

TAX RATES OF LAND TAX COLLECTED FROM INDIVIDUALS IN
UZBEKISTAN

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Abstract. Land taxation is an important component of the fiscal system of the Republic of Uzbekistan and plays a significant role in regulating land relations and generating local budget revenues. This study analyzes the tax rates applied to land tax collected from individuals under the current tax legislation of Uzbekistan. The research is based on the provisions of the Tax Code, official statistical data, and scientific literature related to taxation and land economics. The study examines the principles of determining tax rates for agricultural and non-agricultural land, the role of regional differentiation, and the economic implications of land taxation.

Keywords: land tax, tax rates, land taxation, individuals, fiscal policy, Uzbekistan tax system, cadastral valuation

Annotatsiya. Yer solig‘i O‘zbekiston Respublikasi soliq tizimining muhim tarkibiy qismi bo‘lib, yer munosabatlarini tartibga solish va mahalliy budjet daromadlarini shakllantirishda muhim rol o‘ynaydi. Ushbu maqolada jismoniy shaxslardan undiriladigan yer solig‘i stavkalari amaldagi soliq qonunchiligi asosida tahlil qilinadi. Tadqiqot O‘zbekiston Respublikasi Soliq kodeksi, rasmiy statistik ma‘lumotlar hamda soliq va yer iqtisodiyoti bo‘yicha ilmiy adabiyotlarga asoslanadi. Tadqiqotda qishloq xo‘jaligi va noqishloq xo‘jaligi yerlariga nisbatan qo‘llaniladigan soliq stavkalarini belgilash tamoyillari, hududiy farqlanish omillari hamda yer solig‘ining iqtisodiy ahamiyati o‘rganiladi.

Kalit so‘zlar: yer solig‘i, soliq stavkalari, yerga soliq solish, jismoniy shaxslar, soliq siyosati, soliq tizimi, kadastr bahosi

Аннотация. Земельный налог является важным элементом налоговой системы Республики Узбекистан и играет значительную роль в регулировании земельных отношений и формировании доходов местных бюджетов. В данной статье анализируются налоговые ставки земельного налога, взимаемого с физических лиц, на основе действующего налогового законодательства Узбекистана. Исследование основано на положениях Налогового кодекса, официальных статистических данных и научной литературы по вопросам налогообложения и экономики земельных ресурсов. В работе рассматриваются принципы определения налоговых ставок для сельскохозяйственных и несельскохозяйственных земель, региональная дифференциация ставок, а также экономическое значение земельного налога.

Ключевые слова: земельный налог, налоговые ставки, налогообложение земли, физические лица, налоговая политика, налоговая система, кадастровая оценка

INTRODUCTION

The land tax is an essential component of the fiscal system of the Republic of Uzbekistan and represents one of the key local taxes imposed on individuals who possess, use, or lease land plots. The legal framework regulating land taxation is established by the Tax Code of the Republic of Uzbekistan and other normative legal acts that define the procedures for calculating, assessing, and paying this tax. In modern fiscal policy, land tax serves not only as a source of budget revenues but also as an economic instrument aimed at rational land use, environmental

sustainability, and territorial development. In Uzbekistan's taxation system, the land tax is classified among property-related taxes that are levied on the ownership or use of land resources. The significance of this tax is associated with the economic value of land as a limited natural resource and as a factor of production. Therefore, the state applies differentiated tax rates depending on the type of land, its location, fertility, infrastructure availability, and other economic indicators.

The reform of the national tax system during the last decade has led to significant changes in the administration and regulation of land taxation. These reforms have focused on increasing transparency, improving land cadastre mechanisms, and aligning tax policy with the principles of market economy development. According to official data, revenues from taxes paid by individuals, including land tax, represent a significant share of the consolidated state budget, confirming the fiscal importance of this tax in the public finance system. In this context, the study of land tax rates applied to individuals is important for understanding the mechanisms of fiscal regulation, assessing the effectiveness of tax policy, and identifying the economic role of land taxation in Uzbekistan. The objective of this research is to analyze the structure, determination principles, and economic implications of land tax rates imposed on individuals under the current tax legislation of Uzbekistan.

LITERATURE REVIEW

Land taxation has long been considered an important instrument of fiscal policy and public finance management. Classical economic theories emphasize that land is a unique factor of production with limited supply, which justifies its taxation as a stable and efficient source of government revenue. According to Henry George's theory of land taxation, the taxation of land value is one of the most equitable forms of taxation because landowners benefit from public infrastructure and social development that increase land value. This theoretical perspective has influenced the development of land taxation systems in many countries. Modern public finance literature also highlights the role of land taxation in promoting efficient land use and supporting local government financing. Musgrave and Musgrave argue that property taxes, including land taxes, are particularly suitable for local governments because the tax base is immobile and easily identifiable. This characteristic reduces the risk of tax evasion and provides stable revenue for municipal budgets.

In transition economies, including Central Asian countries, land taxation has undergone significant reforms as part of broader fiscal and economic transformations. Scholars studying tax reforms in post-Soviet states note that the introduction of cadastral valuation systems and differentiated tax rates has improved the transparency and efficiency of land taxation. These reforms aim to align taxation mechanisms with market-based land valuation and to stimulate rational land use. In Uzbekistan, academic research on land taxation focuses mainly on the role of land tax in the national tax system, the improvement of tax administration, and the economic regulation of land use. Uzbek economists emphasize that land tax is an important fiscal instrument that ensures the formation of local budget revenues while simultaneously encouraging efficient land management.

Recent studies on Uzbekistan's tax reforms underline the importance of improving cadastral valuation and introducing digital technologies in tax administration. Researchers argue that transparent land valuation mechanisms and differentiated tax rates contribute to fair taxation and promote the sustainable development of land resources. Thus, the existing literature demonstrates that land taxation serves both fiscal and regulatory functions. The differentiation of tax rates depending on land categories, productivity, and territorial characteristics is widely recognized as an effective approach to balancing fiscal efficiency and economic fairness.

METHODOLOGY

The research methodology is based on a combination of qualitative and quantitative approaches used in fiscal policy and public finance studies. The analysis relies on the provisions of the Tax Code of the Republic of Uzbekistan, legislative acts regulating land relations, and official statistical data concerning tax revenues and land resources. A comparative legal method is applied to examine the regulatory framework governing land taxation. This approach allows for the identification of the legal principles underlying the determination of tax rates and their differentiation depending on the categories of land plots. Normative analysis is also used to study the mechanisms through which state authorities determine base tax rates and apply adjustment coefficients at regional and local levels.

Statistical analysis is used to evaluate the fiscal significance of land tax revenues and to identify trends in the taxation of land owned or used by individuals. Data from official sources and international tax analyses are incorporated to provide a broader perspective on the structure of land taxation in Uzbekistan. Additionally, a theoretical approach is applied to interpret the economic role of land taxation in the framework of property taxation and local public finance. The research integrates concepts from fiscal theory, land economics, and public sector economics in order to explain the rationale behind differentiated tax rates and their impact on efficient land use.

RESULTS

The analysis of the current legislation shows that individuals who own, use, or lease land plots in Uzbekistan are recognized as taxpayers of land tax. The tax base and tax rates depend on the category of land and the purpose for which the land is used. For agricultural land, the tax base is determined based on the normative value of land, which reflects the productivity and fertility characteristics of the land plot. The annual tax rate applied to such land is calculated as a percentage of the normative value. In the current tax system, agricultural land is generally taxed at approximately 0.95 percent of its normative value, which represents a proportional taxation mechanism aimed at linking the tax burden to the economic productivity of land resources.

For non-agricultural land plots used for residential or other purposes, the tax base is determined according to the land area and cadastral valuation. In these cases, tax rates are established in fixed amounts depending on the territorial location and infrastructure characteristics of the land. Regional differentiation plays a key role in determining the amount of tax payable. For example, land plots located in major urban centers such as Tashkent are subject to significantly higher tax rates compared with rural regions due to higher land value and infrastructure development. Current legislative provisions establish that annual tax rates for non-agricultural land vary substantially across regions. In most regions of Uzbekistan, the annual land tax rate ranges approximately from 27 million to 44 million Uzbek soums per hectare, while in the capital city higher rates may apply depending on zoning categories and urban land value.

An important feature of land taxation in Uzbekistan is the possibility of adjusting tax rates through coefficients determined by regional and local authorities. These coefficients allow the state to consider specific economic conditions, infrastructure development, and regional planning priorities. The legislation also introduces increased tax rates in certain cases to encourage efficient land use. If land plots are used without appropriate legal documentation or exceed the area specified in official documents, the tax rate may be increased several times compared with the standard rate. In addition, unfinished construction projects located on land plots may also be subject to higher tax rates in order to stimulate the completion of construction activities and prevent inefficient land utilization.

Another important aspect of land taxation concerns payment procedures. Individuals are generally required to pay land tax twice a year in equal installments, typically before mid-April and mid-October. This payment structure helps ensure stable revenue inflows to local budgets while reducing the financial burden on taxpayers.

DISCUSSION

The system of land tax rates applied to individuals in Uzbekistan reflects a combination of fiscal, economic, and regulatory objectives. From a fiscal perspective, land tax contributes to the formation of local budget revenues and supports financing for infrastructure, social services, and municipal development. At the same time, the tax serves as a regulatory mechanism that encourages efficient use of land resources. The differentiation of tax rates depending on land category and regional characteristics is consistent with international practices in land taxation. Many countries apply similar approaches in which agricultural land is taxed based on productivity indicators, while urban land is taxed according to cadastral value or market-related parameters.

In Uzbekistan, the differentiation of land tax rates is particularly important because of the significant differences in land value across regions. Urban land in large cities possesses a higher economic value due to infrastructure availability, market access, and population density. Consequently, higher tax rates for such land plots ensure that tax payments correspond to the economic benefits derived from land ownership or use. From an economic perspective, land taxation can also influence land market behavior. Higher tax rates for unused or improperly used land create incentives for landowners to utilize land more efficiently or transfer it to more productive users. This mechanism supports the state's broader goals of economic development and rational land management.

However, certain challenges remain in the implementation of land taxation policies. These include the need to improve cadastral valuation accuracy, ensure transparency in determining regional tax coefficients, and strengthen digital monitoring of land use. The ongoing digitalization of tax administration and the introduction of open data systems are expected to enhance transparency and accountability in the management of land tax revenues.

CONCLUSION

The study demonstrates that land tax rates imposed on individuals in Uzbekistan are determined through a differentiated system based on land category, regional characteristics, and economic indicators. Agricultural land is generally taxed according to the normative value of land productivity, while non-agricultural land is taxed based on land area and cadastral valuation. Regional authorities play a significant role in adjusting tax rates through coefficients that reflect local economic conditions. The land tax performs several important functions within the national tax system. It serves as a stable source of local budget revenues, promotes rational land use, and contributes to the regulation of land relations. At the same time, the current taxation framework reflects ongoing efforts to modernize fiscal policy and improve transparency in public finance management.

Further improvement of land taxation policy requires continued development of cadastral systems, enhancement of statistical monitoring, and integration of digital technologies into tax administration. These measures will help strengthen the effectiveness of land taxation while ensuring fairness and economic efficiency in the use of land resources.

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