

Theoretical Basis For Taxing Income of Individual Entrepreneurs

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Abstract. The main aspects of taxation of individual entrepreneurs are indicated. The income tax payment and its theoretical basis are mentioned by them.

Key words. Income, market law, resource, property, enterprise, organization, salary, tax, income tax, budget, physical person, state, tax system, tax policy.

Tax policy is the sum of measures, activities in the organization of tax relations of the state. Therefore, only an independent state can have its own independent Tax Policy. The development of tax policy comes from financial and economic relations. Through state tax policy, it is possible to actively influence the stabilization and development of the Republic's economy in every possible way. Since taxes are monetary relations and are a component of economic relations, tax policy is also a component of economic policy. It is an object of taxation for individual entrepreneurs who express their desire to pay the tax in a strictly defined amount in accordance with the procedure established by Article 392 of the tax code, and are physical indicators that characterize the type of activity being carried out.

The types of activities that individual entrepreneurs can engage in without the organization of a legal entity and the peculiarities of taxation:

An individual entrepreneur is an individual who carries out entrepreneurial activity without the organization of a legal entity, independently, on the basis of property belonging to him on the basis of property rights, as well as on the basis of a foreign right that allows him to own and (or) use property.

An individual entrepreneur has the right to hire employees in the manner prescribed by the Cabinet of Ministers of the Republic of Uzbekistan.

Under current legislation, private entrepreneurs can engage in retail, domestic services and other types of activities with a total of 89 activities without the establishment of a legal entity, hiring and using one to three employees in the process.

Including:

- up to one person when engaged in retail activities;
- up to three people when engaged in household service activities;
- is allowed to hire and use up to two employees when dealing with other types of activity.

Fixed tax payers and distinctive features:

Strictly defined taxpayers are individual entrepreneurs, private entrepreneurs, family entrepreneurs. In this case, it is established that the total turnover in the calendar year does not exceed 100 million rubles.

A fixed tax amount is determined based on the tax base and the fixed rate, regardless of the number of days the taxpayer has worked in the calendar month.

The types of activities that individual entrepreneurs can engage in without the organization of a legal entity and the peculiarities of taxation:

Since January 1, 2019, the income of individual entrepreneurs from the realization of goods (works, services) in the calendar year:

- 100.0 million. Fixed tax when not exceeding the sum;
- 100.0 million. However 1 over the sum mlrd.so working tax payment at a rate of 4 percent, while maintaining the status of individual entrepreneurship up to M;
- 1 mlrd.so when exceeding m, it was established to pay taxes and other mandatory payments provided for legal entities, while maintaining the status of an individual entrepreneur(VAT and profit tax).

Individual entrepreneur

- the taxpayer carries out the payment of a strictly defined amount of tax from the month of state registration as a business entity or the month after the month of conclusion of an employment contract with an individual entrepreneur or a family business entity.
- taxpayers engaged in several types of activity pay a strictly fixed amount of tax on each type of activity separately, a fixed amount for that type of activity.
- Tax Period-one month (no later than the 15th date of the month in which the activity was carried out).
- taxpayers receiving other income, along with income from the activities in which a strictly defined amount of taxation is applied, are required to account separately for these types of income and pay 12% tax on the basis of the declaration.

Strictly defined tax payers are required to know the following:

When engaged in several types of activity, it pays a strictly fixed amount of tax for each type of activity separately, while when engaged in activity in two or more settlements, a tax is paid at a fixed high rate for these settlements;

In case of carrying out entrepreneurial activity on rented equipment and in a building, it is obliged to provide a rental certificate (information) to the tax authority at the place of residence;

When a person with a disability of Group 1 or 2 pays 50% of a strictly fixed amount of tax per month, regardless of the type of activity and place of its implementation, but not more than 50% of the amount of the base calculation;

Is exempt from paying a strictly fixed amount of tax when a member of the "Craftsman" Association and carries out the production and realization of handicrafts (goods, services);

When children provide services related to slot machines, they pay a strictly fixed amount of tax for each equipped place (unit).

Income from the rental of property of individuals is taxed at a fixed rate of 12% Councils of districts and cities of people's deputies have the right to set reducing or increasing coefficients from 0.7 to 1.3 for individual entrepreneurs, depending on the characteristics of the places where activities are carried out, as well as the seasonality of the types of activities carried out.

Family entrepreneurship is a joint entrepreneurial activity of individuals who are not legal entities, carried out by a couple on the basis of their common property belonging to them with the

right to joint common property, and based on the personal work of the couple and their supporting family members.

Family members are spouses, parents, or adoptees, and children over the age of 15, including adopted children.

2018-14.- the July resolution PRESIDENTIAL DECREE -3856 established that family business entities without the establishment of a legal entity are entitled to hire up to 3 permanent employees, conclude an employment contract with them, as well as attract other close relatives of working age, including spouses of children and grandchildren of working age, brothers and sisters of working age, their spouses as participants in a family business entity Craft activities (crafts) are activities for the production of handicrafts or goods (works, services) of individuals who are not legal entities.

An artisan (master craftsman, master) is an individual who independently or with the help of his students prepares items or goods (works, services) of craft activities that meet historically determined requirements of the functional properties of objects and national aesthetic norms on the basis of traditional technologies based on the use of special skills, tools and small mechanization tools.

- a family business entity can carry out types of activities for individual entrepreneurs according to the list established by law.

- a tax strictly defined by a family business entity when entrepreneurial activity is carried out in several separate facilities is paid separately for each.

- craft activities are carried out by the Craftsman according to the directions indicated in the certificate of state registration.

- Craftsman has the right to attract at most 10 apprentices to prepare items or goods (works, services) in the implementation of craft activities.

- the main directions of handicraft activities, the list of types of goods and goods (work, service) produced by craftsmen is determined by legislation.

- from January 1, 2021, it was established that the income tax on individuals is calculated and withheld by the tax agent – Individual entrepreneur at the source of the tax on individuals who are in an employment relationship with an individual entrepreneur when the income is paid to the taxpayer.

The benefits applied to those engaged in individual entrepreneurial activity are based on the decision of the president of the Republic of Uzbekistan on July 14, 2018 PRESIDENTIAL DECREE -3856 “on measures to improve and improve the efficiency of work on employment”.

In rural districts, with the exception of settlements with a population of more than 5 thousand people, individual entrepreneurs who organized hairdressing services, clothing sewing services on individual orders, activities for the provision of shoe repair services, as well as public baths, were exempt from paying strict taxes until July 1, 2023;

Individual entrepreneurs were exempted from paying a strictly defined tax paid to each hired employee.

According to the decree of the president of the Republic of Uzbekistan dated September 29, 2017, PRESIDENTIAL DECREE -3301 “on the complex development of Tomdi, Uchkuduk, Konimex, Nurota districts and Zarafshan city of Navoi region and additional measures to ensure the employment of its population:

Individual entrepreneurs registered and operating on the territory of tomdi, Uchkuduk, Konimex districts of Navoi region, Dehibaland, Sentob, Temirkovuk, Qizilcha, Gum and Chola

settlements in Nurota district and the city of Zarafshan were exempted from strictly defined tax from October 1, 2017 to January 1, 2028.

According to the decree of the president of the Republic of Uzbekistan dated February 28, 2017 PRESIDENTIAL DECREE -2803:

Individual entrepreneurs registered and operating in the Moynok District of the Republic of Karakalpakstan were exempt from paying a fixed tax from April 1, 2017 to January 1, 2027.

According to the decree of the president of the Republic of Uzbekistan dated July 14, 2018 PRESIDENTIAL DECREE -3856 "on measures to improve and improve the efficiency of work on employment:

- In rural districts, with the exception of settlements with a population of more than 5 thousand people, individual entrepreneurs who organized hairdressing services, clothing sewing services on individual orders, activities for the provision of shoe repair services, as well as public baths were exempt from paying strict taxes until July 1, 2023.

- Individual entrepreneurs were exempted from paying a strictly defined tax paid to each hired employee;

- Individual entrepreneurs were determined to pay a strictly defined tax, which is charged monthly from the services of transportation of goods at a rate of 2 times the minimum wage (before 3 – 3.5 times) in the transport of a car carrying more than 3 tons. By individual entrepreneurs until the 15th of the month (my.soliq.uz) will file electronic reports through his personal cabinet.

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