
INCREASING AND OPTIMIZING THE INCOME BASE OF LOCAL BUDGETS

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Abstract: This article discusses ways to ensure the sustainability of the revenue base of local budgets and decisions on the formation of a financial mechanism that stimulates the system of rational use of the economic potential of local governments.

Key words: local budget, investments, income, preference, cost, fixed capital, tax, benefit.

Introduction.

Coordination of local budget revenues and expenses in Uzbekistan is of great importance in the development of the republic and its regions during the transition to the current market economy. The transition from a centralized planning system to a market economy requires, first of all, to change the composition of the management system and to increase the role of local government bodies during these processes.

It allows effective management of local resources, proper organization of mutual relations of municipal economic entities, increase of business activity, and expansion of financial opportunities for providing municipal services.

Currently, economic reforms are being implemented in every sector. In particular, the reforms being carried out in the budget sector can be highlighted. The economic power of each country is expressed by the fact that this country has a perfect budget. After the independence of our republic, certain positive works have been carried out in the field of formation and execution of a stable financial system based on deep economic policy, as well as the local budget, which is its basis.

In the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, increasing the revenue base of local budgets, ensuring their financial independence, improving interbudgetary relations aimed at strengthening the revenue side of local budgets, comprehensive and proportional socio-economic development of regions, districts and cities, priority investment tasks have been identified, such as actively attracting foreign investment to the regions by improving the environmental situation. The development of budgetary relations in the regions becomes a necessity for socio-economic support, that is, the liberalization of the activities of economic entities in the regions, increased competition between them, increasing sources of income and expenditures of local budgets in a purposeful way.

Despite the scientific and theoretical studies carried out within the framework of this topic, the issues of forming and increasing the revenue base of local budgets have not been studied comprehensively and systematically. This situation determines the article's relevance level. However, the mechanisms for organizing budget revenues are determined by market purchases, while at the same time, the collection of taxes (as well as fees) from budget revenues in these periods, the effective use of budget expenditures depends not only on a strong tax and credit budget.

policy, but also on the proposal of investment projects along with these financial incentives, which is associated with the creation of an investment environment, the growth of trade, production, the organization of various funds, export potential and targeted use of available domestic resources. The expansion of the activities of economic entities, that is, taxpayers, is primarily associated with the activities of commercial banks and insurance organizations. Since the development of socio-economic processes as a whole is associated with sources of budget revenues (that is, taxes), reducing the riskiness of payers' activities and creating opportunities for them to receive high incomes remains one of the important tasks facing the state, district [1]. Obtaining high incomes and timely making mandatory payments depends on the level of riskiness of the activities of legal entities and individuals, since they operate with resources attracted from outside.

Carrying out tax policy in the territories and at the same time requires the organization of revenues to local budgets within the established limits. The primary task remains the formation of a framework for proper legal regulation of taxes, increasing the possibility of transferring funds to the budget, taking into account the obligations of the highest level of risk of the insurance period [2]. In our opinion, in the regional financial policy and development of a strategy for their implementation from the point of view of the region

The following are considered expedient:

- budgetary and tax policy;
- credit policy;
- investment policy. In our opinion, within the framework of the regional financial policy budget revenues in the implementation of fiscal policy formation of regional interest and distribution of costs ensuring liberalization should be the main factor. The state is central to this authorities should take regulatory action.

When determining the sustainability of the revenue base of local budgets, a separate system consisting of a number of indicators should be used. The most important ones are:

- a) providing local budgets with an equal revenue base at the level of expenditures;
- b) an indicator characterizing the level of revenues of local budgets, taking into account the revenues returned from the republican budget to the revenues of local budgets;
- c) an indicator reflecting the full financing of local budget expenditures within the established time frame and in the established amounts;
- d) an indicator indicating that the revenues recognized as the revenue base of local budgets are fully credited to the budget in the established volumes and within the established time limits.

In the context of liquidating the consequences of the financial and economic crisis caused by the global pandemic, positive shifts in the development of economic sectors and the implementation of liberalization policies in budget and tax legislation, measures have been taken to further strengthen the legal relationship between financial and tax authorities, strengthen the local budget base and seek additional financial resources.

Financial freedom of local budgets and decision-making it is important that the powers in this case have a horizontal meaning. The ability of local budgets to make independent financial decisions it expresses how well they pursue their interests. The results of local finance are not local, but central if it relates to the interests of the authorities, then local Government interest in financial decisions will decrease. Queue, "artificial" form of financial strategy of local budgets aspects may appear.

Interbudgetary in the financial strategy of local budgets financial decisions about whether to take into account transfers Naturally, this affects independence. And this in turn reducing the possibility of financing expenses at the expense of own income can send In other words, do not fully

use the financial potential brings indicators such as cost recovery and financial balance implementation through development is essential.

On the basis of the foregoing, we considered it permissible to draw the following conclusions:

1. It is necessary to expand the powers of local government bodies to increase the revenue base of local budgets. As a result, the following goals should be achieved:

- instruct local governments to increase the revenue base of local budgets by 3-4%;
- create an opportunity to study and put into practice proposals and recommendations aimed at the effective organization of local budget revenues;
- establishment of systematic approaches in determining the revenue base of the local budget;
- refinement of budget forecasts by studying internal and external factors affecting the composition of local budget revenues;
- regulation of mechanisms for the distribution of tax revenues between the budgets of different levels.

2. Cardinal strengthening of the revenue base of local budgets, as a result of the effective use of budget expenditures, ensuring the compliance of budget expenditures with the Action Strategy [3] and achieving socio-economic development, reducing the dependence of the local budget on the higher budget, providing stable financing for the integrated development of local territories.

It is known that the modern market economy is regulated by legal, economic, organizational and other mechanisms. The state performs the tasks of providing certain services and the legal framework that are the basis for the effective functioning of the market economy. The provision of legal bases is manifested in granting rights to legal entities and individuals and determining their obligations and other areas. In particular, effective management of local budgets, establishment of legal and economic standards, and development of procedures for the operation of enterprises are the main tasks of relevant state organizations.

At the center of the changes in the budget system in our republic is the issue of increasing local budget revenues, expanding local budget opportunities, and rational management of timely financing of economic and social expenses financed from local budgets.

It is important that the amount of financing from the budget, its orientation, and its structure correspond to the reflection of the socio-economic needs of the society in the budget services. In our opinion, the budget financing system includes the following stages:

1. Emergence of need in society.
2. Assessment of the available resources to cover the need, the mechanism of its implementation and determination of the responsible.
3. Achieving material or social efficiency in the delivery of budget services and the provision of consumer needs.

When looking for a reserve by saving budget funds, it is appropriate to divide the direct costs of budget services into management costs, that is, costs related to the service process and management costs related to the implementation of service delivery.

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