



MAIN DIRECTIONS OF THE BUDGET-FISCAL POLICY OF UZBEKISTAN

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Abstract: *This article presents an analysis of the main priorities of the budget and tax policy of the Republic of Uzbekistan in 2023, in which complex economic processes in the world market, the tension in the geopolitical situation in the world and its impact on the economy of Uzbekistan, changes in the budget and tax policy of Uzbekistan, state budget revenues and expenses are analyzed.*

Key words: *budget, tax, tax policy, economic growth, budget revenues, budget expenditures, deficit.*

The Oliy Majlis and the people of Uzbekistan on December 20, 2022, the leader of our country spoke about the socio-economic development of our country. speaking about the priority directions of development, " You are all aware of the sharp processes taking place in the world today . Despite the complex geopolitical situation in the world, the shortage of energy resources is increasing , the demand for energy is increasing , and financial resources are becoming more expensive.

In such a situation, no matter how difficult it may be , we will continue economic reforms, fully mobilize domestic capabilities, and further strengthen the private sector. For this, first of all, we will speed up the reforms to further improve the business environment, disruptions in the global supply chain, the tension in the geopolitical situation in the world, the inflationary pressures and economic depressions caused by the conflicts between the states cannot be saved on a global scale . Such external threats, in turn, have a negative impact on the national economy, causing inflation to be higher than expected , and negatively impacting economic activity .

According to the forecasts of the World Bank, in 2022, the world economy is expected to grow by 2.9%, the economy of developed countries is expected to grow by 2.6%, and the economy of developing countries is expected to grow by 3.4 % .

Despite the uncertainty in the world market and the difficult situation in our main foreign trade partners, as a result of the economic reforms implemented in previous years, economic growth in 2023 is forecast to be around 5 percent . This economic growth rate is expected to increase the industry by 6 % , the service sector by 14 % , the construction sector by 6 % , and the agriculture sector by 3.5 % . . The export volume of our country is expected to increase by 23 billion 241 million dollars or 22.8% .

Also, in 2023, consolidated budget revenues in our country are planned to be 311 trillion soms , and expenditures are planned to be 343 trillion soms , the consolidated budget is 32 trillion 528 billion soms or 3 % compared to the gross domestic product . a shortage of medicine was determined.[1], the tax reforms implemented during the previous years gave a positive result. In particular, starting from 2018, we can see that the amount of revenues to the budget continues to grow as a result of the tax reforms initiated by the



President, the reduction of tax types , the reduction of tax rates and the expansion of the tax base. [2]

At the same time , the procedure for taxing incomes in the form of payment for labor will be fundamentally improved , and the 8 percent tax on the income of individuals As a result of the cancellation of the contribution and the establishment of a single rate of 4-point income tax with a tax rate of up to 22.5% to 12%, the total revenues have doubled and increased from 26 trillion 500 billion soums to almost 52 trillion 500 billion soums . At the same time, the number of workers paying income tax in 2018 is more than 5 million 300 thousand people from 3 million 900 thousand people, and it is not expected to increase further in the following years .

In general, as a result of the reforms carried out in recent years, the budget revenues increased sharply, in 2018, the state budget revenues amounted to 82 trillion 800 billion soums, and in 2022, they amounted to 205 trillion soums. At the same time, it is possible to achieve a year-by-year decrease in budget revenues due to gold prices .

The revenues of the 2023 budget are planned based on the main macroeconomic indicators, the expected prices of raw materials on the world market, changes in the tax policy, and the improvement of the tax and customs administration .

In the tax policy set for 2023, the main tax rates were kept at the base rate of profit tax at 15 percent, income tax from individuals at 12 percent, and property tax at 1.5 percent .

Along with this, a number of important changes were made in determining the tax policy of 2023 in order to increase investment attractiveness in the republic .

Firstly, the VAT rate was reduced from the current 15% to 12% for the purpose of reducing and unifying tax rates and creating additional opportunities to further improve the business environment . This is a historically important change in the tax policy of our country. As a result of the reduction of the tax rate to 3 percent, 13 trillion soums of working capital are at the disposal of entrepreneurs. increase is planned, which will lead to the optimization of the tax burden on enterprises.[3] At the same time, it is predicted that in 2023, the income from this tax will be 16 trillion soums more than in 2022.[4]

Secondly, to ensure the stability of local budget revenues, strictly defined tax rates and bases are supposed to be indexed within the framework of inflation or by 10 percent. In this case, it is planned to implement the indexation of excise tax rates from February 1, 2023.

Thirdly, the work of gradually canceling tax benefits is still ongoing. In particular, from April 1, 2023, benefits from the value added tax on a number of services provided from budget funds will not be canceled, and as a result, an additional tax revenue of 109 billion soums is expected for the budget .

At the same time, the expiration of the tax and customs benefits[5] granted by other regulatory and legal documents in 2023 was also taken into account in the budget revenues.

Fourthly, about 1 percent of the gross domestic product or 9 trillion 200 billion soums is provided in the budget revenues for the purpose of improving the tax and customs administration.



State budget expenditures for 2023 will amount to 257 trillion 734 billion soums, which will provide stimulation of economic growth by increasing expenditures aimed at the development of certain sectors . In this:

50 percent of expenses or 130 trillion soums will be directed to the social sector. Social sector expenses include mainly:

58 trillion 372 billion soums or 23% of the total expenses of the state budget and 16% more than the 2022 implementation are planned for the education sector .

7 trillion 585 billion soums are planned for the implementation of 18 state programs in the field of education . Including:

- allocation of subsidies in the amount of 2 trillion 259 billion soums from the State budget to non-state preschool educational institutions ;

- 920 billion soums for costs related to updating textbooks in general secondary education institutions;

- soums for the purpose of increasing the quotas for admission to higher education institutions on the basis of a state grant ;

- from budget funds to education loans in order to create favorable conditions and equal opportunities for every student studying on a fee-contract basis ;

- 284 billion soums are planned for building student residences and allocating subsidies for each student living in them .

28 trillion 426 billion soums are planned for health care . From this, 1 trillion 500 billion soums are planned for the implementation of 22 state programs related to this field . Including:

- 31 billion soums for the costs of additional provision of necessary drugs and medical equipment to ensure the health of mothers and children, women of reproductive age;

- 138 billion soums for expenses related to improvement of oncology care and further development of oncology services ;

In addition , 33 trillion 67 billion soums are planned for social protection and social security . Including:

- 15 trillion soums to cover the negative difference between the income and expenses of the pension fund outside the budget ;

- 18 trillion 67 billion soums are planned for financial support of low - income families and people in need of social protection .

In 2023 , 10 trillion 530 billion soums are planned to pay social benefits to 1.9 million families, 20 percent of all families in our republic .

966 billion soums are planned for the payment of maternity benefits for working women from budget funds, of which 300 billion soums are planned for women working in the private sector.

In the draft budget for the next year , a total of 30 trillion soums for financing infrastructure development programs, including:

- 15 trillion 520 billion soums for the centralized investment program;

- 3 trillion 500 billion soums for socio-economic development of regions and sectors ;



- 11 trillion 25 billion soums are planned for infrastructure improvement measures. Of this, 6 trillion soums are being allocated for the initiative budget project, as well as 30% of additional sources of local budgets and a total of 8 trillion soums in 2023, taking into account the funds provided for internal roads in local budgets.[6]

At the same time, special attention is paid to the support of women and young people in the draft budget , 6 trillion 569 billion soums are envisaged. In 2022, 4 trillion 308 billion soums were allocated in this direction.

In 2023, economic expenses will amount to 36 trillion 680 billion soums, of which 10 trillion 600 billion soums are planned for agriculture and water management. [7]

Based on this, the deficit of the State budget and target funds for the next year was set at 24 trillion 215 billion soums or 2.3 percent of GDP. This, in turn, will lead to a certain reduction of the tax burden in our country, and its impact on the activities of business entities will decrease.[8]

In general, the State budget of 2023 was formed based on the interests of the people and the priorities set by the head of our country, aimed at glorifying "Human dignity" and improving people's lives, as well as improving the standard of living of the population: including:

- creation of favorable business conditions for entrepreneurs;
- development of the social sphere and strengthening of social protection;
- supporting youth and women;
- h regions, especially solving the urgent problems of the neighborhoods, rational use of water and land resources, environmental protection have been identified as priorities.

Quality and full performance of the works to be carried out in these directions, rational use of allocated budget funds and ensuring their effectiveness should be the main task of the state and citizens .

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