



THE ROLE OF TAX POTENTIAL IN DETERMINING LOCAL BUDGET INCOME BASE

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Аннотация. Ушбу мақолада маҳаллий бюджет даромад базасини белгилашда солиқ потенциалнинг аҳамияти, маҳаллий бюджет даромад базасини белгилаш усуллари, солиқ потенциали тушунчаси бўйича олимлар ўртасида ягона илмий ёндашувлар ёритилган, маҳаллий бюджет даромад базасини белгилашда солиқ потенциалнинг ролини янада такомиллаштиришга қаратилган илмий таклифлар ишлаб чиқилган.

Калит сўзлар: давлат молияси, солиқ, бюджет, маҳаллий бюджет, даромад, солиқ базаси, солиқ потенциали, солиқ тўловчи, инвестицион лойиҳа, барқарорлик.

Аннотация. В статье обсуждается роль налогового потенциала в определении доходной базы местного бюджета, методы определения доходной базы местного бюджета, уникальные научные подходы ученых к концепции налогового потенциала, разработаны научные предложения по дальнейшему повышению роли налогового потенциала в определении доходной базы местного бюджета.

Ключевые слова: государственные финансы, налоги, бюджет, местный бюджет, доходы, налоговая база, налоговый потенциал, налогоплательщик, инвестиционный проект, устойчивость.

Abstract: This article discusses the role of tax potential and methods for determining the revenue base of the local budget, unique scientific approaches of scientists to the concept of tax potential, developed scientific proposals to further increase the role of tax potential in determining the revenue base of the local budget.

Keywords: public finance, tax, budget, local budget, revenues, tax base, tax potential, taxpayer, investment project, sustainability.

Introduction

Special attention has been paid to the reform of the public finance management system aimed at increasing the efficiency of the public finance management process and ensuring the stability of the local budget, ensuring fiscal transparency, the formation of local budget funds. In this regard, the adoption of the Resolution of the President of the Republic of Uzbekistan dated August 22, 2018 No PP-3917 "On measures to ensure transparency of budget information and active participation of citizens in the budget process" [1] was an important step in this direction.

Therefore, today it is important to take measures to ensure the sustainability of local budget revenues, taking a systematic approach to the issue through the widespread use of science-based proposals and recommendations. The concept of tax potential is widely used in foreign countries in determining the revenue base of the local budget. It is essential to note that there is no single scientific approach among scientists on the concept of this tax potential. In the experience of foreign countries, the tax potential refers to the state budget revenues per

capita collected by public authorities during the fiscal year, using the conditions of uniform taxation in the regions of the country [2]. It is important to state that opinions on the nature of the tax potential category are one of the current issues at the center of scientific discussion.

Literature Review

The role of tax potential in determining the revenue base of the local budget is important to reveal the essence of the content of the tax potential of the country. Local budgets consist of the tax potential of major, large taxpayers, which serves to shape the tax revenues that make up the revenue base.

In foreign literature and scientific researches, this concept is defined in accordance with the current tax legislation and taking into account the total amount of taxable resources, taking into account the macroeconomic indicators that reflect the level of development.

Tabaeva T.V. and others suggested that the tax potential of a region should be determined by applying the average tax rate to the tax base of taxable income in a particular region of the country [3].

The concept of tax potential is equated with financial potential in most developed countries, where the model of budgetary federalism is widely used [2]. In the foreign literature, the basis of this category is often understood as the tax base, which generates income in the form of tax revenues of a particular region.

Local economists have also commented on the tax potential, some approaches. In particular, F.M Mirzaev in his research proposed a method of assessing the level of tax collection on the basis of the tax potential of the regions [4].

In the research, Z.A Abdullayev used correction factors to assess the tax potential, such as the level of socio-economic development of the regions, including the structure of regional GDP, tax base and taxpayers, transfers between budgets at different levels, depending on the level of tax potential. Its approach to the introduction of the practice of determining the optimal amount is expressed [5].

Research methodology.

Comparative analysis as well as induction and deduction assessment methods are used in this manuscript. Using the comparative method, the analysis of data on the tax potential in determining the revenue base of the local budget was carried out and scientific conclusions were given.

Analysis and discussion of results

Important areas of socio-economic development through the effective organization of the revenue base of the local budget are:

- Increasing the capacity of the district in determining the local budget base, collection of taxes in a timely manner;
- formation of the procedure for the analysis of the structure of the local budget revenues to the district and its definition in relation to the state budget revenues;
- forecasting tax revenues to determine the production capacity of goods and services, new jobs and project value as a result of investment projects;
- Differentiation of taxable income based on the activities of taxpayers of different levels;
- Establishment and analysis of the mechanism of distribution of net profit of taxpayers;
- Determination of budget revenues in terms of tax revenues based on newly created jobs.

The main results to be achieved:

- implementation of investment projects is provided;
- increase in production capacity of goods and services;
- new jobs will be created to ensure employment;
- Additional tax payments to the budget will be provided.

The development of measures to ensure the sustainability of growth of local budget revenues, as well as the development of a quarterly network schedule can provide an opportunity to apply proposals and recommendations for the effective organization of budget revenues on a scientific basis.

In determining the revenue base of the local budget, it is important to establish a systemic approach to tax potential and its assessment:

- tax potential and its assessment;
- Clarification of budget forecasts by studying the internal and external factors influencing the formation of local budget revenues;
- regulation of mechanisms for distribution of tax revenues between budgets of different levels;
- If the local population operates without registration in other districts (cities), then the centralized transfer of them to the mandatory tax payments, the district tax infection in which they are registered.
- Ensuring that taxes are collected from which enterprise (organization) and their transfer to the budget of the district (income tax, VAT, excise tax) distribution of taxes between the Republican and local budgets based on the budget potential.

The main results to be achieved:

The development of effective recommendations and proposals by analyzing the budget situation in the second month of each quarter will ensure a 0.3-0.4 percent increase in budget revenues. This will increase the amount of budget revenues left to the local budget by 0.12%. Regulates the allocation of funds from the upper budget to the local budget in terms of types of taxes.

As a result of these measures, budgetary discipline will be strengthened through the establishment of effective public control, strategically correct allocation of available resources and quality delivery of public services will be achieved.

In general, the tax potential of a country consists of the sum of the tax potential of local governments; the tax potential of local governments is interpreted as the potential of taxpayers to pay taxes and levies, depending on the status of legal entities and individuals.

The tax potential takes into account macroeconomic indicators, as well as the choice of the taxpayer on the taxation procedure. This, in turn, allows determining the indicators of the effectiveness of tax policy and the effectiveness of tax administration in the country.

Conclusions and suggestions

In conclusion, it can be said that the views expressed on the tax potential in determining the revenue base of the local budget, summarizing the approaches, can be further expanded based on the classification criteria of the forms, types of tax potential.

In our opinion, it is expedient to attach the income tax from individuals and corporate income tax entirely for local budgets at the local level, and to distribute the value added tax among the different levels of the budget. In the future, Uzbekistan should create a mechanism to ensure inter-budgetary balance, expand the tax base by increasing industrial production to increase



local budget revenues, calculate the tax potential of each region by introducing the concept of regional tax potential in the tax legislation.

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