ANALYSIS OF TAXATION MECHANISMS FOR AGRICULTURAL ENTERPRISES IN THE REGIONS

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Annotation:

The article analyzes the mechanisms of taxation of agricultural enterprises engaged in agricultural activities in the regions on the example of Surkhandarya region.

Keywords:

Agricultural enterprises, tax incentives, taxation mechanisms..

Structural and compositional changes in Uzbekistan in recent years on the basis of tax incentives for agricultural enterprises have a significant impact on the development of the national economy and the elimination of a number of problems in the provision of agricultural products in the regions. The current stage of economic reforms requires increasing the volume of agricultural production in the agricultural sector, enhancing productivity and stimulating the economic activity of agricultural enterprises through taxes.

The action strategy on five priority development areas of the Republic of Uzbekistan for 2017-2021 also states that “... reformation and modernization of the agricultural sector, deepening of structural reforms and achieving rapid development of agricultural production, development of diversified farms, further strengthening food security and increasing export potential” [1]. Theoretical concepts of agricultural taxation and their stages of development require special attention in ensuring the effective implementation of these issues.

Today, systematic work is being carried out in all regions of the country on the basis of the program for the development of diversified farms.

In Surkhandarya region alone, in 2019, multidisciplinary activities were launched on 1135 farms. Most importantly, the implementation of the program has provided employment for more than 3,000 people in rural areas.

Areas such as processing of meat, dairy and fruit and vegetable products, refrigerated warehouses and services, which are not directly related to the cultivation of agricultural products, are being established on farms.

Amendments and additions were made to the Law of the Republic of Uzbekistan "On Farms" and the Tax Code to determine the status of diversified farms and provide them with tax benefits. A separate resolution of the Cabinet of Ministers of the Republic of Uzbekistan was adopted on November 29, 2018 [2]. Within the requirements of this document:

- The status of diversified farms has been determined;
- Relevant benefits were introduced for diversified farms, for example in relation to diversified farms included in the Register, they were exempted from the single tax payment for 5 years from the date of inclusion in the Register for other activities not related to agricultural production. According to this decision, this year alone, more than 3,000 farms have been exempted from the single tax for a period of 5 years;
- Starting from 2018, a system of accounting for each farm in the country has been created. In other words, one accountant will be assigned to every 20 farms, and their salaries will be financed from the state budget. These accountants also keep records of multi-sectoral farms.

As a result of such reclamation measures, the reclamation of 346,000 hectares of irrigated lands has been improved, the area of strong and medium salinity has been reduced by 42,000 hectares, and groundwater has been reduced to 127,000 hectares.

Now, if we analyze the revenue of the single land tax, which is the main type of tax paid by agricultural enterprises operating in Surkhandarya region, over the years, we can see these indicators on the basis of Table 1 below.

Table 1

Dynamics of change in the amount of the single land tax paid by agricultural enterprises in Surkhandarya region by districts (million soums)

№	Names of districts and towns	2015	2016	2017	2018	2019
1.	Termez city	1,0	2,2	1,2	5,9	5,4
2.	Angor district	511,5	907,4	1 009,9	1 250,5	836,4
3.	Oltinsoy district	811,8	1 409,9	2 513,0	2 587,4	2 130,1
4.	Boysun district	569,4	755,3	751,6	872,7	540,5
5.	Muzrabot district	652,8	1 924,6	1 908,8	1 987,8	1 410,9
6.	Denau district	2 180,8	2 941,9	2 275,7	3 868,5	2 886,9
7.	Jarkurgan district	898,2	1 785,3	1 744,5	1 531,7	1 194,1
8.	Kumkurgan district	994,4	2 226,2	1 386,1	1 820,0	1 146,0
9.	Kizirik district	719,3	2 634,5	2 616,1	2 255,4	1 824,8
10.	Sariosiyo district	661,7	850,5	1 073,6	1 285,6	1 104,6
11.	Termez district	587,4	814,4	944,6	1 475,3	1 249,8
12.	Sherabad district	868,6	2 891,6	2 714,0	2 288,0	1 592,8
13.	Shurchi district	1 078,3	1 531,1	1 464,8	1 558,1	1 222,0
14.	Uzun district	692,1	897,3	845,2	1 247,8	1 205,2
15.	Bandikhon district	0,0	0,0	0,0	0,0	0,0
	Total	**11 227,3**	**21 572,1**	**21 249,3**	**24 034,7**	**18 349,4**

If we pay attention to the data in the table above, the single land tax revenue in Surkhandarya region has an upward trend. It has declined sharply in 2019 compared to 2018 alone. In 2019, the mechanism of taxation of agricultural enterprises was amended, and the value added tax was introduced in accordance with the Decree of the President of the Republic of Uzbekistan dated June 27, 2019 PF-5755 “On measures to further streamline the provision of tax and customs benefits” [3].

There is almost no single land tax revenue in Termez. This situation can be explained by the fact that in the city of Termez there is only one enterprise engaged in animal husbandry.

In Surkhandarya region, the main share of the single land tax falls on Denau, Oltinsoy, Shurchi and Kizirik districts. The high level of tax revenues in these areas can be explained by the presence of both agricultural and livestock entities in these areas.

The change in the amount of the single land tax is primarily affected by the normative value of land. Therefore, the variability of tax revenues in all districts during almost the entire analysis period can be explained by the fact that the normative value of land is not objectively determined on the basis of a specific criterion.

In addition, the Resolution of the Cabinet of Ministers No. 382 [4] was adopted in order to increase the volume of fruit and vegetable production in Surkhandarya region, their preparation, storage, processing and export, to keep stable prices in the domestic market, to reach more efficient use of the potential of farms and the development of market mechanisms, to increase the income of the rural population. According to this document, in each district of Surkhandarya region it was planned to establish agro-firms in the form of limited liability companies with the participation of the Small Business Entities, Private Entrepreneurship and Farms Export Support Fund and Joint Stock Company “Uzagroexport”.

The following are the main tasks and activities of the newly established agricultural firms:

- organization of cooperation with farms, increase export potential and increase employment of the rural population in order to ensure efficient use of land and labor resources;

- placing orders for the cultivation of fruit and vegetable products, which are in high demand in domestic and foreign markets;
- provision of farms with seed fund, planting materials, mineral fertilizers and other material and technical resources;
- preparation, storage, processing, sorting, calibration, packaging, as well as pre-export preparation of fruits and vegetables;
- establishment of greenhouses and refrigeration chambers, as well as agricultural processing facilities together with farms;
- Establishment of a system of sales of fruits and vegetables in the cities of the republic and foreign markets in conjunction with the holding company “O’zbekoziqovqatholding”.

The minimum size of land plots used by agricultural producers specializing in the cultivation of agricultural products is at least 80 hectares for cotton and grain, at least 1 hectare for horticulture, viticulture, vegetables and other crops.

Based on the above, we can conclude that agricultural producers will need more than 5 workers. In practice, however, agricultural commodity producers who now own several hundred acres of land, or several hundred head of cattle, also try to hide the number of workers they employ and the income they are given. Taking all this into consideration, it is expedient to determine the number of workers depending on the size of the land they use while establishing agricultural producers. As a result, on the one hand, the rural population will have a main job, on the other hand, as a result of declaring income and increasing the object of social tax, the budget revenue from this payment will increase.

References:

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