Emro Science and Education
International open-access scientific journal
Journal homepage: https://journal.emro.uz
OPEN ACCESS

CONFERENCE PAPER OPEN ACCESS

Vol. 2 No. 1 (2025) · “Raqamli iqtisodiyot sharoitida hududlarni ijtimoiy-iqtisodiy rivojlantirish va yuqori i... DOI: 10.5281/zenodo.24317963

ISSUES OF HARMONIZING TAX EXEMPTIONS GRANTED TO INDIVIDUALS

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Tax exemptions, as an integral part of tax relations, are primarily aimed at providing social support to individuals. Therefore, implementing tax exemptions within tax policy requires careful consideration and the establishment of effective mechanisms to enhance their impact.

One such mechanism is the provision of various tax exemptions to individuals under the Tax Code of the Republic of Uzbekistan. For instance, individuals awarded the titles of "Hero of Uzbekistan," "Hero of the Soviet Union," or "Hero of Labor," as well as those honored with all three degrees of the "Shuhrat" Order, are granted several tax exemptions. According to Article 380 of the Tax Code, their income received in the form of wages is exempt from personal income tax up to 1.41 times the minimum wage per month (1,155,000 UZS × 1.41 = 1,628,550 UZS).

Furthermore, as stipulated in the final paragraph of Article 380, these individuals are also exempt from taxes on income received in the form of interest, dividends, and passive income from leasing property.

Articles 421 and 436 of the Tax Code provide that these individuals are fully exempt from property and land taxes.

As observed, these heroes not only benefit from exemptions on various types of taxes but also receive exemptions on passive income. Therefore, considering that heroes constitute a small segment of the population, it would be more appropriate to apply a single type of tax exemption to them, thereby enhancing the attractiveness of the granted exemption.

Regarding pensioners, Article 421 of the Tax Code stipulates that property owned by them up to 60 square meters is exempt from taxation. This exemption also applies to one of the parents in families with ten or more children.

However, families with ten or more children are virtually nonexistent in our country today. Thus, maintaining such exemptions merely complicates the Tax Code without serving a practical purpose. This exemption, inherited from the Soviet era, was intended to address demographic issues. Given that demographic challenges are

Published: 24.05.2025

Cite this article: Eshonov Muhammad Ayyub Khoshimjon o’g’li (2025). Issues of harmonizing tax exemptions granted to individuals. Emro Science and Education, 2(1). https://doi.org/10.5281/zenodo.24317963

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currently being effectively addressed in Uzbekistan, this exemption has lost its relevance.

The aforementioned exemptions can also be illustrated using the example of military personnel.

Therefore, when considering broad categories of taxpayers such as pensioners and military personnel, it is necessary to reassess the exemptions granted to them. Not all individuals within these categories require social protection, and several reasons support this view.

Firstly, although property tax is a local tax and may seem unsuitable for subsidizing socially vulnerable groups, it is necessary to differentiate at the local level based on citizens' income and property.

Secondly, other methods of financing local budgets have significant drawbacks; thus, efficient utilization of the property tax base is preferable.

Thirdly, affluent citizens may exploit such exemptions to legally evade taxes, leading to a general perception of the tax as unfair.

Consequently, it would be most equitable to retain property tax exemptions, as specified in the Tax Code, only for pensioners living alone or with minor or disabled children in separate households.

Another exemption worth noting is found in Article 378, Clause 16 of the Tax Code, which exempts payments made by individuals for education (their own, their children's, or their spouse's under the age of 26) at professional and higher education institutions in Uzbekistan from personal income tax.

However, due to the lack of specificity regarding the type of education covered, this exemption may also apply to second degrees and part-time education, allowing individuals to benefit from the exemption multiple times.

Therefore, to prevent repeated use of exemptions intended for a single purpose, it is advisable to amend this clause to exclude second degrees, thereby ensuring that the exemption for higher education is utilized only once per individual.

By regulating these recognized exemptions, the funds saved can be redirected to support low-income families, contributing to the reduction of poverty levels.

In other words, it is advisable to exempt families within this demographic from personal income tax, land tax, and property tax, and, if they are engaged in individual entrepreneurial activities, from fixed taxes. This approach represents one of the most effective means of providing targeted economic support to each low-income family. The funds retained through tax exemptions will enhance the purchasing power of these families, thereby improving their living standards.

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INNOVATSIYION TEXNOLOGIYALAR VA ULARNI RAG‘BATLANTIRUVCHI MOLIYAVIY MEXANIZM

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Tayanch so‘zlar*: innovatsiya, inson kapitali, innovatsion faoliyat, inklyuziv innovatsion rivojlanish, innovatsiyalar transferi, kichik biznes, start-ap (start-up), innovatsiyalar transferini moliyalashtirish, kriptovalyutalar emissiyasi.*

ИННОВАЦИОННЫЕ ТЕХНОЛОГИИ И ФИНАНСОВЫЕ МЕХАНИЗМЫ ИХ СТИМУЛИРОВАНИЯ