



PROCEDURE FOR DETERMINING THE TAX BURDEN AND WAYS TO OPTIMISE IT

Turaev Alijon Akmal o'g'li – Associate Professor,
Department of “Investment and Innovations”, PhD.
alijon.turayev@mail.ru

G'aniyev Fayzbek Abduxamid o'g'li – Student,
Samarkand Institute of Economics and Service

Abstract: *The procedure for determining the tax burden is a key indicator in assessing the financial stability and efficiency of economic activity. A high tax burden may restrict entrepreneurship, while a low burden may reduce state budget revenues. This article analyzes methods of calculating the tax burden, its economic impact, and ways to optimize it. The current procedures based on the Tax Code of the Republic of Uzbekistan are reviewed and compared with international practices. The paper provides recommendations for optimizing the tax burden in terms of business environment, investment attractiveness, and fiscal stability.*

Key words: *Tax burden, tax policy, tax administration, digitization, tax benefits, tax risks, small business, tax monitoring, international experience, economic impact, legislation, indicators.*

Tax burden – in the economy state and economy subjects between financial of relationships important indicator is, at its optimal level to be determined and approval country economic stability, investment attractiveness and social justice principles in providing main factor Uzbekistan In the Republic last in years tax policy improvement, tax the load consistent reduce, tax system simplification and digitization according to wide extensive reforms done is being increased. In particular, effective from 2026 incoming new legislation and tax policy in

the country business environment improve, hide the economy reduction and state budget stable their income to provide focused.

Tax of the load determination order and him/her optimization roads not only economic efficiency, maybe social justice, territorial development and international competitiveness point relevant from the point of view of importance profession This in the article tax the load determination methodology, statistics analysis, legislation basics, tax types and their economic impact, as well as optimization strategies and international experience based on scientific-analytical in approach wide comprehensive analysis done is increased.

LITERATURE ANALYSIS AND METHOD

Tax the load of learning theoretical basics: Tax optimal load level determination issue economic in theory always important place holding came from. Like Adam Smith, Musgrave, Stiglitz, classic and modern economists tax system justice, simplicity, efficiency and stability principles justification necessary emphasizes. Tax of the load economic growth, investments and social to prosperity impact many scientific in research studied is the optimal tax load level of the country economic development stage, state expenses and fiscal to the policy related that is record is being done.

Tax the load determination and measurement methods: Tax the load in determining two main approach available: macroeconomic and microeconomic. At the macro level tax load total taxes and of collections gross internal GDP ratio through This indicator is of the state to the economy intervention level, fiscal the load and tax of the policy efficiency reflection Micro at the level and, tax load enterprise or

population groups at the level paid taxes gross income, revenue or for profit ratio through is determined.

Tax the load in calculation following from formulas used:

- Macroeconomic Approach:

$$\text{Tax burden (\%)} = (\text{Total taxes and taxes} / \text{GDP}) \times 100$$

- Microeconomic Approach:

$$\text{Tax load (\%)} = (\text{Paid taxes} / \text{Gross income or profit}) \times 100$$

From this except tax the load in evaluation tax rates, benefits, social fees, taxes administration expenses and other fiscal factors also taken into account is taken.

Statistical analysis and information sources: Uzbekistan Republic National statistics Committee, State tax committee and international organizations (OECD, IMF, World bank) by announcement to be done statistic information tax the load analysis in doing main source is. By the end of 2025 according to, in Uzbekistan tax revenues 199.1 trillion soum organization, a 20% increase compared to 2023 record GDP relatively tax load and around 19.5% this is indicator OECD countries average from the level is low.

Legislation basics and changes in 2026: Uzbekistan Republic of Tax Code, President decrees and Ministers Court decisions tax the load determination and management main legal sources. Starting in 2026 to power incoming Law of the Republic of Uzbekistan No. RQ -1108, Decree No. PF-60 and other normative documents tax rates, benefits, taxes monitoring and digitization according to important the news current is doing.

Methodological approaches: Tax the load determination and in optimization following methodological approaches wide applies to:

Statistical analysis: Tax revenues, GDP, investments, employment and other macroeconomic indicators between dependency to determine.

Econometric modeling: Tax of the load economic growth, budget income and expenses the impact regression and correlational analysis based on assessment.

Legislation analysis: Tax codex and other normative documents based on tax the load determination order and monitoring mechanisms to study

International comparison: OECD and regional countries experience based on tax optimal load level determination and optimization the ways working exit

DISCUSSION

Tax of the load main analyses

1. Tax of the load economic impact

Tax of the load economic growth, investments and to employment impact many in research approved. High tax load investment the environment worsens business activity reduces and hidden economy share to increase take coming. Starting in Uzbekistan in 2018 tax the load consistent reduce, tax rates reduction and tax system simplification according to wide extensive reforms done As a result, in 2020, the tax of the load To GDP ratio of 19.5% organization did, this and the OECD average much higher than the indicator (34.8%) is low.

2. Tax types and their tax to the load impact

In Uzbekistan action doing main taxes and their for 2026 rates as follows:

Tax type	2026 rate	Coverage circle and comments
Profit tax	15%	Legal individuals, VAT payers
VAT (included) value tax)	12%	Legal individuals, some YTTs
Physical individuals income tax	12%	Work right and other income
Social tax	12% (25% budget)	Work providers, budget organizations
Without turning removable tax	4% (1% GVA)	Small business, IT, self those who have booked themselves
Property tax	1.5%	Legal individuals
Earth tax	0.95%	Village farm lands for
Excise tax	Various rates	Alcoholic drinks, tobacco, chips and others

Table 1

Table analysis: small in 2026 business and alone in order entrepreneurs for without turning removable tax rate up to 1% was reduced, this and the shadow economy reduction and official activity to encourage service does. Profit tax, VAT and other main taxes rates save left, but some networks and regions for privileged procedures current done.

Small and middle business for tax modes

Starting in 2026 small business subjects and YTTs for following reliefs current was:

1. Annual turnover up to 1 billion soums was YTT and himself those who have booked themselves for 1% of turnover single tax levied rate.

2. Strictly designated in quantity income tax and benefits void made, single digit platform through automated calculation and payment system current was done.
3. Tax reports and declarations automatic forming, electronic wallet and QR codes through payments done increase opportunity.

These reforms as a result small business for tax of the load noticeable at the level reduction, administrative don't download relief and formalize processes simplification provided.

Tax administration and digitization

Tax administration improvement and digitization In Uzbekistan tax the load of optimization main from directions is one of them. By the end of 2025 according to, tax revenues by 20% increased, tax reports and 99.9% of declarations are electronic in the form Tax is being submitted. organs in the activity of " Tax" partner " automated" information system, online cash register machines, electronics invoices and QR code payments wide current was done.

Digitization as a result:

- Tax of payers report submission process up to 5-7 times relieved.
- Tax administration and control human factorless done increase, corruption factors reduce opportunity created.
- Hidden economy share reduced, tax obligations optional to perform level 95 % enough.

Tax risks and risk directed control

Starting in 2021 In Uzbekistan tax risks assessment and management system current Tax danger level tax of the load weight, reports changes, damages, location change, VAT operations and other criteria based on automated program through is determined. High

dangerous tax to payers relatively tax audit, secondary and low risk to categories and other administrative events is applied.

Risk directed control as a result:

- Tax organs from resources effective use.
- Tax inspections number contraction and targeted control.
- Tax the load optimization for high dangerous to the sectors attention concentration opportunity created.

International experience and comparison

OECD and regional countries experience tax the load in optimization important importance has. As of 2023 according to OECD countries tax of the load To GDP ratio average 34.8 % organization will come, in Uzbekistan and this The figure is around 19.5%. International in experience tax the load reduce, tax rates reduction and tax base expansion through economic growth and investments to encourage separately attention is focused.

France, Germany, Russia, Turkey, USA and other in the countries tax of the load To GDP ratio is between 24-41% is high tax to the load has in the countries wide comprehensive social programs and state services available in Uzbekistan and tax of the load low economic growth and business environment to improve service is doing, but budget stability provide for tax base expansion and hidden the economy reduction necessary.

Sector and regions according to analysis

Tax of the load economy networks and regions according to Distribution is also important. importance has. Village economy, industry and services in the field tax of the load level and benefits varies. Starting in 2026 village farm 0% VAT rate on products current was done,

this and farmer and farmers for tax the load noticeable at the level relieved. Industry and services in the field and, tax rates and benefits network and regional characteristics looking at differentiated. Regional the differences reduce for the purpose far away and to go difficult was in the districts without turning removable tax rate up to 1% was reduced, this and edge in the regions entrepreneurship to encourage service is doing.

Social justice and tax of the load distribution

Tax of the load fair distribution social stability and population well-being in providing important importance has. In Uzbekistan physical individuals income tax and social tax rates was reduced, as a result work right and population income increase, tax of the load equal distribution provided. Tax privileges and preferences and needy population and business to the subjects directed.

Tax monitoring, evaluation and indicators

Tax monitoring and indicators system tax of the load effective management and in the process of being approved important role plays. Tax monitoring in the process tax of payers compliance, tax to the rules compliance to be done and transparency level is evaluated. Indicators as tax revenues, GDP, investments, employment, hidden economy share and other indicators is applied.

Practical examples and interested sides opinion

Starting in 2025 land and property taxes calculation methods changed to minimum value and rent rates current This is entrepreneurs for tax of the load to increase take came and in practice some objections to the surface came out. Tax advisors and business representatives tax

the load in optimization transparency, fairness and economic efficiency principles compliance to do the necessity emphasizes.

RESULTS

Home conclusions and statistic indicators

- Tax of the load To GDP ratio: by the end of 2025 according to, in Uzbekistan tax of the load To GDP ratio of 19.5% organization This is the OECD average. much higher than the indicator (34.8%) is low.
- Tax Revenues: Tax in 2025 revenues 199.1 trillion soum reached, a 20% increase compared to 2023 record was done.
- Small business for tax load: from 2026 YTT and oneself those who have booked themselves for without turning removable tax rate of 1% reduced, this and formalize and tax the load to relieve service is doing.
- Village farm for Benefits: from 2026 village farm 0% VAT rate on products current was carried out, as a result farmer and farmers at your disposal 300 billion per year soum funds remain and 400 billion soum tax return to take opportunity is created.
- Digitization Results: Tax reports and 99.9% of declarations are electronic in the form being submitted, tax obligations optional to perform level 95 % enough.
- Tax risks and monitoring: Tax danger level automated program through determined, high dangerous tax to payers relatively tax audit, secondary and low risk to categories and other administrative events is applied.

CONCLUSION

Tax the load determination and him/her optimization Uzbekistan economic of the policy priority from directions one is the last in years done increased reforms as a result tax system simplified, tax rates lowered and digitization wide current Tax at the optimal level of load to be determined and approval economic growth, investments and social justice in providing important importance profession will reach.

Approval strategies as the following recommendation to grow possible:

1. Tax rates economic growth and to investments suitable accordingly designation, tax base expansion and hidden the economy abbreviation
2. Small and middle business for simplified and privileged tax modes expansion, digital platforms through automated calculation and payment system development
3. Tax risks assessment and management system improvement, risk directed control and monitoring mechanisms expansion.
4. International experience and progressive practices in consideration received without tax policy permanent improvement.
5. Social justice and tax of the load equal distribution provide, needy population and business subjects for targeted benefits current to be
6. Tax administration and reports complete digitization, human factorless automated control and analysis systems expansion.

Tax the load optimization according to done increasing reforms Uzbekistan economic stability, investment attractiveness and social well-being to increase service will do. In the future tax policy further improvement, tax optimal load level provide and international

competitiveness increase for scientific based approaches and modern technologies wide current to grow necessary.

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