



CURRENT STATE OF FORMATION OF LOCAL BUDGET REVENUES

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Abstract

All of us are witnessing that economic reforms along with reforms in all spheres in the Republic of Uzbekistan are showing their results on a large scale. As an example, it can be said that today, a number of practical works have been carried out to ensure the openness and transparency of state finances, including the state budget and extra-budgetary funds, to ensure the efficiency of financial flows in the budget system, to ensure the participation of the population in the distribution of budgets of the budget system. is increasing. State budget _ economic development of our country, structural changes aimed at increasing the competitiveness of Uzbekistan in the world market and strengthening its position in the implementation of long-term strategic goals, ensuring the production of competitive products based on modern high technologies, as one of the main financial sources for the rapid development of production attention is paid.

Keywords: finance, financial system, budget planning, budget expenditures, population employment, local budget, budget revenues.

Introduction

President of the Republic of Uzbekistan Sh.M. As Mirziyoyev noted: " At the same time, a decision was made to increase the responsibility of tax, finance and economic bodies for the formation of budget funds of territorial administration bodies, creation of additional reserves. We need to review the budget system of our country, to ensure that budget revenues and expenses are open and transparent for our people .

In recent years, the crisis caused by the COVID-19 coronavirus pandemic and the restrictive measures introduced to prevent it have caused significant socio-economic shocks. In this context, macroeconomic forecasts were formed taking into account the remaining uncertainties. In order to support the economy in the Republic of Uzbekistan, the government adopted a practical action plan for the restoration of economic growth and the continuation of structural reforms. in order to continue the reforms, the issues of creating conditions, identifying new opportunities and reserves that further stimulate the development of the economy were defined.





In the Development Strategy of New Uzbekistan for 2022-2026 and in the State Program for the implementation of "Glorification of Human Values and the Year of Active Neighborhood", further increasing the efficiency of state budget expenditures and improving the activities of state financial control bodies have been identified as one of the priorities.

It should be noted that the central link of the reforms carried out in the field of improving the state budget is the optimization of financial flows in the budget system, the effective use of revenues and costs of the budget system, the optimization of the tax burden in the economy and the role of taxes in the socio-economic development of regions. there are issues of increasing the position, purposeful and effective use of budget funds.

Literature Review

In the process of writing the article, there are scientific and educational literature 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, AM Babich, AM Godin, LA Drobozina, JM Keynes, R. Dornbush, S. Fisher, GB Polyak, VM Rodionova, MV Romanovsky, LP Pavlova and others have been widely covered in the scientific research works of foreign economists.

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

Scientific abstraction, induction and deduction, comparative analysis, structural analysis.

Analysis and Results

Current State of Formation of Local Budget Revenues

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.

In accordance with the budget legislation of the Republic of Uzbekistan, the revenues of the budget of the Republic of Karakalpakstan, the local budgets of the regions and the city of Tashkent include the following

- "- from state taxes in accordance with established regulations, including: profit tax; turnover tax; personal income tax; value added tax; excise tax; subsoil use tax; deductions from taxes for the use of water resources;
- local taxes and other mandatory payments, including property tax; land tax; the right to retail trade in certain types of goods and a fee for providing certain types of services;
- non-refundable cash receipts from legal entities and individuals, as well as from foreign countries;
- includes other income.

In turn, to other incomes, "receipts from the sale of property transferred to the state income, income from the placement, use and sale of state assets, as well as in accordance with the laws, to the budget of the Republic of Karakalpakstan, to the local budgets of the regions and the city of Tashkent direct state duties, levies, compensations and fine sanctions, proceeds from the sale of ownerless property, property transferred to the state under the right of inheritance, treasures, dividends on the share of local government bodies" is included.

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.

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
I. Gross Domestic Product (GDP)	210.2	242.5	302.5	406.6	511.8	653.5	734.6
II. Total budget revenues, including:	53.3	60.5	73.6	111.4	131.4	153.8	201.5
State budget revenues	36.5	41.0	49.7	79.1	112.2	128.5	164.7
Revenues of state trust funds	16.8	19.5	23.9	32.3	19.2	25.4	36.8
III. Total budget costs, including:	53.4	60.2	71.5	109.3	145.5	157.3	215.9
State budget expenditures	36.3	40.9	49.3	79.7	118.0	121.9	188.6
Expenditures of state trust funds	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;

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 the 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. Only in 2018, it acquired a slightly different change, in which the share of revenues of state trust funds 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.

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 aromas total (without target j savings)	36.5	41.0	49.7	79.1	112.2	128.5	164.7
1. Direct taxes	8.8	9.9	11.5	15.7	31.7	40.6	58.9
2. Indirect taxes	19.2	21.1	26.1	41.3	46.4	58.3	56.3
3. Resource charges and property taxes	4.8	5.3	6.9	12.7	19.7	20.8	23.0
4. Other income	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 structure of the incomes of the local budgets, indirect and direct national taxes form the main weight;

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

The share of inter-budgetary transfers in the composition of 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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