

MAIN CHANGES IN THE TAX SYSTEM OF UZBEKISTAN FOR 2012

Type of Tax	Changes
Income tax	Item 11 of Article 4 of the Law No. ZRU-313 changes from January 1, 2012 the deadline for current payments of income tax. Now the payments shall be made till 10 day of each month.
	According to Item 6 of the Resolution of the President dated 30.12.2011 No. PP-1675 legal entities rendering mobile services from January 1, 2012 shall be imposed a fee in the amount of 400 Soum per month for use of each customer number.
Social Infrastructure Development Tax	Item 25 of Article 4 of the Law No. ZRU-313 changes from January 1, 2012 the deadline for current payments of this tax. Now the payments shall be made till 10 day of each month.
Personal Income Tax	The minimal rate of personal income tax imposed on incomes under 5 minimum monthly wages has been reduced from January 1, 2012 by 1% and established at 9%. (Annex 8 to the Resolution of the President No.PP-1675)
	From January 1, 2012 lunch and travel costs or compensation payments for lunch and travel costs have been eliminated from Article 177 of the Tax Code "Incomes in the form of Material Gain" and included into Item 13 of Article 174 "Compensation Payments" (Item 14 of Article 4 of the Law No. ZRU-313). These payments are included into incomes in the form of labor remuneration and shall be charged with the uniform social payment at the rate of 25% and with citizens' insurance payments at the rate of 5,5%.
	Amendment of Item 11 of Article 179 of the Tax Code eliminates incomes received from sale of nonresidential premises being in the private ownership of physical persons from the list of nontaxable incomes (incomes relieved of the Personal Income Tax). The amendment also prescribes that the aforesaid tax relief shall not apply to incomes received from sale of residential premises either, if such sale is performed more than 2 times every 12 months. Introduction of Item 32 releases physical persons which have gratuitously received shares, stocks or equity interest from immediate relatives, from payment of the income tax.
	Incomes received from leasing of property; incomes in the form of shares, stocks or equity interest gratuitously received from physical persons; and incomes received from sale of immovable property being in the private ownership of physical persons shall be charged with Personal Income Tax at the minimal rate (9%) (Article 181 of the Tax Code).
	Taxation of incomes of physical persons received from leasing of immovable property shall be accounted on the ground of the contractual rental payment but not less than the minimal

	<p>rate of rental payment (Item 7 of the Resolution of the President No.PP-1675). Minimal rates of rental payment for 1 m² of the total area of the dwelling differ depending on location of the leasing object: In Tashkent – 3 000 Soum; In Nukus and cities of regional subordination – 2 000 Soum; In other localities - 1 000 Soum; (Annex 26 to the Resolution of the President No.PP-1675)</p> <p>From January 1, 2012 Articles 574 and 603 of the Civil Code have been supplemented by provisions providing for obligatory notarization of contracts of lease of building or constructions or parts thereof and residential lease agreements concluded between citizens. From February 1, 2012 administrative sanctions in the amount of 5 to 10 minimum monthly wages have been established for non-observance of the requirement for obligatory notarization of rental and leasing contracts both for the Lessor and the Lessee.</p>
Corporate Property Tax	<p>Amendment of Item 3 of Part 1 of Article 266 of the Tax Code introduces more precise definition of incomplete construction objects: “Incomplete construction objects are construction objects not completed within the timeframe prescribed by the design and estimate documentation, and, if the timeframe is not established, - within 24 months from commencement of the construction works”.</p> <p>According to amendment of Article 271 of the Tax Code: Information for calculation of Corporate Property Tax shall be submitted to the local tax authority till January 10 of the current year; Current payments of the tax shall be effected not later than 10 day of each month.</p>
Individual Property Tax	<p>Tax rates have been adjusted by 1,2 times and established at the following rates: basic – 0,9%; from 200 to 500 m² – 1,1%; over 500m² – 1,35% (Annex No. 18 to the Resolution of the President No.PP-1675).</p> <p>Individual Property Tax imposed on new residential premises unregistered in the prescribed manner with the organs for state registration of title to immovable property shall be charged in the amount of 2 fold arbitrary value. The arbitrary value makes: In Tashkent and other regional centers - 18 480 000 Soum; In other cities and villages - 8 030 000 Soum; (Annex No. 18 to the Resolution of the President No.PP-1675).</p> <p>From February 1, 2012 administrative sanctions in the amount of 1 to 5 minimum monthly wages have been established for untimely registration of residential premises with the organs for state registration of title to immovable property.</p> <p>According to amendment of Part 12 of Article 277 of the Tax Code payment of the Individual Property Tax for a tax period</p>

	shall be effected till October 15 of the accounting year (The Law NO.ZRU-313).
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