

**PERSONAL INCOME LAND TAX: DIGITIZATION AND CADASTRE INTEGRATION  
MECHANISMS**

**Ramazonov Shamil Ulugbek ugli**

Acting Associate Professor, Department of Economics and Engineering, Karshi  
International University.

**Annotation**

This article provides a systematic analysis of the existing challenges in the calculation and payment of land tax by individuals in Uzbekistan. The relevance of the study is determined by the growing importance of land tax in the formation of local budget revenues and the need to ensure efficient and rational use of land resources.

The purpose of the research is to identify organizational, economic, and legal problems in the practice of individual land taxation and to develop scientifically grounded proposals for their elimination. The methodological framework is based on analysis and synthesis, comparative legal analysis, statistical data generalization, and a systemic approach.

The article examines the role of land tax in local budget revenues, the current state of the taxation mechanism, digitalization processes, and directions for improving tax administration. The findings reveal key systemic issues, including the absence of a unified integrated land information database, ambiguity in the legal status of certain land plots, the existence of tax arrears, and a low level of tax culture among taxpayers.

Practical and regulatory recommendations are proposed to deepen digitalization in the land tax system, integrate cadastral and tax authority information systems, strengthen taxpayer awareness initiatives, and improve the legal framework. The results of the study have scientific and practical significance and contribute to increasing local budget revenues and promoting the efficient use of land resources.

**Keywords**

Land Tax on Individuals, land Tax Administration, local Budget Revenues, fiscal Management of Land Resources, tax Base Determination Mechanism, integration of Land Cadastre and Tax System.

**INTRODUCTION**

During the gradual transition to a market economy, the taxation system in Uzbekistan is undergoing comprehensive reform. The adoption of the new Tax Code, the digitization of state tax service bodies, and the introduction of innovative mechanisms such as the “Taxpayer Personal Account” contribute to making the country’s tax system more efficient and transparent. However, several challenges, particularly in the field of land taxation, still need to be addressed:

1. Lack of a unified database and completeness of land plot records. The absence of an accurate and comprehensive database of land plots, along with limited capability to reflect real-time ownership and usage status, poses a significant obstacle in forming the tax base. This, in turn, leads to inaccuracies in the land tax database and deficiencies in tax collection. Establishing a unified and systematic cadastre is necessary to improve the accuracy of the land tax base.

2. Legal status and data update deficiencies. In some regions, the legal status of taxpayers regarding land plots is unclear, and cadastral data are not updated regularly. This contributes to low tax revenues, increases distrust between taxpayers and tax authorities, and reduces the effectiveness of tax policy.

3. Tax arrears and inefficiency of collection mechanisms. The level of land tax arrears is high, and existing collection mechanisms are insufficiently effective. This leads to weakened financial discipline, gaps in control systems, and delays in applying legal measures. Strengthening collection mechanisms, implementing effective monitoring, and improving penalty systems are necessary.

4. Low tax culture and lack of information. Low awareness of tax obligations among the public and entrepreneurs, combined with insufficient provision of information, often results in delayed tax payments. Promoting tax policy, conducting information campaigns, and providing convenient taxpayer services can help address this problem.

**MAIN PART.** During the liberalization of the economy in the Republic of Uzbekistan, improving the local taxation system and strengthening the revenue base of local budgets have become pressing tasks. In particular, the consistent, uniform, and full collection of land tax from individuals plays a crucial role in increasing local budget revenues. This process directly affects the financial stability of local authorities and enhances budgetary resources.

The primary function of land tax is to provide local budgets with financial resources. Additionally, land tax:

- Encourages rational use of land;
- Supports the improvement of soil fertility;
- Helps balance socio-economic conditions across different types of land;
- Promotes the development of infrastructure in populated areas;
- Prevents the misappropriation and misuse of land resources.

The role of the state in the land tax system can be considered from two perspectives:

Tax is levied legally on land plots owned but underutilized or unused, motivating owners to use their land efficiently.

Taxation of lands actively managed by the state encourages rational use of land resources. This approach promotes effective and efficient land use and supports the proper enforcement of property rights.

Correct and effective collection of land tax is a key factor in enhancing local budget revenues and supporting economic liberalization. Land tax serves not only as a source of financial resources but also as a tool for promoting rational land use. Improving land tax policy, organizing efficient taxation mechanisms, and clearly defining owners' rights and obligations ensures the stability of local budgets.

From a fiscal perspective, the land tax performs both incentive and control functions, while in terms of forming local budget revenues, it fulfills a critical fiscal role. The necessity to stabilize local revenues and support socio-economic development in local regions requires the practical implementation of land tax.

The economic essence of land tax can be understood as levying a portion of the average income generated from land plots under specific economic conditions. Tax rates are differentiated by land quality and climatic zones. For irrigated lands, rates are set according to administrative districts and classified into ten bonitet (soil fertility) levels. Soil bonitet reflects relative natural productivity under current agricultural practices and considers factors such as genetic soil origin, irrigation duration, crop type, agro-climatic resources, soil texture, genesis, permeability, salinity, erosion, stoniness, density, and other natural properties, assessed on a 100-point scale.

Pasture and arable lands are divided into zones or vertical regions based on precipitation levels, which affect their fertility. To differentiate tax amounts for rural plots, coefficients ranging from 1.1 to 1.3 are applied to lands near administrative or industrial centers.

When analyzing land tax collected from individuals at the local level, it is essential to assess its role and contribution to the revenues of the corresponding local budget. Data on land tax revenues from individuals as part of the Republic of Uzbekistan’s state budget have been studied accordingly.

Table 1

**The Share of Land Tax in the State Budget of Uzbekistan <sup>1</sup>**  
(in billion soms)

Indicators	2020 year	2021 year	2022 year	2023 year	2024 year
Total Tax Revenues	103561,7	127970,4	148388,3	165917,9	197642,8
Land Tax Revenues for Local Budgets	2389,7	4060,5	5328,8	6890,1	7171,1
Including Land Tax Collected from Individuals	1079,9	1524,2	1883,9	2872,0	2895,6

From the table, it can be observed that total tax revenues have been steadily increasing from 2020 to 2024. Total tax revenues rose from 103,561.7 billion soms in 2020 to 197,642.8 billion soms in 2024, representing approximately a 90.8% increase. This growth reflects improved economic activity and increased efficiency in tax collection.

Land tax collected from individuals has also grown significantly, rising from 1,079.9 billion soms in 2020 to 2,895.6 billion soms in 2024, which is an increase of approximately 2.7 times. This indicates a higher level of engagement of individuals in paying taxes on land property.

The land tax, particularly the portion collected from individuals, increased substantially during 2022–2023. In 2023, land tax collected from individuals amounted to 2,872 billion soms, nearly 52% higher than in 2022. This can be attributed to improvements in tax administration, digitization, strengthened control, and more efficient taxation mechanisms.

Over the past five years, land tax indicators have shown stable growth, with a particularly notable increase in land tax collected from individuals. Effective management of land tax and expansion of the tax base remain priority tasks for the coming years.

At the current stage of modernization of Uzbekistan’s taxation system, analyzing the essence, objectives, and functions of land tax, its impact on taxpayer activity, and its share in budget revenues allows for the following conclusions:

- Despite reforms under the concept of improving tax policy that reduced direct tax rates, land tax rates have increased annually, highlighting its key role in supplementing local budget revenues.
- Measures to influence privately owned idle land plots have been strengthened, demonstrating the importance of land.
- Land tax is not directly linked to taxpayers’ economic activities.
- Land tax is a stable, reliable, and relatively simple instrument for generating state revenue.
- Adapting best practices from developed countries in land taxation can yield effective results in addressing existing challenges.
- With local budgets increasingly expected to cover their expenditures from own revenues, maintaining a stable share of land tax in total local budget revenues is essential.

<sup>1</sup>Prepared based on data from the State Tax Committee of the Republic of Uzbekistan.

The absence of a unified database accounting for individual exemptions leads to the following issues:

- Strict accounting of citizens benefiting from land tax exemptions is not conducted, and forecast indicators are not fully implemented;
- Individuals who are granted land tax exemptions may benefit from multiple properties located in different districts, creating inconsistencies in applying exemptions.

**CONCLUSION.** In general, the issues related to calculating and paying land tax by individuals in Uzbekistan can be summarized as follows:

- Since independence, regulations governing land taxation have not been fully developed;
- There are no effective penalties for individuals who use land in violation of legal requirements;
- Organizations responsible for submitting documents confirming taxpayers' eligibility for exemptions to the state tax authorities lack a fully functional information exchange system;
- The mechanism for determining land tax rates has not been updated for many years, among other issues.

Based on these challenges, the achievements and shortcomings in Uzbekistan, and best practices from developed countries, the following proposals are suggested to improve and modernize the land tax system:

- Establish a centralized database in cooperation with organizations that directly submit documentation on taxpayers' land tax obligations and exemptions. This will help correct discrepancies in taxpayer activities and ensure the accuracy of information sent to tax authorities;
- Introduce a separate procedure for taxing land used in households to ensure fair taxation and increase the share of land tax in local budgets;
- For land plots jointly owned by entities in two districts, ensure the tax is paid to the district where the plot is registered, while submitting reports to the relevant tax authorities in both districts. This prevents double inspections by two tax authorities;
- Encourage efficient use of land by individuals. For plots allocated but left unused or used for other purposes for two years or more, apply an increasing tax coefficient starting from the third year (2×), the fourth year (3×), and so on;
- Implement a land taxation system based on normative and actual values, following best practices from developed countries;
- Introduce a unified real estate tax for individuals to replace separate property and land taxes;
- Introduce appropriate penalties for violations of legal land use regulations.

To address existing problems in individual land taxation, it is necessary to improve the legal framework, establish an effective information exchange system, optimize tax rates, and strengthen enforcement mechanisms. Additionally, modernizing the system based on the experience of developed countries and promoting rational use of land resources is crucial. These measures will expand the revenue base of local budgets and contribute to economic stability.

## REFERENCES

1. Stiglitz, Joseph E. Economics of the Public Sector.
2. Dye, Richard F., England, Richard W. "Assessing the Effects of Property Taxation on the Housing Market." Journal of Real Estate Finance and Economics, 1991.
3. Fischel, William A. The Economics of Zoning Laws: A Property Rights Approach.
4. Oates, Wallace E. "The Theory and Practice of Local Public Finance." Handbook of Public Economics, 1987.

5. Jaeger, David A. "Property Taxation and Inequality." *National Tax Journal*, 2007.
6. Musgrave, R. A., & Musgrave, P. B. (1989). *Public Finance in Theory and Practice*. McGraw-Hill.
7. Stiglitz, J. E. (2000). *Economics of the Public Sector*. New York: W.W. Norton & Company.
8. Tanzi, V. (2000). *Taxation in an Integrating World*. Washington: Brookings Institution Press.
9. Bird, R. M., & Zolt, E. M. (2005). *The limited role of the personal income tax in developing countries*.
10. OECD (2022). *Revenue Statistics*. OECD Publishing, Paris.