

PRIORITY DIRECTIONS OF THE BUDGET AND TAX POLICY IN THE SUSTAINABLE DEVELOPMENT OF THE REGIONAL ECONOMY

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Abstract

This article deals with the provision of state budget revenues in the context of modernization of the economy, tax policy, consolidated parameters of the consolidated budget of the Republic of Uzbekistan, forecast of the main macroeconomic indicators of the development of the Republic of Uzbekistan for 2023, integrated use of taxes, problems of assessing the state tax policy, the analytical information about the proposals and recommendations regarding the priorities of the budget-tax policy in the sustainable development of the regional economy is highlighted.

Key words

Economic reforms, Gross domestic product, tax policy, state budget, budget relations, aggregate parameters of the Consolidated budget, macroeconomic indicators, tax burden, tax progression, tax-budget policy

One of the characteristics of the transition to market relations of the Republic of Uzbekistan is that the state is designated as the initiator and main reformer of economic changes. From the beginning of economic reforms to the present, economic reforms in our republic have reached a new level. This, in turn, requires the implementation of several changes in economic, including tax policy

As a result of the economic reforms carried out in our country, the gross domestic product (GDP) of Uzbekistan will grow by 5,7% in 2022 and will amount to 888,34 trillion soums (about 80,4 billion dollars). GDP per capita increased to 2255 dollars. The real growth rate compared to the level of 2021 was 5,7 percent. The share of industrial products in GDP is 484,7 trillion soums (+5,2 percent), services - 343,3 trillion soums (+8,5 percent), net taxes on products - up to 60,3 trillion soums increased. Trade, accommodation and food services sector grew by 9,3%, transport, information and communication sector by 14,7%. Relatively low growth rates were observed in agriculture, forestry and fisheries (3,6%).⁶

⁶ <https://www.gazeta.uz/oz/2023/01/27/gdp/>

The Ministry of Finance presented the 2023 state budget. The document was not put up for public discussion. It is planned that the GDP will grow by 5,3%, and the inflation rate will be around 9,5%. The state budget deficit limit was set at 3% of GDP.⁷

Today, as part of the economic reforms implemented in Uzbekistan to create a full-fledged market economy, as an important tool for the sustainable development of our enterprises, their activity, and a positive impact on budget relations, tax policy and reform are demanded to be adapted to modern requirements.

In the context of the modernization of the economy, the tax policy includes the provision of state budget revenues, is important in solving problems related to strengthening the situation.

In accordance with the Law of the Republic of Uzbekistan No. ORQ-813 of December 30, 2022, the consolidated parameters of the Consolidated budget of the Republic of Uzbekistan for 2023 and budget targets for 2024-2025 have been developed.

Table 1

Summary parameters of the Consolidated budget of the Republic of Uzbekistan and budget targets for 2024-2025.

№	Indicators	Forecast for 2023	Budget targets:	
			2024-y	2025-y
I.	Consolidated budget revenues	310 677,9	353 697,7	397 219,4
1.	State budget revenues	232 107,1	269 965,6	309 829,9
2.	Revenues of state trust funds	41 250,7	46 793,8	50 609,2
3.	Contributions to the Recovery and Development Fund of the Republic of Uzbekistan	11 712,0	11 394,2	9 959,0
4.	Contributions to extra-budgetary funds of budgetary organizations	25 608,1	25 544,1	26 821,3
II.	Consolidated budget expenditures	343 212,6	387 197,1	428 363,7
1.	State budget expenditures	227 866,6	255 324,1	285 570,5
2.	Expenditures of state trust funds	70 212,9	77 565,2	85 342,8
3.	Spending of funds of the Republic of Uzbekistan Recovery and Development Fund	11 712,0	17 474,6	17 765,5
4.	Expenditure of extra-budget funds of budget organizations	25 608,1	25 033,2	26 284,9
5.	Expenditure on government programs from external debt	7 813,0	11 800,0	13 400,0

⁷ <https://www.gazeta.uz/oz/2022/12/22/budget-for-2023/>

III.	Transfers to state funds	29 867,6	34 341,7	37 775,5
IV.	Consolidated budget balance (surplus +, deficit -)	-32 534,7	-33 499,4	-31 144,3
V.	The balance of the state budget and state special funds (surplus +, deficit -)	-24 721,7	-16 129,9	-10 474,2
VI.	Extinguishing state debts	19 173,7	31 498,8	26 657,5

Table 2

Forecast of the main macroeconomic indicators of the development of the Republic of Uzbekistan for 2023 and targets for 2024-2025

№	Indicators	Forecast for 2023	Targeted goals	
			2024-y	2025-y
1.	Gross domestic product, billion soums	1 068 044	1 235 398	1 411 965
2.	Growth rate of the gross domestic product, in percent	5,3	5,6	6,0
3.	Consumer price index, compared to December last year, in percent	9,5	5-6	5
4.	Growth rate of industrial products, in percent	5,1 – 6,9	6,0	7,2
5.	Growth rate of production in agriculture, forestry and fisheries, in percent	3,5	3,7	3,9
6.	Growth rate of services, in percent	6,7	6,2	6,0

Taxes represent monetary relations, are a component of economic relations, and a necessary part of the market economy. For the successful implementation of tax policy, it should be scientifically based.

Table 3

The role of taxes in the formation of state budget revenues of the Republic of Uzbekistan in 2018-2022 (in %)

Indicators	2018	2019	2020	2021	2022
I. income (without target funds) - total	100	100	100	100	100
1. Direct taxes	26,4	25,4	24,2	23,4	24,1
2. Indirect taxes	48,2	49,0	51,1	53,1	52,6
3. Resource charges and property tax	15,4	15,6	14,8	13,6	13,2
4. Other income	10,0	10,0	9,8	7,8	10,1

From the data in the table, we can see that while analyzing the weight of taxes in the state budget, direct taxes made up 26,4 percent of the state budget in 2018, and this indicator will make up 24,1 percent by 2022 and we can see that taxes are 52,6 percent from 48,2 percent in these years.

The integrated use of taxes allows to reconstruct national economic sectors, create production infrastructure, control the purchasing power of households and

people and curb the process of currency devaluation. Taking measures against devaluation of money is also carried out by raising the tax rate on hard-earned income. Since taxes are the financial source of the state, developing a tax policy strategy is also considered an important task of the state. The organizer and creator of this policy development is the state. For this purpose, the state draws all the forces and agencies in its hands and develops it. First of all, such organizations include the Ministry of Finance, the State Tax Committee and other scientific and methodological organizations. For the consistent and successful development of the tax policy strategy, the state scientific-research organizations create and widely use its results. Such an organization is the Institute of Scientific Inspection under the Ministry of Finance.

In forming the source of income of the state budget and evaluating the local tax policy, the tax weight of all types of taxes derived from the activities of local enterprises is of special importance in the state budget of the district. At the same time, government activity, in addition to macroeconomic stabilization, aims at other goals that may conflict with the task of stabilization.

It has been noticed from the beginning that the reduction of the tax burden and the increase of state expenses usually coincide with the beginning of various pre-election events. In addition, budget policy is always in front of everyone's eyes: politicians who want to rely on the support of voters do not dare to increase taxes or reduce spending for social needs, even if economic necessity requires it.

Problems of assessment of state tax policy.

Conflicts affecting economic processes

Conflicting regulatory objectives

There is a problem with macroeconomic forecasting

Inconsistency between declared democratic principles of tax measures and their real manifestations.

Taxes are fees paid for services provided by the government. Taxes represent economic relations related to non-equivalent mandatory payments directed to the state budget by individuals and legal entities in order to satisfy the state and society's need for funds. The socio-economic content, internal structure, and tasks of taxes are determined by its various functions. The tax rate cannot be the same in all countries or in different periods within the same country. Its level depends on

the economic, political and social situation of the society. In most countries of the world, up to 30-45% of the gross domestic product (GDP) is transferred to the state budget as a tax. The policy strategy of reducing the tax burden on individuals is aimed at legalizing the income of the population, especially in the field of small and private business, and further increasing the income of the budget.

In the conditions of the market economy, the tax-budget policy forms the basis of the country's financial system. It is very important to use the existing financial resources rationally, to increase the effectiveness of their proper direction and to ensure socio-economic development, on what basis the relations of tax policy strategy and tactics are based. Achieving the integrity of tax policy strategy and tactics serves to ensure macroeconomic stability in the country, conduct an effective budget policy, and improve the standard of living of the population. We believe that one of the main ways of improving the tax policy is not to reduce the tax burden on enterprises, but to create an optimal system of taxation.

If the problems in the specified directions are solved positively, it will help to reduce the poverty of enterprises, collect taxes to the budget in full on time, speed up reproduction and solve other problems, and develop the country's economy. One of the main goals of economic reforms and tax policy implemented in our country is to saturate the domestic market by creating free competition among producers in the country. Privileged areas of tax policy can be reduced by giving preferential treatment to one of the two economic entities in the same industry. It is appropriate to take into account the nature of the network as the main factor in determining benefits. This ensures free competition and price equality within a network.

In conclusion, it can be said that taxes are considered as a part of the overall economic system, and the strategy and tactics of the implemented tax policy significantly affect the macroeconomic and microeconomic indicators of the country. Therefore, it is important to study the basics of ensuring the coherence of the strategy and tactics of the tax policy. Because it is easy to improve the effectiveness of tax tactics by thoroughly studying the strategy of tax policy and scientific justification, and to achieve the strategy and goal set for the development of our country and our president in the market economy.

Based on the above, we would like to make the following suggestions and recommendations.

1. Correct taxes should mainly provide budget tax revenues, however, this situation should be established in conjunction with scientifically based study of tax benefits. If unjustified tax benefits are given to taxpayers in connection with direct

taxes, then both the fiscal nature and the incentive nature of direct taxes will be affected. Therefore, the state should establish regular monitoring observations related to the impact of taxes on the activities of taxpayers in the tax policy in this area.

2. Currently, the incentive nature of proper taxes is gaining more importance for taxpayers operating in the national market. However, the stimulating effect of foreign investment in the national economy is waning today. There are two important aspects of foreign investment: on the one hand, they create an additional tax object, on the other hand, they serve to prevent unemployment due to the creation of new jobs leads to an increase in passengers. Therefore, it is appropriate to develop additional measures with proper taxes to encourage the inflow of foreign direct investment.

3. It is necessary to increase the influence of tax-paying enterprises on the spending policy through proper taxes. Because the expenses incurred in the enterprise are mainly financed in two different ways, and this way determines the impact of the expenses on the tax base. Problems in the expenditure policy of enterprises directly and quickly affect the amount of direct taxes, and the negative impact of direct taxes on the activities of taxpayers is in most cases the inclusion of costs in the cost of products. or through the mechanism of financing them in a different manner.

From this, it can be concluded that the impact of the tax rate and the mechanism of financing costs in relation to tax benefits is greater in the impact of direct taxes on the activities of tax-paying enterprises. Here, it is appropriate to coordinate the strategy of the state's financial management policy of enterprises and the strategic directions of the tax policy.

The implementation of the above-mentioned proposals will lead to the further improvement of the tax policy of developing Uzbekistan and its improvement in economic reforms.

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