relatively stable. They are less susceptible to fluctuations in the economic situation and provide a reliable source of income for the regions. In recent years, their share in the consolidated budget of the Republic of Uzbekistan has been 5%, and in the structure of gross domestic product - almost 1%.

#### 4. Discussion

Local authorities have sufficient resources to develop promising areas of economic activity. With the steady growth of tax revenues to local budgets, it is necessary to look for the most effective ways to maintain the growth rates of the economy of local budgets of the Republic of Uzbekistan. Maintaining the stability of tax revenue, treating taxpayers as a source of this stability, and effectively using modern management methods are today the priorities of the regional economy.

Such a situation obliges local authorities to pay serious attention to reforming the system of property taxation of legal entities. Thus, the detailed development and maximum smooth transition from the method of determining the taxable base based on the average annual residual value of the property to the method of cadastral assessment will allow not only to maintain a decent level of budget revenues in the region, but also for strategic financial planning for the medium and long term. creates a foundation.

Table 3 shows the regions with the largest and smallest shares of property taxes in total tax revenues in 2023.

**Table 3.** The share of revenues from property taxes in local budgets in 2023<sup>5</sup> (billion soums).

No.	Regions	Income	Property tax	Land tax	Share %
	Republic of Karakalpakstan	2,844	230	385	22
	Andijan region	3,931	224	334	14
1.	Bukhara region	3,792	371	538	24
2.	Jizzakh region	2,228	119	272	18
3.	Kashkadarya region	4,608	426	604	22

<sup>5</sup>Compiled by the author based on information from the Tax Committee

No.	Regions	Income	Property tax	Land tax	Share %
4.	Navoi region	3,039	432	328	25
5.	Namangan region	3,517	217	345	16
6.	Samarkand region	5,100	359	678	20
7.	Surkhandarya region	3,043	167	401	19
8.	Syrdarya region	1,390	82	146	16
9.	Tashkent region	6,024	443	980	24
10.	Fergana region	5,169	324	566	17
11.	Khorezm region	2,741	180	306	18
12.	Tashkent city	8,112	1,525	1,008	31
Total:		55,539	5,099	6,891	22

The fiscal role of property taxes in the tax revenues of the consolidated budgets of the Republic of Uzbekistan varies significantly depending on the regions. In some regions of Uzbekistan, property taxes account for only about 10% of tax revenues, while in others, these taxes constitute a third of revenues and are the main source of income.

The city of Tashkent, Navoi, and Tashkent regions, which are considered industrial zones, are the leaders in terms of fiscal significance of property taxes. These regions are home to the largest companies, which own a large amount of expensive production equipment, buildings, and land, the value of which is used as the tax base for calculating property taxes.

The regions of Uzbekistan with a low fiscal value of property taxes include regions with different economic positions, with both strong and weak production complexes. On the one hand, the economically developed Fergana, Andijan and Namangan regions of Uzbekistan are among the regions with low revenues from property taxes, while on the other hand, the Jizzakh and Syrdarya regions with a low level of economic development are also included in this list. The main reason for the low fiscal significance of property taxes in the tax revenues of the consolidated budgets of Uzbekistan is the large number of tax privileges granted for these types of taxes (Table 3).

Along with the importance of the amount of tax revenues, it is important to emphasize the need and importance of property tax administration, which is confirmed by the number of taxpayers paying this tax. The number of taxpayers is very unevenly distributed across the regions of the Republic of Uzbekistan. About a third of their total number is located in the capital of the Republic of Uzbekistan, and the smallest number of taxpayers is recorded in the Syrdarya and Jizzakh regions (see Table 4).

**Table 4.** Dynamics of changes in the number of taxpayers in 2020-2024<sup>6</sup> (persons).

Types of taxes	2020 year	2021 year	2022 years	2023 years	2024 years forecast
<b>1. The number of payers according to the main tax types</b>					
Profit tax	112,336	140,566	140,566	164,449	183,488
Value added tax	112,336	141,526	141,526	164,449	183,488
Excise tax	3,757	4,305	4,433	4,590	4,600
Subsoil use tax	1,787	1,860	1,904	2,052	2,102

<sup>6</sup>Compiled by the author based on information from the Tax Committee



Tax for use of water resources	131,204	137,020	137,020	147,595	156,467
Property tax of legal entities	58,856	69,353	64,392	77,137	78,272
Land tax of legal entities	158,675	160,539	161,028	180,247	186,131
<b>2. Individuals paying tax</b>					
Personal income tax	4,839,512	4,904,670	4,925,757	5,252,459	5,527,005
Property tax	6,392,430	6,678 489	7,468,017	7,607,969	7,764,522
Land tax	5,336,535	5,823,657	6,564,798	6,925,356	7,056,476

Changes in tax legislation, the introduction of tax incentives or new types of taxes, growth in economic activity and the emergence of new enterprises, an increase in the population and the number of active individuals, the development of tax administration through the introduction of digital technologies, and increased efficiency of taxpayer control systems can lead to an increase in the number of taxpayers.

The main part of budget revenues from property taxes is formed at the expense of land tax, therefore, we will assess the impact of tax incentives on reducing the fiscal value of this tax for local budgets of Uzbekistan based on an analysis of the application of property tax incentives (Table 5).

**Table 5.** Tax benefits used in the 2020-2024 tax year<sup>7</sup> (billion soums).

<b>Types of taxes</b>	<b>2020 year</b>	<b>2021 year</b>	<b>2022 years</b>	<b>2023 years</b>
Profit tax	2,102.1	2,219.6	3,308.2	3,500
Value added tax	24,502.1	36,766.3	27,510.6	50,600
Personal income tax	836.1	1,073.8	840.5	1,031
Land tax	1,000.2	2,575.9	949.0	1,700
Property tax	177.3	306.1	801.9	1,500
Tax for use of water resources	699.6	39.1	5.9	8
Social tax	296.6	386.3	1,017.7	1,700
Sales tax	146.7	112.2	84.3	79

In accordance with paragraph 6 of the Resolution of the President of the Republic of Uzbekistan No. PP-3756 dated May 31, 2018 (On measures to radically improve the procedure for granting privileges and preferences), the Ministry of Finance has not introduced a system for accounting for granted privileges, which would provide for an accurate assessment of losses in the State Budget of the Republic of Uzbekistan [13].

Also, the forecast of the main macroeconomic indicators of the Republic of Uzbekistan and the total amount of losses in the State budget due to the privileges provided in the State budget parameters are not shown in a separate row.

According to the calculation of benefits implemented in accordance with the requirements of the Regulation (On the State Tax Committee of the Republic of Uzbekistan), approved by Resolution No. 320 of the Cabinet of Ministers of April 17, 2019, in 2020, 87,634 legal entities used tax benefits worth 29.7 trillion soums [14].

Of this, 24.1 trillion soums or 81.1% of the benefits were used based on the norms established in the new edition of the Tax Code.

<sup>7</sup>Compiled by the author based on information from the Tax Committee

In accordance with Article 4 of the Law of the Republic of Uzbekistan No. ZUR-599 dated December 30, 2019, the privileges provided for in tax legislation adopted before January 1, 2020, including resolutions of the President of the Republic of Uzbekistan and the Cabinet of Ministers of the Republic of Uzbekistan, shall be valid until their expiration.

In 2021, legal entities used 43,479.3 billion soums of tax benefits (in 2020, it was 31.1 trillion soums). Of this, 35,025.5 billion soums, or 81% of the benefits, were used based on the norms established in the new edition of the Tax Code. In 2022, the amount of tax benefits amounted to 34.5 trillion soums, including 29.0 trillion soums in accordance with the Tax Code, or 84% of the total volume of benefits [12].

Land tax is the second most popular property tax after VAT and income tax in terms of benefits. The volume of property tax benefits is also increasing year by year. In particular, in 2023, 205 billion soums of property tax benefits were allocated to the real estate sector<sup>8</sup> (Table 6).

**Table 6.** Information on tax credits used in 2023<sup>9</sup> (billion soums).

Laws on tax benefits	Amount of benefits	Share of benefits %
According to the Tax Code	53,153.5	87.8%
decrees and resolutions of the President of the Republic of Uzbekistan	5,731.0	9.5%
Decisions of the Cabinet of Ministers mainly	669.0	1.1%
Laws of the Republic of Uzbekistan	322.8	0.5%
Based on other regulatory legal documents	692.5	1.1%
Total	60,568.8	100%

The share of tax incentives in 2023 in tax revenues in the state budget amounted to 36%, with the largest number of incentives granted to manufacturing activities, financial and insurance services, wholesale and retail trade, transportation and storage activities, information and communication services, etc [15], [16]. The largest number of incentives was granted on the basis of the Tax Code, which accounts for about 88% of the total incentives, as well as 0.5% of incentives granted on the basis of the laws of the Republic of Uzbekistan (Table 6).

## 5. Conclusion

The analysis highlights a recent trend of increasing tax incentives for property taxes, which, while fostering economic development and encouraging investment by creating jobs and supporting industries and regions, can also have adverse effects. These incentives may lead to reduced state budget revenues, potentially impacting social programs, and, in some cases, enabling economic inequality and misuse, favoring large enterprises over small businesses. Thus, a well-planned tax incentive policy is essential to prevent abuse, ensure economic equality, and maintain budgetary balance. In Uzbekistan, reforms transitioning from calculating the tax base based on the average annual residual value of property to using cadastral value have progressed in stages since 2021. However, challenges persist, such as incomplete implementation and inefficiencies in the new taxation system for legal entities. Regional administrations face obstacles due to infrastructure limitations and skepticism about the reforms' feasibility, delaying progress and undermining sustainable development and tax revenue collection. To address these

<sup>8</sup>Fiscal Year End Taxation Committee Report.

<sup>9</sup>Compiled by the author on the basis of the conclusion of the Accounts Chamber of the Republic of Uzbekistan on the report on the implementation of the state budget and the budgets of state trust funds in 2020

issues, ongoing reforms aim to enhance tax administration, phase out ineffective incentives, and reduce the underground economy by 2030. Medium-term tax policies will focus on broadening taxpayer coverage, tackling the hidden economy, revising tax benefits, and eliminating those lacking socio-economic impact.

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