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Issues of improving the methods of forecasting tax receipts obtained from subsoil users in the state budget in our country

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Abstract. This article is devoted to the consideration of the issues on regulating taxation of subsoil users, ensuring the required level of collection of taxes and other compulsory payments. In addition, the article contains proposals on improving the services in reliance upon cooperation of taxpayers in the implementation of tax administration and tax obligations.

Key words: resource tax, subsoil use tax, tax, budget policy, budget, tax administration, tax potential, normative analysis, positive analysis, tax burden, representative tax rate, average rate, tax reporting, tax receipts, tax deductions.

Introduction

Currently within ongoing process of globalization in the world economy, a number of measures are being undertaken in our country to develop mineral deposits with the use of industrial technique by means of attracting foreign investments, encourage geological prospecting using advanced methods and technologies, as well as further improve the procedure for taxation of subsoil users. Accordingly, the issues of ensuring the required level of collection of taxes and other compulsory payments in the economy, conservation of mineral resources, improvement of new criteria and mechanisms of their taxation, assessment of the practical impact on economic development are considered significant areas of the research.

Literature review

In each period, a number of researches have been conducted on the efficient use of mineral resources as an important strategic resource for the national economy. Domestic scholars, such as D. Kurbanov (2017), G. Safarov (2019) have also conducted research on the role of natural resources in the national economy in Uzbekistan, the use of financial and lending mechanisms for their efficient use, including their taxation. J. Berbel performed the scientific analysis of the practice of taxation of water resources in Europe (Berbel, 2019), H. Volleberg highlighted significance of the tax system in the efficient use of natural resources, G.Agasandyan, I.Gasanov, F.Yereshko focused on the use of financial support for the efficient use of water resources (Agasandyan, 2003). Our local scholars D. Kurbanov and G. Safarov have conducted comprehensive research on the problems of taxation of natural resources. However, in our opinion, currently a number of problems related to the taxation of limited natural resources in our country require further solution. This, in turn, necessitates doing further research in this area.

Research methodology

Research on the taxation of limited natural resources in the country requires the use of general and individual research methods. Thus, such research methods as dialectics, abstraction, comparative analysis, induction and deduction, synthesis and analysis, logical thinking, and mathematical modeling have been widely used in the research.

Analysis and results

According to the novelties introduced in the tax policy of the Republic of Uzbekistan since 2022, in particular, the Law of the Republic of Uzbekistan "On making amendments and additions to the Tax Code of the Republic of Uzbekistan" dated December 29, 2021, as well as the Resolution of the President of the Republic of Uzbekistan "On measures to ensure the implementation of the Law of the Republic of Uzbekistan "On the State Budget of the Republic of Uzbekistan for 2022", several amendments and additions have been made in the issues of taxation of mining of mineral resources.

1) tax base of using subsoils of the gold, silver, platinum, palladium, copper, zinc, lead and molybdenum subsoil have been changed from current average selling price to London Metal Exchange price;

2) the mechanism for reducing the amount of costs associated with the transportation and processing of the tax base in the calculation of the tax for the use of subsoil for enterprises extracting natural gas, oil and metals and selling them to the final consumer ("Netback" mechanism) has been introduced;

3) tax rates for subsoil use: for oil - from 20 to 10 percent, for gas - from 30 to 10 percent, for gold and copper - from 10 to 7 percent, for tungsten - from 10.4 to 2.7 percent, and for uranium – from 10 to 8 percent have been reduced and the rates for the remaining positions have been unified (81 current positions have been unified to 29 positions).

An incentive mechanism is being created for the development of new fields by providing full exemption from property tax for the first two years for newly commissioned oil and gas wells, reducing the tax rate by 50 percent over the next three years.

A special rent tax has been introduced with the aim of transferring to the budget a part of the high level of profits resulting from the increase in the price of minerals. This tax is paid by subsoil users engaged in the extraction (recovery) of oil, natural gas, gas condensate, precious, non-ferrous, rare and radioactive metals in new fields.

Payments under this tax are made only by investors at a rate of 25 percent of their income after reimbursement of costs associated with the development of the field. A special rent tax for mining has been applied to licensed areas where mining of metallic and hydrocarbon raw materials was launched after January 1, 2022.

In our opinion, in compliance with the Budget Code of the Republic of Uzbekistan in order to calculate the forecast for this tax it is necessary to determine the procedure for forecasting revenues of the state budget and the pension fund of the Republic of Uzbekistan for one year or medium term. In the statutory acts on the taxes and levies, which depend on the real base or determine the value, the tax base or macroeconomic indicators constituting the basis for the calculation of revenues for the current year, will need to be calculated in the following ways:

in accordance with the legislation, it is recommended to use the state budget, including in the development and definition of revenue forecasts of local budgets. The procedure for calculating the tax forecast for subsoil use is determined as follows.

$$\mathbf{Rs} = \sum_{\mathbf{i=1}}^{\mathbf{n}} \mathbf{max}(\mathbf{Vs} * \mathbf{ts}; \mathbf{Vs} * \mathbf{tmin}) \quad \textbf{(1).}$$

Rs – tax forecast for subsoil use
i, n – minerals (natural resources) taxed for subsoil use
Vs – forecast of the taxable mineral base for subsoil for the next year
ts – the rate of tax for subsoil use on the relevant mineral
tmin – the minimum amount of tax for subsoil use on the relevant mineral

In addition, to calculate the forecast of receipts from the payment of taxes for the use of subsoil, the following aspects are used:

- socio-economic development forecast indicators for the next fiscal year and schedule period;
- tax base for the use of subsoil for the previous periods, the calculated amounts and the dynamics of actual receipts;
- tax rates are used in accordance with the Tax Code and other statutory acts.

Calculation of the total amount of tax receipts for subsoil use ($\mathbf{N_{Tax}}$) is made separately for each type of mineral according to the following formula, including for minerals extracted from the subsoil during the extraction of the main mineral provided for in Section XVIII of the Tax Code:

$$\mathbf{N_{Tax} = N_1 + N_2 + N_3 + \ldots N\ n,\ (2).}$$

here:

$\mathbf{N_1 + N_2 + N_3 + \ldots N_n}$ – *The amount of tax on the object of taxation in accordance with Article 452 of the Tax Code.*

The calculation of the forecast of tax revenues for the use of subsoil is made according to the following formula:

$$\mathbf{N_P = N_O * V_{tog} / 100, (+/-)\ F,\ (3).}$$

here:

$\mathbf{N_P}$ – *the forecast amount of tax for subsoil use;*

$\mathbf{N_O}$ – *assessment of tax revenues for subsoil use for the current year;*

$\mathbf{V_{tog}}$ – *gross value added of mining industry and quarrying, in% compared to last year;*

F – *amount of adjusted income with the account of amendments made in the determination of the tax base, use for own needs, actual income, as well as changes in legislation in the event of non-sale (partial, full).*

Thus,

$$\mathbf{N_{O(min)} = (N_{cal.(min)} * T_{B(min)})/12 * K_B + N_{B(cal.)}\ (4).}$$

here:

$\mathbf{N_{O(min)}}$ – *assessment of tax receipts for the current year in the statutory acts;*

$\mathbf{N_{cal.(min)}}$ – *actual tax receipts for the reporting year;*

$\mathbf{T_{B(min)}}$ – *the rate growth and decline of mining and quarrying in the current year, in %;*

12 – *number of month in a year;*

$\mathbf{K_B}$ – *forecast period for the current year (number of months);*

$\mathbf{N_{B(cal.)}}$ – *actual tax receipts for a given period of the current year.*

It should be noted that the calculation of tax payments for subsoil use by these methods provides both practical and methodological assistance in accurately forecasting taxes to the budget. On the other hand, these methods can be used to make accurate forecasts from the methodological point of view, on the other hand, they need to be improved depending on the variability of the tax system.

Conclusion and proposals

Based the analysis performed within this research on the subsoil use tax, the following proposals can be made:

It is recommended to introduce a single electronic database of information on minerals extracted by subsoil users.

It is necessary to establish control over the payment of the tax for the use of subsoil building materials and to set a nominal price for all types of subsoil construction materials for uniform interpretation in all areas of excavation.

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