



## Expanding the Significance of Tax Incentives in Facilitating the Promotion of Investment Activities by Companies and Their Progressive Directions

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**Abstract:** In the state, we talk about modern trends in the increase of investment activity in the world, the nature of various scientific concepts, the relative meaning of tax laws, the actual aspects of research questions, problems that need to be investigated, goals and future tasks, methods and solutions, and also in the state rasskazyvaetsya ob issledovaniyax i mneniyax zarubejnyx i otechestvennyx uchenyx v etoy oblasti.

**Key words:** investitsii, investitsionnaya deyatelnost, nalog, nalogovye lgoty, favorable business environment, scientific concept, method.

### 1. INTRODUCTION

As a result of the growing importance of economic modernization and liberalization processes, the enhancement of the investment environment's attractiveness through the facilitation of companies' investment activities plays a pivotal role. This leads to increased competition in attracting investments, highly skilled labor, and forward-looking infrastructure projects. According to World Bank data, 81% of the world's GDP, 62% of exports, and 83% of investments are heading in the right direction [1]. Consequently, other countries are also intensifying efforts to expand their economic opportunities aimed at improving their regional companies investment activities, pursuing distinct policies focused on enhancing and optimizing them.

In order to effectively implement the state's investment policy towards fostering independence in recent years, ensuring the investment activity of companies has been of significant importance in our country. Deep institutional changes have been enacted in this field, crucial measures have been taken for the country's economic advancement, and purposeful comprehensive programs are being put into action. Particularly, special attention has been paid to “enhancing the investment attractiveness of our economy through ensuring the investment activity of companies, utilizing resources and economic opportunities at a high and effective level, eliminating disparities in infrastructure and regional development, and ensuring the active and sustainable participation of the population” [2].

According to the experience of developed and rapidly developing countries (such as Japan, the USA, Germany, Great Britain, China, and others), ensuring the investment activity of companies is closely related to the overall strengthening of infrastructure, deepening regional and interregional integration, based on employing new methods. This contributes significantly to the competitiveness of the country within its boundaries and beyond.

From 2017 to 2021, in the Strategy of Actions on the five priority directions for the development of the Republic of Uzbekistan, the main strategic direction was identified as “expanding the role of taxes in increasing the attractiveness of companies” investment activities, reducing the tax burden, continuing the policy of simplifying the tax system, and broadening targeted incentives. “These tasks

were further emphasized in the 'Development Strategy of the New Uzbekistan for 2022-2026 in a more decisive and comprehensive manner: "...continuing the policy of reducing the tax burden on the economy and businesses, improving tax administration, and enhancing investment activities through targeted incentives"[4] were highlighted as crucial directions.

## 2. LITERATURE REVIEWS

In our opinion, our research focuses on identifying new directions regarding the enhancement of taxes role in promoting companies investment activities.

Researches in the realm of economic growth and investment nature have been conducted based on the theoretical investigations of classic representatives in the field of economics such as J. Stuart, J. S. Mill, T. Malthus, A. Marshall, A. Smith, D. Ricardo, S. Lawrence, R. K. Merton, H. M. Markowitz, E. L. Neyman, J. Robinson, J. Soros, L. P. Hansen, Y. Fama, W. F. Sharpe, J. Schwager, K. Schweizer, R. Shiller, E. Heckscher, and others.

The issues of investment activity in state fiscal policy have been researched by authors such as J.B. Budvil, N. Grosjean, P. Krugman, A. Lösch, B.O. Lundvall, J. Mancini, E. May, F. Perru, P. Romer, N.I. Berzon, I.S. Bukina, V.K. Burlachkov, I.Yu. Varyash, M.I. Gelvanovsky, B.V. Gubin, A.S. Zhegalova, A.Yu. Laykov, L.N. Lykova, V.D. Milovidov, Ya.M. Mirkin, A.Yu. Mikhailov, V.K. Senchagov, V.V. Simonyan, E. Reinert, H. Richardson, J. Friedman, K. Freeman, P. Hagggett, T. Hagerstrand, M. Porter, and J. Schumpeter [5], as well as by authors of other regional development theories.

In the context of economic modernization and liberalization, ensuring the attractiveness of the investment environment holds significant importance. Issues related to fostering investment activity have been addressed in the concepts, theories, and practical approaches of scholars such as B. Garrett, G. Gereffi, R. Kaplinsky, M. Lorenz, P. Maskell, S. Resenfeld, M. Simegutti, M. Storper, E. Schmitz, M. Enright, and others, reflecting their perspectives, theories, and practical insights.

The theoretical and methodological approaches of these authors prioritize the reiteration of investment productivity within their work, emphasizing the organization of production and the functional foundations of shaping investment competence.

The scientific findings of the National Investment Policy and Regional Investment Competence School students, including M. Abdusalyamov, K. Abirkulov, N. Aimbetov, T. Ahmedov, D. Gozibekov, N. Karimov, Sh. Mustafakulov, N. Khaidarov, N. Kuzieva, F. Dodyev, O. Sabirov, Sh. Imomov, B. Rozmetov, A. Sodiqov, A. Soliev, A. M. Qodirov, A. A. Kayumov, F. T. Egamberdiev [6], and others, hold significant importance in identifying pathways to enhance the role of taxes in stimulating companies' investment activities within our country.

It is noteworthy that the scientific insights of the aforementioned economists and scholars have indicated the necessity to pay broader attention to analyzing the impact of tax incentives on companies' investment activities. The lack of substantial focus on this aspect in their research suggests the need to acquire deeper scientific insights in this field, considering the evolving economic landscape and the adaptation of current legal norms to the conditions of economic modernization.

## 3. RESEARCH MATERIALS AND METHODOLOGY

The methodological basis of research involves the legislative framework and normative documents of the Republic of Uzbekistan concerning taxation incentives, attraction of foreign investments, and tax management. The fundamental works of the President of the Republic of Uzbekistan in the field of investment policy and the importance of social-economic and theoretical significance in enhancing the role of taxes in ensuring the investment activity of companies hold a significant place in the research's foundation.

In conducting the research, scientific observation, comparative analysis, data grouping, abstract-logical reasoning, as well as the methods of induction and deduction have been utilized. These

research methods contribute to formulating conclusions and recommendations regarding the enhancement of the role of taxes in facilitating companies' investment activities.

#### 4. ANALYSIS AND CONCLUSIONS

Researching the direction of enhancing the role of taxes in promoting companies' investment activities in our country forms the theoretical and methodological basis, developing a comprehensive approach and refining the concept to streamline and advance the capabilities of generating and implementing ideas. This aims to delve deeper into investigating the direction of amplifying the role of taxes in facilitating companies' investment activities and further refining its methodological aspects.

Under the conditions of economic modernization in Uzbekistan and the overhaul of its taxation system, the relevance and scholarly-practical significance of the topic concerning theoretical, methodological, and practical aspects of enhancing the role of taxes in fostering companies' investment activities have not been adequately explored as an independent research object. This underscores its significance and scientific-practical importance.

Therefore, exploring the emerging factors influencing companies' investment activities is now emerging as a new and intricate subject of contemporary research. Consequently, the theoretical and methodological foundation for investigating the directions of enhancing investment activity and effective management by companies remains insufficiently structured. Evaluating the allocation of investments and their profitability primarily relies on the development of frameworks for analysis and the enhancement of capabilities, which are yet to be sufficiently systematized.

#### 5. CONCLUSION AND RECOMMENDATIONS

Investment policy is considered one of the fundamental directions for enhancing the economic development of any state. As such, the comprehensive development of the national economy demands direct active implementation of an investment policy that directly boosts the investment activities of companies. In turn, this facilitates the execution of profound structural changes within the republic. The activation of both external and internal investments in various sectors of the national economy serves as a fundamental factor initiating economic growth. Therefore, investments play a crucial role in propelling any economy forward, ensuring its advancement, and emphasizing the necessity of enhancing the role of taxes in fostering companies' investment activities.

The steps required to achieve the stated goal have been outlined and include various pertinent tasks:

- Understanding the essence and content of enhancing corporate investment activity, and analyzing the factors influencing it.
- Researching the necessity and essential tasks of enhancing the role of taxes in supporting corporate investment activity.
- Presenting foreign experiences related to effective directions in enhancing the role of taxes in supporting corporate investment activity.
- Conducting an analysis of the assessment methodology for enhancing the role of taxes in supporting corporate investment activity.
- Implementing the formation and analysis of the components of innovation-investment competency in companies.
- Performing a regression analysis of the role of taxes in supporting corporate investment activity.
- Establishing the scientific basis for the effective utilization of tax regulations for investment activity: scientific support for the directions of investment activity and innovation development.

The research results aim to introduce some scientific novelties, such as:

- Presenting a renewed interpretation of the concepts "corporate investment activity" and "tax incentives for corporate investment activity" based on structured approaches. This involves

developing a system that integrates global standards and addresses the contemporary issues of tax system modernization in our country.

- Conducting a scientific analysis of the necessity of a renewed approach to enhancing the role of taxes in supporting corporate investment activity in Uzbekistan and establishing effective managerial measures based on these factors.

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