

Procedure for Calculating and Budgeting the Profit Tax Received From Legal Entities

Turaev Alijon Akmal o'g'li

Teacher, Department of Investment and Innovation, Samarkand Institute of Economics and Service,
Samarkand, Uzbekistan

Zoirova Malika Abdisodiq qizi

Student, Samarkand Institute of Economics and Service

Ahrorov Abror Nurali o'g'li

Student, Samarkand Institute of Economics and Service

Abstract: This article shows the calculation of the profit tax from legal entities in Uzbekistan and the procedures for charging it to the budget.

Keywords: legal entity, taxpayers, total revenue, tax object, tax subject, tax rate, tax benefits, tax calculation procedure, tax payment terms.

Until 1991, the revenues of the state budget of the Republic of Uzbekistan were formed mainly from the allocations from the profits of state - owned enterprises. This profit deduction was a mandatory payment established by the state, which took up to 90 percent of the balance profit of enterprises to the budget. The remaining funds were not distributed by the enterprise, but according to the order of the higher organization, to the appropriate funds. Due to the transition of our republic from the administrative-command system to market relations, profound positive changes began to take place in the economic life of our country. As a result, with the development of different forms of ownership, the increase in the opportunities of enterprises, and the development of market infrastructure, the previous system of mandatory allocations failed to ensure the efficiency of enterprises' management, and they began to interfere with direct and indirect investment programs. Because, according to its economic essence, the profit deduction should be separated only from the profits of state enterprises.

With the development of market relations, there was a need to regulate the economy with the help of taxes, in particular, to introduce income tax instead of profit deductions, and since 1992, all types of economic entities have to pay the "Income" tax. they did. Starting from January 1995, in order to strengthen the incentive role of taxes, a tax on the profits of enterprises was introduced in our country. According to Article 23 of the Tax Code, which entered into force on January 1, 2008, the profit tax from legal entities is part of the state taxes, and it is one of the main sources in the formation of state budget revenues.

Of profit tax from legal entities in state budget¹ revenues in 2020-2022

Indicators	2020 year		2021 year		2022 year	
	trillion soums	%	trillion soums	%	trillion soums	%
Without the income of state trust funds - total	133	100	164.7	100	200	100
Profit tax from legal entities	28.7	21.6	38.4	23.3	48.8	24.4

As can be seen from the table, the weight of the corporate income tax in budget revenues tends to decrease. That is, if we analyze its weight by years, it will be 21.6 percent in 2020, 23.3 percent in 2021, and 24.4 percent in 2022.

This situation is explained by the fact that the rates of profit tax from legal entities are decreasing from year to year. Most of the profits remain at the disposal of enterprises, which increases their investment activity, creates a wider financial opportunity to create new jobs, produce competitive goods, and provide work and services.

Legal entities paying profit tax are:

- Residents of the Republic of Uzbekistan;
- Non-residents of the Republic of Uzbekistan who carry out activities in the Republic of Uzbekistan through a permanent establishment or receive income whose source of income is located in the territory of the Republic of Uzbekistan.

The object of profit tax levied on legal entities is:

- the benefits of residents of the Republic of Uzbekistan, as well as non-residents of the Republic of Uzbekistan who carry out activities in the Republic of Uzbekistan through a permanent establishment;
- Incomes of residents of the Republic of Uzbekistan and non-residents of the Republic of Uzbekistan subject to tax at the source without making deductions in accordance with this section.

The total income of legal entities includes:

- income from the sale of goods (works, services);
- other income.

The value of the taxpayer's income, expressed in foreign currency, is calculated by summing up the income received in the national currency, in accordance with the procedure provided by the legislation on accounting.

and interest taxed at the source of payment in the Republic of Uzbekistan are deducted from the total income.

received from the sale of goods (works, services), including the sale of auxiliary services, after deducting value added tax and excise tax, is the income from the sale of goods (works, services).

Income from the sale of goods (works, services) is determined based on the value of the shipped goods (executed works, rendered services) on the basis of documents confirming the cases of sending goods, performing works, rendering services.

¹Prepared on the basis of the forecast of the main macroeconomic indicators of the Republic of Uzbekistan for 2020-2022 and the decisions of the President of the Republic of Uzbekistan on the parameters of the State budget.

For legal entities that receive income from mediation activities, income is understood as the amount of fees that should be received for the services provided.

publishers and editors, the income from the sale of newspapers and magazines is determined including the income from placing advertisements in them.

Interests, royalties, incomes from leasing property and property rights to other persons for use, as well as incomes received from relinquishing the right to claim in favor of another person, if the amount of these incomes is less than the incomes from the sale of goods (works, services) if it exceeds the total amount, it is recognized as income from the sale of services. This norm does not apply to non-profit organizations, for which these incomes are considered as other incomes.

Service enterprises are enterprises whose activities are aimed at providing services to the main activity of the taxpayer and are not related to the production of goods, performance of works and provision of services, which are the goals of this taxpayer. Jaliks are understood. Auxiliary farms for service farms, housing and communal facilities, social and cultural facilities, canteens and canteens, educational complexes and similar farms, to their employees or other persons include productions and services that carry out the realization of services.

Housing and communal facilities include housing stock, hotels (except for tourist hotels), houses and dormitories for visitors from other places, outdoor landscaping facilities, artificial structures, water bodies, facilities for beaches and equipment, as well as technical service and repair of gas, heat and electricity supply facilities for the population, housing and communal services, socio-cultural sphere, physical education and sports facilities includes designated plots, workshops, bases, workshops, garages, special machines and mechanisms, warehouses.

Socio-cultural facilities include health care, cultural facilities, children's pre-school education facilities, children's recreation centers, sanatoriums (prophylactics), recreation centers, boarding houses, physical education and sports facilities (including tracks, riding stables, stables, tennis courts, golf, badminton courts, health centers), non-production objects of the household service sector (baths, saunas, laundry, sewing and other workshops providing household services) are included.

Income from service enterprises is defined as a positive difference between the amount of funds received (received) from the realization of services by service enterprises and the sum of expenses related to the activities of service enterprises.

T/r	Tax payers	Tax rates, in percentages
1	Banks	20
2	The following taxpayers: producer of polyethylene granules; the main type of activity was providing mobile communication services	20
3	Producers of agricultural goods and fish farms that meet the criteria provided for in Article 57 of this Code regarding the profit from the sale of their own agricultural products	0
4	Taxpayers performing activities in the social sphere	0
5	Budget organizations receiving income from additional sources	0
6	Profit from the sale of goods (works) for export	0
7	Profit from services in markets and shopping complexes	20
8	Taxpayers conducting electronic sales of goods (works, services).	7.5
9	The sole participants are public associations of persons with disabilities, and persons with disabilities make up at least 50 percent of the total number of employees, and the labor compensation fund for persons with disabilities makes up at least 50 percent of the total labor compensation fund. taxpayers who make up	0
10	Incomes received by the People's Bank of the Republic of Uzbekistan from the use of funds in the personal savings accounts of citizens	0
11	Income in the form of dividends	5
12	Other taxpayers, except for those specified in paragraphs 1-11	15

Goods export when done , that's it including commodity intermediary (reliable representative) through realization when done , 0 degrees percentage amount tax rate tax payers by , this Article 261 of the Code mean caught of goods export affirmative documents there is is used when. When goods are exported, the tax rate of 0 percent is not applied by taxpayers, if the income from the export of goods in foreign currency is not received within one hundred and eighty calendar days from the date of export of goods (services).

The following are entitled to a 50% reduction in the profit tax rate:

Taxpayers who are taxed from turnover for the first time after September 1, 2022 - the taxpayer paid tax during one tax period after the previous year, in the tax period in which the reduced tax rate is applied if the total income of the taxpayer does not exceed ten billion soums;

After September 1, 2022, taxpayers whose total income exceeds ten billion soums for the first time during the current tax period - during the current tax period and the next tax period, in tax periods with a reduced tax rate, the total income exceeds one hundred billion soums does not exceed soums.

The tax report is submitted in the following terms:

1. at the end of the reporting period - no later than the twentieth day of the month following the reporting period;
2. by the end of the tax period - no later than March 1 of the year following the end of the tax period.

Budget organizations and non-governmental non-profit organizations submit a tax report according to the end of the tax period, with the exception of cooperatives. It is not required to submit a tax report if there is no total income at the end of the previous tax period .

The calculation of the monthly lump sum payment is carried out by the tax authorities. In this case, the taxpayer has the right to submit a report to the tax authorities on the amount of tax payments based on the amount of profit expected in the current quarter no later than the 15th of the first month of the next quarter. In the event that the amount of expected profit is unreasonably understated, the tax authorities have the right to make changes to the information on the amount of tax payments submitted by taxpayers.

Even in developed foreign countries, legal entities pay profit tax on the income they have during their activities. In the tax system of these countries, the profit tax collected by enterprises is of special importance, and it should be noted that this tax has many common features and at the same time differs from each other. Continuing this idea, below we present an analysis of the experience of developed foreign countries in taxing the income of enterprises.

Tax on profits from enterprises in foreign countries rate amounts²

t/r	States	Amount of profit tax , in percent
1.	Japan	37
2.	Italy	36
3.	Spain	35
4.	The Netherlands	34.5
5.	Austria	34
6.	France	33.3
7.	Great Britain	30
8.	Republic of Azerbaijan	30
9.	Federal Republic of Germany	25
10.	Russian Federation	24
11.	Republic of Uzbekistan	15

Analyzing the data in the table, the profit tax rate in Japan, which ranks second only to the United States in terms of economic potential in the world, is 37 percent, or more than 1/3 of the financial result of enterprises. This is more than 3 times more than the tax rate established in the Republic of Uzbekistan. In general, among the countries named, the Russian Federation is one step ahead of Uzbekistan, and the rate there is twice as high as ours.

In conclusion, it can be said that the socio-economic role and importance of the profit tax is huge. It encourages the development of high-quality products compared to the previous year. The profit obtained and on the company's balance sheet reduces inappropriate spending and expands investment in economic sectors that do not give a direct return, creating conditions for its rapid implementation. The tax makes companies interested in spending their funds on housing construction and profiting from increasing the volume of exports. Because the tax exemption of such profits strengthens the solvency of the company, which strengthens the financial situation. Profit tax is one of the most important direct taxes paid by companies. The amount of the profit tax directly reduces the net profit of the enterprise, i.e. the profit remaining to its owner. Therefore, this tax often causes dissatisfaction among taxpayers. Therefore, it is important to always reduce this tax burden in the state tax policy. A clear witness of this is the annual reduction of the profit tax rate. If this tax rate was 38% in 2014, it is now 15%. It is considered a type of tax that encourages economic entities to work profitably and avoid crises.

² IBFD. Publications. European Tax Handbook-2002 . r. 59.

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