



Agrarian Tax Reforms in Developing Countries: Issues and Policy Studies

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Annotation: The article examines the experience of agricultural taxation in developing countries in the context of ongoing policy debates about tax structure and administration affecting agricultural producers. In the study, the tax policies of several foreign countries were analyzed, the tax policies for the development of agriculture were studied, and the indirect and direct effects of taxes on production were determined. Also, the use of tax mechanisms in limiting the activities of farmers and peasant farms was analyzed. In the analysis, it is considered that the provision of tax incentives in the agricultural sector stimulates production on the one hand, but the opposite effect on the volume of production is also seen.

Keywords: tax, agriculture, agricultural producers, tax mechanism, reduces poverty, tax policy, redistribution, income tax, indirect taxes, land prices.

Introduction. Any production process directly depends on the tax policy of the state. In addition, the agricultural tax system is one of the areas that directly contribute to and stimulate the development of the sector. It is no secret that the wrong tax policy of the government on the one hand slows down production processes, and on the other hand, it creates the basis for the emergence of a hidden economy in the state. In most developing countries, agricultural development guarantees food security on the one hand, and on the other hand, it is one of the most effective ways to reduce poverty in the country. Because, as a result of allocating a certain amount of arable land to the unemployed, the volume of production of food products will also increase along with the band-like supply. Also, cheap raw materials are produced for industrial enterprises. However, the differences between the prices of processed products and raw materials remain imperceptibly high. In such a situation, the government regulates the wrong distribution of income through tax policy. The creation of a high level of added value as a result of the processing of products grown by farmers has encouraged industrial enterprises, but it has had the opposite effect on farmers. For this reason, the government should conduct the correct tax policy in the agricultural sector.

In our opinion, when conducting tax policy in the agricultural sector, attention should be paid to two important aspects: the first is the tax structure and the form of its management. This process is more a part of the economic and social environment and changes along with the development of production. That is, with the introduction of new ownership classes in the field, the relations of farmers and farms to economic processes will change. Secondly, given that agricultural producers use several industrial products (mineral fertilizers, fuel, lubricants) at the same time, the same tax mechanisms should be applied to industrial enterprises as well.

In fact, the government should take into account the interdependence of the following aspects when conducting tax policy in agriculture: 1) financing processes of orders issued to cover state needs: 2) the distribution of added values obtained by industrial processing of raw materials: 3) diversification

of agricultural production: 4) redistribution of incomes received in the agrarian sector. We can assess the government's tax policy as correct only if a single tax mechanism fully covers all of the above aspects. Otherwise, the adopted reforms may be contrary to market laws and have a negative impact on production. Also, the majority of agrarian countries face the following four problems when conducting tax policy: first, there are many conflicting processes in taxation. That is, giving priority to one area can lead to the detriment of another area. Let's say that the government gives preferences to livestock farms in order to ensure the proportionality of the price of meat in the market, which has a negative effect on the production of meat products in peasant farms. Secondly, the relationship between the goals in tax policy is not clear. Because, although the government gives high preferences to support multi-sector farming, but most of the farmers have formed additional sectors just for social benefits. Although the additional sector does not bring income to farmers, it provides tax benefits. Thirdly, the use of some tax instruments creates a hidden economy in agriculture. Farmers, in most cases, do not record the income from their repeated crops or additional livestock to hide from taxes, which on the one hand harms the determination of the total output volume, and on the other hand encourages farmers to underreport their income. Fourth, due to various political and administrative restrictions, farmers and peasant farms do not provide complete information about their activities.

Mandatory taxes for peasants and farms include: (i) income tax - real or estimated, on persons (heads) and personal movable and immovable property or property (especially agricultural land) and (ii) indirect taxes such as sales tax (GST, GST), VAT, turnover tax), excise duties, stamp duties, excise duties, customs duties and export taxes. However, it should not be forgotten that the calculation of the value added tax in agriculture is more complicated, because the turnover of goods is only twice a year, so the possibility of obtaining accurate information is limited.

In fact, it is appropriate to divide taxes into direct and indirect taxes, indirect taxes also increase incomes, but if they cause inter-sectoral and interpersonal transfers, direct taxes create a basis for the formation of the secret economy as a result of their direct impact on the activities of producers. We can include the following in the main taxes:

Direct taxes:

1. Income tax;
 - ✓ by real income (table or global);
 - ✓ on estimated income (from land);
 - ✓ depending on the land area
 - ✓ by rental income (annual rental value or capital value);
 - ✓ the value of gross or net income.
2. Personal (or survey) tax:
 - ✓ individually or in a household;
 - ✓ on livestock;
3. Wealth and property tax;
 - ✓ based on the area where the corrections were made;
 - ✓ depending on the capital (market) value;
 - ✓ on the basis of land improvement.

Direct taxes on agricultural producers are not as easily modified as indirect taxes, although land taxes can be passed on to tenants or lessees if (i) the land market is competitive if not. Today, the sale of land plots in Uzbekistan is not carried out according to the market laws, but the price of land plots has been formed in most countries. Also, taxes on them are determined on the basis of land prices, which differ from taxes for agricultural arable land; (ii) although the opinion about the land

market was given above, based on its characteristics, it is not possible to change the size of the land according to the laws of supply and demand; (iii) the use of land areas is not fully improved, that is, due to the low level of use of smart technologies in the monitoring of the land use system and the high level of the human factor in land monitoring, problems arise in conducting tax policy.

Accordingly, there are serious objections to the determination and implementation of the correct taxes in agriculture, and the evaluation of this tax system becomes complicated. When conducting tax policy, it is appropriate to take into account the credit score and geographical location of the land. Because the geographic location of the land area, along with giving marginal advantages in many ways, also created the ground for sharp stratification of farmers' and farms' incomes. At the same time, in the country of correct tax policy, there is a possibility that the privilege given to a certain sector will have a negative impact on the entire agricultural sector. For example, customs concessions given to moderate the price of meat in the domestic market will have a negative effect on domestic producers and farmers. In the future, this creates the basis for increased dependence on imports of meat and meat products.

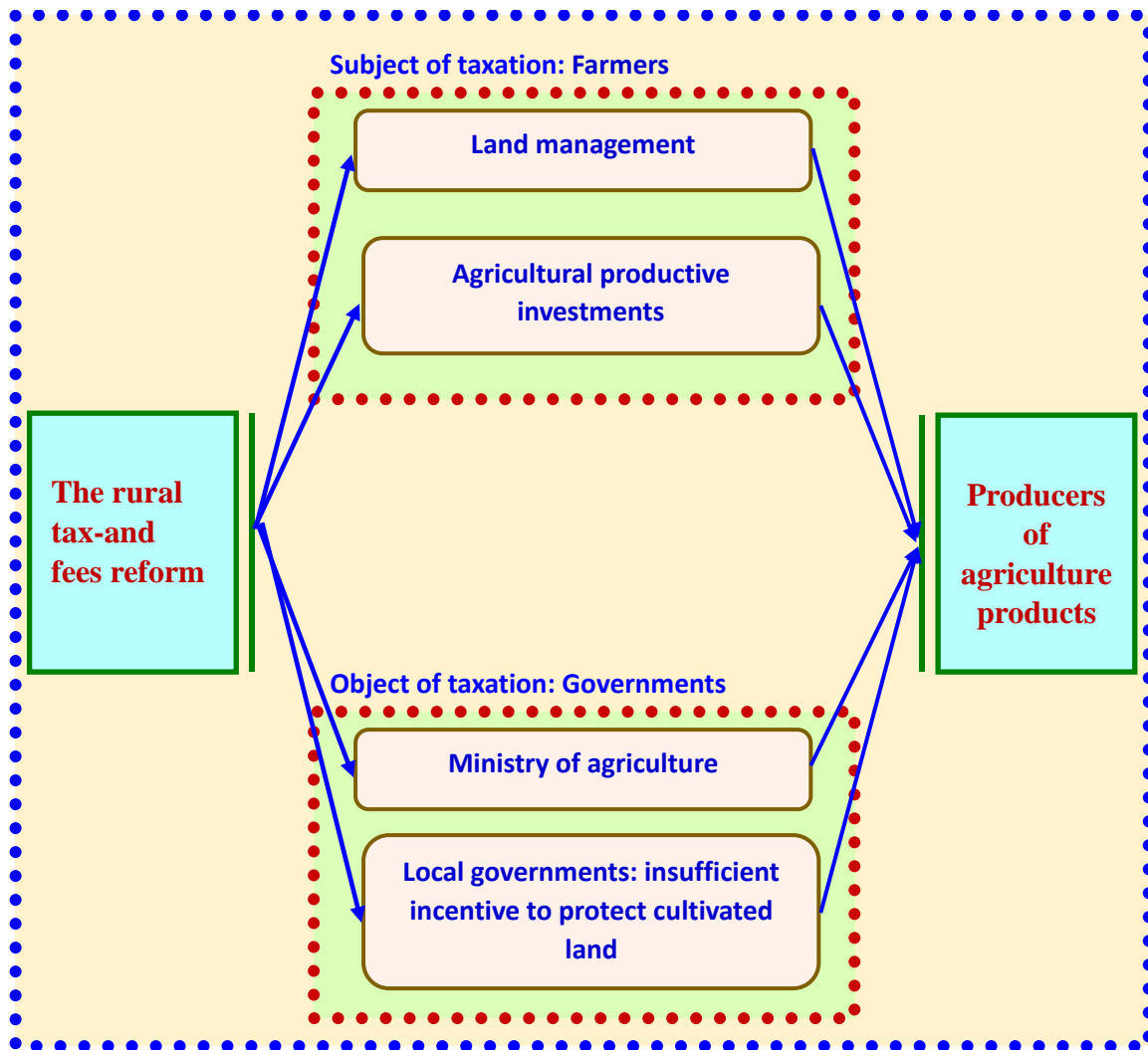
In fact, conducting tax policy in agriculture is much more complicated, that is, it is impossible to realistically measure the income received in this field. Because most manufacturers, while producing products in small quantities, do not fully formalize their products. Also, as a result of the fact that part of the produced products is consumed by farmers and peasant farms, they are not released to the markets, and the goods sold for consumption are not recorded. In addition, it is difficult to determine the income of agricultural farms due to the small size of the land areas allocated to them. Accordingly, the government prefers to conduct the tax policy in agriculture in the same form as in the rest of the country. In most developed countries, the value of the land is used as a basis for conducting tax policy in agriculture. In this case, the land value is calculated taking into account the point quality of the soil, geographical location and additional advantages and disadvantages.

In fact, in all countries, tax authority is divided between different levels of government, which include national, provincial or regional, and local (city) authorities. Usually, the highest level of government imposes hidden taxes. At the same time, specific taxes are implemented (administered) and collected in different ways depending on the constitutional and legal distribution of fiscal powers between different levels of government.

Direct taxes are in three forms: (1) Income tax from individuals or households and businesses (corporate entities) (2) personal taxes on individuals and their livestock and huts and (3) wealth tax, city and property tax. Rural property, inheritance, gifts and property of individuals and business entities. The important point is that income and wealth taxes are most closely related to ability to pay. However, income tax comes relatively close to this principle, as it takes into account the needs of the taxpayer as reflected in his personal circumstances.

In the agriculture of most developing countries, proper taxes can be divided into three groups. Firstly, agricultural land is considered as the main source of income on the one hand, and as one of the biggest factors in the formation of taxes for the state on the other hand. Secondly, although the tax collected from agriculture in developed countries is small, the main tax revenue of developing countries falls on the share of farmers. Therefore, it is important to improve the agricultural tax system in these countries. Thirdly, since the main income of residents of most Asian and African countries is from agriculture, the tax policy of these countries is complicated.

In our opinion, when determining the tax policy of agrarian countries, first of all, it is necessary to determine how the determined tax burden affects the social condition of the population. Because not all layers of the population living in the village are engaged in agriculture. At the same time, a large number of farmers rent their land informally for repeated cropping. Considering that the additional tax burden will be borne by them, it will cause inconvenience to the farmers. Reducing the tax burden will also reduce government revenues. It can be seen that it is very important to conduct the correct tax policy in countries where agriculture is a priority. Accordingly, in the tax policy of the government, it is necessary to regulate the relations between the object and the subject of the tax 1 picture.



Through the tax system, it is possible to improve the efficiency of land use in agriculture and encourage farmers. Also, the tax mechanism increases the ability of the population to earn additional income, because the main factor that drives the economy is the provision of tax benefits from the benefits received at the expense of the use of unused resources.

In short, by conducting the correct tax policy in the development of agriculture:

- increase the employment of rural residents and increase their additional income; - it is possible to ensure the equal distribution of income by applying the tax system based on the exact value of the land in agriculture. In most developing countries, these restrictions have affected the main beneficiaries of the development of a reasonable and fair tax regime and public investment, subsidies and credit programs for agricultural development.

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