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MAINTENANCE OF STEADY ECONOMIC GROWTH BY PERFECTION OF THE MECHANISM OF THE TAXATION

В данной статье рассмотрены совершенствования механизма налогообложения субъектов предпринимательства путем предоставления льгот и преференций. Приведен анализ развития малого бизнеса и частного предпринимательства, показаны результаты проводимых реформ направленных на создание благоприятного бизнес – климата. А также предложено ряд мер для дальнейшего развития их деятельности.

Мазкур мақолада тадбиркорлик субъектларига солиқ имтиёзлари ва преференцияларини бериш орқали улар фаолиятини солиққа тортиш механизмини такомиллаштириш масалалари тадқиқ этилган. Бугунги кунда тадбиркорлик субъектлари фаолиятини ривожланиш ҳолати таҳлил қилиниб, бизнес муҳитни яхшилаш мақсадида ҳукуматимиз томонидан амалга оширилаётган қатор чора – тадбирлар натижаси келтирилган. Шунингдек, кичик бизнес ва хусусий тадбиркорлик субъектлари фаолиятини келгусида янада ривожлантириш юзасидан қатор таклиф - мулоҳазалар баён этилган.

Keywords: *taxes, small scale business, private enterprise, economic growth, economic modernization, tax, the property tax, tax burden, direct and indirect taxes, tax benefits.*

In the Republic of Uzbekistan questions of development of small-scale business and private entrepreneurship along with privatization makes a basis of formation of multi-structure market economy from first years of independence. As a result of carried-out reforms, small business, private enterprise shows dynamic growth, increasing their share of the country's gross domestic product.

From 2000 to 2011 the number of the registered subjects of small scale business and private enterprise ., grew almost in 2 times. In 2010 15,2 subjects of small business are the share of 1000 people and private " entrepreneur ship. This indicator is 12.3 in Moldova, in Russia - 11.3, in Ukraine - 7.5, in Belarus - 7.3 and in Azerbaijan - 1.6. Apparently, on this indicator the Republic of Uzbekistan is a leader [1]. Activity of subjects of small scale business and private enterprise is the major factor providing sustainable economic growth of the country in the last decades show a trend of steady growth.

So, specific weight of subjects of small scale business and private enterprise in gross domestic product of the country grew from 31 % in 2000 to 54 % in 2011. During this period specific weight taken in the sphere small scale business and private enterprise grew with 49,7 to 74,3 %, a share in industrial production grew with 12,9 to 21,1 %, and a share of subjects of small scale business and private enterprise in export of the country grew from 10,2 % to 18,8 % in 2011. Structural structure of the sphere of small business improved at the expense of increase in

specific weight of the small industrial enterprises, the volume of production made by them in 2010 is more on 9,7 times, than in 2000. Also, participation of small business and in localization of accessories and spare parts for production of cars and tractors (Table No. 1) increases. A number of the measures directed on creation favorable business - climate, improvement of standard and legal base, strengthening of a priority and a guarantee of inviolability of a private property, providing a freedom of enterprise, reduction of administrative functions of the state and allowing norms of activity, removal of bureaucratic barriers, ensuring wide access to use of financial and credit and raw material resources is carried out.

In the conditions of economy modernization the mechanism of the taxation makes a great impact on activity of subjects of business. The state, through taxation mechanism can limit or, conversely, to stimulate their activity [2]. As the President of the Republic of Uzbekistan I. Karimov emphasized: «... **taxes should be reasonable, stable, flexible, they shouldn't tie the hand of the manufacturer, and on the contrary should stimulate it. Taxes should stimulate in every possible way enterprise activity and enthusiasm of the enterprises**» [3], also he noted that, «... economic growth is in many respects connected with the stable and directed policy decrease tax burden» [4]. Indeed, both the state, and the taxpayer are mutually interested in decrease (within the law) and establishment of optimum tax burden because it on the one hand stimulates financial and economic activity of the enterprises, on the other hand provides stable receipt of funds in the state budget. Level of influence of taxes on activity of subjects of business it is directly connected with a tax policy of the state. The tax policy represents economic, financial and legal measures to establish the state tax system in order to ensure the financial needs of the state and the country's economic development through the redistribution of financial resources [5]. The current order of the taxation directly influences activity of subjects of business. In the Republic of Uzbekistan to the management decision-making tools have great value taxation. By means of taxation tools the state can influence the general level of economic activity of businessmen. Because influence of volume of paid taxes and other obligatory payments on the factors defining economic activity (the receivables and payables sum, production and investment potential, speed and volume of made production, quantity and level of competence of the personnel), is important.

Table 1

The main indicators characterizing the location of small enterprises and micro-firms in national economy

Indicators	Years												
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Specific weight of small scale business in country gross domestic product (percent)	33,8	35,5	35,0	35,6	38,2	42,1	45,7	48,2	50,0	52,5	54,0	54,6	55,8

Specific weight of small enterprises and micro-firms (in percent)	13,1	14,8	15,7	16,4	21,5	23,5	27,9	29,5	31,2	32,7	33,7	33,9	34,6
The number of current small enterprises and micro-firms (in thousand units)	177,7	215,7	229,6	237,5	268,6	346,1	391,9	135,6	152,2	201,7	246,4	271,1	297,6
Specific weight of employment in the sphere of small business (in percent)	54,5	56,7	60,3	65,5	69,3	70,4	72,1	73,1	74,2	74,3	74,8	75,7	76,0
Specific weight in foreign trade (in percent)	15,8	19,0	18,5	17,3	20,7	21,3	22,3	21,6	27,0	22,9	26,5	25,7	28,8
Share in an import (in percent)	26,9	24,9	33,0	32,7	33,7	34,5	33,3	35,7	42,5	36,6	37,4	37,6	40,6
Share in export (in percent)	9,3	7,5	6,9	7,3	6,0	10,7	14,8	12,3	14,6	13,6	18,8	15,7	18,0

Through increases of economic activity of subjects of business growth of volumes of tax revenues in the budget is provided. Measures such as the creation of an enabling environment in the area of taxation, benefits and incentives, improvement, reduction and simplification of the order to report to the tax authorities and the departments of statistics aimed at increasing the economic activity of business entities in the Republic of Uzbekistan. Instead of various taxes and obligatory payments in off - budget funds of the state introduction of the simplified order of the taxation in the form of uniform tax payment, serves as the additional factor stimulating development of small-scale business and private business [2]. From January 1, 2012 the rate of a uniform tax for producers of an industrial output is lowered with 6 to 5 percent which was a few years ago established at a rate of 13 %. In recent years rates and on all other taxes tends to decrease so for example, the rate of a profit tax is lowered from 10% in 2008 to 8% in 2014. The minimum rate of a tax on the income of individuals is also lowered from 13 % in 2008 to 7.5 % in 2014 (Table No. 2). As a result of carried-out reforms of tax system, within the last decade's gradual decrease in a share of taxes in country gross domestic product is observed. In 2000 specific weight of pure taxes as a part of gross domestic product made 12,5 %, in 2011 this indicator is lowered to 5 %. The reason is to provide tax incentives for the strategic sectors of the economy of the Republic of Uzbekistan.

Table 2

Dynamics of changes of tax rates in the Republic of Uzbekistan in 2008-2014
years

Taxes and other obligatory payments	2008 year	2009 year	2010 year	2010 year	2011 year	2012 year	2013 year
Profit tax of legal entities	10,0	10,0	9,0	9,0	9,0	9,0	8,0
Tax on the income of individuals	13%, 18%, 25%	12%, 17%, 22%	11%, 17%, 22%	10%, 16%, 22%	8,0%, 16%, 22%	8,0%, 16%, 22%	7,5%, 16%, 22%
Value added tax	20,0	20,0	20,0	20,0	20,0	20,0	20,0
Uniform tax payment	8,0	8,7	7,0	6,0	6,0 (5,0)	6,0 (5,0)	6,0 (5,0)
Property tax of legal entities	3,5	3,5	3,5	3,5	3,5	3,5	3,5
Uniform ground tax	2,8	3,5	5,0	6,0	6,0	6,0	6,0
Income tax for the improvement and development of the social infrastructure	8,0	8,0	8,0	8,0	8,0	8,0	8,0
Uniform social payment	24,0	24,0	25,0	25,0	25,0	25,0	25,0
Insurance contributions of citizens to the pension Fund	2,5	3,5	4,0	4,5	5,5	5,5	5,5
Compulsory contributions to the Pension Fund	0,7	1	1,5	1,6	1,6	1,6	1,6
Obligatory contributions to Republican road fund	1,5	1,5	1,5	1,5	1,4	1,4	1,4
Obligatory payments in fund of development school formation/fund of reconstruction, major maintenance and equipment of establishments of health care and education	1,0	1,0	0,5	0,5	0,5	0,5	0,5

In the framework of anti-crisis measures the increase in the sum of profit, being at the command the enterprises by acceptance of additional measures is provided. These measures are directed on decrease in tax burden, simplification and unification of system of the taxation, support of managing subjects. In 2009 side benefits on a uniform tax and on a profit tax are provided to the specialized enterprises - to producers of consumer goods of the light and food industry and the enterprises participating in processes of localization. Dividends of again organized contract enterprises for production and housing reconstruction for 5 years are released from all types of tax. Within the above-stated program at the expense of the provided privileges and preferences the sum, being at the command the enterprises made over 500,0 billion soum. These funds were used for working capital, modernization of production and development of new products. Also, as part of economic growth, job creation and addressing employment, raise incomes and living standards, pay more attention to the development, promotion and support of small business and private entrepreneurship In 2009 the rate of uniform tax payment is lowered with 8 to 7 %, and for individual businessmen of a rate of the fixed taxes are lowered in 1.3 times. According to the Decree of the President of the Republic of Uzbekistan № 325 of 17 April 2006 "On measures to accelerate the development of service and services in 2006-2010. in the Republic of Uzbekistan" From April 1, 2006 legal entities that provide financial, banking, personal and other services for 3 years are exempt from income tax (income) and the single tax. According to the Decree of the President of the Republic of Uzbekistan No. 1048 from March 27, 2009 «About the program of localization of production of finished goods, accessories and materials on the basis of industrial cooperation in 2009» for further stimulation of increase in production of

modern export-oriented and import-substituting production, strengthening of industrial cooperation between the large enterprises and subjects of small business, internal, branch and inter-branch industrial cooperation, for assistance of employment of the population, taking into account results of activity of the second Republican industrial exhibition and the cooperation exchange, the enterprises entering into the list of the above-stated Decree of the President, till January 1, 2012 are released from: customs duties for imported technological equipment and its components, as the components used in the process localized products (except for payment of charges for customs), income tax, single tax payment (for businesses using the simplified taxation), the property tax on fixed assets used in the production of localized products. A procedure for the direction of the released funds to build new facilities, expansion of existing production, reconstruction, modernization, technical and technological re-equipment, the introduction of a quality management system for the purchase of raw materials for the production of localized products to stimulate labor engineering employees of the companies involved in the process of localization of production. According to the Decree of the President of the Republic of Uzbekistan № 4058 from 28.11.2008 “About the program of measures for support of the enterprises of real sector of economy, to ensuring their stable work and increase in an export potential” for ensuring competitiveness in a foreign market of the export enterprises, for the enterprises with the foreign investments, specializing on production of finished goods, period of validity of a privilege on release from all taxes and obligatory payments in the budget is prolonged till 2012; period of validity of privileges on taxes for the enterprises with the foreign investments, specializing on production of finished goods is prolonged till 2012. The decree of the President of the Republic of Uzbekistan No. 879 from May 28, 2008 is also directed on stimulation of activity of the manufacturing enterprises of localizable production, extension of period of validity of some privileges on release from the above-stated taxes and obligatory payments in the budget till January 1, 2011. As a result of complex measures for stimulation of production and the provided tax privileges growth of specific weight of the sphere of the industry, transport and communication in structure of gross domestic product of the country is provided. So, the share of the industry increased from 14,2 % in 2000 to 24,1 % in 2011. This indicator on transport and communication for the corresponding period grew from 7,7 % to 12,6 %.

In the Republic of Uzbekistan for achievement of stable macroeconomic development the last decades the great attention is given to decrease in tax burden of subjects of small business and private business. As a result of carried-out budgetary and tax reforms specific weight of tax burden in structure of gross domestic product of the country it is lowered from 37,1 % in 2000 to 22 % in 2011. With reduction of specific weight of tax burden in structure of gross domestic product of the country proportional growth of gross domestic product is provided. Thus, compared with 2004 in 2005, the tax burden was reduced by 5.4% and gross domestic product growth for the corresponding period was 7.0 percentage points. It is worth noting that in 1993 the share of the tax burden in the GDP of the country was 45.0%. Analysis of the structure of the tax burden shows that in 2000, 7.8% of the tax burdens were direct taxes, and in 2011 the figure was 5.8%. The share of direct taxes in the same

period decreased from 16.0% in 2000 to 10.6% in 2011. The share of resource taxes and property-taxes also decreased from 4.7% in 2000 to 3.9% in 2011. Despite the fact that over the past decade, the share of industry in gross domestic product increased, the share of direct taxes (which are the major contributors of industrial products) in the structure of GDP over the period decreased as a consequence of granting tax concessions. The state due to the provision of benefits provides expansion of the tax base, encourage the creation of new jobs, thus providing social protection. It is planned that the amount of benefits remaining at the disposal of manufacturers of industrial products due to the aforementioned comprehensive measures will be made over 52.0 billion soums and this amount will be fully invested in expanding production activities, the introduction of modern technologies and the creation of new jobs. In the first 9 months of this year, the growth of industrial production was 7%, growth of volume of small business industrial products was 26.5%. In particular, the growth of manufactured food products was 27.0%, light industry 39.0%, 37.0% of the engineering industry. All this proves that the benefits provided by the work function of taxes and challenging works in practice.

Processes of preparation and providing tax reports are improved. Since July 1, 2005 subjects of small business and private business and state of emergency passed from a monthly order of providing reports on quarterly, and farms to the annual. As a result of carried-out reforms of a rate of taxes decrease, at the expense of stimulating function of taxes, the taxable base extends, the absolute size of the paid taxes grows. At the same time specific weight of receipts from uniform tax payment in the general structure of tax revenues increases (from 2,3 % in 2010 to 3,4 % in 2012). The sum of receipts from the fixed tax on the individual businessmen who are engaged in some types of business activity, remained without changes and made 1,1 %. Besides, in 2012 with a view of further development of a services sector, for the individual businessmen who are carrying out the activity in the sphere of production in Tashkent, the amount of fixed tax payments reduced by an average factor of 2.

For example, if for the individual businessman who is carrying out the activity in the sphere of production, last year the sum of the fixed tax made 220,0 thousand soums a month, this year will make 126,0 thousand soums. This tax in the sphere of hairdresser's service last year it is lowered from 409,0 thousand soums to 252,0 thousand soums this year, in the sphere of household services with 346,0 to 220,0 thousand soums and in other spheres from 315,0 thousand soums to 126,0 thousand soums. At the expense of these measures is planned to provide further development of a services sector. To finish its share in gross domestic product structure to 52 % next year. A rate of obligatory payments it is unified and it is established at a rate of 1,4 %. At the expense of it in 2012 on account of road fund of the republic 7,0 billion soums are involved in addition. At the expense of unification of this obligatory payment of a form of monthly handed over reports are reduced with 36 to 12, or in 3 times. As a result of carried-out reforms in the tax sphere it is planned to increase profitable base of the state budget to 20,6 trillion soums that makes 21,0% of gross domestic product, thereby the tax burden concerning gross domestic product decreases for 0,7%.

The state policy directed on support of subjects of small business and private

business in 2012 will proceed. At the expense of it, it is planned to finish a share of this sphere in country gross domestic product to 54,5%. In our opinion, for further development of activity of subjects of small business and private business, strengthening of economic capacity of regions and ensuring stable rates of economic growth at the expense of increase in economic activity of the population implementation of below-mentioned measures is expedient.

First, to provide expansion of taxable base at the expense of ensuring stability of the mechanism of the taxation and growth of economic activity. Also it is offered to provide scientifically - reasonable decrease in tax burden and an optimum ratio of direct and indirect taxes. Reduce gross domestic product redistribution through taxation mechanisms and reducing the accumulation of the state budget funds to ensure the reduction of unemployment, reduction in public spending, a proportional reduction of the tax burden. This in turn stimulates the stable economic.

Second, at an assessment of activity of the mechanism of the taxation in economy it is expedient to investigate indicators of specific weight of taxes in gross domestic product structure in interrelation with an indicator of specific weight of social expenses in structure of expenses of the state budget. High rates of taxes are considered as one of the major factors limiting processes of accumulation in national economy. Withdrawal of a notable share of the income of businessmen through taxes and obligatory payments limits financial potential and enterprise enthusiasm, attraction of investments into real sector of economy negatively influences processes. Effective use of the mechanism of the taxation for stimulation of attraction of investments into a private sector and expansion of accumulation will serve in the future as the powerful factor providing economic growth. Decrease in tax rates positively influences the general level of the offer in national economy, on increase in the income of businessmen and the population, the increase in accumulation and the capital finally is provided. And on the contrary, the increase in tax rates can lead to reduction of labor and economic activity, to decrease in volumes of accumulation, to development of shadow economy.

In the third, the mechanism of use of stimulating function of taxes for stimulation of development of resource-saving technologies and productions, demands further improvement and development. In the conditions of economy modernization for development of innovative economy are required introduction in production of new equipment and technology, the state, stimulating resource-saving technologies through tax privileges and preferences, thereby stimulates production qualitative, competitive, production. Provided that the accumulated amount of tax benefits will be used for technical and technological re-equipment, it will give the effect of a multiplicative growth. In our opinion, it is the provision of such benefits must continue, and it is through them reveals the incentive function of taxes.

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