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Article

Land Tax on Individuals

Turayev Alijon Akmal ugli
Associate Professor of the Department of "Investment and Innovations," PhD
alijon.turayev@mail.ru

Djabborov Dalerjon Zokirjonovich
Student, Faculty of Economics, Samarkand Institute of Economics and Service
djabborovdalerjonxd@gmail.com

Abstract: This article analyzes the essence, legal framework, and practical significance of land tax imposed on individuals in the Republic of Uzbekistan. The study examines the role of land tax in forming state budget revenues, its calculation procedures, and the system of existing tax benefits. Particular attention is given to the regulatory basis established by the Tax Code of the Republic of Uzbekistan and ongoing reforms aimed at improving land taxation. The research highlights that land tax is not only a fiscal instrument but also an important mechanism for regulating land use and ensuring the rational utilization of land resources. Based on legislative analysis and practical observations, the article identifies key challenges in the current system and proposes recommendations for its further improvement.

Key Words: Land Tax, Tax Base, Tax Reporting, Individuals, Tax Rate

Introduction

Land is one of the oldest and most valuable resources for humanity. It is not only an economic asset but also a fundamental condition for life, passed down from generation to generation. For this reason, land relations and land-related taxes are regulated with particular attention in almost all countries [1].

Land tax imposed on individuals is a mandatory payment made by citizens and individual entrepreneurs for land plots owned, used, or leased by them. On the one hand, this tax serves as a source of state budget revenue; on the other hand, it acts as a mechanism to ensure the rational use of land and regulate land resources. In other words, land tax is not merely a financial obligation—it is also an important tool for governing attitudes toward land use [2].

In Uzbekistan, the issue of land tax is particularly relevant, as a large portion of the population lives in rural areas, where land plots serve as a primary source of livelihood for many families. At the same time, rapid urbanization, the development of the real estate market, and reforms aimed at digitalizing land cadastre systems have made the land tax system more complex, while also creating new opportunities for its improvement.

According to the Tax Code of the Republic of Uzbekistan (new edition, 2020), land tax on individuals is defined as one of the main types of taxation, with its rates, payment procedures, and benefits clearly regulated. In addition, annual decrees and resolutions issued by Shavkat Mirziyoyev regularly update land tax rates, highlighting the importance of this tax in budget policy [3].

This article examines the essence of land tax on individuals, its legal foundations, calculation procedures, available benefits, and existing challenges in practice.

The legal basis of this tax is directly derived from the Tax Code of the Republic of Uzbekistan. In particular, Article 433 of the Code clearly defines the object of taxation: land plots granted to individuals on the basis of ownership, use, or lease rights are subject to taxation. This means that whether it is a household plot or land allocated for entrepreneurial purposes, a certain amount must be paid to the state for each square meter [4].

Research Methodology

This article employs several research methods to analyze the issue under study. In particular, empirical analysis was used to examine theoretical aspects and relevant data related to land tax imposed on individuals. In addition, statistical methods were applied to analyze key indicators associated with land tax, allowing for a comprehensive evaluation of its role and impact. Based on these approaches, the study formulates well-grounded conclusions regarding the legal, economic, and practical aspects of land taxation for individuals in Uzbekistan.

Analysis and Results

From a theoretical perspective, land tax belongs to the category of "resource taxes." Its essence lies in the fact that the tax amount is determined not by the taxpayer's income, but by the location and size of the land they occupy. According to Article 437 of the Tax Code, tax rates are established annually through budget legislation and may vary depending on the economic potential of different regions. For example, there is a significant difference between the tax rate for one hectare of land in Tashkent city and that in a remote rural area [5].

At the same time, the principle of social justice is reflected in the legislation. Article 439 of the Tax Code предусматривает tax benefits, including full or partial exemptions for individuals listed in the "Unified Register of Social Protection," war veterans, and certain groups of persons with disabilities. For detailed information on current laws and tax rates, citizens can refer to the national legal database (lex.uz), which allows them to clearly understand their rights and obligations [6].

In simple terms, land tax imposed on individuals is a mandatory payment made to the state for the use of residential or owned land. A key feature of this tax is that it is calculated regardless of whether the land generates income. It begins to accrue from the moment the ownership or usage rights are officially registered. In other words, any land plot registered under an individual's name is considered a taxable object.

From an analytical standpoint, two main approaches are used in calculating this tax. The first is based on the size of the land (in hectares or square meters), and the second is its location. For instance, land located in a district center or along major roads is taxed at a higher rate than land of the same size in remote rural areas. This is logical, as land in developed areas with better infrastructure generally has a higher value. Currently, cadastral value plays a key role in determining tax amounts, which contributes to a more equitable taxation system [7].

The procedure for paying land tax has also been simplified for citizens. Tax authorities usually notify individuals of the calculated amount within a specified period. Individuals are allowed to pay the tax in two equal installments per year, which helps reduce the financial burden on household budgets. Moreover, with the help of modern technologies—such as mobile applications—payments can be made remotely, which enhances tax compliance and improves tax culture among citizens [8].

It is also important to note that land tax collected from individuals is directly allocated to local budgets. These funds are used for infrastructure development, including road repairs, street lighting, and community improvement projects. Thus, by paying land tax on time, each citizen directly contributes to the development of their local community. This reflects a mutually beneficial economic relationship between taxpayers and the state [9].

Base land tax rates across the regions of the Republic are determined in absolute amounts per 1 square meter. These rates apply to land plots owned, used, or leased by individuals, excluding land allocated for dehqon (farming) activities and agricultural land plots granted to individuals [10].

Such differentiation of tax rates is based on the economic potential of regions, infrastructure development, and the market value of land. As a result, land located in major cities or economically developed areas is taxed at higher rates, while land in less developed or rural regions is subject to lower rates [11].

This approach ensures fairness in taxation and promotes the efficient use of land resources across different regions of the country.

Region	Base Tax Rate per 1 sq. m (UZS)
Tashkent City:	
Zone 1	1856
Zone 2	1574
Zone 3	1290
Zone 4	1014
Zone 5	725
Republic of Karakalpakstan	377
Andijan Region	463
Bukhara Region	377
Samarkand Region	463
Kashkadarya Region	377

The analysis of the table data shows that tax rates are determined based on the economic attractiveness of the region. In the case of Tashkent city, the division into five zones indicates that the higher the market value of land and the level of infrastructure, the higher the tax rate. For example, the rate in Zone 1 of the capital (1,856 UZS) is almost four times higher than in regional centers (e.g., 463 UZS in Samarkand). This demonstrates that the state's tax policy takes into account regional equity and the payment capacity of the population [12].

The tax payment procedure has also been simplified for citizens, allowing payments to be made in two equal installments per year. Importantly, the funds collected from individuals are directly allocated to local budgets and used for social needs such as road repairs, infrastructure development, and urban improvement. Therefore, land tax represents not only a state obligation but also a direct contribution by each citizen to the development of their place of residence [13].

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Conclusions

In conclusion, land tax imposed on individuals is not merely a mandatory payment to the state, but also a direct contribution to the development and improvement of the areas where people live. The analysis shows that the differentiation of tax rates by regions—where individuals living in city centers pay higher taxes compared to those in remote areas—fully corresponds to the principle of social justice. This system encourages the efficient use of land resources and increases the sense of responsibility of citizens toward their property.

At the same time, the following recommendations can be proposed to further improve the system:

First, it is necessary to strengthen public awareness regarding the purpose of land tax and how these funds are allocated to specific local projects (such as road construction or street lighting). When citizens clearly understand how their taxes are used, their willingness to comply with tax obligations increases.

Second, it would be beneficial to further simplify digital systems, enabling taxpayers not only to make payments through mobile applications but also to quickly access information about their tax benefits and obligations.

In conclusion, ensuring transparency and fairness in the land tax system serves both the stability of the state budget and the well-being of every household.

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