



PROCEDURE FOR CALCULATING AND TRANSFERRING THE PROPERTY TAX OF INDIVIDUALS TO THE BUDGET

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Abstract: *This article examines the essence of the property tax levied on individuals, the procedure for its calculation, the mechanisms for determining the tax base, and the practical stages involved in transferring the tax to the budget. In addition, the provisions related to property tax rates, exemptions, and payment deadlines based on the Tax Code of the Republic of Uzbekistan are analyzed. Based on a review of scientific sources and practical guidelines related to the topic, proposals aimed at improving the efficiency of tax collection are developed.*

Keywords: *individuals, property tax, tax base, cadastral value, tax rate, tax exemptions, tax calculation, tax administration, cadastral valuation, real estate, tax code, fiscal policy, tax system, property valuation.*

Introduction

The tax system of Uzbekistan plays an important role in regulating the economy, forming the state budget, and developing local infrastructure. One of such taxes is **the property tax levied on individuals**, which is considered an important source of budget revenues derived from real estate owned by the population.

Property tax represents the economic expression of ownership rights of individuals, and its calculation, collection, and transfer to the budget are carried out in accordance with clearly defined regulatory procedures. Today, the simplification of the tax system and the digitalization of public services, in particular the creation of conveniences for taxpayers through the “**Soliq**” **mobile application**, contribute to the effective collection of property tax.

This article provides a comprehensive study of the economic essence of property tax, the procedure for its calculation, methods of valuing taxable property, and the mechanisms for transferring the tax to the budget.

Literature Review

Scientific research and practical studies on the property tax levied on individuals have focused on improving the tax system, determining the tax base, property valuation, and tax administration. The following key sources are particularly noteworthy for an in-depth analysis of the topic.

Tax Code of the Republic of Uzbekistan. The Tax Code is the most important regulatory legal document defining the legal framework of property taxation. It clearly sets out the taxable objects, tax base, rates, exemptions, and procedures for calculating and paying property tax for individuals. The current version of the Code has a direct impact on tax administration and payment processes.

Vakhobov A., Sultanov Sh. – “Taxes and Taxation”. This textbook analyzes the theoretical foundations of the tax system, the economic essence of property tax, its role in forming the state budget, and the obligations imposed on taxpayers. The authors highlight the fiscal and regulatory functions of property tax and emphasize the importance of cadastral value in tax calculation.

Reports and statistical data of the State Tax Committee. Annual reviews and analytical data published by the State Tax Committee demonstrate in practice the amount of property tax revenues from individuals, payment discipline, the formation of the tax base, and regional differences. These materials serve as key sources for assessing the practical effectiveness of the tax system.

Scientific research on real estate valuation. Studies by economists such as U. Mamatkulov and D. Khodjiyev on cadastral valuation, valuation methodologies, and automated valuation models provide an in-depth analysis of the process of forming the tax base. These works scientifically substantiate the relationship between cadastral value and tax burden.

International experience: OECD and World Bank publications. Reports such as the OECD's "Property Taxation Policy Review" and the World Bank's "Property Tax Reform in Developing Countries" analyze property tax management mechanisms in developed countries, the advantages of Automated Valuation Models (AVM), and the strengthening of local budgets. These experiences are considered important sources for modernizing Uzbekistan's tax system.

Practical guidelines and methodological recommendations. Methodological manuals developed by the State Tax Committee and the Cadastre Agency contain practical guidance on calculating property tax, updating tabular data, working with taxpayers, and using digital services. They provide significant assistance in studying applied procedures and mechanisms.

The property tax levied on individuals is one of the most important local taxes in Uzbekistan's tax system and is imposed on residential and non-residential real estate. Taxpayers include individuals who own property, including foreign citizens, unless otherwise provided by international treaties of the Republic of Uzbekistan, as well as dehqan farms with or without legal entity status. If the location of the property cannot be determined, or if the property owner has died, the person who owns or uses the property shall be recognized as the taxpayer.

Taxable objects include residential houses, apartments, country houses, garages, as well as non-residential buildings and structures. These also include non-residential real estate intended for entrepreneurial activity and income generation, parking spaces integrally connected to multi-apartment buildings, and other buildings and structures. Unfinished non-residential construction projects (within 24 months from the established deadline) are also considered taxable objects.

The tax base for the property tax levied on individuals is the cadastral value of the taxable objects. This value is determined based on the database formed by the Cadastre Agency. For tax calculation purposes, the tax base may not be less than 42

million Uzbek soums. If one individual is a taxpayer for several taxable objects, the tax base is calculated separately for each object.

Certain categories of individuals are exempt from property tax, including:

- Citizens awarded the titles “Hero of Uzbekistan,” “Hero of the Soviet Union,” “Hero of Labor,” and those awarded the “Order of Glory” of all three degrees;
- War invalids and participants, as well as persons equated to them in accordance with legislation;
- Parents and widows (widowers) of military personnel and internal affairs officers who died due to war, service, or diseases related to frontline service;
- Individuals using renewable energy sources in residential premises fully disconnected from existing energy networks;
- Orphans and children deprived of parental care. This exemption applies to housing provided by the state until they reach the age of 23.

Property tax rates are established in accordance with the Tax Code and vary depending on the type of object. The calculation is carried out using the following general formula:

Tax amount = Cadastral value of real estate × Tax rate.

Tax authorities calculate the tax automatically and send electronic notifications to taxpayers. The cadastral passport, ownership documents, and electronic cadastral data serve as the main sources during the calculation process.

Property tax is usually paid within the established period during the year, most often by the end of the year. Payments can be made through convenient electronic systems such as the “Soliq” mobile application, Click, Payme, bank cash desks, E-POS terminals, or the my.soliq.uz portal. Tax amounts are fully credited to local budgets and play an important role in the socio-economic development of regions.

The tax policy provides various social benefits related to property tax, including exemptions and reductions for pensioners, persons with disabilities, and large

families. Tax administration is carried out in an automated manner by tax authorities, with monitoring, control, notifications, and calculation processes fully digitized.

Cadastral value is the main criterion for property valuation; however, in recent years, inventory values and automated valuation models (AVM) close to market value have been introduced. Digitalization has led to significant changes in the tax system by increasing calculation accuracy, reducing the human factor, and enhancing transparency and payment convenience.

International experience shows that AVM technologies are widely used in countries such as the United States, South Korea, and the Czech Republic. In Uzbekistan, certain issues remain, including outdated cadastral data in some regions, discrepancies between cadastral and market values, and insufficient tax awareness among the population, which may negatively affect tax revenue efficiency.

To improve the tax system, several directions have been identified: introducing modern automated valuation models (AVM), regularly updating cadastral data, expanding taxpayer awareness, and increasing transparency of tax authorities. Since property tax is one of the most stable sources of local budget revenue, its effective management is crucial for financing regional infrastructure and social programs.

The process of calculating the property tax levied on individuals and transferring it to the budget consists of several stages, each of which is based on clearly defined procedures and requirements.

First, the taxpayer is identified. Individuals who own property or have the right to possess or use it are recognized as taxpayers. If the property belongs to several persons, the tax is calculated in proportion to their ownership shares. At the next stage, the taxable object is determined.

One of the most important factors in calculating property tax is determining the value of the property. Typically, the cadastral value is used as the tax base. If the cadastral value is not available, the market value or the value determined by a certified appraiser is applied to establish the tax base. After the tax base is determined,

exemptions предусмотренные by legislation are taken into account. Tax exemptions or reductions may be granted to pensioners, persons with disabilities, war veterans, and certain socially vulnerable categories of citizens.

Tax rates are determined depending on the type, value, and location of the property. Generally, tax rates range from 0.2 percent to 1 percent; however, higher rates may be applied to properties located in high-value areas or to non-residential properties. Local Councils are authorized to increase or decrease tax rates within their respective territories.

Tax authorities calculate the tax amount annually and send notifications to individuals in electronic or paper form. The calculation process is carried out entirely through electronic systems. The tax payment period consists of two stages: the first payment must be made by July 15, and the second payment by October 15. In case of late payment, penalties are imposed on the taxpayer.

Tax authorities maintain regular records of tax revenues, monitor outstanding tax liabilities, and ensure compliance with tax discipline. Penalties are applied to individuals who evade payment or violate payment deadlines, and in cases of long-term tax arrears, enforcement orders may be issued or restrictions may be imposed on the property.

All stages of the process—including notification delivery, property valuation, payment collection, control, and monitoring systems—are automated through modern digital technologies. This contributes to increased tax revenues, greater transparency in the taxation process, and improved regulatory efficiency.

In addition, changes in property ownership—such as sale, inheritance, or donation—are registered by the state cadastre and automatically transmitted to tax authorities. Based on this information, the tax base is recalculated and a new taxpayer is identified.

At the end of the year, tax authorities confirm that all revenues have been fully transferred to the budget and record them in the statistical system.

Conclusion

The property tax levied on individuals serves as a stable source of local budget revenues in Uzbekistan. Accurate tax calculation depends on the cadastral value of real estate, the relevance of tax authority databases, and the conveniences created for the population. Digitalization of the tax system has increased transparency and strengthened payment discipline.

However, outdated cadastral data in some regions and insufficient tax awareness negatively affect revenue efficiency. In addition, automated valuation systems widely used internationally have not yet been fully implemented.

Proposals:

- Improve the system for updating cadastral values and introduce valuation mechanisms close to market value;
- Gradually implement automated valuation models (AVM);
- Expand digital advisory platforms for taxpayers;
- Establish an online monitoring portal for property tax revenues to ensure transparency of local budgets;
- Launch educational projects via social networks and prepare step-by-step video guides;
- Create incentive systems to improve tax payment discipline (discounts or bonus services for timely payment).

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