

**PECULIARITIES OF MEDIUM-TERM PLANNING OF LOCAL BUDGETS**

<sup>1</sup>Imanova Umida Bakhtiyorovna, <sup>2</sup>Kurbanov Azizbek Yuldosh ugli  
Teacher of Termez State University<sup>1</sup>, Student of Termez State University

**ANNOTATION**

Local budgets; medium-term planning; national economic and social tasks; socio-economic infrastructure; countries with a unitary structure; countries with a federal structure;

**Keywords - tax, budget, revenues, expenses, incentives, business plan, strategic plan, competition, accounting.**

In the early twentieth century, the financial scientist L. Cossa made a significant contribution to the development of financial science in Italy. In his 1896 book, *Fundamentals of Financial Sciences*, he argued that finance was a theory of state property management, and that budget revenues, which were state-owned, shows the ways of efficient use (income) of public expenditures and state-owned property, and also substantiates the interrelationships and differences of the financial sciences with the science of political economy.

During this period, French scientists J.B. Sey and F. Bastians on the other hand, argued that the ideas put forward by A. Smith in finance were fundamental, issues of how to use financial support in government intervention in the economy, as well as the economic basis for the management of the tax burden by the state (more precisely, reduction). In turn, another French scientist, P. Lerua-Bole, on the other hand, opposed the state's economic activity (entrepreneurial activity), defends the interests of large capital owners, criticizes the progressive taxation process, and is based on the thesis that financial science should deal primarily with government revenues.

Another French scientist, Professor G. Jez, on the other hand, has done extensive research on the legal basis of financial relations. At the same time, his work "General Theory of the Budget" was one of the major studies in the management of the state budget during this period.

this book was translated into Russian several times in the 1930s, even during the former Soviet era. "Local budgets in the implementation of national economic and social functions, first of all, in the distribution of public funds and plays an important role in the development of socio-economic infrastructure.

Local budgets in the budget system, the implementation of radical economic reforms in the formation of market economy relations in the Republic of Uzbekistan, including the importance of local budgets. Because the socio-economic development of the regions depends on the financial stability of local budgets. As the reforms deepen, the amount of measures funded by local budgets will increase, as well as the revenues that will remain at their disposal. "The formation of a competitive environment in our country is directly related to the implementation of strict measures to eliminate the artificial monopoly structures inherited from the previous system, in which any industry or enterprise was a monopolist.

Revenues of local budgets are mainly based on the normative documents in force as the owner of local budget funds, deductions from local taxes and state taxes, the total amount allocates funds in the amount specified in the budget legislation. Allocation of funds for local budget expenditures through the system of public authorities, public administration bodies, financial and credit institutions from the time of the need for appropriate funds (finances) they occur during the entire period before they are spent. Local budget is an objective economic category and has a dual nature. First, it consists of the costs of financing the sectors of the economy. The system of local budgets takes into account local needs more full and allows them to be properly coordinated with measures implemented by the state in a centralized manner.

Therefore, local authorities are interested in the receipt of revenues to the local budget and the targeted use of resources, as the growth rates of local economy and culture will help to mobilize local resources. It is directly related to the organization of work on the planned spending of funds, which, in turn, will allow for the successful implementation of the state budget of the Republic of Uzbekistan. Establishment of various monetary funds for each level of the budget system of the Republic of Uzbekistan, designed to meet certain social needs, performs specific tasks aimed at distribution and use.

An important component of the budget system of the Republic of Uzbekistan is local budgets. Local budgets, in the implementation of economic and social functions of the state, primarily plays an important role in the distribution of public funds and the development of social infrastructure. In our opinion,

This is the main financial plan for the creation, distribution and use of centralized funds at different levels, it consists of a legal document developed and approved by the relevant state or local authority it is precisely the peculiarities of local budgets that are manifested.

The formation of local budget revenues plays an important role in the development of the republic and its regions during the transition to a modern market economy. Financial activities of local public authorities Decisions in the field of financial issues, Issuance of Orders,

Approval and implementation of relevant budgets, coordination of local budget revenues and expenditures in Uzbekistan will play an important role in the development of the republic and its regions during the transition to a modern market economy. The transition from a centralized planning system to a market economy requires, first of all, a change in the structure of the management system and an increase in the role of local government during the budget process.

The effective implementation of the tasks assigned to local governments depends on their financial resources. Of course, the main financial basis for the activities of local governments is local budgets.

#### **The purpose of submitting the draft state budget in the form of a law:**

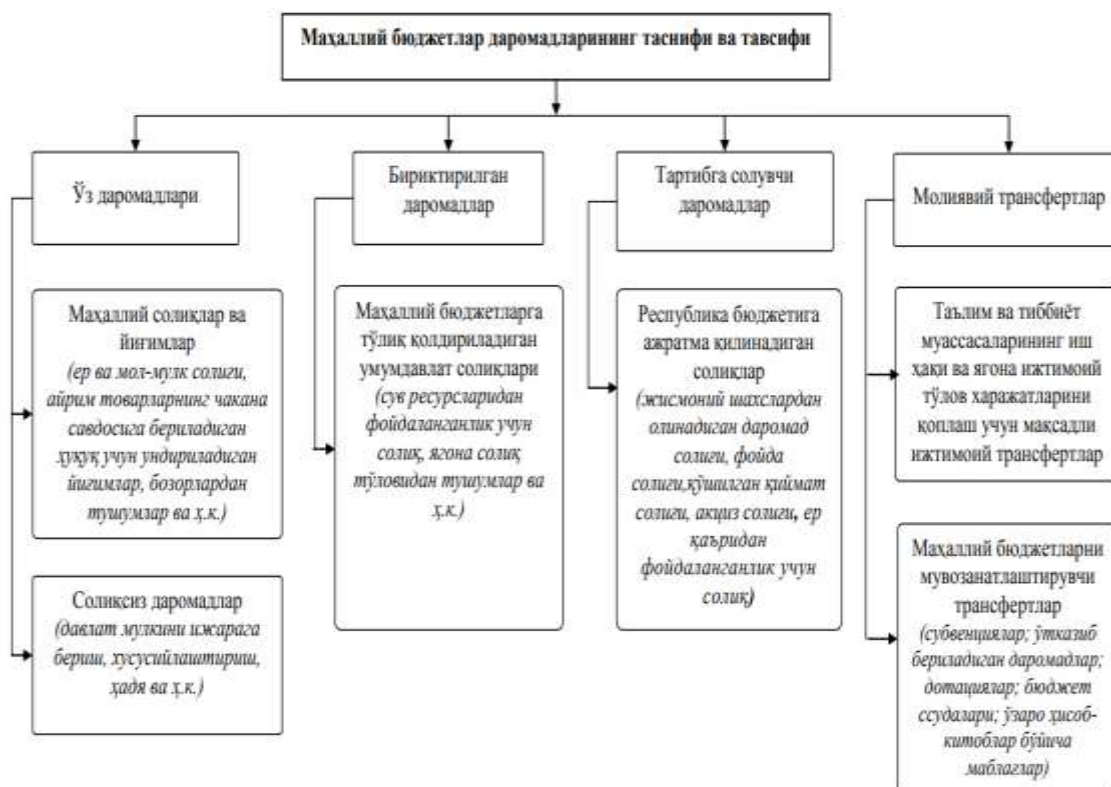
- strengthening parliamentary control over the adoption and implementation of the budget;
- strengthening budget discipline;
- rational and efficient use of budget funds;
- increase the responsibility and accountability of the participants in the budget execution process.

In particular, the allocation of funds to local budgets takes place through the system of public authorities, public administration bodies, financial and credit institutions from the time when the necessary funds are needed (finances) to the time they are spent.

The local budget is a category of objective economy and has a two-sided character. First, it consists of expenditures aimed at financing sectors of the economy.

Effective management of local resources will allow to organize the interaction of municipal economic entities, increase business activity, as well as expand financial opportunities for the provision of municipal services.

During the transition to a market economy in our country, economic reforms are being carried out in all areas. In the process of integration of the local economy, the market economy in our country also creates the need for continuous improvement of public financial management. Further improvement of the relationship between the republic and all local budgets is, of course, the elimination of as much as possible the economic imbalance between them in the economic development of the regions.



**Figure 1. Classification and description of romads in local budgets<sup>1</sup>**

Financial planning involves the following steps: making a plan, implementing it, and making adjustments based on the results achieved. The strategic plan of the firm is the main basis in the development of the financial plan.

It is this plan that defines the main directions of financial planning, general tasks for business development and growth of the company. In other words, it is decided in accordance with the strategic plan which direction the firm wants to expand and which it wants to reduce, and deadlines are set for the implementation of appropriate measures.

The main revenues of the state budget have been fully met, the surplus amounted to 0.4% of GDP. The system of local budgets allows for the full satisfaction of local needs and their implementation in close connection with the implementation of measures taken by the state in a centralized manner.

<sup>1</sup>Developed by the author as a result of scientific research

In 2020, the Oliy Majlis adopted the State Budget in the form of a law. Introducing a new budget calendar, which provides for the approval of local budget revenues and the main directions of fiscal policy.

This will allow ministries and agencies to plan programs and investment projects for local budget revenues, and will serve as a basis for investors and taxpayers to formulate their business plans.

### Financial and financial matrix of the territories of Uzbekistan in 2020<sup>2</sup>

Модлийвий таъминланганлик даражаси	Модлийвий мустaqобольлик даражаси		
	Юкори даража	Уртача даража	Паст даража
Юкори даража	Навоий вилояти, Тошкент ш.		
Уртача даража		Тошкент вилояти, Бухоро вилояти, Сурхондарё вилояти, Қарақалпоқiston Республикаси	
Паст даража			Хоразм вилояти, Наманган вилояти, Сурхондарё вилояти, Андижон вилояти, Фаргона вилояти, Самарканд вилояти

In addition, although some work has been done to find new sources of revenue for local budgets, introduce a progressive system of tax collection and improve the basis of existing tax revenues, the true state of this work has not yet been fully explored. Therefore, it is necessary to study and analyze the activities of the local budget and the base of local budget revenues.

The above circumstances require finding reasonable ways to strengthen the revenue base of local budgets, which also shows the relevance of our selected research work. An analysis of the practice of regulating revenues from the local budget has shown that the use of the old method so far slows down the growth of the market economy.

“That is, fixed taxes are collected first in the state budget, and then a certain percentage of it (revised annually) is used to finance local budget revenues. In our opinion, the interest rates set for the period of deductions from national taxes should not be changed for at least 5 years.

In addition, the share of revenues from state taxes, the amount of interest allocated from these taxes will ensure the strengthening of budget revenues.

Only then will the economic interest of local governments increase, and their budget revenues will come from the planned revenues of the Ministry of Finance of the Republic of Uzbekistan in planning the expenditures of local budgets and the regions are driven by their needs in cost planning. In the budget process, the most optimal expenditure plan of local budgets is determined, which is based on the revenue base of the local budget.

In overcoming some daily recurring negative situations, targeted local budgets are made on the basis of cost norms. Ensuring the financial independence of local budgets should also strengthen the basic revenue base.

This requires decentralization of revenue generation, which encourages local governments to invest in the development of the economic base and in the areas in which they are located, and consequently increase tax revenues. In addition, empowering local governments to conduct fiscal policy within the framework of local taxes and revenues will encourage effective resource management.

<sup>2</sup>Developed by the author as a result of scientific research

Every decision at the time of making financial decisions in the credit system of local budgets, whether it is an investment, financing or working capital management, depends on certain production technology, as well as factors such as the business management system, the tax system and the competitive environment in which the business entity operates. The financial policy options chosen by the business entity are also inextricably linked.

In addition, the statement of cash flows does not allow estimates of income and expenses to be based solely on the indicators included in the statement of financial performance. The statement of financial performance is based on an accounting principle called the “calculation method”, according to which any income is not considered as cash inflows and any expenses are not considered as expenditures.

The amount of net profit reflected in the statement of financial performance is, in many respects, in line with the approach adopted by the company to assess this indicator, for example, depending on the methods of valuation of inventories or the normative (normative) periods of depreciation of tangible and intangible assets of the firm.

## REFERENCES

1. Бабич А.М., Павлова Л.Н. Государственные и муниципальные финансы. – М.: ЮНИТИ, 1999. – 460 с.
2. Брайчева Т.В. Государственные финансы. – Санкт Петербург.: Питер, 2001. – 278 с.
3. Бюджетная система Российской Федерации: Уч. Под ред. М.В. Романовского, О.В. Врублевской – 2-изд. – М.: Юрайт, 2000. – 615 с.
4. Бюджетная система Российской Федерации. Учебник под ред. Г.Б. Поляка. – М.: ЮНИТИ, 1999. – 370 с.
5. Бюджетный федерализм и межбюджетные отношения: проблемы и перспективы развития. Булатов А. Экономика. – М.: Бек, 2003. – 370 с.

E-ISSN NO:2349-0721