

THE ESSENCE AND PROCEDURE OF PAYING PROPERTY TAX BY
INDIVIDUALS IN UZBEKISTAN

Turayev Alijon Akmal ugli,

Acting associate professor of the department
of “Investment and Innovations”, PhD

alijon.turayev@mail.ru

Jabborova Dildora,

Student of Samarkand institute of economics and service

Abstract. This scientific article analyzes the economic essence of property tax imposed on individuals, its fiscal significance, and the procedures for its calculation and payment. The research is based on the current tax legislation of the Republic of Uzbekistan, particularly the provisions of the Tax Code effective in 2026, as well as scientific literature and statistical data. The study examines the role of property tax in the formation of state budget revenues, the mechanism of taxation, and modern aspects of tax administration.

Keywords: property tax, individuals, taxation system, tax administration, cadastral value, fiscal policy, state budget.

Annotatsiya. Mazkur ilmiy maqolada jismoniy shaxslardan olinadigan mulk solig‘ining iqtisodiy mohiyati, uning fiskal ahamiyati hamda uni hisoblash va to‘lash tartibi ilmiy jihatdan tahlil qilingan. Tadqiqot jarayonida O‘zbekiston Respublikasining amaldagi soliq qonunchiligi, xususan, 2026-yilda amal qilayotgan Soliq kodeksi normalari, shuningdek, iqtisodchi olimlarning ilmiy qarashlari va statistik ma‘lumotlar o‘rganildi. Maqolada mulk solig‘ining davlat byudjeti daromadlarini shakllantirishdagi o‘rni, soliqqa tortish mexanizmi va soliq ma‘murchiligining zamonaviy jihatlari tahlil qilindi.

Kalit so‘zlar: mulk solig‘i, jismoniy shaxslar, soliq tizimi, soliq ma‘murchiligi, kadastr qiymati, fiskal siyosat, davlat byudjeti.

Аннотация. В данной научной статье исследуются экономическая сущность налога на имущество физических лиц, его фискальное значение, а также порядок исчисления и уплаты данного налога. В ходе исследования были проанализированы действующее налоговое законодательство Республики Узбекистан, в частности нормы Налогового кодекса, действующие в 2026 году, а также научная литература и статистические данные. В статье рассматривается роль налога на имущество в формировании доходов государственного бюджета, механизм налогообложения и современные аспекты налогового администрирования.

Ключевые слова: налог на имущество, физические лица, налоговая система, налоговое администрирование, кадастровая стоимость, фискальная политика, государственный бюджет.

INTRODUCTION

The tax system represents one of the fundamental instruments through which governments regulate economic processes and ensure the formation of public financial resources. Taxes serve as the primary mechanism for financing state expenditures, implementing social policies, and supporting economic development programs. In modern fiscal systems, the structure of taxation includes a variety of direct and indirect taxes that aim to distribute the tax burden among different economic actors in a balanced and efficient manner.

Among the direct taxes applied in many countries, property tax imposed on individuals occupies an important place. This type of tax is based on the ownership of immovable property and is widely considered one of the most stable and predictable sources of public revenue.

Unlike taxes on income or consumption, property tax is relatively less sensitive to economic fluctuations because it is associated with fixed assets such as residential buildings, apartments, and other real estate objects. As a result, property tax plays a key role in ensuring stable fiscal revenues and strengthening the financial capacity of both national and local governments.

In many countries, property taxation also performs regulatory and social functions. By imposing tax obligations on property owners, governments encourage the rational use of real estate resources and prevent the excessive accumulation of unused property. Moreover, property taxes contribute to the redistribution of wealth within society because individuals who own larger or more valuable properties generally pay higher tax amounts. This mechanism supports the principle of fairness and equity in taxation.

In the Republic of Uzbekistan, the tax system has undergone significant reforms over the past decade. These reforms have been aimed at simplifying tax legislation, reducing administrative barriers for taxpayers, expanding the tax base, and improving transparency in fiscal management. One of the important directions of these reforms has been the modernization of property taxation mechanisms. The Tax Code of the Republic of Uzbekistan establishes the legal framework governing property tax imposed on individuals and determines the procedures for calculating, assessing, and paying this tax.

Property tax paid by individuals in Uzbekistan applies primarily to residential houses, apartments, garages, and other immovable property owned by individuals. The tax base is determined according to the cadastral value of the property, which is calculated by authorized state institutions. In recent years, the introduction of digital cadastral databases and electronic tax administration systems has significantly improved the efficiency and transparency of property tax collection.

The relevance of studying property taxation of individuals is determined by several important factors. First, property tax constitutes an important component of the national tax system and contributes to the formation of budget revenues. Second, the continuous development of the real estate market in Uzbekistan increases the importance of effective taxation mechanisms for property owners. Third, the ongoing reforms in tax administration require a comprehensive scientific analysis of the legal and economic aspects of property taxation.

Therefore, the purpose of this research is to examine the economic essence of property tax imposed on individuals, analyze the legal framework regulating its application in Uzbekistan, and evaluate the procedures for calculating and paying this tax within the context of current fiscal policy.

LITERATURE REVIEW

The theoretical foundations of property taxation have been widely examined in the field of public finance and fiscal policy. Economists and financial scholars consider property tax one of the oldest forms of taxation in human history. Historically, taxes on land and property were among the primary sources of revenue for governments because they were relatively easy to administer and difficult to evade.

Classical economic theory views property tax as an important instrument for ensuring fairness in the distribution of the tax burden. Adam Smith emphasized in his theory of taxation that taxes should correspond to the ability of taxpayers to contribute to public finances. Property ownership often reflects the economic capacity of individuals, which makes property tax a suitable mechanism for implementing the principle of equity in taxation.

Modern public finance scholars have also extensively analyzed the role of property taxation in fiscal systems. According to Richard Bird and Enid Slack, property tax represents one of the most efficient local taxes because the tax base is immovable and easily identifiable. Their research demonstrates that effective property taxation systems can provide stable revenue

sources for local governments and support the financing of public infrastructure, education, and municipal services.

Another important perspective in the literature concerns the relationship between property taxation and economic development. Some researchers argue that well-designed property tax systems encourage the efficient use of land and real estate resources. By imposing regular tax obligations on property owners, governments reduce incentives for speculative ownership of unused land and promote productive investment in real estate.

In transition economies and developing countries, property taxation has undergone significant transformations during the process of economic reforms. Studies analyzing the experience of post-Soviet countries indicate that the transition from centrally planned economies to market-based systems required the establishment of modern property tax mechanisms. These reforms included the development of cadastral property registers, the introduction of property valuation methodologies, and the creation of transparent tax administration systems.

In Uzbekistan, property taxation has attracted the attention of many domestic economists and legal scholars. Researchers emphasize that the development of the real estate market and the expansion of private property ownership have increased the importance of property taxation as a fiscal instrument. The modernization of the tax system, including the adoption of a new Tax Code and the introduction of digital tax administration tools, has significantly improved the effectiveness of property tax collection.

Several studies also highlight the importance of integrating property taxation with electronic government systems. The implementation of digital platforms for property registration, tax calculation, and tax payment has reduced administrative costs and improved communication between taxpayers and tax authorities.

Despite the growing body of literature on taxation in Uzbekistan, there is still a need for comprehensive research that combines theoretical analysis with an examination of practical tax administration mechanisms. In particular, further study is required to analyze the current procedures for calculating and paying property tax by individuals under modern fiscal policies.

METHODOLOGY

The research methodology of this study is based on an integrated approach that combines theoretical analysis with empirical evaluation of property taxation mechanisms in Uzbekistan. Several scientific research methods commonly used in economic and legal studies are applied in order to achieve the objectives of the research.

The first method applied in this study is the analytical method. This method allows for a detailed examination of the theoretical foundations of property taxation and the interpretation of the economic essence of taxes imposed on property owners. Through analytical reasoning, the study explores the role of property tax in ensuring fiscal stability and equitable distribution of tax burdens.

The second method used in the research is the institutional and legal analysis method. This approach involves studying the provisions of the Tax Code of the Republic of Uzbekistan and other normative legal documents regulating property taxation. Presidential decrees, government resolutions, and official guidelines issued by tax authorities are examined to understand the legal mechanisms governing the calculation and payment of property tax by individuals.

The comparative method is also applied in this research. Through comparative analysis, the study examines the similarities and differences between property taxation practices in Uzbekistan and those used in other countries. This approach helps identify international best practices and evaluate the effectiveness of the national taxation system.

RESULTS

The analysis of the current tax legislation of the Republic of Uzbekistan shows that property tax imposed on individuals is regulated primarily by the Tax Code and other related normative

legal acts. According to these legal provisions, individuals who own immovable property located within the territory of the country are recognized as taxpayers and are obligated to pay property tax.

The objects of property taxation include residential houses, apartments, cottages, garages, and other types of immovable property owned by individuals. In addition, unfinished construction objects and certain auxiliary structures may also be subject to taxation depending on their legal status and registration in cadastral records.

The tax base for property taxation is determined on the basis of the cadastral value of the property. The cadastral value represents the officially assessed value of real estate determined by state cadastral authorities using standardized valuation methods. This valuation approach ensures transparency and uniformity in determining tax liabilities for property owners.

In recent years, significant efforts have been made in Uzbekistan to modernize the cadastral system and improve the accuracy of property valuation. The introduction of digital cadastral databases and integrated information systems has allowed tax authorities to obtain more reliable information about property ownership and real estate characteristics. As a result, the calculation of property tax obligations has become more precise and efficient.

The tax rates applied to property owned by individuals vary depending on the size and characteristics of the property. Smaller residential properties are generally subject to lower tax rates, while larger properties with greater floor areas may be taxed at higher rates. This differentiation in tax rates reflects the principle of fairness in taxation, ensuring that individuals with more valuable property contribute proportionally more to public finances.

The procedure for paying property tax by individuals follows a clearly defined administrative process. Tax authorities calculate the tax liability of each taxpayer based on cadastral data and property registration records. After calculating the tax amount, the taxpayer receives an official notification through electronic systems or written communication indicating the amount of tax due and the deadline for payment.

Taxpayers are required to pay property tax within the specified time period using available payment channels. These channels include commercial banks, online payment platforms, and electronic services provided by the state tax committee. The development of digital payment systems has significantly simplified the process of tax compliance for individuals and reduced the administrative burden associated with tax payments.

Failure to pay property tax within the established deadlines may result in penalties and fines imposed by tax authorities. The enforcement of tax compliance is supported by modern digital monitoring systems that allow authorities to track payment status and identify cases of tax evasion or delayed payments.

Statistical analysis indicates that property tax revenues contribute a meaningful share of the consolidated state budget. Together with land tax and personal income tax, property tax forms part of the group of direct taxes paid by individuals and plays an important role in financing public expenditures such as infrastructure development, municipal services, and social programs.

DISCUSSION

The findings of this research highlight several important aspects of property taxation for individuals in Uzbekistan. One of the main advantages of property tax is its stability as a source of public revenue. Because property ownership does not fluctuate as frequently as income or consumption, property tax revenues tend to remain relatively stable over time. This stability allows governments to plan public expenditures more effectively and maintain fiscal sustainability.

Another important aspect of the property taxation system in Uzbekistan is the use of cadastral valuation as the basis for tax calculation. This approach improves transparency and fairness in the tax system because it ensures that tax liabilities correspond to the value of the

property owned by taxpayers. By linking tax payments to property value, the system encourages equitable distribution of the tax burden among property owners.

The digitalization of tax administration has also had a significant impact on the effectiveness of property tax collection. Electronic tax platforms allow individuals to access information about their tax obligations, receive notifications, and make payments online. These technological innovations reduce administrative costs for both taxpayers and government institutions while increasing overall tax compliance.

Despite these positive developments, several challenges remain in the implementation of property taxation. One of the main challenges is ensuring the accuracy and regular updating of cadastral property valuations. If property values are not revised periodically, the tax system may become less equitable and fail to reflect actual market conditions.

Another issue concerns the level of public awareness regarding tax obligations. Some taxpayers may lack sufficient knowledge about property tax calculation procedures and payment deadlines. Therefore, improving taxpayer education and expanding access to information about tax obligations remain important tasks for tax authorities.

In addition, policymakers must carefully balance fiscal objectives with social considerations. While property tax is an effective revenue source, excessively high tax rates may create financial pressure on certain groups of taxpayers, particularly low-income households. Therefore, the introduction of tax benefits or exemptions for socially vulnerable groups may be necessary to ensure social justice within the taxation system.

CONCLUSION

The conducted research demonstrates that property tax imposed on individuals represents an important component of the fiscal system of the Republic of Uzbekistan. The tax plays a significant role in the formation of stable budget revenues and contributes to the financing of public services and infrastructure development.

The analysis shows that the property taxation system in Uzbekistan is based on a clear legal framework established by the Tax Code and supported by modern administrative mechanisms. The use of cadastral property valuation ensures transparency and fairness in determining tax liabilities, while digital tax administration systems simplify the process of tax compliance for individuals.

At the same time, further improvements are necessary to enhance the effectiveness of property taxation. These improvements may include updating cadastral valuation methods, strengthening taxpayer awareness programs, and introducing targeted social protection measures for vulnerable groups of taxpayers.

Overall, the development of an efficient and transparent property taxation system remains an important element of fiscal policy in Uzbekistan. Continued reforms in this area will contribute to strengthening the national tax system, improving public financial management, and supporting sustainable economic development.

REFERENCES

1. Organisation for Economic Co-operation and Development. (2022). Revenue statistics in Asia and the Pacific. OECD Publishing.
2. State Tax Committee of the Republic of Uzbekistan. (2024). Annual report on tax revenues and tax administration. Tashkent.
3. The World Bank. (2020). Property tax reform: Lessons from international practice. World Bank Publications.
4. United Nations. (2021). Handbook on property tax administration. United Nations Department of Economic and Social Affairs.
5. Uzbekistan Ministry of Economy and Finance. (2024). Budget policy and tax revenues of Uzbekistan. Tashkent.



6. Republic of Uzbekistan. (2026). Tax Code of the Republic of Uzbekistan. Tashkent.
7. Uzbekistan National Statistics Committee. (2024). Statistical review of Uzbekistan. Tashkent.
8. Yuldashev, O. (2022). Tax policy and fiscal reforms in Uzbekistan. Tashkent State University of Economics Publishing.