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Scientific And Theoretical Foundations For Stimulating Enterprise Activities Through The Tax System

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Abstract

This study is devoted to the further improvement of mechanisms for supporting and stimulating enterprises through taxation, using Surkhandarya Region as a case study. The research analyzes the economic outcomes of tax benefits, preferences, and other incentive instruments granted to enterprises operating in the region. In addition, the role of the existing tax system in shaping enterprises' investment activity, production performance, export capacity, and job creation is assessed. Based on the findings, scientific and practical recommendations are developed for improving tax incentive mechanisms effectively, taking into account the specific economic characteristics of the region. These proposals are aimed at increasing the economic activity of business entities, expanding investment flows, and supporting the sustainable economic development of Surkhandarya Region.

Keywords: tax policy, tax preferences, tax incentives, enterprise stimulation, entrepreneurial activity, investment, regional development, Surkhandarya Region, economic growth, export activity, employment generation, competitiveness, economic efficiency.

INTRODUCTION

In a market economy, improving the efficiency of enterprises and strengthening their competitiveness are among the key priorities of state economic policy. Tax policy serves as an effective economic instrument for ensuring economic growth, increasing investment inflows, expanding employment, and increasing export volumes. From this perspective, improving mechanisms for stimulating enterprises through taxation is of particular importance in supporting entrepreneurial activity, developing production processes, and strengthening financial stability.

At present, Uzbekistan is implementing large-scale tax reforms aimed at improving the business environment, creating favorable conditions for entrepreneurial entities, and increasing investment attractiveness. The optimization of tax rates, the introduction of tax benefits and preferences, and the digitalization of tax administration have had a positive impact on enterprise activity. However, differences in the level of economic development and available opportunities across regions create a need to increase the effectiveness of tax incentive mechanisms in certain territories.

MAIN PART

Stimulating enterprises through taxation is one of the important instruments for economic development. In a market economy, the state uses tax policy to support business entities, encourage investment flows, and increase production volumes. Tax incentive mechanisms are reflected in tax benefits, preferences, reduced tax rates, and relief measures for certain types of taxes granted to enterprises. These mechanisms expand enterprises' financial capacity and contribute to strengthening their competitiveness and economic activity.

Today, Uzbekistan is carrying out broad reforms to improve the tax system in order to develop entrepreneurship and enhance the investment climate. Within the framework of these reforms, the reduction of the tax burden, the simplification of tax administration, and the creation of favorable conditions for business entities have become important factors in ensuring economic growth. At the same time, because the development level and economic potential of enterprises differ across regions, there is a need to improve tax incentive mechanisms based on regional characteristics.

Surkhandarya Region is one of the economically important regions of the country, where industry, agriculture, services, and trade are developing dynamically. The increasing share of small business and private entrepreneurship in the region contributes to stronger economic activity. In recent years, new production enterprises have been established in the region and investment projects have been implemented. In these processes, tax benefits and preferences provided by the state play a significant role. In particular, tax relief measures created for export-oriented enterprises, entities modernizing production, and entrepreneurs creating new jobs enable them to expand their activities.

Nevertheless, there are certain problems in the system of stimulating enterprises through taxation in Surkhandarya Region. In particular, some enterprises are not fully aware of existing tax benefits and preferences, which prevents them from using these instruments effectively. In addition, in some cases, the complexity of the documents and procedures required to obtain tax benefits creates additional difficulties for entrepreneurs. As a result, the practical effectiveness of tax incentive mechanisms does not always reach the expected level.

The analysis shows that it is necessary to improve tax incentive mechanisms in order to further increase investment activity and support enterprises in the region. For this purpose, it is advisable to provide targeted tax benefits to enterprises implementing investment projects, additionally encourage entities introducing innovative technologies, and strengthen support measures for enterprises expanding export activity. It is also important to simplify the procedure for obtaining tax benefits, widely introduce digital services, and improve entrepreneurs' tax literacy.

DISCUSSION AND RESULTS

During the study, the practice of supporting enterprises through tax instruments in Surkhandarya Region was examined, and the effectiveness of existing incentive mechanisms was analyzed. The results show that tax benefits and various preferences play an important role in developing enterprise activity. In particular, these mechanisms have a significantly positive effect on increasing investment volumes, expanding production capacity, and creating additional jobs. The reduction of the tax burden expands enterprises' financial opportunities and enables them to introduce modern technologies and modernize production.

The analysis confirmed that tax relief measures created for business entities in Surkhandarya Region have a positive impact on the development of small business and private entrepreneurship. Enterprises that used tax benefits

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effectively demonstrated increased investment activity, established new production facilities, and improved export indicators. At the same time, it was observed that some enterprises do not use tax preferences sufficiently, mainly due to weak information support, the complexity of existing procedures, and the insufficient legal and financial knowledge of entrepreneurs.

The study revealed the need to further improve tax policy by taking into account the economic characteristics of the region. In particular, applying tax incentive measures adapted to the leading sectors of the regional economy - industry, agriculture, and services - can increase the efficiency of enterprise activity. In addition, supporting enterprises that implement innovative projects and expand export activity through additional tax benefits can further improve the investment environment.

Based on the research, a number of recommendations were developed to improve the system of stimulating enterprises through taxation. These include strengthening the system for evaluating the economic effectiveness of tax benefits when allocating them, simplifying the process of using benefits, developing tax services based on digital technologies, and improving entrepreneurs' knowledge and skills in the field of taxation. It was also found appropriate to introduce additional incentive measures for enterprises implementing new investment projects and developing export activity.

CONCLUSION

The results of the study show that mechanisms for stimulating enterprises through taxation are of great importance in ensuring economic development, supporting entrepreneurial activity, and increasing investment activity. The analysis conducted on the example of Surkhandarya Region confirmed that existing tax benefits and preferences have a positive effect on expanding enterprises' production potential, creating new jobs, and increasing export volumes.

At the same time, the study identified several problems that reduce the effectiveness of using existing tax incentive mechanisms. These include the insufficient awareness of enterprises about tax benefits, the complexity of procedures for using benefits, and, in some cases, the incomplete alignment of incentive measures with regional needs. These factors limit the overall effectiveness of the system.

Based on the findings, several proposals were developed to improve mechanisms for stimulating enterprises through taxation. In particular, the study substantiates the need to expand targeted tax benefits aimed at supporting investment and innovation activities, create additional preferences for exporting enterprises, simplify and digitalize tax administration, and improve entrepreneurs' tax literacy. It also emphasizes the importance of designing tax incentive measures based on the economic characteristics and priority sectors of the region.

In general, further improvement of the system for stimulating enterprises through taxation in Surkhandarya Region will contribute to increasing the economic activity of business entities, expanding investment volumes, creating new jobs, and ensuring the sustainable economic development of the region. The practical implementation of the proposals and recommendations put forward in the study will serve as an important basis for increasing the effectiveness of tax policy and strengthening the competitiveness of enterprises.

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