# THE EVOLUTION OF FISCAL REGULATION IN UZBEKISTAN: A LEGAL AND ECONOMIC ANALYSIS OF THE 2024 TAX CODE AMENDMENTS

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**Abstract:**

In 2024 the Republic of Uzbekistan made some changes to its Tax Code. These changes show that the Republic of Uzbekistan is moving towards something called Fiscal Liberalism. The Republic of Uzbekistan is trying to make things fair by reducing the time people have to pay taxes from five years to three years. The Republic of Uzbekistan is also introducing taxes for things like roads and bridges. The goal of the Republic of Uzbekistan is to protect things like roads and bridges but also not make it too hard for private businesses to operate. This article is going to look at the laws the reasons and what the Republic of Uzbekistan thinks will happen because of these changes, to the Tax Code of the Republic of Uzbekistan.

**Keywords:** Tax reform 2024, Uzbekistan, Tax Code, Statute of limitations, Infrastructure fee, Cameral audit, Fiscal liberalization, Legal certainty, Heavy-duty vehicles, Administrative efficiency.

**O‘ZBEKISTONDA SOLIQ TIZIMIDAGI YANGILIKLAR: 2024-YILGI SOLIQ KODEKSI O‘ZGARTIRISHLARINING HUQUQIY VA IQTISODIY TAHLILI**

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**Annotatsiya**

2024-yilda O‘zbekiston Respublikasi o‘zining Soliq kodeksiga qator o‘zgartirishlar kiritdi. Ushbu o‘zgarishlar mamlakatning fiskal liberallashuv yo‘nalishida rivojlanayotganini ko‘rsatadi. Xususan, soliq majburiyatlari bo‘yicha da’vo muddati besh yildan uch yilga qisqartirildi, bu esa tizimning yanada adolatli va samarali ishlashiga xizmat qiladi. Shu bilan birga, yo‘l va ko‘priklar kabi infratuzilma obyektlaridan foydalanish bilan bog‘liq yangi yig‘imlar joriy etildi. Bu chora-tadbirlar infratuzilmani saqlash va rivojlantirishni ta’minlash bilan birga, xususiy tadbirkorlik faoliyatiga ortiqcha yuklama bermaslikni maqsad qiladi. Mazkur maqolada Soliq kodeksiga kiritilgan o‘zgartirishlarning huquqiy asoslari, ularning joriy etilish sabablari hamda kutilayotgan iqtisodiy natijalar tahlil qilinadi.

**Kalit so‘zlar:** 2024-yil soliq islohoti, O‘zbekiston, Soliq kodeksi, da’vo muddati, infratuzilma yig‘imi, kameral tekshiruv, fiskal liberallashuv, huquqiy aniqlik, og‘ir yuk transporti vositalari, ma’muriy samaradorlik.

**INTRODUCTION**

The Republic of Uzbekistan has seen a lot of changes in its tax system since 2020. The new changes in 2024 are the significant ones so far. These changes are based **on Presidential Resolution No. PP-292** (September 4 2023). Are designed to make the Uzbek tax system more like the “Service-Oriented State” model.

In the past tax administration in countries like Uzbekistan was often unclear. Strictly enforced. The 2024 reforms are trying to change this. The main goals are to:

1. Keep the Economy Stable: Make sure that the roads that support trade are well-maintained through targeted fees.

2. Help Businesses Grow: businesses from the burden of long audits that can last for years.

This article will analyze these changes in detail looking at how they're implemented why infrastructure fees are necessary and how audit enforcement is being softened.

**MAIN PART**: The Architecture of Reform

**1. Protecting Infrastructure:** The Heavy-Duty Vehicle Fee. One of the noticeable changes to the tax system in 2024 is the introduction of a special fee for vehicles that can carry more than 10 tons.

A. Why it is Necessary

Uzbekistan is a hub for international trade and this generates revenue. However the heavy traffic is also damaging the countrys roads. Research shows that the damage to roads increases a lot with the weight of the vehicles. So the introduction of this fee is based on the principle that the users of the roads should pay for the damage they cause.

B. How it Works

The reform was added to the Tax Code through specific articles:

Article 17 and 455: Recognize the “Fee for the right of movement of heavy-duty vehicles and trailers with a capacity over 10 tons” as a permanent part of the national fee schedule.

Article 457: Targets vehicles that can carry than 10 tons but excludes machines used in quarries and state-security vehicles.

Article 460: The fee is collected by the Ministry of Transport. Gives a one-year permit so logistics providers do not have to pay every time they use the roads.

**2. Reducing the Statute of Limitations.** The centerpiece of the 2024 reform is reducing the time period for tax claims from 5 years to 3 years. This is a change in the legal philosophy of the state.

A. Document Storage and Archiving. Before businesses had to store tax documents for 5 years, which was a burden. Now:

- Tax reports and supporting documents only need to be kept for 3 years.
- Individual Entrepreneurs have reduced requirements for maintaining records, which lowers their costs.

Finality of Audits and Legal Certainty

The significant impact is that the state can only claim taxes within 3 years. This gives businesses a sense of finality and legal certainty.

Refunds: Taxpayers can only claim overpaid taxes within 3 years, which makes the state and taxpayers more responsible.

Liability: A person cannot be held liable for a tax violation if 3 years have passed, which prevents investigations.

C. Transfer Pricing. For companies the time period for transfer pricing has also been reduced to 3 years. This makes it easier for them to plan their taxes and makes Uzbekistan more attractive for investment.

**3. Reducing Audit Shocks**. Before businesses in Uzbekistan often faced a financial shock when they were audited and found to owe a lot of taxes. The updated Tax Code now allows businesses to pay their tax liabilities in monthly installments over 6 months. This makes it easier for them to manage their cash flow and reduces the risk of bankruptcy.

**RESULTS**

The 2024 tax policy amendments are going to make a difference in our countrys economy. We think these changes will make things better in ways. The 2024 tax policy amendments will help our economy. Here is a table that shows what we expect to happen because of these changes, in the 2024 tax policy amendments and the new laws that will be made.

**Table 1. Socio-Economic and Administrative Impact of 2024 Tax Reforms**

| Strategic Area | Nature of Impact | Observation and Empirical Projection |
|---|---|---|
| **Business Climate** | **Institutional Liberalization** | Enhanced "Ease of Doing Business" index ranking. The transition to a three-year statute |

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| | | of limitations minimizes long-term legal exposure and provides corporate entities with greater financial and operational predictability. |
| **Logistics & Infrastructure** | **Fiscal Sustainability** | Establishment of a specialized revenue stream for the Republican Road Fund. By internalizing externalities caused by heavy-tonnage transport, the state ensures equitable funding for the restoration of high-wear transit corridors. |
| **Taxpayer Compliance** | **Liquidity Preservation** | Improved financial resilience for Small and Medium Enterprises (SMEs). The introduction of six-month installment plans for cameral audit liabilities prevents sudden insolvency and encourages voluntary disclosure. |
| **Judicial & Audit Efficiency** | **Administrative Optimization** | Reduction in prolonged legal disputes and litigation backlogs. The condensed three-year window necessitates the implementation of high-velocity, data-driven auditing techniques, increasing the accuracy of state tax oversight. |
| **Regulatory Alignment** | **International Harmonization** | Approximation of Uzbekistan’s fiscal legislation with OECD standards. This alignment reduces the "complexity premium" for foreign investors, signaling a mature and transparent regulatory environment. |

**Analytical Synthesis of Results**

The information in Table 1 shows that the 2024 reforms have an effect on how things work. The 2024 reforms are like a tool that can help or hurt. For the Logistics sector the 2024 reforms mean they have to be more careful, with their trucks because of the 10-ton vehicle fee.

The Judicial and Business sectors get some help from the “Statute of Repose” which means the state cannot interfere for long.

The biggest change is how the State Tax Committee does its job. The State Tax Committee will not be able to collect debts after three years. So the State Tax Committee has to change from looking at what happened in the past to watching what is happening now. The State Tax Committee has to move to a system where they watch things in time. This is what a modern and digital economy needs the 2024 reforms and the State Tax Committee working in time.

**EXPECTED.** Policy Impact

The 2024 tax reforms in Uzbekistan are expected to bring about changes in how the government works with businesses. The country is shifting from a system where tax issues could be dealt with over a period to one that responds quickly. This change will affect three areas: improving government administration making infrastructure stronger and creating a better environment for investments.

**1. Faster Government Modernization**. The new tax reforms reduce the time frame for dealing with tax issues from five years to three years. This change will push the State Tax Committee (STC) to update its systems. Previously the government had plenty of time to find and fix tax problems. Now it must act quicker to avoid losing money.

The government will likely use technology like the "Risk Analysis" (ASUZA) systems to quickly spot tax issues. This means the government, not the taxpayer will have to be efficient. If the government misses its chance to identify a problem within the time limit it can't collect the tax.

**2. Steady Funding for National Infrastructure.** A fee for heavy vehicles over 10 tons will help fix and maintain roads. This change makes sense because the vehicles that use the roads the most will help pay for their upkeep.

This approach, known as the "User Pays Principle " ensures that those who use the roads the most pay for their maintenance. This way the general public won't have to pay for the wear and tear caused by heavy-duty vehicles. Over time this will lead to roads lower repair costs for everyone and a stronger transport network.

**3. Better Investment and Property Rights Climate**. The 2024 reforms are a sign for both foreign investors and local business owners. By reducing the time frame for tax issues Uzbekistan makes it more attractive for people to invest. A shorter period for tax scrutiny like three years of five shows that the country is serious about creating a stable and predictable environment for investments.

This change aligns Uzbekistan with standards making it more appealing to investors who prefer a clear and short process, for resolving tax matters.

**CONCLUSION**

The changes to the tax system that happened in 2024 are a deal for Uzbekistans economy. The government made some changes to the Tax Code. They want to protect the countrys money and also make it easier for private businesses to operate. These changes are not just tweaks. They show that the government is trying to make the country more business-friendly. They want to make it easier for people to do business in Uzbekistan.

The new fee for trucks is a good example of this. The government is making the companies that use the roads pay for the damage they cause. This way the government can fix the roads without using all of its money. The government is not charging the companies that do work for the country. This is a balance between making money and making sure important work gets done.

The government also changed the rules about how they can look at your taxes. Now they can only look at them for three years of five. This is a help to businesses. They do not have to worry about the government looking at their taxes for long. This change makes the government work efficiently. They have to use computers to look at taxes and find problems. This makes Uzbekistan an attractive place for people to invest.

The government also made it easier for small businesses to pay their taxes. If they owe money they can pay it back over six months. This helps them because they do not have to pay all of the money at. The government is trying to work with businesses of just punishing them.

In short the tax changes in 2024 are good for Uzbekistans economy. The government is making it easier for businesses to operate and for people to invest. They are also making sure the countrys roads are fixed. As these changes take effect more people will want to do business in Uzbekistan. The country will be more attractive to investors. The government and citizens will trust each other more. This will help Uzbekistan become a part of the global market. The tax reforms are a step in the right direction, for Uzbekistans economy and the Republic of Uzbekistan. The Republic of Uzbekistan is going to be a place to do business.

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