



PERSONAL INCOME TAX

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Abstract: This article provides a detailed examination of personal income tax, covers the purpose of income tax, various methods of calculation, its impact on the economy and offers suggestions for improvement. The analysis provides a broader understanding of the topic and its implications.

Keywords: income tax, individuals, revenue system, financial collection, economic development, calculation methods, impact, proposals.

Introduction

Income tax is a crucial component of the country's revenue system and contributes greatly to its economic development. It is a compulsory financial levy paid to individuals based on their income and plays an important role in financing public services and government initiatives. This article focuses on a comprehensive analysis of the personal income tax, including its purpose, methods of calculation, impact on the economy, and possible proposals for improvement.

Methods Section:

Purpose of Income Tax:

Funding public services: Income tax is an important source of revenue for governments and enables them to provide essential public services such as health, education, infrastructure and defence.

wealth redistribution: income taxes play a role in reducing income inequality by redistributing wealth from high-income individuals to low-income individuals and fostering a more just society.

Calculation Methods:

progressive tax system: most countries use a progressive tax system, where tax rates increase with income levels. This ensures that high-income individuals contribute more of their income as taxes.

b. tax brackets: Income taxes are often divided into brackets or levels, each with its own tax rate. Individuals are taxed at different rates based on their income in each bracket.

Personal income tax[2].

The tax on the income of individuals is one of the main sources of the state budget income, and it is part of the national taxes. Its distinctive feature is that the tax is collected from the direct income of individuals.

According to Article 167 of the Tax Code, individuals with taxable income are considered as payers of income tax from individuals.[1].

Object of taxation: Object of taxation, according to Article 169 of the Tax Code, are the following incomes of individuals:

1. Income of residents of the Republic of Uzbekistan from sources in the Republic of Uzbekistan and beyond;
2. Income of non-residents of the Republic of Uzbekistan from sources in the Republic of Uzbekistan..

Taxpayers of income tax are residents of the Republic of Uzbekistan and individuals who are non-residents of the Republic of Uzbekistan receiving income from sources in the Republic of Uzbekistan.

A tax resident of the Republic of Uzbekistan is a natural person who is actually present in the Republic of Uzbekistan for more than 183 calendar days during any consecutive 12-month period in which the relevant tax period begins or ends. The taxable base is the average annual residual value (average annual value) of taxable objects from adding the residual values (average annual values) of taxable objects as of the last day of each month of the tax period. is defined as one-twelfth of the sum received, with an increasing ending[3].

Economic Impact of Income Tax:

revenue generation: Income taxes are an important source of revenue for governments, allowing them to finance public infrastructure, social welfare programs, and other essential services.

economic stability: income tax stabilizes the economy by reducing the fiscal deficit and financing government initiatives, which leads to economic growth and development..

Effects on individuals

tax burden: income tax can affect individuals, especially high earners, by reducing their income and their spending and saving patterns..

tax incentives: governments often provide tax incentives and deductions to encourage certain behaviors, such as investments in certain industries, charitable giving, or homeownership.

Discussion Section:

Simplification and compatibility:

simplifying tax laws: simplifying tax laws can increase compliance and reduce the burden on individuals, making the tax system more efficient and transparent.

technology integration: the use of technology can simplify tax processes, making it easier for individuals to file tax returns and for authorities to monitor and assess taxes.[4]

Progressivity and Equality:

review of tax brackets: periodic reviews of tax brackets can ensure that the progressive nature of income taxes is fair and effective in addressing income inequality[5].

social safety nets: Using income tax revenues to strengthen social safety nets can support low-income individuals and increase social welfare.

Conclusions and suggestions:

Personal income tax is a crucial component of the country's revenue system and contributes to economic development and social welfare. To improve the efficiency and fairness of income tax, governments should focus on simplifying tax laws, using technology for efficient processes and periodically reviewing tax brackets. In addition, diverting tax revenues to social safety nets can ease the burden on low-income individuals. Striking a balance between revenue generation and fair distribution helps create a sustainable and fair tax system.

In conclusion, understanding personal income tax and its implications is very important for policy makers, individuals and society as a whole. By continuously evaluating and improving the income tax system, governments can achieve their revenue goals while promoting economic growth, equity, and social welfare.

Books..

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