

THE ESSENCE AND PAYMENT PROCEDURE OF PROPERTY TAX ON
INDIVIDUALS IN UZBEKISTAN

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Annotation

This article examines the economic essence and payment procedure of property tax on individuals in the Republic of Uzbekistan. The study analyzes the theoretical foundations of property taxation, its role in the tax system, and its significance in ensuring stable fiscal revenues for the state budget. Particular attention is paid to the legal framework regulating property taxation based on the current Tax Code of Uzbekistan and other legislative acts.

Keywords

property tax, individuals, tax system, cadastral value, tax administration, fiscal policy, Uzbekistan tax code, real estate taxation

Annotatsiya

Mazkur maqolada O‘zbekiston Respublikasida jismoniy shaxslardan olinadigan mulk solig‘ining iqtisodiy mohiyati hamda uni to‘lash tartibi ilmiy jihatdan tahlil qilingan. Tadqiqotda mulk solig‘ining nazariy asoslari, soliq tizimidagi o‘rni va davlat byudjeti daromadlarini shakllantirishdagi ahamiyati o‘rganilgan. Shuningdek, amaldagi O‘zbekiston Respublikasi Soliq kodeksi va boshqa normativ-huquqiy hujjatlar asosida jismoniy shaxslarning mol-mulkiga solinadigan soliqning huquqiy asoslari yoritilgan.

Kalit so‘zlar

mulk solig‘i, jismoniy shaxslar, soliq tizimi, kadastr qiymati, soliq ma‘murchiligi, fiskal siyosat, ko‘chmas mulk, O‘zbekiston soliq kodeksi

Аннотация

В данной статье исследуется экономическая сущность и порядок уплаты налога на имущество физических лиц в Республике Узбекистан. В работе рассматриваются теоретические основы налогообложения имущества, его роль в налоговой системе и значение в формировании стабильных доходов государственного бюджета. Особое внимание уделено правовой базе налогообложения имущества на основе действующего Налогового кодекса Республики Узбекистан и других нормативно-правовых актов.

Ключевые слова

налог на имущество, физические лица, налоговая система, кадастровая стоимость, налоговое администрирование, фискальная политика, недвижимость, налоговый кодекс Узбекистана.

INTRODUCTION

In modern fiscal systems, property taxation occupies an important place as a stable source of public revenue and an instrument of regulating property relations in society. Property tax on

individuals represents a direct tax levied on the ownership of real estate and other taxable property objects. In many countries, including Uzbekistan, this tax plays a significant role in forming local budget revenues and ensuring effective use of real estate resources.

The process of economic modernization and fiscal reform in Uzbekistan has been accompanied by the improvement of the national tax system and the strengthening of tax administration mechanisms. The adoption of the new Tax Code and subsequent amendments have created a legal basis for a more transparent and efficient property taxation system. In particular, property tax on individuals has been designed to ensure fairness in taxation and encourage rational use of residential and non-residential real estate assets. Property tax on individuals is imposed on residential houses, apartments, country cottages and other immovable property owned by individuals located within the territory of the Republic of Uzbekistan. The tax base is determined mainly on the cadastral value of real estate, which reflects the estimated value of the property for tax purposes. This approach allows the government to standardize the calculation of tax liabilities and maintain transparency in taxation.

According to the current tax policy framework for 2026, the main tax rates in Uzbekistan remain largely stable in order to maintain predictability for taxpayers and ensure sustainable budget revenues. At the same time, certain adjustments and indexation mechanisms are periodically introduced to reflect economic changes and inflationary processes. The relevance of studying property taxation on individuals lies in the growing importance of real estate ownership in the economy and the need to improve fiscal instruments that regulate property relations. An in-depth analysis of the essence of this tax and the procedure for its payment provides a better understanding of its role in the national tax system.

The purpose of this research is to analyze the economic essence, legal framework and payment procedures of property tax on individuals in Uzbekistan based on the current Tax Code, legislative documents and statistical data.

LITERATURE REVIEW

The theoretical foundations of property taxation have been widely studied in economic literature. Classical economists considered property tax as one of the most equitable forms of taxation because it is linked to wealth and ownership rather than to income or consumption. Modern researchers also emphasize that property tax is relatively stable compared to other taxes because property ownership changes less frequently than income flows.

In international practice, property taxes are widely used to finance local government activities such as infrastructure development, housing services and municipal improvements. Scholars note that property taxation contributes to fiscal decentralization and enhances financial independence of local authorities. In the context of Uzbekistan, economic researchers have examined the transformation of the national tax system during the transition to a market economy. The reforms implemented in recent years have focused on simplifying tax administration, reducing the overall tax burden and improving transparency in the taxation process. Property tax has also undergone gradual reforms aimed at aligning taxation with the real value of property assets.

Studies show that the introduction of cadastral valuation has significantly improved the fairness and accuracy of property tax calculation. The cadastral value reflects the estimated market value of property and serves as the basis for determining the tax liability of property owners. According to international analytical reports, property tax rates in Uzbekistan for individuals generally range from approximately 0.34% to higher levels depending on the size and type of property. Recent legislative amendments have refined the tax rates and introduced differentiated taxation based on the size of residential property. For instance, residential buildings and apartments with an area up to 200m² are subject to a lower rate, while larger properties are taxed at higher rates.

Researchers also emphasize the importance of digitalization in tax administration. The implementation of electronic tax services and online taxpayer accounts has simplified the process of calculating and paying property tax for individuals. Thus, the existing literature highlights the fiscal significance of property tax, its role in ensuring equitable distribution of tax burdens, and the need for effective administrative mechanisms for its collection.

METHODOLOGY

This research is based on a combination of theoretical and empirical research methods. The methodological framework includes comparative analysis, statistical analysis and legal analysis of the taxation system in Uzbekistan. The legal method was used to examine the provisions of the current Tax Code of the Republic of Uzbekistan and other legislative acts regulating property taxation of individuals. This approach made it possible to determine the legal basis of property tax, the taxable objects and the procedures for its calculation and payment.

Statistical analysis was applied to assess the role of property tax in the formation of budget revenues and to evaluate trends in property taxation in recent years. Official statistical data and analytical reports were used to analyze the dynamics of tax revenues and the development of the property taxation system. Comparative analysis was also employed to examine international experience in property taxation and identify similarities and differences with the Uzbek taxation system. This method helped to highlight the specific features of the national system and evaluate its effectiveness within the broader context of global tax practices.

In addition, analytical methods were used to evaluate the economic essence and fiscal significance of property tax in the national tax system.

RESULTS

The analysis shows that property tax on individuals in Uzbekistan represents a direct tax imposed on immovable property owned by individuals. The main taxable objects include residential houses, apartments, cottages and other real estate located within the territory of the country.

The tax base is determined according to the cadastral value of the property. This value is established by authorized state bodies and reflects the estimated value of the real estate for tax purposes. The use of cadastral valuation ensures uniformity in taxation and prevents significant discrepancies in tax assessments. The tax rates applied to residential property are differentiated depending on the total area of the property. Under the current legislation, residential houses and apartments with an area up to 200m² are generally taxed at approximately 0.34% of their cadastral value. Larger residential properties located in urban areas may be taxed at rates of about 0.45% or 0.6% depending on their size.

In addition, unfinished construction objects may be subject to higher tax rates in order to encourage timely completion of construction projects.

The payment procedure for property tax on individuals is also clearly regulated by legislation. In most cases, tax authorities calculate the tax amount based on available cadastral data and provide taxpayers with notifications. Taxpayers are then required to pay the calculated tax within the established deadlines. Property tax is typically paid in equal installments during the tax year. The standard deadlines for payment are usually April 15 and October 15 of the current year. The development of electronic tax administration systems has simplified the payment process. Taxpayers can now access information about their tax obligations and make payments through digital platforms provided by the tax authorities.

DISCUSSION

The results of the study indicate that property tax on individuals performs several important economic and fiscal functions. First, it serves as a stable source of revenue for the state and local budgets. Unlike income taxes, which depend on economic cycles and employment levels, property taxes provide relatively predictable revenue because property ownership is more stable over time. Second, property taxation contributes to the efficient use of real estate resources.

Higher tax rates for large or unused properties may encourage owners to utilize their property more effectively or transfer it to more productive uses. Third, the introduction of cadastral valuation and differentiated tax rates has increased the fairness of the taxation system. Property owners with larger and more valuable assets bear a greater tax burden compared to owners of smaller residential properties.

However, certain challenges remain in the property taxation system. One of the main issues is the periodic updating of cadastral values to reflect real market conditions. If cadastral values are outdated, the tax burden may not accurately reflect the real value of the property. Another challenge is ensuring full compliance with tax obligations among property owners. Despite improvements in tax administration, some taxpayers may fail to declare property or delay payments. Strengthening digital monitoring and integrating property registration databases with tax authorities can help address this issue. Overall, the ongoing reforms aimed at digitalization and improved tax administration are expected to further increase the efficiency and transparency of the property taxation system in Uzbekistan.

CONCLUSION

Property tax on individuals is an important component of the tax system of Uzbekistan and plays a significant role in ensuring stable fiscal revenues and regulating property relations. The current system is based on the principles of fairness, transparency and economic efficiency. The analysis demonstrates that the tax is imposed on real estate owned by individuals and is calculated based on the cadastral value of property. Differentiated tax rates depending on property size contribute to a more equitable distribution of the tax burden among taxpayers.

The payment procedure is relatively simple and transparent, especially due to the development of electronic tax administration systems that allow taxpayers to access information and pay taxes online. At the same time, further improvement of the property taxation system requires regular updating of cadastral values, strengthening tax administration mechanisms and enhancing taxpayer awareness. The continued modernization of the tax system in Uzbekistan will contribute to improving the effectiveness of property taxation and strengthening the financial stability of the national budget.

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