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**SOME PECULIARITIES OF STATE SUPPORT OF SMALL BUSINESS**

At present, the development of the economy in Uzbekistan small business plays an important role. Formation of small market structures in all the sectors of the economy and the country meets the international economic trends and economic processes as in all countries of the world in the small business operates a very large number of small businesses in different profile in virtually all sectors. Currently, the economy of Uzbekistan simultaneously operate large and small enterprises, as well as the activities based on personal and family labor.

The main objectives of accelerating the development of small and private businesses and to ensure stronger coordination of public, economic and social structures to create a favorable business environment are:

- Introduction to the market activities of the general population;

- Creation of new jobs in rural areas for employment of people released in connection with the reconstruction of agriculture;

- Ensuring conditions for intensive development of market relations and infrastructure in rural areas, the development of competition;

- A sharp increase in the volume of services, especially high technology related to banking, auditing, consulting, brokering;

- Introduction of flexible production of small, small and private enterprises to enhance the effectiveness of management, commodity saturation of the domestic market and export oriented production.

Achievements of the reforms, the results of socio-economic development of the country show the increasing role of private sector in the economy.

Increasing investment activity depends on the increase of industrial consumption, which serves as the basis for the increase in effective demand of domestic producers. This in turn depends on the competitiveness of local products on the world market and the demand of the population of the country. Growing investment activity is one of the factors in the development of productive entrepreneurship in particular and economic growth in general.

Business structures, as entities are an integral part of the economy, and entrepreneurs as members of society can not ignore their interests. In addition, socio-economic and political stability of the society is one of the most important prerequisites for the effective functioning of business organizations. Therefore, they are interested in its development. Taking into account national peculiarities and spiritual values of the republic, entrepreneurship has a special social significance.

Social efficiency reflects the degree of achievement of the social dimensions of entrepreneurship. In this case brings to the fore the question of how data with limited resources to best meet the needs of staff entrepreneurial structures (micro level) and all members of society (macro level).

In order to engage in productive activities of the unemployed population, increasing income family budgets, improve production efficiency of large industrial enterprises through the organization of production of certain types of components, finished products and services using home-based work Decree of the President of the Republic of Uzbekistan UP-3706 on January 5, 2006 , "On Measures to stimulate the expansion of cooperation between large industrial enterprises and services based on the development of home-based work." The main objectives of the development of home-based work identified: creating favorable conditions for a broad public involvement in home-based employment, development of cooperation between industry and citizens engaged in the production of products and services on their orders at home in the first place, in the clothing, haberdashery, silk, processing , furniture, electronics industry, as well as telecommunications and various branches of services that improve the efficiency of industrial production. As a result of this work in 2014 was created 973.0 thousand new jobs, of which two-thirds are created in rural areas, about 75% are small businesses, and the scope of service, and more than 25% on the world of work at home.

   In particular, the 2010 GDP of 8.5%, growth of 8.3% Manufacturing industry, manufacturing industry rural economic 6.8%, the volume of construction works exceeded 8.1%. The state budget was implemented with a surplus of 0.3%. The inflation rate has not changed in comparison with the previous year.

In this regard, the President of the Republic of Uzbekistan scheduled major challenges in the further development of small business and entrepreneurship in Uzbekistan:

- Reduction of government intervention and regulatory authorities in the financial and economic activities of businesses;

- Creation of maximum favorable conditions, privileges and preferences on tax and other payments for small business and private entrepreneurship, improvement and standardization of the reporting system and the mechanism of delivery of reports in the financial, tax and statistical authorities;

- Broad involvement and direction for the development of small business of foreign investment, especially concessional loans from international financial institutions and private equity;

- Further development of the information management system and advice to small business and private entrepreneurship, as well as in matters of training, retraining and skills development;

- Expand opportunities for small businesses bank loans, raw materials, as well as an increase in 2011, the volume of loans in small business by 1.3%.

Principles of incentives to ensure the development of small business and private entrepreneurship - is the provision of tax incentives, the use of a simplified tax system, preferential loans, reducing the frequency and timing of tax and accounting in government tax and statistical authorities, ways to reduce the frequency of tax and other inspections.

In support of businesses through economic incentives are important tax benefits.

Tax benefits - a full or partial tax exemption of legal or natural persons having the tax base under the tax laws. These benefits are being introduced on the basis of the Tax Code of the Republic of Uzbekistan, decrees and resolutions of the President of the Republic of Uzbekistan.

From 1 January 2010, the rate of single tax for small businesses operating in the industry, reduced from 8 to 7%, while the micro and small enterprises, rendering financial, personal and other services exempt from single tax payment for a period of 3 years. However, the dividend founders of micro and small enterprises, non-state economic entities in terms of funds allocated for investments and payments for previously obtained credits are exempt from taxation for a period of 5 years.

The Tax Code of the Republic of Uzbekistan provided the following benefits for small businesses and private entrepreneurship. In particular:

Single tax payment is reduced for five years in the amount of funds allocated for tasks such as modernization, technical and technological re-equipment of production, purchase of new technological equipment, expansion of production in the form of new construction, reconstruction of buildings and structures used for industrial purposes;

From single tax payment exempt associations of persons with disabilities, legal entities owned by the Fund "Nuroniy" and association "Chernobyl victims of Uzbekistan", the total number of employees of which 50 percent are disabled, war veterans of 1941-1945 and the labor front;

Production to small businesses during the period of calculation of the single tax reduction is not entitled to more than 25 percent of the tax base for five years at the cost of a new technological equipment;

Local manufacturing enterprises that are single tax payers, the right to defer the deadline for payment of single tax payment for one year from the date of state registration.

However, the Law of the Republic of Uzbekistan "On family business":

allowed to carry out activities in the family business of residential and non-residential premises owned by the participants in the family business ownership or other legal basis, sales of products family business can be carried out at the place of production;

determined that after the payment of family business members of taxes and other obligatory payments remaining under their jurisdiction shall be exempt from income tax;

found that a family business in the manner prescribed by law shall be exempted from the single tax on revenue received from the sale of products of national crafts and applied arts own making.

     Furthermore, as the object is not considered:

property contributed as investment obligations under the contract drawn up between the investor and the authorized state body for management of state property;

Free obtained in the search operations in the telecommunications network hardware and services for the use of these funds and their service;

partially offset the amount of rent received by the lessor value of the property;

funds received in the form of insurance compensation under insurance contracts;

funds received from other persons in the form of payment for the goods sold;

funds received in the form of a pledge or mortgage as security for obligations under the legislation to move them to the right of property;

funds received as part of the authorized fund at the exit of the founders, as well as the distribution of the assets of the abolished legal entity among its founders.

According to the Presidential Decree of 10 April 2012 under the number 4434 "On additional measures to stimulate foreign direct investment" determined that the newly established enterprises with foreign investments, in which the contribution of the foreign investor in the form of money is at least 5 mln. USD when changing tax laws may apply for 10 years from the date of state registration of rules and regulations to pay tax on corporate income, value added tax (turnover in sales of goods, works, services), property tax, tax on improvement and development of social infrastructure, unified social tax, single tax payment, as well as mandatory contributions to the Republican Road Fund and reconstruction, refurbishment and equipping of educational and medical institutions, in effect on the date of their state registration.

In accordance with the Presidential Decree of 11 April 2005 "On additional measures to stimulate the attraction of direct private foreign investment" under the UP-3594, with the II quarter of 2012:

determined that the benefits apply to enterprises with foreign investment engaged in activities in areas established by the decree of 20 industries and sectors of the economy, with the exception of the city of Tashkent and Tashkent region, located in all regions of the country;

strictly forbidden to establish ministries, public authorities in the field, law enforcement and regulatory authorities, commercial banks additional requirements and restrictions on the activities of foreign investors and enterprises with foreign investment.

According to the Presidential Decree of 16 July 2012 under №4453 «On measures for cardinal reduction of statistical, tax, financial reporting, licensed activities and licensing procedures", on January 1, 2013 provided the following benefits:

shall be submitted in practice taxpayers 8 monthly tax reports quarterly determined;

introduced annual reporting on 4 types of taxes;

reporting 11 tax and other compulsory payments reduced by combining forms and reports brought to 5 reporting forms.

However, from 1 July 2012, 24 monthly reporting forms for other types required by the state tax service, canceled by combining and synthesizing, determine the annual deadlines 5 is not related to tax information.

In an additional procedure carried out wide-ranging reforms aimed at creating in 2011-2014 favorable business environment in the country.

So, saved for small businesses and requirements for billing invoices in which graphs "VAT" they make a mark "No VAT". In this case, the problem does not occur if the company sells products to the final consumer (eg population) ie when the cycle ends with the movement of goods and the consumer does not want to set off the amount of VAT. Often, however, the single tax payers are selling products which are subject to further processing ie used as raw material for the production of other goods and services. In this case, the VAT paid on the acquisition of small enterprises manufacturing resources is included in the product price and component cost becomes any other entity buying these products for their production. In turn, these entities purchasing products from small businesses and using it as a raw material in the production can not benefit from the tax credit and are required to make the calculation and payment of tax on the total sales turnover of these products. In fact, the tax burden to exempt from VAT the subjects passed on to subsequent link - producers are subject to VAT. As a result, manufacturers, VAT payers pay VAT to the budget no added cost and with total sales. This complicates the economic relations between small enterprises pay a flat tax and VAT payers. Business entities that pay VAT prefer to buy raw materials from enterprises not exempt from VAT ie actually a market for single taxpayers is limited to customers as they are exempt from VAT. So when you go to pay a single tax small businesses lose their potential buyers or go to violation of the law and allocate the amount of tax invoices when selling their products to consumers, VAT payers. In monitoring and identifying the tax authorities of such violations to both categories of taxpayers (small businesses and businesses buy their products) financial sanctions. Therefore, a single tax payer is appropriate to provide the right to choose not to pay VAT or stay for VAT even if the single tax. According to the majority of respondents small enterprises engaged in the production of granting such rights would improve their financial and economic activity.

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