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## MAIN FACTORS OF INCREASING STATE BUDGET INCOME

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**Abstract:** The article examines topical issues of formation of budget revenues at all levels, which are important in the formation of state budget revenues. The sources of formation and the main directions of increasing the stability and increasing the revenues of budgets of all levels are analyzed. The degree of study of domestic and foreign sources on the conceptual foundations and practical aspects of increasing the revenue potential of budgets of all levels is considered. The essence and structure of state budget revenues are determined. The main directions have been explored that allow revealing the reserves for the growth of budget revenues at all levels of the country.

**Keywords:** state budget, budgets of all levels, budget revenues, taxes, tax rates, government regulation, composition of budget revenues, tax policy, revenue growth reserves.

**Introduction.** To date, relevant aspects of the development of the country's financial system indicate, on the one hand, the expansion of the financial independence of local authorities, indicating the need to implement priority areas of state policy through local budget funds to implement tasks aimed at increasing the financial independence of local authorities and increasing responsibility of tax and financial authorities for the completeness of revenues to local budgets.

In this context, in our country, one of the priorities for the near future is the task of completing the work on the distribution of powers between public legal entities and creating effective incentives to expand their own revenue base of local budgets, which necessitates the identification of reserves for the growth of regional budget revenues in order to increase the sustainability of the budgets of all levels of the Republic of Uzbekistan and providing the authorities with sufficient financial resources for their implementation of priority socio-economic tasks.

The degree of development of the problem. Various aspects of the complex scientific problem of identifying reserves for growth in budget revenues of all levels of the Republic of Uzbekistan are reflected in numerous works of domestic and foreign researchers and were considered in the works of specialists: T.S. Malikov, O.O. Olimjonov, B.E. Tashmuradova, B. Sanakulova, U.Yu.Uroкова, K.Usmonova, E.S.Osipova, L.P.Pavlova, V.G.Panskova, I.A.Peronko, V.M. Tolstoy and others. The works of the following foreign scientists are devoted to the

problems of the formation of state revenues: A. Wagner, A. Laffer, A. Lewis, D. Brymmerhoff, R. Musgrave, W. Petty, D. Ricardo, Urostow, A. Smith and others.

The revenues of the budgets of various levels together determine the direction and effectiveness of the state policy of any country, ensuring the proper level of development of the socio-economic sphere, the development of infrastructure, and the expansion of the sphere of business activity of the population.

Therefore, the use of budgetary funds, being a component of the financial system, gives rise to social relations that determine the system of budget expenditures. How effectively and timely the formation of the revenue part of budgets will be carried out, how effectively and efficiently the state policy of the country will be organized in relation to the implementation of its main functions.

State budget revenues express the economic relations that arise between the state and organizations, enterprises and citizens in the process of forming the country's budget fund in accordance with the legislation of each particular country and serve as the financial base of the state, which is an important aspect for the country's financial system and economy.

In the formation and development of the economic and social structure of society, state regulation plays an important role, which is carried out within the framework of the adopted policy.

One of the mechanisms that allow the state to pursue economic and social policy is the financial system of society and the state budget, which is part of it.<sup>1</sup>

Budget revenues create the material basis for the existence of the state itself, are used to cover the need for funds to perform the functions assigned to it. They are considered as a factor influencing aggregate consumption by influencing the level of profitability of social groups and activities. Budget revenues affect economic activity, the volume of products and technical equipment of production, the balance of prices, the sectoral and territorial distribution of investments.

The regulatory possibilities of budget revenues have certain limits. A high level of withdrawal of funds from enterprises and the population leads to a drop in economic activity, a decrease in consumer spending, a decrease in aggregate demand in the market, which, accordingly, contributes to a fall in output, an increase in prices, and a decrease in the actually produced gross national product. Nevertheless, the need to increase budget revenues is an important activity of any state.

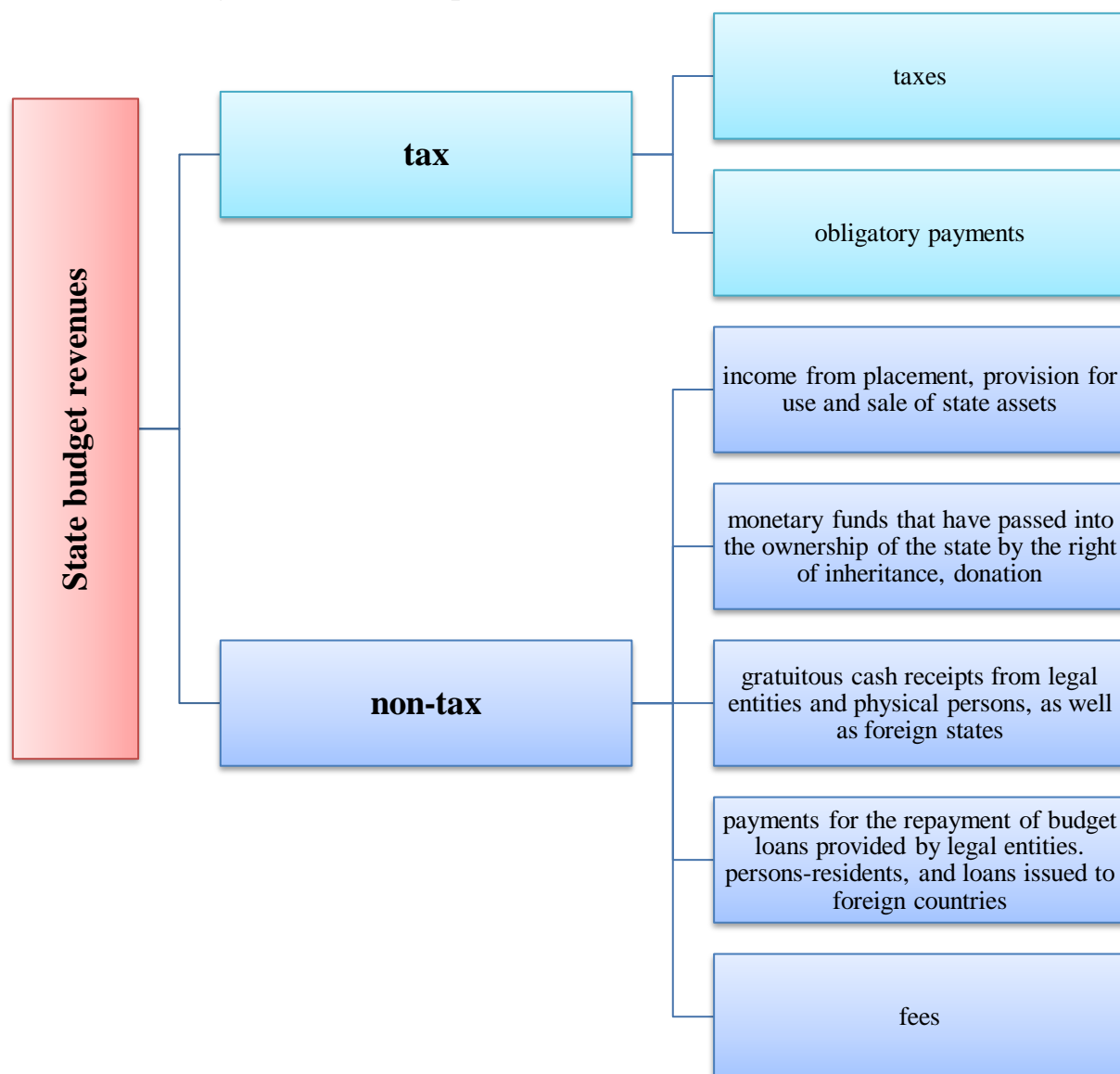
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<sup>1</sup>Gruber Jonathan. Public Finance and Public Policy. – NY: Worth Publishers, 2013. – P. 870-882.  
<http://www.scopus.com/authid/detail.uri?authorId=6100958239/>

Budget revenues arise as a result of the distribution of the value of GDP. Their main material source is the national income.

The composition of budget revenues, their structure are related to the volume of social production and national income and are determined by the financial policy of the state.

The very concept of state budget revenues can be characterized as centralized financial resources of the state, reflecting the totality of economic (financial) relations that arise in the process of forming the country's monetary fund and are necessary for the state to perform its functions and tasks.



**Fig. 1. Structure of budget revenues of all levels of the Republic of Uzbekistan<sup>2</sup>**

<sup>2</sup>Рисунок составлен на основе Жиянова Н. Управление государственными финансами: Учебное пособие. – Т.: “IQTISOD-MOLIYA”, 2019 г. – 384 стр.

Considering the practice, it should be noted that reforms are being carried out in our country aimed at further ensuring the effective functioning of the state budget, in particular, tasks have been identified regarding the optimization of the formation of the revenue part of the state budget.

Table 1.

**Main parameters of the Consolidated budget  
of the Republic of Uzbekistan for 2023<sup>3</sup>**

<b>№</b>	<b>Revenues</b>	<b>Forecast for 2023</b>
	<b>Consolidated budget revenues</b>	<b>310 677,9</b>
<b>1.</b>	State budget revenues	232 107,1
<b>2.</b>	Revenues of state trust funds	41 250,7
<b>3.</b>	Income to the Fund for Reconstruction and Development of the Republic of Uzbekistan	11 712,0
<b>4.</b>	Sizes of equalizing interbudgetary transfers allocated from the republican budget to local budgets	24 280,9

The revenues of the consolidated state budget for 2023 are projected at 310,677.9 billion soums, taking into account the socio-economic development of the republic for 2023, which provides for GDP growth of 5.3% with an inflation rate of 9.5%.

In order to ensure the stability of state budget revenues in 2023, the following tax rates have been established:

- Value added tax rate - 12%
- Income tax - 15%
- Personal income tax - 12%
- VAT - 4%
- Income tax in the form of dividends - 5%
- Tax on property of legal entities - 1.5%
- Land tax on agricultural land - 0.95%
- Social tax - 12% / 25%

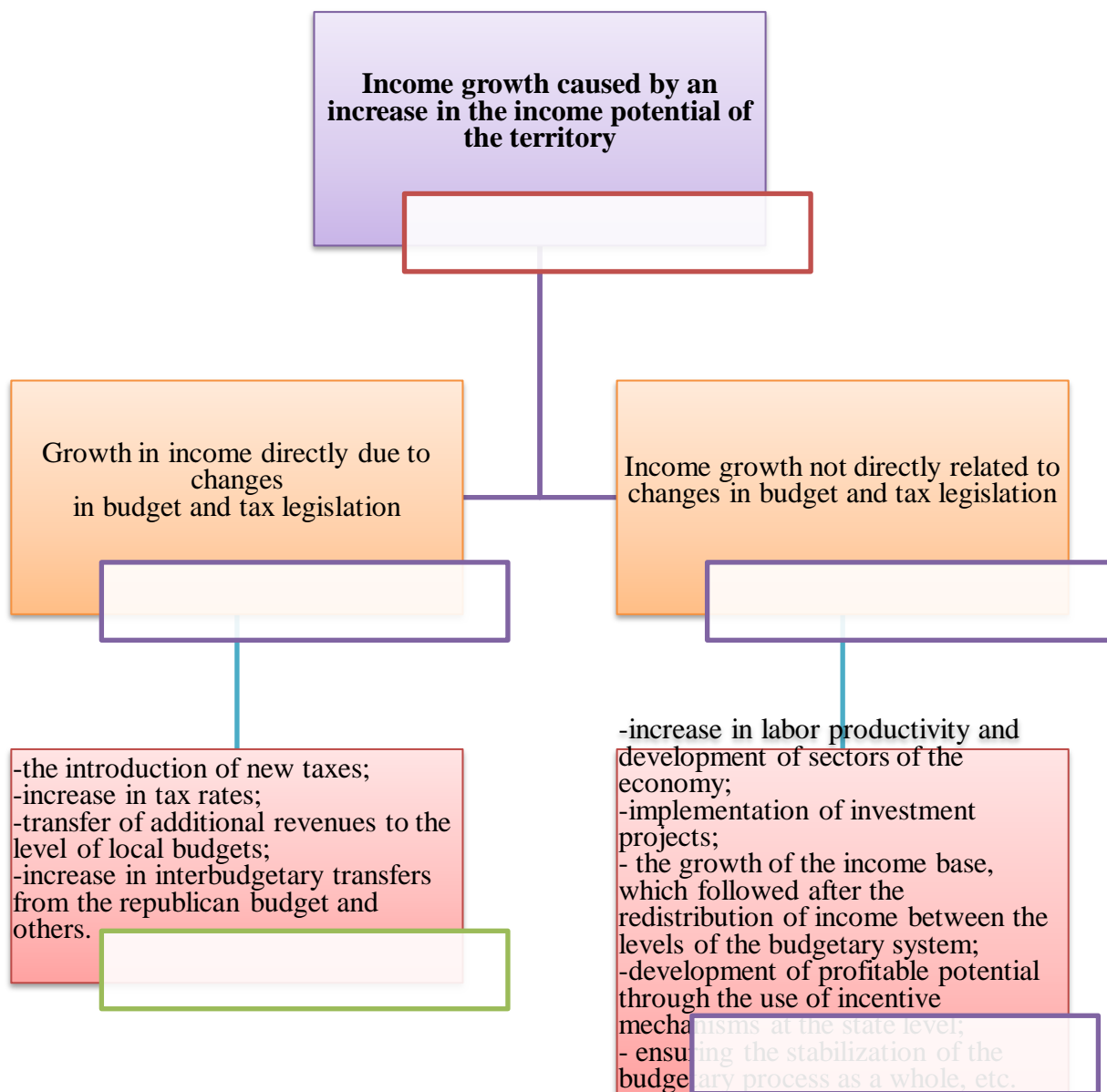
In 2023, growth is planned for all categories of income (except for the subsoil use tax and other income) due to the recovery of economic activity and economic growth, as well as due to changes in tax policy. The decrease in tax

<sup>3</sup><https://lex.uz/ru/docs/5186047>

revenues for the use of subsoil is due to a decrease in the rate for gold and silver from 20% to 10% (for AGMK and NMMC).

Separately, within the framework of the indicated Fig.2. block indicators have been studied, within which, regardless of the system of budgetary structure, the main financial instruments are concentrated, which make it possible to identify reserves for the growth of incomes of budgets of all levels of the Republic of Uzbekistan.

In this case, it is proposed to designate additional revenues to the budgets of the budget system, caused by an increase in the revenue potential of the territory, as well as measures aimed at maximizing it, as reserves for the growth of revenues of the budgets of the budget system.



**Fig. 2. Directions of growth of budget revenues at all levels<sup>4</sup>.**

The effective development of the economy as a whole in the country, the formation and expansion of business activity of the population largely depends on scientifically based tax and budget systems that can reflect the general patterns and features of a particular country formed in this aspect.

The formation of the funds of the state budget of the country should be carried out on the basis of its real needs. State reforms to strengthen budget profitability include a number of innovations, in particular, the transition to medium-term budget planning and fundamental changes in the country's tax system, providing for the achievement of further maximum positive results.

Improving the mechanism of the regional system of interbudgetary transfers is characterized by the following opportunities:

- further development of local self-government bodies by ensuring a stable and full receipt of budget revenues;
- increasing the expediency, objectivity and transparency of interbudgetary transfers;
- optimizing the development indicators of local authorities;
- improvement of the mechanism of state regulation of the revenue part of budgets of all levels.

In modern conditions, the main directions of the state policy of the country are to increase the level of socio-economic development of the regions, to meet the needs of spheres and industries in labor resources, as well as to improve the standard of living of the population in remote regions.

The following activities are of paramount importance in achieving this goal:

- further formation of regions with advanced socio-economic development, with investment attractiveness;
- improving the mechanism for maintaining production in the territories of the regions, by maintaining and increasing the number of jobs;
- optimization of the process of development of innovative competitive sectors of the economy.

Based on the foregoing, the following relevant areas are considered that allow increasing the revenue base of budgets at various levels:

- improvement of the system for evaluating the effectiveness of tax benefits and the abolition of those that do not meet the efficiency criteria;

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<sup>4</sup>Drawing compiled on the basis of the studied material



- implementation of effective activities in the field of planning revenues that have a target character;

- attraction of investments and expansion of income potential, in particular through non-financial instruments;

- Increasing the profitability of budgets through the efficient use of state assets.

In general, the integrated implementation of the above measures will create conditions for expanding the revenue potential of the territories, identify reserves for the growth of local budget revenues, improve their balance and sustainability, and create a financial basis in order to ensure further socio-economic development of the country at the current stage.

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