



THE ROLE AND IMPORTANCE OF TAXES IN THE FORMATION OF STATE BUDGET REVENUES: ANALYSIS OF 2020–2025 USING THE EXAMPLE OF UZBEKISTAN

Akhrorov Abbas Aslamjon oğlu

Lecturer, Department of Investments and Innovations

E-mail: abbos0112@gmail.com

Suyunova Farangiz Zoir qizi

Student of SamISI ik-524 group

E-mail: suyunova2006@gmail.com

Abstract. *This article analyzes the role of taxes in the formation of state budget revenues using the example of Uzbekistan. As a theoretical basis for the study, international approaches and local scientific views on the fiscal, redistributive and regulatory functions of tax revenues were studied. In the practical part, the dynamics of revenues for 2020–2025 were analyzed based on open data from the budget laws and fiscal strategy documents adopted by the Ministry of Economy and Finance of the Republic of Uzbekistan, the Oliy Majlis. The results show that state budget revenues are expected to reach 345.2 trillion soums in 2025 from 98.2 trillion soums in 2020; tax revenues increased from 92.7 trillion soums to 263.7 trillion soums. During this period, the share of tax revenues in budget revenues remained high, forming a range of 76–94 percent. The analysis shows that improvements in tax administration, expansion of economic activity, and changes in the composition of indirect and direct taxes have a direct impact on budget stability.*

Keywords: *state budget, tax revenues, fiscal policy, budget revenues, VAT, profit tax, excise tax, tax administration, Uzbekistan, budget stability, tax policy, dynamic series.*

Annotatsiya. *Mazkur maqolada soliqlarning davlat budjeti daromadlarini shakllantirishdagi oʻrni Oʻzbekiston misolida tahlil qilindi. Tadqiqotning nazariy asosi sifatida soliq tushumlarining fiskal, qayta taqsimlovchi va tartibga soluvchi funksiyalari boʻyicha xalqaro yondashuvlar hamda mahalliy ilmiy qarashlar oʻrganildi. Amaliy qismda Oʻzbekiston Respublikasi Iqtisodiyot va moliya vazirligi,*

Oliy Majlis tomonidan qabul qilingan budjet qonunlari va fiskal strategiya hujjatlaridagi ochiq ma'lumotlar asosida 2020–2025 yillar kesimida daromadlar dinamikasi tahlil qilindi. Natijalar shuni ko'rsatadiki, davlat budjeti daromadlari 2020-yildagi 98,2 trln so'mdan 2025-yilda 345,2 trln so'mga yetishi kutilmoqda; soliq tushumlari esa 92,7 trln so'mdan 263,7 trln so'mga oshgan. Bu davrda soliq tushumlarining budjet daromadlaridagi ulushi yuqori saqlanib, 76–94 foiz oralig'ida shakllangan. Tahlil soliq ma'murchiligining yaxshilanishi, iqtisodiy faollikning kengayishi va bilvosita hamda bevosita soliqlar tarkibidagi o'zgarishlar budjet barqarorligiga bevosita ta'sir ko'rsatayotganini ko'rsatadi.

***Kalit so'zlar:** davlat budjeti, soliq tushumlari, fiskal siyosat, budjet daromadlari, QQS, foyda solig'i, aksiz solig'i, soliq ma'murchiligi, O'zbekiston, budjet barqarorligi, soliq siyosati, dinamik qator.*

Introduction.

Taxes are one of the most important sources of modern state finance, through which the state finances social services, infrastructure, education, healthcare, defense and economic development programs. In international approaches, taxes are interpreted not only as a means of revenue collection, but also as a mechanism for stimulating economic growth, redistributing income and ensuring the institutional stability of the state. In this sense, the composition of state budget revenues and the contribution of taxes to them are one of the main indicators in assessing the quality of fiscal policy.

In recent years, Uzbekistan has implemented large-scale reforms in the tax system and budget process. Tax rates, benefits, improvements in administration and electronic reporting systems have had a significant impact on the structure of budget revenues. In particular, the changing ratio of direct taxes, indirect taxes and resource payments indicates the diversification of the budget revenue base.

The problem is that the growth of budget revenues is often assessed as a gross amount, but there is not a sufficiently in-depth analysis of how stable this growth is,

what types of taxes are responsible for it, and how the share of tax revenues in the budget is changing. Therefore, the purpose of this study is to assess the role and significance of taxes in the formation of state budget revenues in the conditions of Uzbekistan based on the dynamics of 2020–2025.

The objectives of the study are: to identify the theoretical functions of taxes; to analyze domestic and foreign scientific approaches; to assess the dynamics of budget revenues and tax revenues in Uzbekistan for 2020–2025 based on open official data; to interpret the results and develop practical recommendations.

Literature review and methods.

In the international literature, tax revenues are defined as mandatory payments necessary to finance state expenditures; they generate income for the state and also govern the behavior of the economy. In the OECD approach, the tax system is considered a central fiscal instrument that serves to provide public goods and services necessary for society. IMF fiscal studies also indicate the mobilization of domestic revenues, strengthening tax administration, and maintaining budget stability as the main conditions for development strategies. The World Bank also emphasizes that taxes, fees, fines, and revenues from state assets occupy a special place in the structure of state revenues.

In domestic scientific literature, Sh. E. Shirinov analyzed the institutional relationship between the budget and its tax revenues, the legal basis of tax revenues, and the fiscal role in the budget system. S. A. Abdurakhimova and F. D. Gulomjonov studied the composition and dynamics of state budget revenues in Uzbekistan and showed that the ratio between direct and indirect taxes, resource payments, and non-tax revenues reflects the balance of budget policy. These works formed the theoretical and methodological basis of this article.

Several methods were used in the study: descriptive statistical analysis, comparative analysis, analysis of dynamic series, calculation of shares and growth rates, and simple linear trend regression. Based on annual data from open official

sources, state budget revenues and tax revenues were estimated for 2020–2025. The degree of linear trend fit for dynamic series was very high, and the R^2 indicator for tax revenues and budget revenues was around 0.98; This means that the growth trend is not random, but systematic. The calculations were based on budget laws adopted by the Oliy Majlis of the Republic of Uzbekistan, the fiscal strategy of the Ministry of Economy and Finance, and the budget document for 2026–2028.

Results.

Uzbekistan according to open official information analysis state budget income and tax income continuous growth to the dynamics has that it is shows . In 2020, the state budget revenues 98.2 trillion soum around was , 120.2 trillion in 2021 soums , 201.9 trillion in 2022 soums , 231.7 trillion in 2023 soums , 274.4 trillion in 2024 soum and 345.2 trillion in 2025 soum organization to be able is pending . Tax The proceeds are also suitable . 92.7 trillion 263.7 trillion soums in soums until increased .

Table 1. In 2020–2025 state budget income and tax income dynamics

Year	State budget revenues, trillion soum	Tax revenues, trillion soum	ax share , %
2020	98.2	92.7	94.4
2021	120.2	105.6	87.8
2022	201.9	159.7	79.1
2023	231.7	184.5	79.6
2024	274.4	215.6	78.6

Note : 2020–2021 for open normative in documents republic budget income composition complete granted ; 2022–2025 for and state budget income according to middle term forecast and expectations Therefore table official open in the sources the most close comparable aggregates based on was created .

The table shows that in 2020–2025, the total volume of budget revenues increased by almost 3.5 times. Tax revenues also increased by about 2.8 times, remaining the mainstay of state budget revenues. However, the decrease in the tax

share from 94.4 percent to 76.4 percent indicates a relative increase in other sources of revenue, in particular, non-tax revenues and some transfers.

If these data are depicted in a line graph, two ascending curves are formed: one is state budget revenues, the other is tax revenues. Both lines are directed upwards, but in 2024–2025, the slope of the curve will recover further. This is explained by the improvement of tax administration, the expansion of the tax base, and increased economic activity. At the same time, it is also seen that the share of non-tax revenues in budget revenues is gradually increasing.

The main types of taxes in the budget revenues for 2020 were profit tax, VAT, excise duty and resource payments. In the 2020 republican budget revenues, profit tax amounted to 19.8 trillion soums, VAT to 43.0 trillion soums, excise duty to 6.5 trillion soums, customs duty to 2.7 trillion soums and tax on subsoil use to 15.3 trillion soums. In 2021, these indicators amounted to 26.1 trillion soums, 47.0 trillion soums, 9.4 trillion soums, 3.8 trillion soums and 12.9 trillion soums, respectively.

The medium-term fiscal projections for 2022–2025 show separate growth trajectories for direct, indirect, and resource taxes. In 2022, direct taxes amounted to 64.4 trillion soums, indirect taxes to 71.4 trillion soums, and resource taxes to 23.9 trillion soums; in 2023, these figures amounted to 73.1 trillion soums, 83.3 trillion soums, and 28.1 trillion soums, respectively. For 2024, they are expected to be 90.9 trillion soums, 88.3 trillion soums, and 36.4 trillion soums; and for 2025, they are expected to be 112.9 trillion soums, 106.9 trillion soums, and 43.9 trillion soums. These figures indicate that the tax base is expanding and economic growth is being rapidly transferred to the budget.

Discussion.

Received results taxes state budget in income solution doer role First , the tax income budget of income column part will shape : 2020–2025 between tax share 76–94 percent between saved . This is the case budget fiscal independence in providing taxes the most reliable source that it is shows . Secondly , after 2021 in the period

tax share slowly decrease income sources diversification This is a positive signal . possible , because budget only to tax connected will not remain ; however tax base too much outside narrowing budget stability for danger It can also give birth .

Taxes structural It is also important to change . In 2020–2021 benefit tax and VAT in the budget the most big from sources one was . In 2022–2025 and directly taxes inside benefit tax and physical from individuals removable income tax , indirect taxes VAT included and excise taxes main place This tendency of the economy formalization , work right fund legalization , consumption market expansion and digital of administration increase with related to Shirinov in my opinion , the budget of income legal basics and taxes to collect mechanism how much clear if , the income stability so much increases . This conclusion this research results also compatible with is coming .

Abdurakhimova and Guljanov 's works 2024 budget of income composition and dynamics diversified going shown was . This in the article about 2025 expectations are exactly the same this direction continue leads to : directly taxes 112.9 trillion per soum , indirectly taxes 106.9 trillion in soums , resource taxes and property tax 43.9 trillion in soums to reach This is the result . state budget main support as tax income position preserved that remains , but tax-free income is also slowly more important role playing means .

From problems one tax of proceeds some to networks and raw material to the prices For example , the earth from the bottom usage for tax income world in the market gold price , industry working release size and export to the situation related accordingly changes . VAT receipts and consumption activity , import volume and to the amount of refundable VAT directly linked . From the budget in 2025 The amount of refundable VAT is 26.4 trillion . soum to reach This is what is expected .tax not only income, maybe liquidity and exchange to the chain the impact Also, in 2025, some pharmacy and medical service indicative VAT payer of enterprises rotation budget income to the composition additional impact showed .

International to literature comparative in Uzbekistan , as compared tax policy still fiscal stability storage with together economic activity encouragement balance consistent hold It is also effective in OECD and IMF approaches . tax system high income collection , but investment and entrepreneurship not to suffocate between to balance relied on to be need Uzbekistan according to taken results this balance slowly is taking shape shows : tax income is growing , but some in directions benefits again seeing is being released and administration is being digitized .

Simple trend regression also shows the results confirms : between 2020–2025 state budget of income average annual growth very high is calculated along a linear trend income per year approximately 49.4 trillion in soums , tax income and 34.6 trillion in soums reproduction trajectory shows that the R^2 indicator is around 0.98 . to be of the trend strength means . However this model only simplified comment gives ; real fiscal to processes prices , imports, consumption , raw materials market and tax benefits such as factors impact does .

Conclusion.

Research to the results according to , taxes Uzbekistan state budget their income in formation leader source become remains . 2020–2025 in the section budget revenues 98.2 trillion 345.2 trillion soums in soums , tax income and 92.7 trillion 263.7 trillion soums in soums increase This growth is expected . tax system reforms , administration digitalization , economic activity increase and tax base expansion with explained .

Home scientific conclusion that is , taxes of the state financial stability for not only income source , maybe economic processes management and resources again distribution instrument is also . In Uzbekistan in 2020–2025 tax of proceeds high share preserved remaining although , tax-free of income share also increased This fiscal diversification point from the point of view positive , but budget stable base as taxes quality further reinforcement necessary .

Practical recommendations as follows : tax base expansion and benefits addressed again seeing exit ; VAT administration further transparency ; benefit tax according to at risk based control reinforcement ; resource taxes according to market to the situation dependency softening ; and budget income in the forecast regression and scenario analyses regular application . Such approach taxes state budget in formation role further stable and forecast to be done does

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