

ANALYSIS OF THE PERSONAL INCOME TAX PRACTICE

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**Annotation:** This article examines the relationship between Uzbekistan's economic growth and personal income tax, highlighting the influence of tax reforms on economic stability and the welfare of the population. It analyzes the dynamics of real income levels, wage growth, and pensions over a period from 2005 to 2024, emphasizing the role of government policies and investments in fostering economic development. The article also offers recommendations for further enhancing the efficiency of the labor market, social security, and inflation management. The steady increase in per capita income, wages, and pensions reflects Uzbekistan's successful economic transformation and improvement in the population's living standards.

**Keywords:** economic growth, personal income tax, tax reforms, real income, Wages, Pensions, Labor Market, Social Security, Inflation Management.

**Аннотация:** В данной статье рассматривается связь между экономическим ростом Узбекистана и подоходным налогом, подчеркивая влияние налоговых реформ на экономическую стабильность и благосостояние населения. Анализируются динамика реальных доходов, рост заработных плат и пенсий в период с 2005 по 2024 год, акцентируя внимание на роли государственных политик и инвестиций в стимулировании экономического развития. Статья также предлагает рекомендации по повышению эффективности рынка труда, социальной защиты и управлению инфляцией. Постоянный рост доходов на душу населения, заработных плат и пенсий отражает успешную экономическую трансформацию Узбекистана и улучшение уровня жизни населения.

**Ключевые слова:** экономический рост, подоходный налог, налоговые реформы, реальные доходы, заработная плата, пенсии, рынок труда, социальная защита, управление инфляцией.

**Аннотация:** Ushbu maqola O'zbekistonning iqtisodiy o'sishi va shaxsiy daromad solig'i o'rtasidagi munosabatni o'rganib chiqadi, soliqlar oid islohotlarning iqtisodiy barqarorlik va aholi farovonligiga ta'sirini yoritadi. 2005 yildan 2024 yilgacha bo'lgan davrda haqiqiy daromad darajalari, ish haqi o'sishi va pensiyalar dinamikasi tahlil qilinadi, davlat siyosatlarini va investitsiyalarining iqtisodiy rivojlanishdagi roli ta'kidlanadi. Shuningdek, maqolada mehnat bozorini, ijtimoiy himoyani va inflyatsiyani boshqarish samaradorligini oshirishga oid tavsiyalar beriladi. Yagona aholi daromadlari, ish haqi va pensiyalar o'sishining barqarorligi O'zbekistonning muvaffaqiyatli iqtisodiy transformatsiyasini va aholi turmush darajasining yaxshilanishini aks ettiradi.

**Kalit so'zlar:** iqtisodiy o'sish, shaxsiy daromad solig'i, soliq islohotlari, haqiqiy daromad, ish haqi, pensiyalar, mehnat bozori, ijtimoiy himoya, inflyatsiya boshqaruvi.

The relationship between Uzbekistan's economic growth and personal income tax plays a key role in determining the effectiveness of the country's tax policy. The balance between real income levels, the living standards of the population, and the distribution of tax burdens directly influences economic stability. In this regard, the ongoing tax reforms in the country and their impact on the welfare of the population have become an urgent issue.

In recent years, changes in Uzbekistan's tax policy have significantly impacted the rate of economic growth and the real income levels of individuals. Analyzing these processes allows for the evaluation of measures aimed at fair distribution of tax burdens and increasing government budget revenues. From this perspective, in-depth research into the relationship between economic growth and personal income tax plays a crucial role in shaping the country's future development strategy.

The study of real income levels and the dynamics of personal income tax is extremely relevant today, as it plays an essential role in ensuring the sustainable development of the national economy. A thorough analysis of real income dynamics and tax burdens is necessary to formulate economic policies and improve the population's welfare.

Real income is an important indicator of economic development, determining the living standards and overall well-being of the population. At the same time, personal income tax plays a vital role in shaping government revenue. Research in this area aims to clarify the relationship between real income and tax rates and to propose recommendations for shaping effective state policies.

Uzbekistan's economy has developed based on a "structural modernization paradigm." The creation of jobs, the increase in incomes, and social support programs are seen as driving forces of this development. "Stable macroeconomic management" and comprehensive reforms have contributed to the achievement of positive results.

Analysis results show that the increase in per capita income, wages, and pensions over the years reflects the economic stability and growth trends of the country. The growth in these indicators demonstrates the effective use of the country's economic resources and ensures positive dynamics in economic development. The rise in pension amounts indicates the strengthening of the social security system and highlights the importance of state support for vulnerable segments of the population.

Recommendations:

1. Diversifying economic resources. To stimulate income growth, it is essential to develop various sectors of the economy and implement innovative technologies.
2. Enhancing labor market efficiency. Improving wage policies, creating new jobs, and expanding digital services can contribute to the development of the labor market.
3. Improving social security. Reforming the pension system and distributing resources more equitably will strengthen social protection.
4. Effective inflation management. Implementing targeted policies to protect income from inflation and maintain real growth rates is crucial.

The economic reforms implemented in the country demonstrate the successful improvement of the population's living standards and the strengthening of economic stability. The dynamics of per capita income from 2005 to 2024 reflect the consistent progress of the country's economic development:

In 2005, per capita income was half the level it reached in 2024. This period marked the early stages of economic recovery, with a focus on restoring the foundational infrastructure.

By 2010, income had increased by 6.6 times. This growth reflects the industrialization of the economy and the enhancement of export potential. By 2015, the income level had increased by 10 times, indicating the expansion of domestic market demand and the improvement of the overall well-being of the population.

In 2020, per capita income grew by 12.5 times, a result of digital transformation in the economy and growth in the services sector. In 2023, this figure reached 14 times, and by 2024, it increased to 15 times, further reflecting the high level of economic stability in the country.

The reasons and factors behind this growth include:

- ✓ The attraction of both domestic and foreign investments has had a significant impact on the increase in population income.
- ✓ The development of agriculture, industry, and the service sector has contributed to the improvement of overall economic indicators.
- ✓ The creation of new jobs and the enhancement of labor productivity have acted as key drivers for income growth.

### **Wage Dynamics and Labor Market Development**

The dynamics of wages in the country reflect the expansion of labor market potential and economic opportunities. In 2005, wages were 3.1 times lower than in 2024. During this period, the economy was mainly in the recovery phase, with measures aimed at stabilizing the labor market and key infrastructure. By 2010, wages had increased by 13.4 times, a result of effective labor market management, the creation of new jobs, and the success of workforce retraining programs. Structural changes in the labor market during this period contributed to the sharp rise in wages.

By 2015, wages had grown by 20 times. This growth indicates the alignment of economic development with wage policies and the reduction of the economy's dependency on labor resources. In 2020, wages had increased by 22 times, which is attributed to innovations in the labor market, the implementation of digital technologies, and the creation of new jobs.

By 2023, wages had risen by 24 times, and by 2024, the figure had reached 26 times. This reflects the introduction of a digital economy, increased competitiveness in the labor market, and more efficient use of economic resources. The results of wage dynamics demonstrate the effectiveness of Uzbekistan's labor market policies aimed at strengthening the labor market and improving the population's standard of living.

Pensions occupy an important place in Uzbekistan's social policy and have shown consistent growth from 2005 to 2024. In 2005, pensions were 2.4 times lower than in 2024. During this period, the country's social protection system was in the process of recovery, primarily focusing on resource redistribution and stabilizing the system.

By 2010, pensions had increased by 9.2 times. This growth indicates the improvement of the social protection system and the increasing effectiveness of pension fund management. In 2015, pensions had risen by 15 times, reflecting the alignment of this growth with the increase in population income, indicating that the social protection system was adapting to the needs of the population.

In 2020, pensions had increased by 17 times. This growth reflects the stability of the pension system, the robustness of government financial support mechanisms, and the effectiveness of social policies. By 2023, pensions had increased by 19 times, and by 2024, this figure had grown to 20 times. These changes demonstrate the strengthening of the social protection system, the improvement of resource redistribution, and the prioritization of government policy across all population segments.

In conclusion, the steady growth of per capita income, wages, and pensions from 2005 to 2024 indicates the continuous socio-economic development of the country. These results have contributed to the improvement of living standards and the strengthening of social protection.

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