



## Increasing The Income Of The Population And Reducing The Tax Burden As A Key Factor In Improving The Living Standards Of The Population

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### ABSTRACT

The article describes the increase in living standards, income of individuals, income from wages, salaries of employees of budgetary institutions and organizations, pensions, stipends and allowances, increase in domestic consumption as a result of income growth, growth of gross per capita income, tax rates have been reduced and simplified over the years.

### KEYWORDS

Living standards of the population, individuals, income of individuals, income in the form of wages, retail turnover, the volume of services, income tax, tax rate, types of non-taxable income.

### INTRODUCTION

In our country, several normative documents are being adopted and implemented to rapidly increase the living standards of the population, significantly increase the real income of the population, reduce the tax burden on personal income. The income of individuals is generated through their entrepreneurial activities in various fields, which cover many areas such as trade, services and performance of work [3-5]. It also includes income from renting

property, receiving dividends from securities, interest, and of course, income from hired labour. As in all countries, the income of the main part of the population is the income in the form of wages from hired labour in accordance with employment contracts with enterprises and organizations [5-8].

## MATERIALS AND METHODS

The rapid and balanced development of our economy has led to a steady increase in wages in the form of wages to consistently improve the living standards and quality of life of the population.

In order to significantly increase the income and living standards of the population, to create favourable conditions for further social support of vulnerable groups, including people with disabilities, several normative documents have been adopted in our country [1-5].

For example, since 2015, the salaries, pensions, stipends and allowances of employees of budgetary institutions and organizations have been increased by the following amounts:

- From September 1, 2015, to 1.1 times;
- From October 1, 2016, to 1.15 times;
- From December 1, 2017, to 1.15 times;
- From July 15, 2018, to 1.07 times;
- 1.1 times from November 1, 2018;
- Starting from August 1, 2019, it has been increased 1.1 times.

The rapid increase in the salaries of low-paid employees by raising the coefficients of the lower levels of the single tariff grid by an average of 10%, including 15% for the 1st category, 10% for the 2nd category and 5% for the 3rd category. provided that from January 1, 2019, the single tariff grid of remuneration of labour was revised. The first paragraph of the Decree of the President of the Republic of Uzbekistan dated May 21, 2019 "On improving the procedure for determining the number of wages, pensions and other benefits" PF-5723 was amended to improve the procedure for determining the number of wages and salaries,

in order to eliminate the link between the conditions of collection of state duties, fines, levies and other payments, instead of the minimum wage from September 1, 2019:

- The minimum amount of wages;
- Basic calculation amount;
- The basic amount of pension calculation was introduced.

As a result of increasing incomes in our country, domestic consumer demand is expanding.

According to statistics, the growth rate of retail trade turnover in 2015 compared to the previous year was 15.3%, 14.4 per cent in 2016, 1.9 per cent in 2017, 6.5 per cent in 2018, The growth rate of services per capita will increase by 9.1% in 2019 and 3.2% in 2020, compared to the previous year by 11.4% in 2015, 12.7% in 2016, 8.9% in 2017 and 7% in 2018. , 0 per cent, 11.1 per cent in 2019, and 0.4 per cent in 2020. The growth rate of gross per capita income compared to the previous year was 10.1% in 2015, 14.6% in 2016, 17.3% in 2017, 25.9% in 2018, 20.2% in 2019, and 13.7% in 2020. percent [1].

The part of the population that receives income is recognized as individuals for tax purposes. Taxpayers Legal entities and individuals who are obliged to pay taxes and fees established in accordance with Article 20 of the Tax Code shall be recognized as taxpayers. In general, the founders and operators of legal entities are individuals. The diversity of sources of income of individuals, the diversity of activities requires special attention, specificity in tax relations.

In order to increase the income of the population in our country, tax rates on

individuals have been reduced and simplified over the years. The changes in the rates of personal income tax and compulsory insurance contributions to the extra-budgetary Pension

Fund for 2015-2021 can be seen from the data in Table 1.

**Table 1. Rates of personal income tax and compulsory insurance contributions to the extra-budgetary Pension Fund [2].**

Name of indicators	2015	2016	2017	2018	2019	2020	2021
from the amount up to one times the minimum wage	0%	0%	0%	0%	12,0%	12,0%	12,0%
from one to five times the minimum wage	8,5%	7,5%	7,5%	7,5%			
from five to ten times the minimum wage	17%	17%	17%	16,5%			
more than ten times the minimum wage	23%	23%	23%	22,5%			
compulsory insurance contributions to the extra-budgetary Pension Fund	7,0%	7,5%	8,0%	8,0%	x	x	x

As can be seen from the table above, in accordance with the Law of the Republic of Uzbekistan No. ZRU-508 of December 24, 2018 "On amendments and additions to some legislative acts of the Republic of Uzbekistan in connection with the adoption of the main directions of tax and budget policy for 2019" the flattened rate of personal income tax was waived and a single 12 per cent rate was set. Also, the insurance premiums of citizens to the extra-budgetary Pension Fund were abolished, the rate of insurance premiums was set at 7.0% in 2015, 7.5% in 2016, 8% in 2017 and 2018 [8-10].

The tax rate on income paid to residents of the Republic of Uzbekistan in the form of dividends and interest has also been reduced from 10% to 5% from January 1, 2019.

In addition to the simplification and reduction of tax rates on income of individuals mentioned above, Article 378 of the Tax Code - "Non-taxable income" lists the types of income that are not subject to income tax.

In particular, paragraph 16 of this article encourages the education of young people in higher education, to support the education of young people in higher education institutions of the Republic of Uzbekistan (education for themselves, their children under the age of twenty-six or their husbands (wives) In order not to exceed 50% of the tax base to support secured families and provide housing, income from artisanal assistance, mortgage loans and interest accrued on them up to a total of up to fifteen million soums during the tax period will not be taxed.

## CONCLUSION

In conclusion, we can say that over the past period, our country has made the necessary reforms to increase incomes and improve living standards, and in turn, these reforms have yielded positive results. In addition, positive results have been achieved in increasing the life expectancy of the population, increasing food consumption, housing, education and employment, social security, guaranteeing human rights and freedoms. In the current pandemic, in order to provide full employment to the population, it is necessary to continue the benefits and preferences for entrepreneurship, increase wages and further reduce the rate of income tax on employees, provide affordable housing and loans to them. reducing interest rates will further improve the living standards and quality of life of the population.

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