

MATTERS OF REVENUE GENERATION AND COST OPTIMIZATION WHILE INCREASING THE EFFICIENCY OF THE STATE BUDGET

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ABSTRACT

This research paper provides ways to improve the efficiency of budgetary expenditures for the provision of services to society, which is one of the priority tasks of the modern policy of budget planning and reforming at all levels of the public finance system. The state is responsible for the undertaken expenditure obligations and must provide evidence that the spent budget funds will bring a certain result or have been spent with some effect. Moreover, the effects obtained must be sufficiently reliable and be confirmed by certain numerical values in areas, articles, programs, projects of budgetary financing of public needs. Thus, the main problem of the budget reform being implemented at the moment is to increase the efficiency of budget expenditures at all levels of the budget system, since this is a more important factor in increasing efficiency in modern conditions compared to its revenue side.

Keywords: budget, budget management, cost, efficiency, expenses, financial control.

Introduction

At a time of deepening social and economic reforms in our country, as in all spheres of social life, the implementation of profound changes in the field of finance, budget and taxation is the main priority today. Therefore, the formation and implementation of the budget system and relations in such a situation is aimed at accelerating the process of economic development. The state of the country's budget system and relations is changing and improving from year to year.

The local budget plays an important role in providing services to the population, providing funding. This has a serious impact on the living standards of the population. The state of the local budget reflects the level of economic development, employment and development of inter-budgetary relations in the regions.

The main task of the state budget is the timely and complete receipt of taxes and other revenues approved in the budget and the full financing of its activities. But there are a number of challenges in executing budget revenues and expenditures. It is known that the diversity of economic development of the regions, the characteristics of the location of the population, and even natural conditions affect the composition of budget funding. It is in this process that a number of problems arise. Of course, such problems can be solved once the budget system is transferred to the treasury system. Increasing budget revenues and

optimizing expenditures, reducing the inflow of funds from the national budget to local budgets - remain a factor determining the direction of socio-economic development of the regions.

Today, it is necessary to gradually implement market reforms in our country, to create a well-thought-out mechanism to ensure macroeconomic stability, to establish a system of qualitative assessment of economic growth, to ensure that all macroeconomic indicators are positive. In this regard, it is especially expedient to take the fiscal mechanism of the state to a qualitatively new level. Our President Sh. Mirziyoyev: "We need to review the budget system of our country, ensure that budget revenues and expenditures are open and transparent for our people

It is necessary". This task set by the head of our state is an important factor in the economic development of the country. Tasks such as "... maintaining macroeconomic balance, ensuring stable high GDP growth through deepening structural and institutional changes based on the adopted medium-term programs " also remain important for the coming period[1,2,3,4,5,6,7].

Fiscal policy is the core of economic policy and clearly reflects the financial relations between public institutions and the population. Fiscal policy is arguably a key factor in macroeconomic stability. It has two pillars in conducting state budget policy. These are

government revenues and expenditures. These can be called direct and indirect methods.

Indirect methods of fiscal policy are measures such as influencing the economy through taxes and non-tax payments. Indirect methods such as changes in tax rates, the creation or abolition of tax incentives, the introduction of various payments can affect the socio-economic situation in the country, where the material interests of tax payments play a decisive role in fiscal policy.

Direct methods of budget policy include influencing the socio-economic situation through the expenditure side of the budget. Measures such as changing the amount of financing costs of the sector, allocating subsidies to insolvent enterprises, providing subsidies, allocating budget loans, introducing benefits for them, providing guarantees to attract foreign investment are direct methods of budget policy.

Pursuing a sustainable fiscal policy, in turn, serves to ensure the integrity of fiscal policy. Successful implementation of fiscal policy plays a key role in addressing the important challenges facing the economy.

The strategic task of the state fiscal policy is to direct public funds to a targeted impact on the emerging market economy and its infrastructure to ensure structural restructuring, economic independence and ultimately increase the welfare of the population. Here, fiscal policy is defined as the policy of the state in the field of improving tax collection for the optimal formation of budget revenues and rationalization of public expenditures.

At the same time, fiscal policy should be aimed at increasing production and increasing its efficiency, increasing the income of legal entities and individuals in order to expand the tax base. The peculiarity of fiscal policy is that it should not only ensure the revenue base of the state and the expenditure of funds, but also ensure macroeconomic stability in society and low inflation, optimal employment.

Fiscal policy in the narrow sense is aimed at ensuring national macroeconomic objectives such as macroeconomic stability and strong economic growth, structural reforms in the economy, liberalization of foreign economic activity and the foreign exchange market,

ensuring sustainable material well-being and social protection.

From the point of view of implementation of fiscal policy in practice, it is important to determine the correct correspondence between the primary tasks.

In other words, success can be achieved only through the development of an overall strategy within the framework of fiscal policy, as well as the correct emphasis on the specific measures to be taken next.

The instruments of fiscal policy will also change in accordance with the tasks of a certain stage of transition to market relations. One of the most important tasks of reforming our national economy today is to ensure the adequacy of revenues and expenditures of the state budget. The strategic task of fiscal policy is to focus on the structural restructuring of public spending, the search for new sources of income, targeted influence on emerging market economy mechanisms to ensure economic independence and ultimately increase the welfare of the population. At the same time, fiscal policy is understood as the policy of the state in the formation of budget revenues in response to changes in the structure of budget expenditures, the development of a mechanism for the rational use of revenues[8,9,10,11,12,13].

The state budget policy should ensure the rational formation of state revenues and expenditures, the regulation of relations between the budget links, the coordination of the interests of local budgets.

At the same time, fiscal policy should be aimed at increasing the income of legal entities and individuals in order to expand production and expand the tax base to increase its efficiency.

The main tasks of fiscal policy in a market economy are to prevent the decline of the production process in the economy, that is, to develop measures aimed at stimulating production. To this end, measures will be taken in the field of tax policy, such as lowering tax rates, providing tax incentives for new investments, the application of accelerated depreciation.

From the macroeconomic point of view, the effective fiscal policy of the state will improve the investment climate, financial stability, development of money and financial markets,

financial recovery of enterprises and growth of real incomes of the population.

Methods of Research

Tax measures complement budgetary measures, and together they lead to the development of a set of demands, and as a result to the development of production.

Fiscal policy requires the development of integrated measures of the state, such as monetary policy. They are:

1. During the period of economic recovery, the state shall pursue a policy of combining countermeasures in fiscal and monetary policy. Fiscal policy in this period is characterized by an increase in tax rates, reduction of government spending, restrictions on the implementation of the depreciation policy.

2. Ensuring financial stability. To do this, first of all, it is necessary to take the necessary measures to stabilize the money supply as a basis for successful economic reforms. Only in the conditions of creation of a stable monetary system it is possible to establish relations between all participants of the economic mechanism and organizational parts.

3. Development of investment activity and increase its share in national income.

4. Reduction of production costs in certain areas of material production on state subsidies from the budget. Through spending, the budget serves as an important support for the management and development of the economy.

5. Stabilization of the budget revenue base by improving taxation and strengthening control over full payment of taxes. Stimulating the activities of enterprises through taxes will increase competitiveness, create favorable conditions for capital accumulation. This will provide benefits from various taxes and create a basis for economic development.

6. Formation of a system of financial control over the targeted and effective organization of public spending.

One of the most pressing issues today is to ensure a balance between budget revenues and expenditures. At the same time, the issue of achieving the integrity of fiscal policy plays a key role.

In the first years of our independence, the reconstruction of the broken economy, the formation of a new system of governance, the adaptation of the population to market relations without "social upheavals", the strengthening of social protection required huge investments. But this has led to an increase in the tax burden on enterprises, which has worsened their economic situation [14,15,16,17,18]. Therefore, in recent years, the focus has been not only on the fiscal side of fiscal policy, but also on revising the structure of budget expenditures and increasing the incentive function of taxes in order to achieve long-term prospects.

Table.1. Forecast of key macroeconomic indicators of development of the Republic of Uzbekistan for 2021 and targets for 2022-2023

N/O	Indicators	Forecast for 2021	Targets	
			2022 year	2023 year
1	Gross domestic product, billion soums	688 936	843 191	985 377
2	Gross domestic product growth rate, in percent	5,1	5,8	5,4
3	The consumer price index is in percent compared to December last year	9,0-10,0	10,0-11,0	7,0-8,0
4	Growth rate of industrial production, in percent	5,8	7,6	6,0
5	Growth rate of production in agriculture, forestry and fisheries, in percent	2,7	3,4	3,6
6	Growth rate of retail turnover, in percent	5,9	7,9	9,8

The budget consists of three components - expenditures, parts of revenues and their balance, that is, it is formed according to the principle of conformity of revenues to expenditures. The formation of the budget

takes place, first of all, through the formation of its expenditure part, because the state can spend only on the basis of available financial resources.

The state must first attract these financial resources through taxes and other sources, which are the main means of determining the amount of necessary funds for the effective development of society, and only then to replenish the budget revenues that are in their hands. Fiscal policy reflects the specific directions of the movement of funds, the redistribution of national income, which allows it to effectively manage the economy and social processes in the country.

At various stages of economic development, the budget is a tool for implementing public policy, the main source of funding for the implementation of planned programs and

activities. Ultimately, it is it that determines the capacity of public authorities to address both day-to-day issues and development prospects.

The budget is a means of state influence on the economy, the production process, economic life, which manifests itself as the financial basis of state consumption and is used by the state to conduct social policy.

The state budget, as the main financial plan of the state, provided economic opportunities for government agencies to exercise their powers. The budget reflects the financial resources required for the state, and at the same time determines the tax policy of the country.

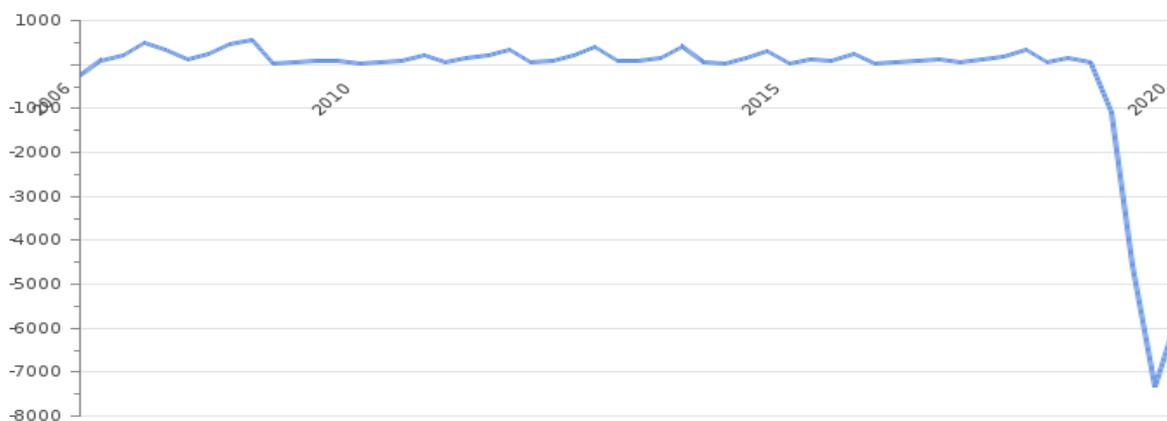


Fig 1. Forecast of revenues of the republican budget of the Republic of Uzbekistan

By changing tax policy, the state can stimulate the economic development of the country in certain areas and prevent its negative effects on the economy. Taxes

regulation of the economic life of any country, i.e. the structure of production, the accumulation of capital, covers personal consumption, because a change in tax policy is an effective means of the country's economy. The main purpose of such regulation is for the internal and external activities of enterprises , to stimulate investment activity) to create conditions for the creation of a tax climate and to stimulate the development of capital movements in sectoral and regional directions [19,20]. Regulation through tax policy does not always yield effective results, which can be caused by incorrect assessment of the current economic situation, incorrect definition of long-term strategic assumptions, disparities in the distribution of the tax burden.

At the heart of tax policy should be the need to increase the amount of tax revenues to the budget not by increasing tax rates, but by measures that will increase the tax base by stimulating the relevant industries and priority types of products.

Tax policy determines the role of taxes in society. The importance of taxes as a subjective phenomenon of the superstructure is closely linked with the activities of the state. This importance is in constant motion and depends on the change of state policy, which reflects the interests and goals of the whole economy in aggregate form.

The fiscal policy of the state can be ineffective, ie its implementation does not lead to optimal results in the following cases:

1. Fiscal policy is confronted with the problem of time periods. There are two types of time periods in the implementation of economic policy.

The internal period is between the shock of economic shock and the decision to take this or that action.

The external period is between taking action and getting the result. Understanding economic crisis or inflation does not happen immediately. Typically, economists receive at least three to six months of delays in statistical data describing the macroeconomic situation in detail. Naturally, in such a situation, any decisions will be delayed.

Fiscal policy is characterized by a long internal period: changes in tax laws or the structure of public spending usually have to be approved by the legislature. This is associated with a variety of time-consuming administrative procedures: preparation of the bill, its discussion and approval, adoption by parliament, approval by the President, and so on.

Often there is a functional delay in the implementation of fiscal policy: once a decision is made, its implementation will take a long time.

Thus, full non-compliance with deadlines in event planning and implementation reduces the effectiveness of fiscal policy, sometimes making it even more dangerous: it can also lead to instability instead of stabilization. The inflationary factor, the stability of money supply, may be somewhat inappropriate if the economy goes into a state of recession while obtaining the results of fiscal policy (tax cuts).

As a result, the economic downturn is exacerbated by the following factors.

1. The implementation of fiscal policy faces various political challenges. In addition to macroeconomic stabilization, government activities also pursue other goals that may conflict with the stabilization task. Fiscal policy is used to achieve very pure political results very quickly (coming to power, not losing power). It has long been seen that a reduction in the tax burden coincides with an increase in public spending, usually with the start of various pre-election activities. Moreover, politicians who always want to rely on the support of the electorate in the face of budget policy in the fall of all (even if it is an economic necessity) do not dare to raise taxes or reduce spending on social needs.

2. There is a problem of macroeconomic forecasting. The success of fiscal policy

depends on the ability to predict the future situation at the macro level, given the need for timely decision-making and timely implementation. For example, the policy of closing the markets in 2002, aimed at "filling the domestic consumer market with quality products and establishing banking control over trade" as a result, the budget has shown its negative impact on tax policy and macroeconomic stability. Each macroeconomic policy will yield its results after at least half a year.

But in half a year, will the economy be in a state of depression, will it grow, or will our policies exacerbate the wave of inflation? Unfortunately, the current state of science does not allow for accurate long-term and medium-term forecasts for macroeconomic policy. Usually, only short-term (2-3 months) forecasts are successful.

3. Some current opponents of active macroeconomic policy use in their arguments the concept of Lucas's critique (named after R. Lucas, the founder of the theoretical school of rational observations). Lucas's critique is that the methods of evaluating the results of economic policy do not take into account its impact on shaping the expectations of economic actors. However, these expectations play a huge role, often making macroeconomic policy meaningless. For example, when the government conducts incentive policies, economic entities realize that inflation will jump after a certain period of time. So they make their plans taking into account the new situation. As soon as they receive information about tax cuts or government plans to increase, resource sellers anticipate inflation and raise the cost of factors of production in advance. Rising commodity and resource prices reduce consumption and hinder economic development.

Factors that reduce the effectiveness of fiscal policy include:

rising prices (in fact, measures to stimulate the economy will lead not only to an increase in real GDP, but also to inflation) can work);

- squeezing effect: reduction of tax rates reduces national savings and reduces the volume of investments;
- net export effect: tax cuts national funds

reduces the amount, increases the domestic interest rate, leads to an additional inflow of foreign investment: as a result, the exchange rate of the country's currency increases and the amount of net exports decreases.

With the stimulation of fiscal policy, when GDP increases, people will increase the demand for money despite the increase in interest rates, resulting in a sharp rise in interest rates and a decrease in investment. The solution of fiscal policy in increasing market revenues is related to the tax system and tax policy.

The main direction in the development of tax policy of Uzbekistan is to create favorable fiscal conditions for both the country and market participants. At the same time, the main goal of tax reform should be not only to increase budget revenues, but also to develop production, stimulate entrepreneurship and ensure activity. This includes:

- reduction of taxes, expansion of the tax base, taxation

improving tax legislation to reduce rates;

- revision of tax benefits;

- consolidation of taxes with the same tax base;

- introduce strict operational control over compliance with tax legislation.

To solve the problem of tax dependency, the following is necessary:

- legal provision of tax payments at the expense of the debtor enterprise;

- in the presence of strict tax arrears

bankruptcy proceedings;

- Increasing the responsibility of owners and business leaders for the timely payment of taxes to the budget.

The implementation of these measures will increase the effectiveness of fiscal policy. It serves to ensure integrity between them and helps to coordinate the tax system with the task of achieving economic growth.

The instruments of fiscal policy will also change in accordance with the specific tasks of the transition to market relations. In certain periods, they are seen as an important means of economic support, while in other periods they are focused on replenishing the budget.

The directions of state measures to ensure the integrity of fiscal policy include:

- Ensuring macroeconomic stability in the country, rapid economic development, achieving consistent GDP growth, reduction of annual inflation;

- Strengthening the value of the national currency through the implementation of a tight monetary policy in the country, ensuring its free exchange;

- Consistent continuation of measures to reduce the tax burden on enterprises, increase investment activity of economic entities, expand their economic freedom, in particular, create additional incentives for the development of small and medium-sized businesses and private entrepreneurship, GDP and the domestic market. increase their role in replenishment;

- Additional to expand the export potential of the national economy

creation of economic incentives, providing the necessary conditions for attracting foreign investment;

- introduction of the treasury system in order to increase the efficiency of budget funds;

- extra-budgetary sources of funding for budget organizations

increase their importance and expand their independence in the use of budget funds.

The above-mentioned state measures, first of all, play an important role in determining the criteria and factors that ensure the integrity of fiscal policy.

Ensuring the integrity of public fiscal policy is influenced by a number of political, economic and social factors. These include the state structure, political situation, domestic and foreign policy, macroeconomic stability in the country, the level of employment, inflation, structural changes in the economy, the existence of a favorable investment climate for investors, living standards and more. The above factors and criteria have an indirect impact on ensuring the integrity of fiscal policy. However, there are also factors that directly affect the integrity of fiscal policy, which determine the effectiveness of this policy and are the most important support of government measures.

It is known that the continuous growth of the role of the state in all spheres of public life, the expansion of its economic and social functions leads to an increase in state budget

expenditures relative to revenues, budget deficit. Changes in the budget deficit also reflect the current fluctuations in the economic situation, periodic crises and increases in production, during crises the state is forced to finance certain sectors of the economy at the expense of the state budget, to maintain investment in sectors of national importance.

The budget deficit is mainly covered by public debt, which consists of internal and external debt. Domestic debt consists of loans issued by the government on loans and other securities within the country, various extra-budgetary funds (insurance fund, unemployment insurance fund, pension fund), while external debt is received from foreign countries, individuals and legal entities, as well as international financial institutions. is a debt.

One of the most important forms of financing the budget deficit, coverage, is public credit, in which the state acts as a borrower. The main form of government borrowing of financial resources is the issuance of government debt obligations. In the process of placing it, the state attracts temporarily vacant funds from the population, banks, commercial and industrial companies.

The state can place its liabilities not only in the private sector, but also in the Central Bank. At the same time, the bank issues an additional amount of money that is not related to the increase in the volume of goods. In this case, the financing of the state budget has a direct inflationary effect on money supply. The increase in the amount of money is not accompanied by an increase in the real wealth of the members of society. The steady increase in public debt leads to an increasingly redistribution of national income in the form of interest payments.

In an environment of large budget deficits and growing interest payments on government liabilities, the government will try to prolong the payment of public debt as much as possible. Different methods can be used for this. In particular, the government will exchange its short-term liabilities for medium and long-term loans. It can also meet its short-term financial obligations by issuing new, long-term loans at a much higher interest rate. Such measures can be effective in a certain short period of time and temporarily alleviate

the financial situation of the state, as it is usually associated with future interest rate increases and an increase in total debt.

Excess of external debt has a negative impact on the development of the national economy. If payments on external debt exceed a significant portion of the country's export earnings from goods and services, for example, by 20-25 percent, this will lower the country's credit rating. As a result, it will be difficult to attract new loans from abroad. Accordingly, states regularly take measures to regulate external debt. These include: repayment of debts from the country's gold and foreign exchange reserves; change of credit repayment terms by creditors, in some cases, the renunciation of a certain part of them; repayment of debts through the sale of real estate, securities, equity and other rights in the country; receiving assistance from international banks and other financial institutions, etc.

In times of crisis, countries have invested heavily in their economies, especially in the financial and banking sectors, which has led to large public budget deficits and public debt in a number of countries, especially in developed countries, leading to financial imbalances. .

The economic growth achieved in Uzbekistan is largely due to the consistent policy aimed at reducing the tax burden on the economy.

Improving the budget and tax system in our country is one of the key issues of economic reform and state economic policy. Indeed, the implementation of a consistent fiscal policy, the development of measures to reduce the tax burden, the creation of conditions for taxpayers to expand production, the reinvestment of funds generated and retained in them will only compensate for budget losses through the emergence of an additional tax object, rather, taxpayers will have additional income, leading to an increase in production capacity.

Ensuring high growth rates of production in our country, stimulating entrepreneurship, increasing real incomes and consumer demand the systematic application of measures to reduce the tax burden is bearing fruit. In particular, a strong focus on the unification of taxes and fees will help to increase the transparency of taxation mechanisms, simplify the activities of enterprises involved in the calculation and payment of taxes, as well as

effective control over the implementation of tax obligations.

Results

At different stages of economic development, the content and objectives of the targeted policy of the country's financial system are changing. The experience of countries with developed market economies shows that fiscal policy is the basis of the country's financial system. It is very important on what basis fiscal relations are based on the rational use of available financial resources, their proper use, increasing efficiency and ensuring socio-economic development. Achieving the integrity of fiscal policy will serve to ensure macroeconomic stability in the country, to pursue an effective fiscal policy and to improve living standards.

Having studied the factors and criteria of the current state of ensuring the integrity of fiscal policy, in the process of analysis and summarizing foreign experience in this area, it is possible to cite the following:

1. Most economic literature has a one-sided approach to the problem under study. It focuses on the fiscal characteristics of taxes and does not fully analyze their incentive functions. That is, the dialectic of taxes and benefits and clear criteria for their impact on budget revenues and expenditures are not defined. In addition, it is interpreted not as "fiscal policy" but as "fiscal policy". In other words, the main factor determining the essence of the budget in this regard is the lack of a systematic approach to its expenditures. Therefore, in the measures to ensure the integrity of fiscal policy, it is necessary to pay special attention not only to the formation of sources of income, ways to attract them to the budget, but also to the structural changes in costs, efficiency, cost and revenue.

2. At present, "there is no perfect system of theoretical views on a single systematized methodology and basis for assessing the factors and criteria for ensuring the integrity of fiscal policy. Existing theoretical research does not fully cover the factors and criteria that ensure the integrity of fiscal policy and its impact, that is, no literature has specified specific criteria for the problem under study.

In our opinion, special attention should be paid to the development of such criteria:

- level of socio-economic development of the state;
- structure of state budget revenues and expenditures and their efficiency indicators;
- share of taxes and other payments in GDP;
- living standards of the population;
- Features of the distribution of taxes between the population and economic sectors;
- main directions of public financial policy;
- scope of tasks determined based on the current economic situation;
- level of budget deficit.

3. The experience of developed countries shows that clear normative limits on the involvement of taxes in the budget in relation to GDP have been formed. This limit averages 20-22%. It is necessary to reach this normative level in our republic as well. This requires deep structural changes and reforms in budget revenues and expenditures.

In particular, in order to improve the process of budget revenue generation:

- Improvement, simplification, clarification of tax legislation, reduction of tax rates, expansion of the tax base;
- realistic revision of tax benefits, abandonment of ineffective benefits;
- consolidation of taxes with a single tax base;
- taking drastic measures in the fight against tax crime, etc.
- Improving budget expenditures in the following areas

We believe that:

- inventory of institutions financed from the budget;
- Carrying out large-scale work on the analysis of salaries of employees of budgetary organizations and the improvement of their material support;
- phasing out subsidies and subventions from the budget;
- optimization of public debt service costs;
- Strengthen control over the use of public utilities, such as electricity and natural gas, consumed by budget organizations;
- creation of a systematic mechanism for control over contracts concluded by budget organizations;
- regulation of accounts payable, the activities of budgetary organizations strengthening control and inspection.

4. The assessment of the tax burden in the economy is of practical importance and takes into account all fiscal factors that affect the financial condition of taxpayers. It is proposed to use fiscal indicators that characterize the gross weight, including the tax burden (tax liabilities and tax incentives), net budget transfers, and hidden taxes and subsidies.

5. Due to the need to ensure the compatibility of fiscal and economic functions in the strategic provision of public finance, types of taxes, tax rates, the system of benefits and the structure and structure of costs, as well as to increase their effectiveness are proposed:

- mechanism for calculating value added tax and excise tax

development of a simplified procedure, revision of benefits. Introduce differentiated rates of value added tax, abolish or reduce excise taxes on goods and products intended for a wide range of consumers, instead of raising excise rates for silver, crystal and other valuables;

- Development of a stratified order of property rates and

increase the total volume;

- Strictly keep the amount of allocations to social funds at around 25%;

- Personal income tax exemptions and taxes to take into account the social status and marital status of the taxpayer (number of children) in determining the amount of non-taxable income and in determining the tax rate.

The results of economic analysis show that the main factors that increase the tax burden in various sectors are indirect taxes and contributions to social funds (mandatory payments to the salary fund).

When analyzing personal income taxes, the existing conditions are not considered satisfactory in terms of wages, which are the main taxable base. Fiscal for taxation of individuals the goal of the policy is to increase the middle and upper income groups of the population.

6. In order to centralize the state budget and increase the efficiency of budget execution, to improve the system of control over the use of budget funds, it is necessary to introduce a treasury system in the process of budget execution. This will strengthen control over the receipt of funds in the revenue side of the

budget and their targeted use. In this regard, based on the experience of developed countries, it is proposed to introduce a centralized information system of the Treasury and its application in the management of revenue and expenditure systems. In the process of ensuring the integrity of fiscal policy, it is also important to strengthen the revenue base of local budgets and increase their independence. In particular, local budgets should have at least 70-80 percent of their total revenues. This will reduce the amount of subsidies allocated from the budget. To do this, local budgets need to be given ample opportunity to issue their own regional and local bonds. The limited freedoms of local budgets, the low level of interest in their own revenues, dampen their interest in using various sources of income base, especially tax-free sources.

7. In the context of economic liberalization, it is necessary to reduce tax benefits and limit them to the following areas:

- Investment incentives (broad for domestic investment)

capacity building);

- Encourage small business. The main focus is on increasing production, filling the domestic market and paying special attention to the production of export products;

- Target-oriented benefits with a social character.

Conclusion

Consequently, the following is necessary to reduce the tax burden. Establish a single income tax base for all payments, unify the existing calculation mechanism of income tax and income tax, and introduce a rule on business losses at the same time with the exception of temporary tax holidays and preferential taxation system for newly established enterprises. Reducing the tax burden is very important in the implementation of fiscal policy, as it is one of the key aspects of reducing the size of the shadow sector, developing entrepreneurship, increasing the share of domestic investment by increasing the income of enterprises. In general, ensuring the integrity of fiscal policy in the future is one of the main priorities of our country.

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