

LAND TAX FOR LEGAL ENTITIES IN UZBEKISTAN: TAX INCENTIVES AND
PAYMENT PROCEDURES

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Abstract. This article analyzes the economic essence of land tax imposed on legal entities in the Republic of Uzbekistan, as well as the system of tax incentives and the procedures for calculating and paying this tax. The study examines the role of land tax in the national tax system and its importance in forming local budget revenues. Special attention is given to tax incentives provided to legal entities, including reduced tax rates and preferential conditions designed to stimulate investment, support agricultural development, and encourage efficient land use. The article also analyzes the procedures for determining the tax base, calculating tax liabilities, and fulfilling tax obligations by enterprises.

Keywords: land tax, legal entities, tax incentives, tax administration, tax policy, land resources, Uzbekistan tax system.

Annotatsiya. Ushbu maqolada O‘zbekiston Respublikasida yuridik shaxslardan olinadigan yer solig‘ining iqtisodiy mohiyati, ushbu soliq bo‘yicha beriladigan imtiyozlar hamda uni hisoblash va to‘lash tartibi tahlil qilingan. Maqolada yer solig‘ining mamlakat soliq tizimidagi o‘rni hamda mahalliy budjet daromadlarini shakllantirishdagi ahamiyati o‘rganilgan. Shuningdek, yuridik shaxslar uchun beriladigan soliq imtiyozlari, jumladan pasaytirilgan soliq stavkalari va iqtisodiy faoliyatni rag‘batlantirishga qaratilgan preferensiyalar tahlil qilingan. Bundan tashqari, yer solig‘i bazasini aniqlash, soliq majburiyatlarini hisoblash hamda korxonalar tomonidan soliqni to‘lash tartibi ilmiy jihatdan asoslab berilgan.

Kalit so‘zlar: yer solig‘i, yuridik shaxslar, soliq imtiyozlari, soliq ma‘murchiligi, soliq siyosati, yer resurslari, O‘zbekiston soliq tizimi.

Аннотация. В данной статье рассматривается экономическая сущность земельного налога, взимаемого с юридических лиц в Республике Узбекистан, а также система налоговых льгот и порядок его исчисления и уплаты. В статье анализируется роль земельного налога в национальной налоговой системе и его значение в формировании доходов местных бюджетов. Особое внимание уделено налоговым льготам, предоставляемым юридическим лицам, включая пониженные налоговые ставки и преференции, направленные на стимулирование инвестиций, развитие сельского хозяйства и эффективное использование земельных ресурсов. Кроме того, рассматриваются вопросы определения налоговой базы, расчета налоговых обязательств и порядка уплаты налога предприятиями.

Ключевые слова: земельный налог, юридические лица, налоговые льготы, налоговое администрирование, налоговая политика, земельные ресурсы, налоговая система Узбекистана.

INTRODUCTION

The taxation system plays a fundamental role in ensuring the financial stability of the state and regulating economic processes. Within the framework of public finance, taxes perform fiscal, regulatory, and distributive functions that contribute to the efficient allocation of resources and sustainable economic development. Among the various taxes that form the fiscal system of

Uzbekistan, the land tax occupies a special place because it is directly related to the use of one of the most important national resources—land.

Land represents a limited and non-renewable economic resource that serves as the basis for agricultural production, industrial activity, infrastructure development, and urban expansion. Therefore, the taxation of land is not only a source of budget revenues but also an economic instrument designed to ensure rational land use and prevent inefficient exploitation of land resources. In modern tax policy, land taxation is often used as a regulatory mechanism to encourage efficient land utilization and discourage speculative holding of unused land.

In the Republic of Uzbekistan, the land tax imposed on legal entities is regulated by the national tax legislation, primarily the Tax Code, as well as various government decrees and regulatory acts adopted to implement fiscal policy. The land tax is classified as a local tax, and its revenues are directed to local budgets. This structure strengthens the financial autonomy of regional authorities and supports the development of territorial infrastructure, social services, and municipal projects. Legal entities that own, use, or lease land plots are required to pay land tax in accordance with the procedures established by the tax legislation. The amount of tax depends on several factors, including the category of land, its location, the type of economic activity conducted on the land, and the cadastral valuation of the land plot.

Over the past decade, Uzbekistan has implemented large-scale tax reforms aimed at improving the efficiency and transparency of the tax system. These reforms have focused on simplifying tax administration, reducing administrative barriers for businesses, and creating favorable conditions for investment and economic growth. In particular, the modernization of the cadastral system and the digitalization of tax administration have significantly improved the transparency of land taxation and strengthened fiscal discipline among taxpayers.

An important component of land taxation policy is the system of tax incentives provided to legal entities. These incentives are designed to support priority sectors of the economy, encourage investment in agriculture and industry, and stimulate economic development in less developed regions. Tax incentives may take the form of reduced tax rates, temporary tax exemptions, or special coefficients applied to certain categories of land use. The objective of this study is to provide a comprehensive analysis of the economic essence of land taxation imposed on legal entities in Uzbekistan, examine the system of tax incentives provided by the state, and analyze the procedures for calculating and paying land tax in accordance with the current tax legislation.

LITERATURE REVIEW

The theoretical foundations of land taxation have long been discussed in economic theory. Classical economists considered land rent as an important source of public revenue and an instrument for regulating the distribution of wealth generated from land ownership. Adam Smith emphasized that taxes on land rent were among the most appropriate forms of taxation because landowners benefit from the natural productivity of land and the development of society. David Ricardo further developed the theory of land rent and argued that differences in land fertility and location create differential rent. According to his theory, taxation of land rent does not distort production decisions because the supply of land is fixed. As a result, land taxation can be considered one of the most economically efficient forms of taxation.

Modern economists also emphasize the advantages of land taxation. Contemporary research highlights that land taxes contribute to efficient land use by encouraging property owners and enterprises to utilize land plots productively. When land taxes are properly designed, they discourage land speculation and prevent the accumulation of unused land resources. In transition economies such as Uzbekistan, land taxation also plays an important role in strengthening property rights institutions and developing market-based land relations. The transition from a

centrally planned system to a market economy requires the creation of effective fiscal instruments that regulate land use while supporting economic development.

Uzbek economists and public finance scholars have conducted extensive research on the role of land taxation in the national tax system. Their studies emphasize that land tax performs two main functions. The first is fiscal, as it provides a stable source of revenue for local budgets. The second is regulatory, as it influences the behavior of economic entities in relation to land use and investment decisions. Several researchers note that the effectiveness of land taxation depends on the quality of land registration systems and cadastral valuation methods. Accurate cadastral data ensures that tax liabilities are distributed fairly among taxpayers and that land taxes reflect the real economic value of land resources.

Recent academic studies also highlight the importance of tax incentives in promoting investment and economic modernization. Governments often provide tax benefits to enterprises operating in priority sectors such as agriculture, manufacturing, and infrastructure development. In Uzbekistan, tax incentives related to land use have been widely applied in order to stimulate agricultural modernization, encourage industrial investment, and promote regional economic development. Furthermore, the modernization of tax administration has become a key priority of tax policy in Uzbekistan. Digital tax platforms, electronic reporting systems, and integrated cadastral databases have significantly improved tax compliance and reduced administrative burdens for businesses.

METHODOLOGY

This research is based on a combination of theoretical and empirical research methods that allow a comprehensive analysis of the land taxation system applied to legal entities in Uzbekistan. The primary method used in this study is normative legal analysis. This method involves examining the provisions of the Tax Code of the Republic of Uzbekistan and other legislative acts regulating land taxation. Special attention is given to legal norms governing the determination of the tax base, calculation of tax liabilities, tax incentives, and payment procedures.

Another important method used in the study is statistical analysis. Official statistical data related to tax revenues, land use, and fiscal policy indicators are analyzed in order to evaluate the role of land taxation in the formation of local budgets and the national fiscal system. The research also applies comparative analysis to evaluate the development of land taxation policy in Uzbekistan over time. This method allows the identification of changes introduced through tax reforms and provides insights into the economic rationale behind these reforms.

RESULTS

The results of the study show that land tax in Uzbekistan is imposed on legal entities that possess land plots based on ownership, permanent use, or lease rights. The tax obligation arises from the moment when the legal entity obtains the right to use the land plot in accordance with the land legislation. The tax base for land tax is determined according to the cadastral value of the land plot and its designated category. Land plots in Uzbekistan are classified into several categories, including agricultural land, industrial land, construction land, and land used for commercial activities. Each category is subject to different tax rates and regulatory conditions.

The tax rates for land tax are determined annually within the framework of the state budget legislation and fiscal policy guidelines. The rates vary depending on the location of the land plot, the level of urban development, and the economic activity conducted on the land. Legal entities are required to calculate the annual amount of land tax and submit tax reports to the tax authorities. In most cases, the tax is paid periodically during the reporting year. The payment schedule may differ depending on the category of land and the type of economic activity.

Agricultural enterprises typically pay a portion of the land tax during the agricultural season and the remaining amount at the end of the fiscal year. Non-agricultural enterprises may pay land

tax in equal installments during the reporting period. The study also identifies a wide range of tax incentives provided to legal entities in Uzbekistan. These incentives are designed to support economic modernization and encourage efficient land use.

One of the most common forms of tax incentives is the application of reduced tax rates for certain categories of land use. For example, agricultural enterprises engaged in the cultivation of orchards, vineyards, and other long-term crops may benefit from reduced tax rates during the early stages of plantation development. Another important incentive mechanism involves tax benefits for enterprises operating in special economic zones or regions requiring economic support. In such areas, the government may reduce the land tax burden in order to attract investment and stimulate industrial development.

Certain enterprises may also receive temporary tax exemptions based on government decisions aimed at supporting strategic economic projects. However, even when tax exemptions are granted, enterprises may still be required to report their tax liabilities and maintain proper accounting records. The results indicate that tax incentives play a crucial role in shaping investment decisions and influencing the allocation of economic resources across different sectors of the economy.

DISCUSSION

The findings of this research demonstrate that the land taxation system for legal entities in Uzbekistan is designed to achieve several economic and fiscal objectives simultaneously. First, land tax provides an important and stable source of revenue for local budgets. Because land is immovable and cannot be transferred to other jurisdictions, land taxes are considered a reliable form of fiscal revenue.

Second, land taxation serves as a regulatory mechanism that encourages efficient land use. Enterprises that possess large land plots are motivated to use them productively in order to generate sufficient income to cover their tax obligations.

Third, the system of tax incentives plays an important role in supporting strategic sectors of the economy. By reducing the tax burden for certain categories of land use, the government encourages investment in agriculture, manufacturing, and infrastructure development.

However, the effectiveness of land tax incentives depends on several factors. One of the most important factors is the transparency and efficiency of tax administration. If tax benefits are not properly monitored, they may be misused or lead to unintended fiscal losses. Another important issue concerns the balance between fiscal stability and economic stimulation. While tax incentives can promote economic growth, excessive or poorly targeted exemptions may reduce budget revenues and create inequalities among taxpayers. Therefore, policymakers must carefully evaluate the economic impact of tax incentives and ensure that they contribute to sustainable development. Improvements in cadastral valuation methods, digital tax systems, and data integration between government agencies can significantly enhance the effectiveness of land taxation.

In recent years, Uzbekistan has made significant progress in modernizing its tax administration system. The introduction of electronic tax reporting, digital cadastral records, and integrated government databases has improved tax compliance and reduced administrative costs for businesses. These reforms demonstrate the government's commitment to building a modern and efficient tax system that supports economic development while ensuring fiscal sustainability.

CONCLUSION

Land taxation of legal entities plays an essential role in the fiscal system of Uzbekistan and contributes to the efficient management of land resources. As a local tax, land tax provides an important source of revenue for regional budgets and supports the development of local infrastructure and public services. The current system of land taxation is based on the principles established in the Tax Code and related legislative acts. These legal norms regulate the

determination of tax liabilities, the procedures for calculating land tax, and the mechanisms for tax payment by legal entities.

The system also includes various tax incentives designed to support economic modernization, promote agricultural development, and stimulate regional investment. These incentives help reduce the financial burden on enterprises and encourage productive land use. At the same time, the continued improvement of tax administration, cadastral systems, and fiscal policy mechanisms is necessary to ensure the effectiveness of land taxation. Transparent and well-targeted tax incentives, combined with efficient tax administration, can significantly contribute to sustainable economic growth and rational land management.

In conclusion, the modernization of the land taxation system in Uzbekistan represents an important step toward building a balanced fiscal policy that supports both economic development and responsible management of national resources.

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