



THEORETICAL FUNDAMENTALS OF STATE BUDGET REVENUE FORMATION

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ABSTRACT

This article provides information on the state budget and its components, the total costs of the country and ways to reduce it, the views of foreign scientists on the formation of the state budget, and based on them developed directions for the formation of the state budget in our country.

Introduction. Since the second half of the twentieth century, there has been an increasing trend in the share of national income distributed through the state budget in developed countries. This indicates an increase in the volume of public and general economic expenditures of the state. Thus, by the 90s of the twentieth century, the share of social spending in the structure of public budget expenditures of Western European countries reached 35%. However, in the 1950s, this figure was 18 percent.

In developed foreign countries, particularly Japan, Germany, the United Kingdom, France, Italy and Canada, taxes account for

up to 90 per cent of state budget revenues. In the Republic of Uzbekistan, this figure is more than 90%.

Main part. At present, in the current conditions of liberalization of the economy of the Republic of Uzbekistan, there are significant problems in improving the scientific and methodological framework for the formation of state budget revenues. Including:

The relatively large share of tax revenues from indirect taxes in the structure of tax revenues of the state budget;

Improving the practice of forming state budget revenues on the basis of clear classification criteria;



Continuous improvement of the conceptual framework for the formation of state budget revenues.

The role of the state budget and its parts in the sustainable development of the country's economy is high. The state budget is the largest centralized monetary fund of the state, which is an economic category based on the performance of state functions. In many foreign literatures, economists have noted that the state budget is the largest centralized monetary fund of the state and the main category of finance. The budget, meaning "treasury", is a form of accumulation and expenditure of funds intended to finance the tasks and functions of state and local self-government [2].

Results and discussion. It was carried out in the second half of the eighteenth century after the bourgeois revolution in France. In the second half of the XIX century in European countries began to use the budget category. The word budget means treasury, and its essence refers to the monetary relations that constitute the costs associated with the establishment of state centralized monetary funds and the implementation of public policy. The state budget is a key part of the financial system and the public financial sector. The state budget is a centralized fund of public funds (including funds of public trust funds), which provides sources of income and the amount of revenues from them, as well as the direction and amount of expenditures allocated for specific purposes during the fiscal year [3]

The budget can actively influence the economy in the following ways:

- Through taxes, fees and miscellaneous payments;
- Through direct budget funding;

- By means of subsidies;
- By providing interest-free and soft loans;
- Budget funds are affected through the creation of special funds and reserves.

In particular, the share of social spending in the state budget expenditures of Western European countries reached 35% by the 1990s. However, in the mid-1950s, this figure was 18 percent. After general social expenditures of the state budget, economic expenditures take the 2nd place in terms of growth rate.

In developed foreign countries, especially after the global economic crisis of 1929-1933, the process of state regulation of the economy intensified and expanded. The crisis has hurt the U.S. economy more than any other developed country. That is why in the United States there are organizations created at the expense of state resources, such as the Restoration-Finance Corporation, the Administration for the Restoration of Industry. These organizations provided subsidies and loans to enterprises, firms and banks on the verge of bankruptcy. Subsidies and loans saved these enterprises from mass bankruptcy. After World War II, state intervention in the economy intensified. The main reason for this is that the leading circles of the western countries have accepted the recommendations of the well-known British economist J.M. Keynes as a practical program. Because J.M. Keynes considered public finance to be an important tool for regulating the economy and social relations. According to the research of Professor N.V. Kolchina, currently in developed industrial countries, the costs associated with state intervention in the economy account for 20-25% of the total expenditures of the state budget [4]. The state budget is constantly used as an



important means of influencing the development of the economy and the social sphere by the state, the forms and methods of its impact on the life of society are changing.

It is noteworthy that the role of the direct state budget in the redistribution of national income in Uzbekistan is high, and the main reasons for this are the growth of public spending and government spending on economic regulation. The growth of the share of social expenditures in the structure of the state budget of the Republic is explained by the formation of a socially oriented market economy in the country. The main focus will be on social support for the needy, timely and full funding of social sectors such as public education and health care.

With the development of market relations, the scale of state intervention in the economy is narrowing. This will lead to a sharp reduction in the amount of economic expenditures of the state budget. The growing role of the state budget as the main financial category in the life of society depends primarily on how and to what extent its revenue base is formed. In this regard, the scientific study of the formation of state budget revenues is one of the most pressing issues in the economic literature.

The issues of formation of state budget revenues are reflected in the research of classical economists - A. Smith, D. Ricardo. Later, this issue was reflected in the scientific research of well-known economists such as A. Tyurgo, F. Kene, I. Fisher, S. Fisher, J. Mill, G. George, Voltaire, J. Keynes, M. Speransky.

It is characteristic that the first method is of priority in the formation of state budget revenues and redistribution of national income in favor of the state. This is because

taxes have a material and social meaning. They are involved in the redistribution of national income as an important component of the reproduction process and a special form of production relations. Moreover, the state has been using taxes since its inception as the main way to generate its income.

Currently, in almost all countries of the world, taxes are the primary source of state budget revenues. In developed industrial countries, particularly Japan, Germany, the United Kingdom, France, Italy, and Canada, taxes account for up to 90 percent of state budget revenues, and in the United States for more than 70 percent.

The main part of the state budget revenues of the Republic of Uzbekistan (more than 90%) consists of tax revenues. The fact that taxes are the main, primary source of state budget revenues has led to a number of scientific studies to reveal their essence. V. Petty was the first scientist to theoretically substantiate the essence of taxes as a source of budget revenues. In his treatise on taxes and levies, written in 1662, he sought to determine the set of public expenditures to justify the amount of taxes required by the state. According to Petty, the collection of taxes in favor of the state should be proportional, because this mechanism is "neutral" for different amounts of income: Moreover, as long as the collected taxes do not leave the country, the country will remain equally rich compared to other countries. "[5] Hence, while acknowledging the role of taxes as the main source of budget revenue, Petty stressed that taxation is equal for all taxpayers.

In the 18th century, a stream of physiocrats emerged in France under the leadership of A. Turgot and F. Kene. Since the



physiocratic theory focused on the elimination of medieval backward forms of farming in the countryside, the addition of small plots of land, and the regulation of the fiscal system, they proposed the transition to a single tax, i.e., a single tax on land rent. They argue that rent is an income derived from the use of a non-renewable factor of nature, and the scope of the rent tax always covers landlords. In turn, the income of other classes in society consists of the necessary costs of production.

Conclusions. Thus, the proposal of physiocrats to introduce a single tax is aimed at minimizing the costs associated with tax collection. F. Kine proposed that the tax rate on land rent be "approximately one-third of net output." Adam Smith, a classical economist, examined taxes only as a source of state budget revenue. In his view, taxes hurt the government to cover maintenance costs.

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