PECULIARITIES OF ACCOUNTING FOR THE MOVEMENT OF NONMETALLIC MINERAL RESOURCES AND UNIFICATION OF TAX RATES

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ABSTRACT

This article is devoted to the study of peculiarities of accounting for nonmetallic mineral resources, the forms of reporting for their movement, as well the issues related to the rates of taxes imposed on the users of the subsoil resources. In addition, the article presents proposals and recommendations developed in reliance upon the market principles of the tax rates.

KEYWORDS: Subsoil, minerals, raw materials, natural resources, nonmetallic mineral resources.

INTRODUCTION

In recent years, one of the most important aims of the implemented public policy is to attract natural resources to the economic cycle, to raise the efficiency of their use in the field of creating conditions for economic development.

Currently there is a necessity to create an equal competitive environment for taxpayers by ensuring transparency through reforming the system of taxation of mineral resources and unifying tax rates.

In addition, due to the lack of market mechanisms for the taxation of certain types of mineral resources, there are still problems related to determining tax rates, which require their further solution.

This, in turn, results in the emergence of various schemes of tax evasion.

At present, the minimum amount of tax imposed on the nonmetallic mineral resources has been introduced, and the major part of budget revenues accounts for these products.

LITERATURE REVIEW

Literary sources presents various approaches to the accounting of movement of nonmetallic mineral resources.

In the opinion of Tendai Kache (2016), mineral resources are considered the most important source for reducing poverty and promoting economic development.

The share of the countries rich for natural and mineral resources accounts for over 25 percent of the global economy.

From the point of view of Solnishkova (2005), the countries which possess abundant mineral deposits and other natural resources are considered the most wealthy countries throughout the world. In addition, these countries should be provided with real opportunities to efficiently use their natural resources, achieve a sustainable GDP growth and restore the industrial and production level required for the development.

Melnikova (2011) thinks, that withdrawal of income received from the use of mineral resources is considered a modern tax mechanism that primarily performs this fiscal function. The tax on extracting mineral resources amounts to 50 percent of the Federal budget. This is the largest tax burden for oil and gas companies, constituting over 30 percent of the total tax burden.

From the point of view of Zozulya (2011), increasing rates of industrial development of natural resources (oil, gas and other minerals), accelerate the process of deforestation of woods. Such negative trends predetermine the need to re-evaluate the role of forest resources in ensuring the economic growth of the country and the vital activity of its citizens. Efficient use of forest resources, combined with sustainable reforestation, will enhance forest wealth of Russia, facilitate creation of new jobs, and make an overall impact on the economic development of the regions of Russia. In addition, as the most important aspect, it will solve social problems, thus raising the budget revenues and increasing the receipts gained from the export operations.

Yuldasheva (2021) in her research paper has expressed an opinion, that as a result of assignment of taxes imposed on the nonmetallic mineral resources to the local budgets, the revenues, gained from these taxes, have increased significantly. In particular, as of the end of 2019, tax receipts gained from nonmetallic mineral resources have increased considerably in relation to 2019. This fact can be proven by the increase in the rates of taxes imposed on the construction materials and growth of the extraction volume.

RESEARCH METHODOLOGY

The methods of logical observation, critical study of the literature, analysis and synthesis, induction and deduction, comparison, classification on the basis of certain characteristics, as well as economic analysis have been widely applied in the processing of data obtained during the research.

ANALYSIS AND RESULTS DISCUSSION

Clearing riverbeds and fortification of their banks, prevention of the illegal extraction of nonmetallic mineral resources, in particular, avoidance of illegal delivery and utilization of the most frequently used nonmetallic mineral resources in the construction process, as well as ensuring safe operation of transport and hydro technical facilities are currently considered the top-priority objectives. In this regard on August 2, 2021 there was adopted the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan №483 “On measures for the efficient use of nonmetallic mineral resources and further improvement of their accounting system”.

According to this Resolution, starting from November 1, 2021, the entities, engaged in construction and production of construction materials, must submit the data on the use of nonmetallic mineral resources to the state tax offices in the forms approved by the State Tax Committee of the Republic of Uzbekistan through their personal account.

Taxpayer’s Identification Number									

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Information on the use of nonmetallic mineral resources by construction companies

№	Construction facility	Information on the facility									Information on the delivered (used) nonmetallic mineral resource								
		Location of construction facility		Type of the construction facility		Mineral resources required according to the estimate-cost documentation				Date (month / year) of signing the act of commissioning of the completed building (reconstruction) and / or structure	Taxpayer's Identification Number	Company name using mineral resources *(deliverer of production)*	Name	Unit of measure	Residual at the beginning of the reporting month	Volume subject to offset within one month	Residual amount at the end of the reporting month	Cargo consignment letter	
		Region	District	Individual housing	Facility, which is not an individual housing	Amount according to	Unit of measure	Actually spent amount	Unit of measure									Number	Date
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*	*17*	*18*	*19*	*20*

** The reference form shall be submitted in ascending order not later than the 20th day of the month following the reporting month.*

*** All types of construction projects are included, except for individual housing construction.*

When the nonmetallic mineral resources are transferred by the general contractor or the customer to the subcontractor, the reference is filled in by the general contractor or the customer.

Head _____

Chief accountant _____

Taxpayer's Identification Number | | | | | | | | | |

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Information on the nonmetallic mineral resources used by the manufacturers of construction materials

№	Manufactured construction material				Information on the deliverer of production											
					Nonmetallic mineral resources extracted				Purchased mineral resource							
	Name, including cement raw materials	Amount	Unit of measure	Value	Name	Amount	Unit of measure	Value	TIN	Name of company-seller	Cargo consignment letter		Name	Amount	Unit of measure	Value
											Number	Date				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*	*17*

Note: ** The reference form shall be submitted in ascending order not later than the 20th day of the month following the reporting month.*

*** The balance of minerals previously received for production purposes is reflected in the form of a preliminary report.*

Head _____

Chief accountant _____

The reference form, which is being introduced, is intended to reflect the volume of nonmetallic mineral resources used in the production process of construction materials and construction of buildings, as well as information on its suppliers.

In particular, the reference form on the use of nonmetallic mineral resources utilized by the construction companies reflects such information, as the name of the construction facility, its address, type, the standard of the required mineral resources and the actual amount of the resources utilized, date of signing of the act of commissioning of the facility, the details of the miner, the name of the nonmetallic mineral, the unit of measurement, the residual at the beginning of the month and the volume received during the month, as well as the data of the consignment note.

In addition, the reference form of nonmetallic mineral resources used in the production of construction materials should reflect, first of all, the name, amount, unit of measure, value of the finished construction material manufactured by the company.

The source of raw materials used for manufacturing of this type of product is divided into two groups. Wherein there should be reflected the name of the mineral resource extracted from its quarry and the name, unit of measurement, quantity and value of the purchased mineral resource.

The necessity to implement this reference form in practice is to collect the indicators required in the construction materials industry, as well as in the analysis of budget revenues.
Article 452 of the Tax Code of the Republic of Uzbekistan establishes tax rates for subsoil use, some of which are reflected in the absolute amounts.

Data on the minimum amount of the tax determined for construction materials

№	Construction material name	2020 year	2021 year
1	Gypsum stone, gypsum and anhydrite, ganch	5, but minimum 9500 UZS/cubic meter	5, but minimum 9500 UZS/cubic meter
2	Brick and tile raw materials	5, but minimum 7000 UZS/cubic meter	5, but minimum 7000 UZS/cubic meter
3	Shell limestone	5, but minimum 12500 UZS/cubic meter	5, but minimum 12500 UZS/cubic meter
4	Raw materials for shore protection works (limestone, porphyrites, granites)	5, but minimum 10000 UZS/cubic meter	5, but minimum 10000 UZS/cubic meter
5	Blocks from natural facing stone	5, but minimum 20000 UZS/cubic meter	5, but minimum 20000 UZS/cubic meter
6	Sandstones	5,0	5, but minimum 7500 UZS/cubic meter
7	Sand and gravel	5, but minimum 7500 UZS/cubic meter	5, but minimum 7500 UZS/cubic meter
8	Concrete sand	5, but minimum 8500 UZS/cubic meter	5, but minimum 7500 UZS/cubic meter
9	Construction crushed stone (granites, porphyrites and shale rocks)	5, but minimum 10000 UZS/cubic meter	5, but minimum 7500 UZS/cubic meter
10	Construction crushed stone (carbonate rocks)	5, but minimum 10000 UZS/cubic meter	5, but minimum 7500 UZS/cubic meter
11	Marble chips	5, but minimum 17000 UZS/cubic meter	5, but minimum 17000 UZS/cubic meter
12	Limestone for cement production	45000 UZS/tons	45000 UZS /tons
13	Saw stones, rubble stone and crushed stone	5, but minimum 7000 UZS/cubic meter	5, but minimum 7000 UZS/cubic meter

The procedure for calculating the tax imposed on these products slightly differs from the procedure established for the taxation of other types of minerals, and if the mineral resource is sold, it is calculated as a percentage of sales, but not less than the absolute amount of the extracted volume.

CONCLUSION

Based on the research on the topic, the following conclusions and recommendations have been developed:
Implementing in practice a report form on the amount of nonmetallic mineral resources used by the companies engaged in construction and production of construction materials;

REFERENCE

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