



## Increasing the Efficiency of Local Budget Revenues

### Primova Nigora Ikrom kizi

a senior teacher at the Finance Department of TDIU

**Abstract:** Today, it is important to implement reforms aimed at socio-economic development and liberalization of our country, sustainable development of the economy using effective tax-budget policy, macroeconomic stability and competitiveness of the national economy.

**Key words:** Local budgets, revenue, finance, local government, financial base, calculation.

### INTRODUCTION

To continue the process of decentralization of state administration, to increase the responsibility of local and regional authorities in the implementation of state policy, to gradually transfer the powers of republican state authorities to local state authorities, as well as the powers of regional state authorities to district and city authorities. As the President of the Republic of Uzbekistan noted: "It is necessary to expand the income base of the local budget due to the proportional development of sectors and regions in the financial sector. The most important thing is that the expansion of local budgets in districts and cities should serve to improve the standard of living and living conditions of the population, in general, stability and tranquility. From the point of view of ensuring the financial stability of the regions, strengthening the financial base of the regions, expanding the revenue part of the local budgets and launching the reserves and opportunities of the regions, work in this regard is one of the priority tasks, as well as due to the rapid development of industry and services in the subsidized regions and cities, such regions. The task of developing regions, districts and cities based on international standards is defined in the Strategy of Actions on five priority areas of development of the Republic of Uzbekistan, and the following issues are resolved in the implementation of this task:

— Reduction of differences in the level of socio-economic development of the regions, first of all, by expanding the modernization and diversification of the regional economy by increasing the industrial and export potential, as well as through the rapid development of districts and cities with a relatively low level of development.

— Due to the rapid development of the industry and service sector, reducing the dependence of districts and cities on subsidies, expanding the income base of local budgets, etc. The full implementation of these tasks makes it possible to increase the income of local budgets due to the sustainable development of the regions of our country.

At the level of local budgets, fundamental strengthening of the revenue base of local budgets by combining them with special types of taxes and other mandatory payments, excluding the budgets of regions, cities and districts from subsidies and gradually implementing them are the priority tasks of the tax-budget policy, their incomes are high reducing dependence on the distribution of budgets, based on this, solving the issues of socio-economic development of regions by local government bodies is defined as increasing land resources and determining additional reserves on a systematic

basis, and increasing local budget revenues. The development of scientific proposals and practical recommendations is of great importance in the implementation of measures to increase the income of local budgets, achieve effective use of local budget expenses, ensure the sustainable development of regions, and further increase the financial independence and responsibility of local government bodies. In federal states about 35% of local budget revenues are formed from taxes (Switzerland differs significantly - taxes there make up 58% of municipal revenues). In Australia, Canada, and the United States, property tax revenue (taxing its market value) is an important part of local budgets. In Switzerland and Germany, the local budgets are dominated by the personal income tax, which is determined entirely at the federal level in Germany and partly at the local level in Switzerland. Indirect taxes only play an important role at the domestic level in the United States.

Russia is the closest to Germany in terms of the size of tax authorities and the structure of municipal revenues, but despite this, more taxes go to local budgets. Ensuring the stability of local budget revenues, as well as the effective use of local budget expenditures, depends on both economic and legal factors. Some economists recognize that these factors can be achieved by increasing the powers and responsibilities of local government bodies, while some economists recognize that they can be achieved by achieving proportionality between revenues and expenditures. In particular, according to A. Islamkulov, local budget revenues, on the one hand, are the result of the distribution of the value of the gross domestic product among the participants of the production process, on the other hand, this value is considered and it serves to form a fund of local significance.

In our opinion, in order to ensure the stability of local budget revenues and to achieve the effectiveness of local budget expenditures, first of all, the implementation of measures to increase the economic potential of regions and increase the sources of taxation is of great importance today. , expanding their revenue base is one of the pressing issues to be addressed. The income base of local budgets directly depends on the national income generated in the regions, that is, the level of development of production, the constant and gradual decrease of incomes. The internal reserves of local budget revenue formation are closely related to the development of production in the regions, successful implementation of economic reforms locally. Proper organization of the activities of local state authorities is one of the main requirements of the economic and social development of each region.

In our opinion, the allocation of revenue sources between budgets should be based on the following criteria:

Unevenly distributed taxes, resource taxes in different regions to the taxation base of the republican budget and centralized value-added tax in accordance with economic stability, excise tax should be fully added;

Currently, the main requirements for the development of entrepreneurship and support of small businesses are assigned to local authorities. It determines the need to fully charge the income tax paid by these enterprises to local budgets;

Personal income tax should be divided equally between republican and local budgets. Because this tax is collected based on the principle of permanent residence, and the interest of local financial authorities in collecting this money increases. On the other hand, these taxes occupy a significant share of the republic's budget revenues.

### **Conclusion:**

Based on the above information, increasing the income of local budgets, implementing measures to ensure their stability, achieving effective use of local budget expenses, as well as increasing the responsibility of local state authorities are the most urgent problems of today.

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