



## Possibilities of giving tax benefits and preferences for agricultural enterprises

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### Abstract

This article discusses agricultural production enterprises as well as the benefits and preferences used in their activities, the issues of providing benefits and preferences to agricultural production enterprises, developed proposals and recommendations for stimulating the activities of these enterprises.

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**Keywords:** Tax, general tax, property tax, land tax and water use tax, privilege, preference.

### 1. Introduction

In order to ensure the sustainable development of our country and the principle "If the people are rich, the state will be rich and powerful," a wide range of opportunities and facilities are being created in our country to radically improve the business and entrepreneurial environment.

Agriculture is the main branch of the economy of great social and economic importance in ensuring the economic stability of the republic. According to statistics, 49.4% of our compatriots live in rural areas, and the share of agriculture in GDP is 19.7%.

Also, the number of enterprises specializing in agriculture as of January 1, 2019, is more than 157 thousand, which is 40.6% of the total number of operating enterprises and 27.3% of the economically active population work in this field [1].

The Address of President Shavkat Mirziyoyev to the Oliy Majlis reads: "Our most important task is to reform the agricultural management system, introduce advanced technologies for the rational use of land and water resources, and ensure food security. At the same time, grain and fruit - It is necessary to comprehensively develop the activities of vegetable clusters. Given that this area is relatively new to us, it requires state support, including the simplification of the credit system, cost subsidies, a review of land allocation procedures.

### 2. Main part

The goal of agricultural reforms is to ensure food security and increase the welfare of the people, along with economic benefits. We must never forget that [2]. State support for agriculture is provided through a variety of methods, including a number of tax incentives and preferences. For example, according to Article 362 of the Tax Code, agricultural producers (farms), experimental farms of agricultural research organizations, educational institutions and other agricultural enterprises, forestry and hunting farms, and legal entities and except for dehkan farms formed without formation - pay corporate income tax, value-added tax, property tax for legal entities, land tax and single land tax instead of taxes for the use of water resources.

Enterprises that are producers of agricultural goods must simultaneously meet the following three requirements in order to be eligible for a single land tax: first, their main activity is the cultivation of agricultural products using land plots and processing of these products, or the cultivation of only agricultural products using land plots;

Secondly, that they have land plots allocated to them by local state authorities for agricultural purposes in accordance with the established procedure; thirdly, the share of agricultural production and processing of the same product grown by him must be at least 50 per cent of the total volume of cultivation and processing of agricultural products, including agricultural products obtained for sale or processing.

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An enterprise that meets these conditions shall not have the right to choose a different tax regime for the part of its activity to which the single land tax is applied.

In order to apply the single land tax payment procedure, the company must submit a certificate to the state tax inspectorate at the place of registration by February 1 of each year, indicating the share of agricultural production in the total volume of cultivation and processing of agricultural products in the previous year. Other income provided for in Article 132 of the Tax Code shall not be taken into account in determining this share.

However, if the single land taxpayer does not meet at least one of the above conditions at the end of last year, the enterprise will lose the right to apply the single land tax from the beginning of this year. He can now pay the single land tax again only from the beginning of next year if he meets the above condition.

At the same time, an enterprise that has lost the right to apply the single land tax will be able to choose a simplified taxation procedure if its turnover does not exceed one billion soums last year. To do this, you must submit a certificate to the registered state tax inspectorate by January 10 of this year. Otherwise, it becomes a general taxpayer.

If the enterprise carries out other activities not related to the cultivation and processing of agricultural products, it is obliged to keep separate accounts for them and pay the established taxes. That is, on other activities of the enterprise pays general taxes if the annual turnover (gross income) exceeds 1 billion sums at the end of the previous year or during the current year; pays property tax, land tax and water use taxes of legal entities for property and land belonging to a single tax and other activities, if the annual turnover (gross income) is up to 1 billion sums.

The single land tax is calculated at 0.95% of the normative value of land owned, used or leased for agricultural activities and is paid before September 1 of the reporting year in the amount of 30% of the annual tax amount and the remaining amount of the tax until December 1. In this case, first of all, the normative value of land is determined by the Uzbek State Research and Design Institute "Uzdaverloyiha" of the Committee "Davergeodezkadastr" in accordance with the Regulations on the procedure for determining the normative value of agricultural land, approved by the Cabinet of Ministers on August 18, 2014 No 235, , secondly, from January 1, 2019, as a pilot project, a single land tax levied on producers of fruit and vegetable agricultural commodities for irrigated and non-irrigated lands occupied with fruit and vegetable products, vegetables, melons, fruits, vineyards calculated based on the rates.

It is also envisaged that enterprises paying the single land tax will be exempted from the single land tax on this part of the land for a period of five years and on the land plots provided for in the second part of Article 282 of the Tax Code if they introduce a drip irrigation system. Enterprises that pay a single land tax, as well as their employees, pay personal income tax (12 per cent) on their salaries to the budget and make a single social payment (12 per cent) to the extra-budgetary Pension Fund.

Established tax benefits and preferences for export activities of agricultural enterprises. In our country, serious attention is paid to supporting and increasing the number of enterprises exporting

agricultural products. For good intentions, the Tax Code, relevant decrees and resolutions provide certain tax benefits and preferences for enterprises operating in this area.

In 2018, more than 32,000 enterprises in the agricultural sector will receive 298,811 mln. UZS were applied. In the Resolution of the President of the Republic of Uzbekistan dated October 17, 2018 "On additional measures to increase the efficiency of export of fruits and vegetables" It was noted that legal entities exporting fruits and vegetables have the right to do so without a down payment, opening a letter of credit, issuing a bank guarantee and insurance policy for export contracts without political and commercial risks, and businesses without a wholesale license [3]. By the Decree of the President of the Republic of Uzbekistan dated November 29, 2018 "On measures to further stimulate the export potential of domestic producers" from January 1, 2019, exports of goods (works, services), including through the commissioner (trustee) The tax base for legal entities with a share of more than 15%:

On the corporate income tax on the part of the profit corresponding to the volume of sale of the goods (works, services) for export;

It is noted that the reduction of the single tax payment on the part corresponding to the volume of sales of goods (works, services) for export [4]. According to the Decree of Shavkat Mirziyoyev dated March 29, 2018 "On additional measures for the accelerated development of fruit and vegetable growing in the Republic of Uzbekistan": business entities that grow seeds, seedlings, grafts in nurseries and greenhouses and supply them to agricultural producers from the payment of all types of taxes and fees (except for the single social payment); imported seeds, seedlings and grafts, mineral fertilizers, chemical plant protection products, modern energy-saving greenhouses and their components from customs duties (except for customs clearance fees);

Vehicles specializing in the import of imported fruits and vegetables (TIF TN codes - 870120, 870421, 870422, 871639) are exempt from customs duties and fees to the Republican Road Fund until January 1, 2021. As a result of this privilege, 1.6 billion sums remained at the disposal of 11 enterprises.

Thanks to the Resolution of the President of the Republic of Uzbekistan dated September 16, 2017 "On measures to implement the project" Development of the livestock sector in the Republic of Uzbekistan "with the participation of the International Bank for Reconstruction and Development and the International Development Association" (works, services) and vehicles are exempt from customs duties (except for customs duties), value-added tax, mandatory contributions to state trust funds and fees. In accordance with the Resolution of October 20, 2017 "On additional measures to ensure food security in the country and further improve the activities of the Association" Uzbekozikovkatzakhira ": from November 1 of the same year to equate the preparatory activities of the organizations belonging to the association "Uzbekozikovkatzakhira" to trade activities and to apply to them the procedure of taxation of trade enterprises, the object of which is the single tax on this type of activity. to be calculated;

The procedure for exemption of the turnover from the sale of agricultural products from single tax payment for a period of 5 years.

In connection with the provision of the above-mentioned benefits, 50 per cent of the released funds will be transferred to the special account of the Uzbekozikovqatzakhira Association for the provision of new construction facilities, existing specialized facilities, repair and modernization of potato storage and refrigerator chambers, as well as for the provision of modern high-tech equipment for the processing and packaging of food products, the use of storage and storage for financing will also be directed to the payment of loans received from commercial banks. On this basis, last year, compared to 50 enterprises, the amount of 5.9 billion. som privileges were applied [5-7].

According to the decision of the head of our country "On measures to radically improve the financing system of the cultivation of cotton raw materials and grain with a spike", which was adopted on February 28, 2018, the subjects of entrepreneurship, Chunchi, phosphorous fertilizers imported by farmers of agricultural products, as well as the phosphorous raw material brought for the preparation of phosphorous fertilizers, Accordingly, last year has invested a total of 29 million dollars in 3 enterprises. som privilege applied [8].

In accordance with the decision of our government "on measures for the cultivation of liquorice and other medicinal plants in the Republic of Uzbekistan and further development of industrial processing" in the 2018 year 27 January, the economic entities that organize plantations of such plants, as well as processing liquorice roots and producing finished products are subject to the 2024 Year 1 January: land tax, income tax, property tax for legal entities, single tax payment, single land tax;

Excluded from customer's duties (except for customer's duties) for imported technical equipment, special agricultural machinery, their components and spare parts, raw materials, construction materials not produced in the country and seeds and seedlings of liquorice and other medicinal plants for their own production needs. As a result, 32 enterprises received 5.4 billion soums.

### **3. Conclusions**

In order to rationalize the use of land resources, evenly distribute the tax burden and develop a competitive environment, farms engaged in other activities, except for cotton and grain farms, should pay a land tax instead of a single land tax. it would be expedient to introduce an income tax.

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