

PRINCIPLES OF REGIONAL BUDGETS' REVENUE FORMATION IN UZBEKISTAN AND THEIR PRACTICAL SIGNIFICANCE

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Abstract. *To improve the financial capacity of local budgets, this article presents opinions and recommendations on the need to specifically develop principles for their formation.*

Keywords: *local budget, principle, income, financial resource.*

Currently, local authorities are playing an increasingly important role in addressing issues related to the development of local production of consumer goods and services within their jurisdiction. In the process of carrying out their functions, local authorities make monetary expenditures on the development of local production, the solution of social problems and the satisfaction of other needs of society.

These expenses are incurred by local authorities continuously and on a daily basis throughout the financial year and thus ensure the normal functioning of the PM. The expenditures of local authorities express, first of all, economic relations connected with the distribution and use of the centralized fund of monetary resources and, from this point of view, represent an economic category. However, the normal functioning of local expenditures as an economic category requires appropriate legal support, through which the target orientation of local community expenditures, the volume and procedure for their implementation, and the competence of local authorities in the area of local expenditures are established.

Thus, the expenses of local authorities represent financial costs that express the regulated norms of the law of economic relations on the distribution and continuous use of centralized monetary funds to meet the needs of the population of a separate administrative-territorial entity.

The selection of revenue generation principles for regional budgets is a complex methodological issue. Their development is primarily necessary to achieve the goals and objectives of budget policy, which is based on the principles of ensuring the equitable distribution of financial and other sources of budget revenue.

Taking into account the above, we believe the following principles should be defined as the principles for generating revenue for the regional budgets of Uzbekistan:

- efficiency and appropriateness;
- consistency of regional fiscal policy with national macroeconomic policy;
- fiscal equivalence.

The principle of efficiency and expediency implies the ability of regional authorities to use those revenue sources that are optimal both from a fiscal point of view and in terms of compliance with regional characteristics. The region must have the opportunity to influence the amount of budget revenues both in its own interests and in the interests of the republican center. When determining the optimal source of income for regional authorities, the principle of "benefit and expediency" must be applied, i.e., consolidation assumes that a given source in the hands of regional authorities can be used better and more profitably than in the hands of the central government.

The principle of conformity of regional budget policy in terms of revenues with the conditions and objectives of republican budget policy is based on the delineation of the functions of state authorities at different levels, as outlined above.

The actions of regional authorities in terms of establishing revenue sources should not contradict or have a negative impact on the main parameters of the national fiscal policy.

The principle of fiscal equivalence implies the correlation between the amount of regional budget revenues and the volume of services provided at the regional level. The composition of these services follows from the powers and functions of

the legislative (representative) bodies of the regions of the republic, and their volume should be determined taking into account general national socio-economic norms.

The boundaries of the regional budget are determined by such factors as the ability of regional authorities to conduct effective, efficient budgetary policies, to provide the necessary volume of certain services to the population of the territory under their jurisdiction, and the nature of the services provided.

The principle of “certainty” should be taken into account when forming regional budgets, since it stipulates that the regional budget should have a strictly defined volume of financial resources, which depends on the volume of services provided by the region. The financial and budgetary independence of a region is closely linked to the presence of the necessary financial potential within its territory, which allows it to form a regional budget using revenues collected within its territory. When a region lacks a sufficient financial base, the need arises for interbudgetary redistribution of budget funds.

The opposite trend is observed with regard to financial resources received by regions from the republican budget. A comparison of the amount of tax revenue transferred to the central government with the amount of funds received from it shows that some regions receive significantly more financial support than the taxes they contribute to the central budget. These regions include Karakalpakstan and Jizzakh Region. The regions that receive the least financial support from the national center include the Tashkent and Fergana regions, as well as the city of Tashkent. In our opinion, when generating regional budget revenues, it is essential to consider, first and foremost, the organizational and legal economic factors that determine regional characteristics. The approach to regional budget formation should be changed. This means linking the determination of the regional budget's revenue with the expenditure side of the budget, which is formed taking into account social norms and standards. This requires a delineation of management functions, including in the formation of budgets at all levels.

Objective quantitative parameters for determining the size of the budget fund should be the standards for the minimum level of development of the material base of social institutions per person and the minimum consumption of certain types of social services per resident. In this regard, it is necessary to develop a system of minimum state social standards in conjunction with the grouping of territories by economic regions. In short, the mechanism for generating regional budget revenues must operate on new principles that, in this case, ensure the independence of the regions of the Republic of Uzbekistan, but take into account the needs of the national budget.

Uzbekistan has developed and is successfully implementing a unique mechanism for supporting citizens' incomes and living standards. Allocated budget funds are distributed among low-income families by decision of a citizens' assembly or their elected representative. Heads of local government bodies ensure the payment of benefits to families with children and financial assistance to low-income families in accordance with the decisions of all mahalla members and current legislation. Local government bodies are not part of the state government system but are public organizations.

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