



SCIENTIFIC AND THEORETICAL BASIS OF STRENGTHENING THE REVENUE BASE OF LOCAL BUDGETS

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Article history:	Abstract:
Received: 28 th June 2024 Accepted: 26 th July 2024	The scientific-theoretical basis of strengthening the revenue base of local budgets has been studied. The content and characteristics of local budgets are shown in detail. Also, the stages of formation of incomes of local budgets are mentioned.

Keywords: budget revenues, tax, local budget, tax policy, investment environment.

INTRODUCTION. The experience of developed countries in the formation of state budget revenues shows that direct taxes have a priority in the budget revenues of economically developed countries. At the same time, the proportion of direct or indirect taxes in the state budget revenues depends more on the budget-tax policy of the state. Developing countries and countries with transition economies pay more attention to indirect taxes in the formation of State budget revenues, while direct taxes are of priority in the State budget revenues of developed countries. In countries with an underdeveloped economy, the priority given to direct taxes may lead to further expansion of the scale of the shadow economy. Therefore, the state budget revenues of such countries are mainly formed at the expense of indirect taxes.

The adoption of the concept of tax policy improvement is starting a new era of tax system reform and formation of State budget revenues based on the experience of our country and international principles of taxation. One of the main directions of this concept is "ensuring the stability of the macroeconomic situation, stability of the formation of the State budget of the Republic of Uzbekistan and its revenues". It is natural that this, in turn, will lead to a number of changes in the composition and structural structure of the State budget revenues.

RESEARCH METHODOLOGY. The study employed methods such as generalization, grouping, analysis and synthesis, comparative analysis, statistical analysis, comparison, induction, and deduction.

ANALYSIS OF LITERATURE ON THE TOPIC. Prof. T. Malikov noted that the most urgent problem of the theory of taxation is the rational formation of state budget revenues, "Is it appropriate to use purely fiscal methods in the formation of budget revenues, or is it necessary to stimulate business activity by reducing taxes and expand the taxation base?" raises the question. In our opinion, it is necessary to recognize this

problem as the most urgent and reasonable problem of the theory of taxation, but we do not consider it sufficient to limit ourselves to this. After all, in our opinion, this problem should be considered or interpreted as the most urgent problem not only of the theory of taxation, but also of its practice. That is why, in particular, we approach this issue in our dissertation research from the point of view of rational solution.

Professor K. Yahyoev emphasized that taxes are divided into direct and indirect taxes depending on their economic nature, and believed that "direct taxes are paid directly by taxpayers, that is, the legal and actual payer of the tax is one person."

Professors T. Malikov and O. Olimzhanov recognized that taxes are divided into direct (direct) and indirect (indirect) taxes depending on the object of taxation and the relationship between the taxpayer and the state, and direct (direct) taxes are from direct income and property belonging to the subject. those who noted that indirect (indirect) taxes are imposed on goods and services and are part of the price paid for the goods or the tariff of the service.

Economist D.Daminov in his research studied the issues of improving the mechanism of correct taxation in our country, while A.Islamkulov studied the issues of ensuring the stability of direct tax revenues in the budget revenues. B. Kadirov researched the relationship between direct and indirect taxes and issues of improving the tax system.

ANALYSIS AND RESULTS. As shown in Figure 1, local budgets represent regional, district and city budgets, and the funds of these budgets are used by local government authorities for the socio-economic development of the country's regions, the performance of various tasks of local importance, the activities of enterprises, organizations and institutions belonging to the local budget. financing, social protection of the population, construction and beautification (financing). The timely implementation of such vital socio-economic



tasks depends, first of all, on their financial basis. The main part of the revenues of local budgets is charged to the budget with the help of taxes, that is, it is formed from taxes. From this point of view, the tax revenues of local budgets, their stability and strength play a decisive role in the fulfillment of the above-mentioned tasks.

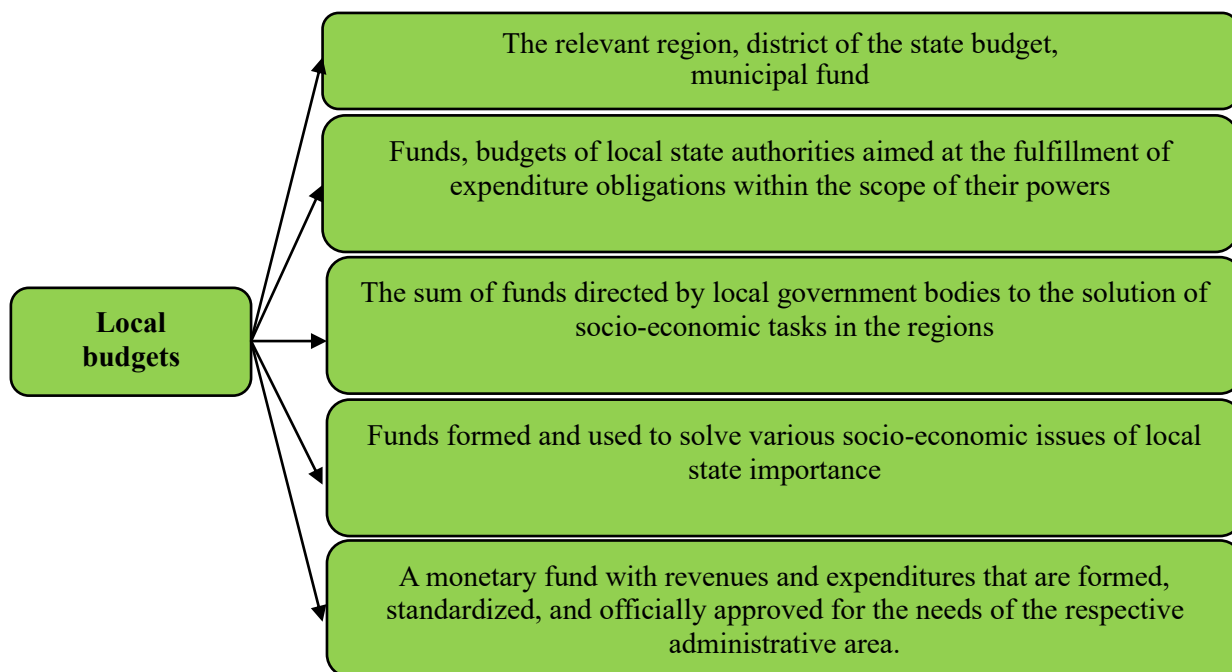


Figure 1. Content and characteristics of local budgets

In turn, the tax revenue bases of local budgets are formed from all taxes (state taxes and local taxes) levied on local budgets. Here, the concept of base means the basis, base, basis, set of tax revenues of local budgets. Strengthening the tax revenue base of local budgets in the pure Uzbek language means local budgets to stabilize, strengthen, and increase the resilience of the tax revenue base (in relation to expenses). Based on the above, in our opinion, the economic essence of "strengthening the tax revenue bases of local budgets" can be defined as follows: the provision of financial stability of the budget within the relevant administrative area, which is formed from a certain proportion of state and local taxes, is called the strengthening of the tax revenue bases of local budgets.

Regulating local budget revenues and ensuring their stability depends on economic and legal factors, and one group of economists considers these factors as factors of increasing the authority and responsibility of local authorities, and one group of scientists considers

ways to achieve financial stability by increasing the revenues of local budgets, and another and group economists recognize that it can be ensured by achieving a balance between income and expenditure.

According to H. Qabulov, "timely fulfillment of the requirements of the reforms implemented to ensure the financial stability of the regions is the main condition for the effective activity of local authorities." According to the author, "the existence of a number of problems in the formation of local budgets requires the development of recommendations to increase the financial stability of local budgets, in particular, to strengthen their income base."

According to U. Orovov, it is necessary to "increase the interest of local state authorities in the expansion of the revenue base of local budgets, formation of additional sources of income and determination of reserves".

According to V. Kavyrshina, "local self-governing bodies should have sufficient powers to form local



budgets within their territories. He must have sufficient resources, first of all, financial resources for the implementation of powers." According to the author, it is necessary to increase the share of local taxes and fees in budget revenues. But this increase should be carried out gradually, which in turn should not increase the tax debt of the population.

The priority tasks of the tax-budget policy in ensuring financial stability at the level of local budgets are "fundamentally strengthening the income base of

local budgets by attaching specific types of taxes and other mandatory payments to them, removing regional, city and district budgets from subsidies, and gradually reducing their dependence on high-level budget allocations. to reduce the stage, on the basis of this, to increase the freedom and responsibility of local state authorities in solving the issues of socio-economic development of the regions, and to determine additional reserves on a systematic basis to increase the income of local budgets.

Table 1
Stages of formation of revenues of local budgets

Steps	Years	Explanation
1- stage	1991-1993	Revenues are formed on the basis of the Law "On Taxes from Enterprises, Associations and Organizations".
2- stage	1993-1997	Revenues of local budgets are formed on the basis of the laws "On local state power" and "On local taxes and levies".
3- stage	1997-2017	Based on the Tax Code of the Republic of Uzbekistan, local taxes and fees are attached to local budgets.
4- stage	2017-2020	Priority is given to ensuring the financial independence of local budgets, increasing the tax-budget powers of local government bodies, and expanding the revenue base.
5- stage	2020- x.b.	Based on the Law "On the State Budget of the Republic of Uzbekistan", the income of local budgets is formed for each year.

In the study, the sources and methods of regulation of local budgets' income formation, ensuring the proportionality of incomes to costs, and measures developed on the basis of regulations and legal documents regarding the achievement of financial independence of local budgets were divided into these stages.

The stages of formation of revenues of local budgets have an impact on the improvement of the types of revenues and formation procedures in direct connection with legislative changes.

In short, the theoretical and organizational-legal basis of regulation of local budget incomes should be changed under the influence of socio-economic processes taking place in the world and in the country to serve the development of local finance. The most controversial issue of the tax-budget practice is the provision of local budgets with sufficient funds, which requires the need to determine the capabilities of local budgets and coordinate the tasks of the regional development programs of the state.

According to the author, there are a number of problems in the formation and planning of local budget revenues and their management by local government bodies. For example, the main part of the revenues of

local budgets is formed through the channels of inter-budgetary regulation, on the basis of tax deduction regulations, the norms of which are revised annually. But these norms change every year and are unstable. This instability leads to a huge difference in per capita budget income between regions according to the current tax distribution system. The current transfer allocation system, in our opinion, does not encourage the donor provinces to increase their tax capacity and does not stimulate the interest of the recipients of financial assistance to increase their revenues and collections.

The practice of inter-budget regulation ensures the formation of the main part of local budget revenues. A large amount of administrative revenues leads to a lack of responsibility in local authorities, which, in our opinion, is incompatible with the policy of economic liberalization. In addition, local authorities do not try to increase their income base and economic opportunities, knowing that they will receive support from the donor regions and the republican budget. Some regions try to increase the amount of allowances and various social payments in order to get as much money as possible from the republican budget.



The practice of increasing the tax-budget powers of local government bodies serves to stimulate entrepreneurship in regions, provide employment to the population, develop infrastructure, and create additional financial resources of local authorities.

Based on the findings of this chapter of the research, it is necessary to increase the tax-budget powers of local authorities, local councils, to ensure that the revenues of local budgets are proportionate to the costs, and to improve the mechanisms of inter-budget regulation.

CONCLUSIONS AND SUGGESTIONS. Local budgets represent regional, district and city budgets, and their funds are used by local government agencies for socio-economic development of regions, solving various socio-economic tasks of local importance, financing the activities of enterprises, organizations and institutions under the local budget, social protection of the population. is directed to implementation (financing) of works such as construction, construction and beautification. Timely implementation of such vital socio-economic tasks depends on their financial basis. Taking into account that the main part of local budget revenues is formed from taxes, the stability and strength of local budget tax revenues play a decisive role in the fulfillment of the above-mentioned tasks.

The process of formation of tax revenues of local budgets should be based on certain principles. The most important of them are: fair distribution of taxes among those who pay them; collection of taxes for the state should be as cheap as possible; that the collection of taxes in the budget does not lead to the depletion of the country's national resources; the tax collection process should not crowd out the private sector.

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