

**ECONOMIC ESSENCE OF TAXING REAL ESTATE OBJECTS IN UZBEKISTAN****Usman M. Atakulov****Researcher Of The Fiscal Institute Under The Tax Committee, Uzbekistan**

**ABSTRACT:** This article examines the economic essence of taxing real estate objects in Uzbekistan, shedding light on the key factors and implications associated with the taxation system. Real estate taxation plays a crucial role in generating revenue for the Uzbekistan government and serves as an instrument for fiscal policy and economic development.

The article provides an overview of the current tax framework for real estate in Uzbekistan, highlighting the various forms of taxes imposed on different types of real estate objects. It explores the principle of tax assessment, including the determination of taxable base, rates, exemptions, and deductions. Additionally, the article discusses the administrative procedures and compliance requirements related to real estate taxation.

Furthermore, the economic implications of taxing real estate objects are examined. The article analyzes the effects of real estate taxation on property owners, investors, and the overall housing market. It delves into the potential impact on property values, rental prices, and investment decisions. Moreover, it explores how real estate taxation influences the allocation of resources and the overall efficiency of the economy.

The article also addresses the challenges and opportunities associated with real estate taxation in Uzbekistan. It discusses the importance of a balanced and equitable tax system, taking into account the socioeconomic factors and the impact on different segments of society. The article highlights the need for effective tax administration, transparency, and accountability to ensure the fair implementation of real estate taxation.

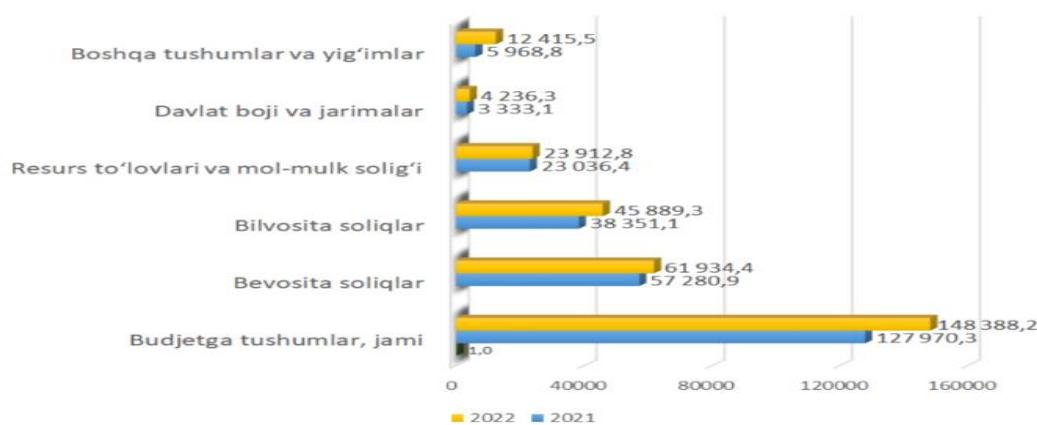
**KEYWORDS:** Taxing real estate objects, economic essence.

**INTRODUCTION****The share of property and land taxes in GDP and budget revenues in Uzbekistan**

Indicators		2018	2019	2020	2021	2022
Property tax paid by legal entities	to GDP, in %	0,4	0,3	0,2	0,2	0,3
	to budget revenues, in %	2,3	1,3	0,9	0,9	1,5
Property tax paid by individuals	to GDP, in %	0,1	0,1	0,1	0,1	0,1
	to budget revenues, in %	0,9	0,7	0,5	0,5	0,4
Land tax paid by legal entities	to GDP, in %	0,3	0,4	0,3	0,5	0,5
	to budget revenues, in %	1,9	2,0	1,8	2,3	2,4
Land tax paid by individuals	to GDP, in %	0,1	0,1	0,1	0,1	0,2

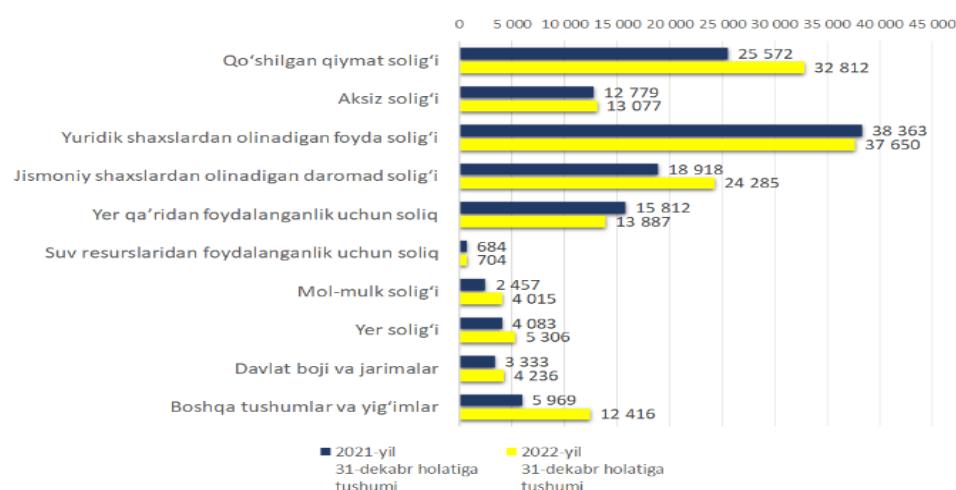
	to budget revenues, in %	0,8	0,8	0,8	0,8	0,9
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It is obvious from Table 2 that the weight of the property tax and land tax in Uzbekistan is not significant in the formation of state budget revenues. The weight of the property tax in the total budget revenues was 0.4-2.3 percent during 2018-2022, while its relation to the GDP accounted for 0.1-0.4 percent. We can see that the weight of the land tax in the budget revenue income constituted 0.8-2.4 percent, and while its relation to the GDP accounted for 0.1-0.5 percent. The tax committee is transparently publishing the comparative analysis of tax revenues for two years every year through the web-site soliq.uz (Figure 3).



**Figure 3. Data on the budget receipts as of December 31, 2021-2022 (in billion UZS).**

From the data in Figure 3, we can see that the budget receipts in 2022 have increased compared to the budget receipts in 2021. From the information of the above picture, we consider the two-year comparative analysis of tax receipts to the budget by tax types (Figure 4).



**Figure 4. Data on budget receipts by types of taxes as of December 31, 2021-2022 (in billion UZS).**

Figure 4 demonstrates the revenue by tax type, and we can see that property and land tax revenue by tax type is significantly less than other tax revenues. We can see that the property tax increased by 1.5 trillion UZS in 2022 compared to 2021, and the land tax increased by 1.2 trillion UZS. The growth of these tax revenues results from the inclusion of new taxpayers, amendments made to the tax administration, improvement of taxation mechanisms and automation of tax reporting.

Based on the above considerations, the following conclusions have been made:

- in accordance with the reforms ongoing in Uzbekistan, well-thought-out measures are being implemented in the tax system, including a number of positive changes in the taxation of real estate objects. Currently property and land taxes in practice reflect the relations that arise as a sub-system in filling the local budget, in particular, in the taxation of real estate objects;
- when we study the composition of taxable real estate objects in our country, the number of tax-paying legal entities and individuals, we can see that as a result of the analysis, there are many objects that remain untaxed today. Improving the taxation of these real estate objects is one of the most important issues;
- taxation of real estate objects in rapidly developing times serves to adapt the taxation mechanism to current requirements based on the transition to real estate tax, to ensure that legal entities and individuals are properly taxed;
- in the taxation of real estate objects, by introducing the real estate tax, the real estate tax should not be limited to the full and timely increase of local budget revenues, but should also serve to increase the standard of living and solvency of the population.

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