



## CURRENT STATE OF FORMATION OF LOCAL BUDGET REVENUES

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### Abstract

State budget \_\_ national finance system e throne the neck as state by k e ng scale social reforms done increase financial source being service to do with together , the country in the economy done being increased reforms state by of support important financial source is considered Especially fundamental component of our economy changes \_ done increase , mod e rnization and div e rsification processes consistent continue carry on with dependent k e ng scale reforms done increase such as of duties day order as a matter of urgency to the field release own in turn state of finance central joint calculated state budget \_\_ income and expenses efficient manage system to form requirement does \_ Because the state budget \_\_ income formation in the system priority importance occupation doer taxes by means of of the economy some networks encourage opportunities have if divided , secondly , davla budget \_\_ expenses system through strong social politics done increase financial the basics formation with together , centralized funds financial r e sources at the expense of big and strat e gik important have the inv e stition that was projects state at the expense of financing opportunities have is dividing .

**Keywords :** Local budget , budget revenues , budget costs , modernization , diversification , budget system , investment .

### Inroduction

"For 2022-2026 intended \_ new Uzb e Kiston development strategy \_\_ on". b e lagged liberalizing the economy \_ and development with dependent k e ng scale of reforms present conditions of the budget system its stability \_ each one el e m e nts in k e sym income and expenses in order to put where level that it has been improved depends. That's why of reforms for present conditions of the budget system all levels ensuring proportionality, local \_\_ of the budget income to strengthen the base directed issues current importance occupation doer from tasks one as day in order to the field coming out

The same at the time our country pressing past \_ development of the road deep analysis, today in the day the world market Mining industry is changing rapidly , globalization \_\_ conditions competition more and more getting stronger going our





country more stable and fast pace \_\_ \_\_ with development for absolutely new approach and principles work exit and come true release requirement is doing

Local of the budget income base fundamentally strengthening and decentralization based on regions complete set \_\_ stop the development \_\_ financing , budget , etc relationships more improvement , local state authority bodies financial freedom strengthen , small our e s and private entrepreneurship to develop help , new the work places Create and population employment supply , engineering-communication , road -transport and social infrastructure fast development at the expense of righteous to improve the potential on ani q ma q sadga directed measures done requires an increase .

### **Literature Review**

In the process of writing an article, there are scientific and educational literatures of a number of economists, which include the income and expenses of local budgets, the scientific-theoretical and practical bases of their management.

In particular, among foreign economists AM Babich, AM Godin, LA Drobozina, JM Keynes, R. Dornbush, S. Fisher, GB Polyak, VM Rodionova , M.V. Romanovsky, LP Pavlova and others are widely covered in scientific research.

Among the economists from Uzbekistan are AV Vahobov, TS Malikov, NX Khaidarov, Yo.Sh. Faizullaev, IA Azizova, ZX Srojiddinova, JAKochkarov, G. Kasimova, Kha Kurbanov, T. Eshnazarov and others contributed to the formation of the scientific and theoretical foundations of the budget system of the Republic of Uzbekistan.

### **Research Methodology**

In the process of writing the article, structural and dynamic analysis, comparison, factor analysis, vertical and horizontal methods of economic analysis and statistical observation methods were used.

### **Analysis and Results**

Positive changes in the development of sectors of our country's economy and measures taken to liberalize the tax legislation, to further strengthen the protection of taxpayers' rights, gave opportunities to expand the tax base and increase additional financial resources to the budget.

According to the current tax legislation, legal entities and individuals who pay national taxes that form the revenues of the republican budget, in turn, are also considered to be payers of local taxes and levies that form the revenues of local budgets.





Also, "local taxes and other mandatory payments are redistributed between the republican budget of the Republic of Karakalpakstan, the regional budget of the regions, the city budget of Tashkent city and the budgets of districts and cities in accordance with the approved regulations. "

In Amadiyyat, local budget revenues mainly consist of direct local budget revenues and revenues coming as allocations from the higher organization.

The more the revenues of local budgets increase, the more stable and expanded the management capabilities of local governments are, and on the contrary, the more the regional economy develops, the more stable the revenues of local budgets are.

In the conditions of the market economy, as the attention to local budgets increases and the possibilities of its comprehensive support expand, there are also problems in ensuring the stability of local budget revenues due to the growth of local budget expenses. decreases.

In the conditions of further development and liberalization of the economy, the sources of formation of the income base of local budgets, its composition and the need to strengthen it.

Today, in our country, funds are directed to regions where local budgets are implemented from many sources, including through funds and programs. There are also those whose goals and directions are close to local budget expenditures. This reflects the financial strategy of local budgets, i.e. the most optimal methods and directions for spending resources by summarizing all state funds directed to the regions where the local budget is spent and comparing their goals. justifies the need to develop a document that makes and adapts the local budget to it.

In our opinion, it is necessary to constantly measure the share of the state budget in relation to the gross domestic product. At the same time, it is appropriate to include state trust funds, which are widely used in international and national experience, in this process.

Through this information, it is possible to determine the directions and priorities of the policy of the central government regarding the state budget and the budgets of state trust funds, and this is an aspect that should be taken into account in the financial strategy of local budgets.

First of all, it would be appropriate to conduct an analysis of data on the quantitative growth of the state budget and state target funds in our country, as well as their weight and structure in relation to the gross domestic product.

Provision of financial resources for local government agencies to fulfill their assigned tasks occurs in the process of distribution of taxes and inter-budgetary transfers. In this case, it is necessary to take into account the budgetary and tax interests of local





government agencies at different levels, as well as the economic basis of the transfer of financial resources (income) for the equalization of regional incomes. The question of the role of tax revenues in the formation of state budget revenues, including revenues of local budgets, is tried to be explained, in most cases, by the level of their weight.

**Table 1 Information on revenues and expenses of the state budget and state special funds ( in trillion soums)**

Indicators _	Years						
	2015	2016	2017	2018	2019	2020	2021
<b>I. _ Gross internal product ( GDP )</b>	<b>210.2</b>	<b>242.5</b>	<b>302.5</b>	<b>406.6</b>	<b>511.8</b>	<b>653.5</b>	<b>734.6</b>
<b>II . Total budget revenues , including : _ _</b>	<b>53.3</b>	<b>60.5</b>	<b>73.6</b>	<b>111.4</b>	<b>131.4</b>	<b>153.8</b>	<b>201.5</b>
State budget income	36.5	41.0	49.7	79.1	112.2	128.5	164.7
State purposeful collective arms income	16.8	19.5	23.9	32.3	19.2	25.4	36.8
<b>III . Total budget expenses , including : _ _</b>	<b>53.4</b>	<b>60.2</b>	<b>71.5</b>	<b>109.3</b>	<b>145.5</b>	<b>157.3</b>	<b>215.9</b>
State budget expenses	36.3	40.9	49.3	79.7	118.0	121.9	188.6
State purposeful collective arms expenses	17.2	19.3	22.1	29.5	27.5	35.4	27.3

Analyzing the data in Table 1, we can see that in 2015-2020, revenues and expenses of the state budget and the budget of state trust funds have a constant and sharp growth rate, just like the gross domestic product. This is especially evident in the last three years (2017-2019). Of course, the growth in the gross domestic product is gaining significant importance. At the same time, fundamental reforms carried out in our economy in recent years require an increase in state budget expenditures. The expenses of the state trust funds have decreased less compared to the income, and the main reason for this is that funds from the state budget are intended to cover their expenses. These funds are allocated mainly to the pension fund;

In our opinion, local budgets are very important in the development of the financial strategy, and the state budget and state trust funds in general, the revenues of the budget are formed in the regions of the local budgets, and the expenditures are made directly in these regions. In this sense, the changes in their amount and proportion will definitely not affect the local budgets, and this will serve as the strongest argument and, so to speak, a "guiding beacon" in the financial strategy of local budgets.



The share of total budget revenues to GDP reached 27.4 percent in 2018 alone during 2015-2019, and remained around 24-25 percent in other years. This certainly shows that the budget revenues are provided mainly at the expense of the growth of the gross domestic product. At the same time, we will be able to identify all the factors by analyzing it structurally. In addition, the figure shows the share of revenues of the state budget and budgets of state special funds in relation to the gross domestic product, according to which the share of revenues of the state budget is increasing and the share of revenues of state special funds is decreasing proportionally. . In 2018 alone, it took a slightly different turn, in which the share of state trust fund revenues did not change (7.9 percent), but the share of budget revenues increased sharply.

In short, in 2018, the increase in the share of state budget revenues in the GDP was mainly due to the state budget. The main reason for this is the fact that many funds included in the state budget were established during 2018, or funds were allocated to previously established funds from this year, and many state programs were implemented.

Changes in income are extremely important for the formation of the financial strategy of the local budget, because it all comes from the fact that expenses can only be realized if there is income. At the same time, the expenses are also a source of local budget income. This can be attributed to the income tax of the employees of a budget organization, budget revenues can be revenue generators, and for this they should be converted into budget expenses. This requires budget spending to go through a cycle. budget expenditures in the gross domestic product is presented in the section of the state budget and state special funds. From the image data, the period between 2015-2019 can be divided into two. The first period covers the years 2015-2017, and during this period, the share of budget expenditures, including the state budget and state trust fund expenditures, in relation to the GDP decreased. The second period includes 2018-2019. During this period, we can see that the share of budget expenses, in particular, state budget expenses compared to the gross domestic product, has increased sharply. Also, unlike the share of budget revenue in relation to GDP, the share of budget expenditure in relation to GDP is increasing. This is especially the case when the share of income in relation to the gross domestic product is increasing even during the period of 25%, which indicates that there is a deficit in the budget system. (Table 1)





**Table 2 Information on types of state budget revenues and their amounts  
(in trillion soums)**

Indicators	Years						
	2015	2016	2017	2018	2019	2020	2021
D aromatics total ( targeted j without savings )	36.5	41.0	49.7	79.1	112.2	128.5	164.7
1. Directly taxes	8.8	9.9	11.5	15.7	31.7	40.6	58.9
2. Indirectly taxes	19.2	21.1	26.1	41.3	46.4	58.3	56.3
3. R e surs ransom demands and property tax	4.8	5.3	6.9	12.7	19.7	20.8	23.0
4. Other revenues	3.7	4.8	5.1	9.5	14.4	8.8	26.5

Table 2 presents major groups of state budget revenues, according to which we can see changes in the composition of revenues in 2015-2019 . In general, by analyzing the table data, the following can be distinguished:

1. The amount of general state budget revenues is growing, and it has increased sharply especially in 2018-2019.
2. Indirect taxes (value-added and excise taxes) form the main part of state budget revenues.
3. The tax reforms carried out in recent years have not left their impact on the composition of state budget revenues. As an example of this, we can cite the absence of revenues from this type of tax in the table in 2018-2019 due to the abolition of the beautification and social infrastructure development tax.
4. In the structure of direct taxes, we can see that corporate profit tax and personal income tax increased sharply in 2019 compared to 2018, and this is undoubtedly due to tax reforms .
5. Resource fees and property taxes also increased sharply in 2018-2019, mainly due to increased tax revenues for the use of underground resources.
6. Other revenues are also increasing, and this is mainly due to the expansion of the composition of non-tax payments in order to diversify the composition of budget revenues.

### **Conclusions and Suggestions**

As a result of the analysis of the current state of the income base of local budgets, the following conclusions were formed:



The analysis of the tendency of the formation of incomes in the cross-section of the regions shows that in the composition of the incomes of the local budgets, indirect and direct national taxes form the main weight;

In the growth trend of the following years, the rate of growth of VAT, excise tax and personal income taxes is high.

local budget revenues is increasing. As a result of reforms aimed at expanding the revenue base of local budgets, a sharp increase in tax revenues was observed in Jizzakh region.

Local budgets have a weak level of fixed income, which creates the possibility of financing costs only at the expense of normative allocations and budget transfers (social transfers in the following years) from higher budgets. This, in turn, requires carrying out systemic reforms related to the expansion of the revenue base of local budgets.

## Literature

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