

CHANGES IN POPULATION INCOME AND THEIR TAX REGULATION

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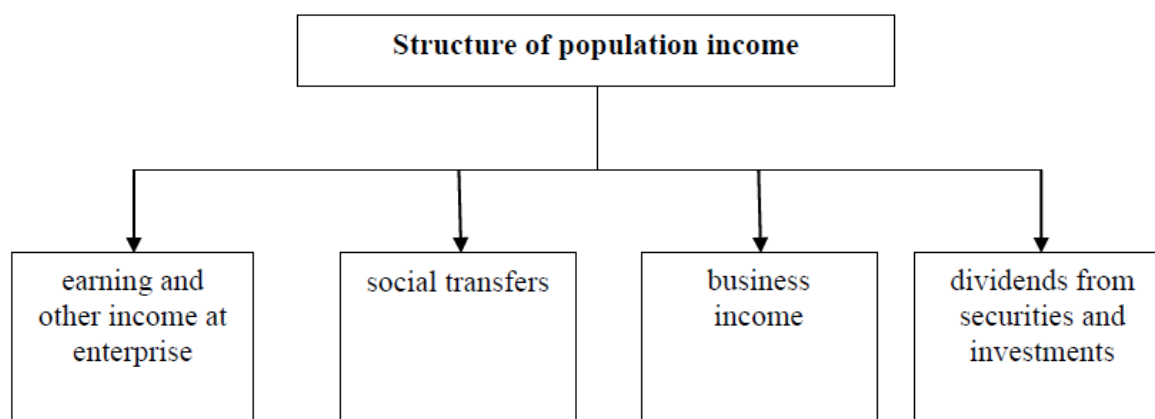
ANNOTATION

In this article, N.Ya. Artikova, a local economist, focuses on the formation of the gross annual income of an individual. It is noted that the law has not yet been formed, the views of economist A.O Bozorov, the structure of income in our country and the structure of taxable income differ.

Keywords: population income, individual, gross annual income, economist, priority ratios.

INTRODUCTION

The third direction of the Strategy of actions approved by the President of the Republic of Uzbekistan is devoted to development and liberalization of local economy. Here an increase of population's real income has a significant importance for local government, and is resulted by rising people's nominal earnings along with stable price on consumer goods. As well the event is a key factor for wellbeing of local population. In the branch enormous reforms has taken place in our republic recent years. "The development of necessary conditions and opportunities for effective work, decent wage, modern houses, qualified knowledge and medicine, rest and recreation are main factors as well as reasons creating the meaning and content of reforms in economic sphere. Accordingly, not only the least monthly wage but a gradual increase in the amount of average wages, pensions, stipends and social benefits in public and private sector entities" is under great attention. A practical evidence of that were earning rise of university professors' more than 3,5 times, scientific research institutions researchers' - appropriate 3,0 times, in public education teachers' - 3,4 times in 2017-2020 years. It is noticeable to see changes in income structure while it's increase, the entrepreneurs' income growth in entrepreneurship developing countries, the rising importance of social transfers in socially guaranteed countries. In economic literature there are variety points on income structure investigation. They can be bundled into four groups: earning and other income in workplace, social transfers, business income and dividends from securities and investments.



Structure of population income

Local scientist Artikova highlights in her works the annual income generation of individual. She points out that population income divides into: earnings, rent and business income. According to Artikova's points of view, it is expedient to include revenue from sale of goods in business income, rent from lending own's property and using intellectually into dividends from securities in order to generate the whole annual income of individual.

Economist Yuldasheva asserts that the priority ratios in structure of population income generation as well as it's reflection on the law of distribution of labor results have not yet been formed. She declares that the changes of distribution relationships in transferring period are caused the probable change at approximately 10 percent after decrease in part of labor against whole people's cash in income during limited time, year or half of year.

According to economist Bozorov's pinpoint people's "income can be interpreted as all earnings from payment for work and material goods (exact labor, exploitation of property, entrepreneurship and other deal) during calendar year".

Having fixed income allows people grow wellbeing and living conditions. The dynamic change in local population's income is given in table below.

Changes in population's income of the Republics of Uzbekistan and Karakalpakstan in 2013-2018 years

No	Figures	2013	2014	2015	2016	2017	2018	2019	2020
1.	Whole population's income in the Republic of Karakalpakstan, bln.sum	3890,2	4400,4	4597,1	5786,1	7556,3	11713,5	14709,1	17505,4
	Nominal change against previous year	120,6 %	117,6 %	120,8 %	113,7 %	122,5 %	130,9 %	123,2 %	119,0 %
2.	Whole income per capita, thousand sum	Uzbekistan 3 361,5	3 832,8	4 218,7	4 762,5	5 649,6	8687,6	10891,3	12279,1
	Karakalpakstan	2440,7	2833,2	3203,5	4077,4	4889,3	6323,1	7807,0	9159,8
3.	Whole real income per capita, thousand sum	Uzbekistan 3 142,1	3 601,3	3 998,1	4 511,3	5 160,9	7391,0	9509,6	10873,2
	Karakalpakstan	2273,6	2680,9	3035,6	3856,1	4497,1	5365,4	6 891,1	8 121,1

The table demonstrates that figures on people's income of the Republic of Karakalpakstan are less than the average level in our country. Whole country income per capita in 2013 constituted 3361,5 thousand sum, and in Karakalpakstan accounted for 2440,7 thousand sum. It means the last has less than country meaning for 27,4 percent, which remained stability in 2018 making 8687,6 and 6323,1 thousand sum respectively. In contrast to that, in 2019 the indicator

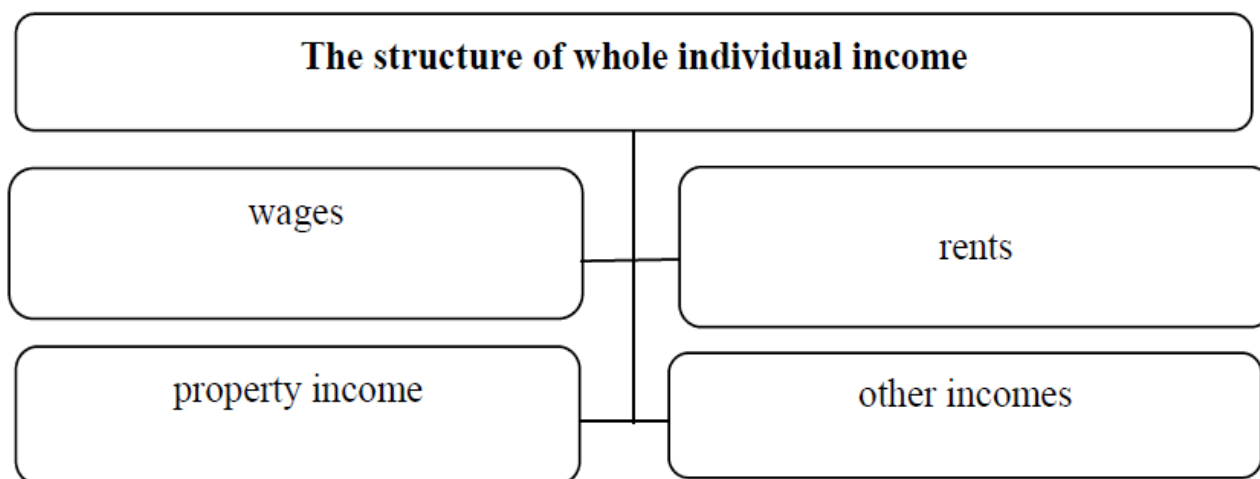
increased and was 28,3 percent, but in 2020 – 25,4 percent, making unexpected fall at 2,9 points.

The similar tendency was noted with indicator of real people's income in country: in 2013 the deviation accounted for 27,6 percent, in 2018 – 27,4 percent.

Subsequently, the difference in real people's income between country and Karakalpakstan in 2019 was 27,8 percent, and in 2020 – 25,3 percent. The latter is explained with global pandemic situation causing economic decline.

Declining tendency of 2020 took place in real people's income and made 99,8 percent less than in 2019. In Karakalpakstan the same index showed rise for 104 percent in 2020, which had positive tendency on local people's earnings. Despite this the relatively less meaning of average income per capita in Karakalpakstan in comparison with country level may be provided with following conclusion: there must be taken wide broaded reforms on development the people's income level in Karakalpakstan based on tax regulators.

The structure of people's whole income and structure of taxable income have discrepancies. In accordance with tax law in taxation the whole individual income has following structure: wages, rents, property income and other incomes.



The structure of whole individual income.

Labor contracts, in other words being subject of works and services contracts of civil nature put forward that all types of payment an individual gets as salary belong to wage. Accordingly, labor income includes incentive payments, compensation and payment for unworked time. Property income of individuals consists of interest income, rental income and income revenue from sale of property as private property. The payment of enterprise goods (works, services) and private property of individuals belongs to material income. For example, price of house bought by an individual, apartment exploitation and utility costs, the cost of living in a hostel present material income of individuals.

Other incomes of individuals involve pensions, scholarships, alimony, fees, different benefits, one-time payment to athletes and others.

The diversity in structure of people's income needs classified tax relations related to such incomes. Hence, in our country taxation of individuals' income exempts from taxation foreseen

household income, natural income and revenue from inheritance and donation coming from authors, scientists, artists, literary critics, inventors.

In conclusion, it should be highlighted that government takes comprehensive measures in order to socio-economic develop the Republic of Karakalpakstan. For example, by decree of the Republic of Uzbekistan "On measures to create additional favorable conditions for entrepreneurship in the Republic of Karakalpakstan and Khorezm region" legal entities specializing in production of medicine, electrical engineering and construction materials are exempt from taxes on property, land and other benefits for the period from April 1, 2017 to January 1, 2022. In our opinion, with the aim of development through providing fiscal instruments and regulation people's income with taxes, it is advisable to free from fixed taxes the income of entrepreneurs in the Republic of Karakalpakstan periodically.

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