

STRENGTHENING THE STABILITY OF LOCAL BUDGET REVENUES AND ENSURING THEIR EFFICIENT MANAGEMENT

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One of the most important directions of the large-scale economic and financial reforms being carried out in our country is the expansion of the revenue base of local budgets, ensuring their stability, and managing them effectively. Local budgets constitute the main part of the state budget, and through them social protection of the population, financing of regional infrastructure facilities, and development programs are implemented. Therefore, the increase in the revenues of local budgets directly affects not only the country's socio-economic development as a whole but also the sustainable development of the regions.

In recent years, directing surplus revenues of the state and local budgets beyond the forecast level to the development of infrastructure facilities has been defined as one of the priority areas of the state's financial policy. In particular, allocating at least half of these surplus revenues to financing infrastructure projects is regarded as one of the most important tasks of the Ministry of Finance and local authorities. This, in turn, serves to increase the efficiency of fiscal policy, strengthen the position of public finance, and contribute to the comprehensive development of regional economies.

The changes observed in the country's budgetary system during 2021–2023 clearly demonstrate the growing financial capacity of local budgets. According to statistical data, state budget revenues increased by 46.8 percent in 2023 compared to 2021, while revenues of state targeted funds grew by 91.7 percent. This indicates, on the one hand, the expansion of state financial resources, and on the other hand, the increasing role of targeted funds in the economic system.

Significant growth in local budget revenues has also been observed at the regional level. For example, the revenues of Tashkent city increased from 2.1 trillion soums in 2021 to 4.9 trillion soums in 2023, while the revenues of Fergana region rose from 1.68 trillion soums to 3.66 trillion soums during the same period. These figures show the growing role of local budgets in ensuring financial stability.

A number of factors have contributed to the expansion of the revenue base of local budgets. Firstly, the growth of gross domestic product (GDP) has broadened the tax base. In addition, the expansion of the financial powers of local authorities and the practice of leaving part of the surplus revenues at the disposal of the regions have also contributed to the increase in financial resources. Furthermore, reforms in the tax system — particularly the wider application of value-added tax (VAT) and the

reduction of personal income tax rates — have played an important role in expanding the tax base.

As a result of reforms in the public finance system, the practice of state regulation of certain goods and services prices has been abolished. This has led to the liberalization of market mechanisms and contributed to the growth of budget revenues. At the same time, the launch of new large industrial enterprises in the regions and the increase in government expenditures — which stimulate aggregate demand — have also played a role in the growth of budget revenues.

Nevertheless, further expansion of the financial capacity of local budgets and their efficient management remains a pressing issue today. In particular, it is necessary to improve the mechanisms for collecting tax and non-tax revenues, ensure a fairer distribution of tax revenues between state and local budgets, and reduce disparities in financial resources among regions.

In addition, it is of great importance to thoroughly study the regional specifics of revenue formation in local budgets and to develop financial strategies that take into account the economic opportunities and fiscal capacities of each region. This is because, in some cases, the increase in local budget revenues is due to the growth of overall state budget revenues, while in other cases it results from the internal potential of the regions themselves.

In conclusion, strengthening the stability of local budget revenues is a decisive factor in consolidating fiscal stability, modernizing the economy, and accelerating the comprehensive development of regions. The analysis of 2021–2023 shows that the financial capacity of local budgets is steadily expanding, and this process reflects the practical outcome of fiscal reforms being implemented at the national level.

In the future, to strengthen the revenue base of local budgets, it will be necessary to further improve tax policy, increase the volume of tax and non-tax revenues, ensure a fair distribution of financial resources among regions, and enhance the independence of local authorities. Only then will local budgets serve as a solid financial foundation not only for regional economic growth but also for the sustainable socio-economic development of the country as a whole.

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