

## TAX POLICY AND IMPACT ON ECONOMIC DEVELOPMENT

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**Abstract** :This in the article tax of the policy economic to progress impact is studied . Tax system main duties , tax types and their to the economy impact wide analysis Uzbekistan tax system to oneself typical features and his/her entrepreneurship and to investments impact in detail will be covered . In the article tax of the policy budget stability provision , social PCB increase and economic growth in support role also seeing is removed . From this outside , international tax experience and In Uzbekistan done increasing tax reforms analysis will be done .

**Key words** : tax , tax system , social supply , international tax experience

Taxes state by designated standards based on chargeable funds , and their main tasks of the following consists of :

1. **Budget formation** – State by done increaseable all expenses ( social industry , defense , infrastructure , education , health save ) tax income at the expense of financed by tax of proceeds enough at the level to be of the state stable financial policy in providing important importance profession will reach .
2. **Economic regulation** – Through the tax system, the state takes measures to stimulate or restrict the economy. For example, certain tax breaks can support entrepreneurship. At the same time, an excessive tax burden can lead to a decrease in economic activity.
3. **Income redistribution** – A progressive tax system distributes income between the rich and the poor. This is an important tool for ensuring social justice and reducing disparities in living standards.
4. **Social Security** – Pensions, benefits, subsidies, and other social programs are financed by tax revenues. In particular, vulnerable segments of the population are protected through contributions to social insurance funds.
5. **Market regulation** – Through taxes, the state influences consumption and production processes. For example, high excise taxes can be applied to certain products, limiting their consumption (alcohol, tobacco products, etc.).
6. **Creating a competitive environment** - Through the tax system, the state can prevent monopolies and create conditions for the development of small and medium-sized businesses. For example, by introducing incentives for small businesses, they will be able to compete with large companies.
7. **Attracting international investment** – Capital inflows into a country are attracted by creating a favorable tax environment for foreign investors. To this end, some countries provide tax incentives for foreign investment.

The tax systems of different countries in the world differ depending on the level of economic development and government policies. Below is a review of the tax policies of some countries and their impact on the economy:

- **Scandinavian countries** (Sweden, Norway, Denmark) finance extensive social programs through high tax rates. Although these countries have high income taxes, education, healthcare, and social security services are provided free of charge.

- **The United States** tries to reduce the tax burden in order to encourage entrepreneurship and investment. Income tax rates are progressive, and there are tax breaks for large companies. There are also special tax breaks for companies that invest in innovative industries.
- **Germany and France** try to achieve economic stability by ensuring that tax rates are balanced. While Germany's tax policy is aimed at supporting export industries, in France a large part of the tax burden is spent on financing social security and pensions.
- **Singapore and the United Arab Emirates** have favorable tax systems for doing business. These countries have low corporate tax rates and incentives aimed at attracting international companies.
- **China** is constantly changing its tax policies to stimulate economic development. In particular, tax breaks are provided to companies in the manufacturing and technological innovation sectors.

In general, the tax system is formed in accordance with the economic and social needs of each country. An effective tax policy contributes to the sustainable development of the country's economy and the creation of a favorable environment for investors.

The Republic of Uzbekistan has implemented reforms aimed at modernizing the tax system in recent years. Important changes the following own inside takes :

- **Simplified tax system** - Special benefits have been provided for small businesses.
- **Tax burden reduction** – Some taxes have been reduced or eliminated.
- **Electronic tax reports** - Modern digital technologies have been introduced to create convenience for taxpayers.
- **Tax incentives for investments** – Tax incentives have been introduced to attract foreign investors.
- **Regional tax incentives** – Special tax incentives have been established to develop production in certain regions.

The tax system is one of the most important components of the state economy, and its effective functioning serves to ensure the economic stability of the country. Through tax policy, the state has the opportunity to develop entrepreneurship, attract investments, and ensure social stability.

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