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THE ROLE OF RESOURCE TAXES ON INDIVIDUALS IN ENSURING A GREEN ECONOMY

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Introduction.

In every country's tax system, land and property taxes are determined based on the specific economic and political characteristics of the nation. These taxes are generally assessed according to the value of the land and property, their intended use, geographical location, and other relevant factors.

Although the share of these taxes in the state budget revenue is not very large, they play an important role in regulating resource management. In particular, through these taxes, it is possible to regulate the consumption of natural resources, the efficient use of property and land areas, and to encourage their involvement in production and service sectors.

However, it cannot be said that the main functions of these taxes are being fully utilized. Although the ongoing reforms in tax policy aim to expand tax coverage, improve the mechanisms for calculating the tax base, and introduce new tax incentives, there is still a growing need to expand tax policies that directly support environmental protection, improve ecological conditions, encourage waste sorting and recycling, and promote the use and restoration of renewable resources.

In Uzbekistan, demographic growth has led to an increase in electricity consumption. As of January 1, 2025, the permanent population of the Republic of Uzbekistan reached 37.5 million people [1], an increase of 2 percent compared to the same period in 2024 [2].

The volume of electricity consumption in Uzbekistan has been increasing year by year. In 2024, the country produced 81 billion kilowatt-hours (kWh) of electricity, of which 4 billion 860.5 million kWh came from solar and wind power plants [3]. In other words, 6 percent of total

electricity generation was produced by solar and wind sources. Household electricity consumption reached 21.2 billion kWh [4].

In the United States, homeowners can claim 30% of the cost of installing solar panels, wind turbines, or geothermal systems as a federal tax credit between 2022 and 2032 [5]. This program is known as the “Residential Clean Energy Credit.”

Investment Tax Credit (ITC) and Production Tax Credit (PTC) allow homeowners and businesses to partially or fully recover the costs of installing renewable energy systems through tax credits [6].

In Japan, ecological taxes and energy-saving subsidies encourage citizens and businesses to transition to green energy. For instance, when purchasing energy-efficient products or investing in renewable energy, financial assistance is provided by the government.

The Netherlands and Sweden also use tax incentives to promote energy efficiency. In these countries, the government provides tax reliefs, subsidies, and financial support for purchasing energy-saving products as part of their efforts to achieve energy efficiency.

International experience shows that introducing tax benefits and incentives for individuals using renewable energy sources plays a crucial role in promoting the transition to green energy. Implementing similar policies in Uzbekistan could encourage citizens to invest in solar panels and other renewable energy systems.

It is important to consider opportunities to promote the efficient use of natural resources and improve the utilization of alternative resources, not only through effective tax measures but also by expanding incentive functions.

When discussing incentives, the first and foremost area to focus on is tax benefits. Tax benefits represent one of the key and inseparable components of the global tax system. Regardless of a country’s economic system, taxes and non-tax payments remain the main instruments for generating state budget revenues. However, taxes cannot be established solely in a purely fiscal form, because taxes that are introduced solely from the standpoint of budgetary interests tend to be unsustainable in the long term. Therefore, to a certain extent, the application of tax benefits becomes necessary.

There are several objective socio-economic reasons for the use of tax benefits within the tax system, which can be summarized as follows:

First, one of the main reasons for the existence of tax benefits is the fact that taxpayers (both legal entities and individuals) differ in their social status and economic position within society. Therefore, imposing the same amount of tax on everyone under identical conditions would be unreasonable.

Second, the state uses various instruments to influence and regulate the economy, one of

which is tax benefits. These benefits are introduced to stimulate certain important sectors or the activities of specific taxpayers. In other words, through tax incentives, the state gains the ability to manage or regulate the economy efficiently, making tax benefits a vital instrument for implementing government functions and policies.

Third, another reason for applying tax incentives is to achieve a fair, efficient, and rational distribution of national income. In this sense, financial resources that could have been collected into the budget are intentionally left with taxpayers for targeted use. The advantage of this approach is that it simplifies the processes of tax collection and redistribution, while also stimulating productive activities.

Tax-based economic management is closely linked to state activities aimed at eliminating imbalances that arise during the reproduction process. In other words, while the overall tax system defines the strategic approach to economic regulation, tax incentives serve as the tactical tools through which this strategy is implemented.

Tax benefits can be classified based on various factors such as the tax subject, the tax object, collection methods, and payment terms. We attempt to justify this classification as follows.

Based on our research findings, we propose introducing a new mechanism for providing tax incentives within tax policy aimed at ensuring environmental improvement, ecological protection, waste sorting and recycling, resource conservation, and the expansion of renewable energy use.

According to this proposal, individuals would be able to use their tax benefits not for a specific tax type, but across any tax type for which they are taxpayers.

To implement this, resident individuals would be provided with a “Green Incentive Card.” This name embodies nature, responsibility, and motivation, combining both national identity and modern values. It evokes trust and interest among users.

With this card, individuals could accumulate incentive points by engaging in environmentally beneficial actions such as maintaining cleanliness, improving ecology, sorting and recycling waste, conserving natural resources, and utilizing renewable energy sources.

These accumulated points could later be used to reduce their payable taxes (for instance, property tax, land tax, or personal income tax) or to obtain government subsidies — for example, when purchasing renewable energy equipment, fully electric vehicles, or waste-sorting devices and tools.

The total amount of tax reduction (including arrears and penalties) or subsidy granted would be directly linked to the number of points accumulated on the Green Incentive Card.

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