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NECESSITY AND IMPORTANCE OF INTER-BUDGETARY RELATIONS BETWEEN THE LINKS OF THE BUDGET SYSTEM

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Abstract
This article highlights the necessity, functional tasks, and economic consequences of inter-budgetary relations between the links of the budget system.

Keywords: Inter-budget transfer, grant, subsidy, budget loan, strong donor regions, weak donor regions, local budget revenues.

Introduction

The process of implementing fiscal and budgetary reforms involves, first of all, giving local self-government bodies greater independence, increasing their role in solving socio-economic problems and at the same time strengthening their financial base, creating a completely new financial budget and tax mechanism, regulating inter-budget relations and determining the methodology and principles for ensuring the implementation of the state budget. In this process, issues of improving the system of inter-budget relations occupy a special place. As is known, in the Budget Code, the concept of "inter-budget relations" is interpreted as "a "relationship" between state authorities. These relations are, in fact, "a set of relations related to the movement of budget funds between budgets of different levels in the budget process, in the process of budget formation and implementation. Such an interpretation in the law leads to the erroneous conclusion that any and all relations between state authorities in all areas can be considered "inter-budget relations". In our opinion, it is necessary to further clarify the definition of inter-budgetary relations, to increase its scientific basis.

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Analysis of the literature on the topic

A somewhat more complete definition of interbudgetary relations is given in the textbook "Finance" prepared by Russian economists A.M. Babich and L.N. Pavlova: "Interbudgetary relations are a set of relations between state authorities, central authorities and local self-government bodies related to the formation and execution of budgets and the organization of the budget process, the combination and delimitation of rights and obligations, powers."

This definition cannot be considered sufficiently precise, since it reflects only the relations in the process of considering and preparing the legal basis for solving this problem. This definition does not at all express an opinion on the actual movement of funds from one budget link to another or between budgets of the same level during the execution of the budget.

As a result of analyzing the content of interbudgetary relations and the level of interpretation in various literature, it can be concluded that, depending on the level of the budget system in which interbudgetary relations occur, they can be divided into relations between the levels of the budget system and between budget units at the same level. Thus, the concept of "interbudgetary relations" should include the following: in our opinion,

• a somewhat more complete set of relations arising in the budget process;
• mutual (one-level) relations of state authorities;
• mutual relations of lower budget units with the republican budget;
• cases of financial assistance not only from top to bottom, but also from lower budgets to higher budgets, etc.

Based on this, based on the analysis of the nature of interbudgetary relations as an economic reality, it is necessary to emphasize the following:

• firstly, interbudgetary relations are an integral part of the process of implementing a comprehensive budget policy at the central and regional levels;
• secondly, inter-budgetary relations are of primary importance in relation to other areas of budget policy;
• thirdly, inter-budgetary relations are not only relations between authorities at different levels of government, but, first of all, relations between subjects of the country's administrative-territorial structures in the process of distribution and redistribution of all funds formed by the center and transferred to the state

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authorities for the purpose of performing their specific functions at the territorial level and creating normal conditions for the development of society;

• fourthly, ensuring the receipt of funds from regions and localities to the central authorities (republican level) in turn gives them the right to demand the fulfillment of specific tasks and obligations in state administration, 3 which ensures unified and effective management of the republican state authorities in the interests of their territories. At the same time, the allocation of funds from the republican budget to local budgets creates support for the fulfillment of obligations of local budgets in the central management of the country and eliminates the objective grounds for the emergence of certain localist sentiments in the regions;

• fifth, inter-budgetary relations are financial flows moving from the bottom up and from the top down in an absolutely equal way. Without these relationships, budgets at different levels could not be successfully formed. Therefore, these financial flows are an influential factor in shaping local budgets.

Thus, we can define interbudgetary relations as follows: “Interbudgetary relations are an important integral element of the state budget mechanism, ensuring rational regulation of the process of distribution of all financial flows from the central government among the subjects of the country's administrative-territorial structures, and, in addition, a set of relations that include the redistribution of funds accumulated in the state budget among these subjects in order to perform specific functions of the central government through the mutual distribution of rights and obligations at different levels of state administration.”

State budget funds are redistributed between budgets of different levels in the following ways:

• on the basis of the distribution of part of general state taxes and other general state revenues between budgets of different levels according to established norms in the established manner;

• on the basis of the allocation of budget subventions and grants from higher budgets to lower budgets;

• on the basis of the transfer of funds from the higher budget level to the lower budget levels, as well as from the lower budget levels to the higher budget levels, based on mutual settlements arising in the process of budget execution;

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• on the basis of the allocation of budget loans.

As is known, budget subventions and subsidies allocated from the republican budget to local budgets are implemented in the manner established by the Law of the Republic of Uzbekistan on the "Budget Code". The amount of such allocations depends on:

• the financial condition of the regions, including the strength of their own revenue bases;

• the scale of socio-economic, environmental, demographic and other state-wide tasks and programs implemented in the region;

• differences in the cost of goods (works, services) across regions;

• the number of regions' population;

• the need for budget allocations of organizations located in this region and receiving funds from the relevant budget;

• other factors taken into account to eliminate financial imbalances between regions.

The cash difference in the revenues and expenditures of local budgets is covered by cash turnover in the cash register, loans from higher budgets, unused budget funds from previous periods.

The restrictions that local budgets must observe in the system of organizing and managing inter-budgetary relations are of great importance. In particular, local budgets must have a balanced system of revenues and expenditures, in accordance with budget legislation.

The actual deficit of local budgets should not be allowed.

In accordance with the law, the following are prohibited for local budgets:

1. Replenish their budgets at the expense of sources not provided for by the legislation of the Republic of Uzbekistan or create special-purpose funds;
2. Make any other borrowings, except for budget loans;
3. Allowing their own budget expenditures to exceed approved allocations, except in cases provided for by budget legislation;
4. Providing financial guarantees and letters of guardianship in favor of other persons;
5. Providing budget loans to legal entities and individuals.

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Based on the generalization of the experience of the country's budget practice, it is possible to highlight the possibilities of increasing the efficiency of the system of interbudgetary transfers in the system of interbudgetary relations in the Republic of Uzbekistan and ensuring the implementation of the tasks assigned to local budgets.

Conclusion

It is evident that in interbudgetary relations, not only the problems arising between the relations of the republican budget with local budgets, but also the relations of regional budgets with local budgets, have not been sufficiently studied. In our opinion, the main attention should be paid to the main traditions of interbudgetary relations in the future. Market reforms entail the need to unify and centralize all incomes at the republican level in order to implement state-wide economic and social programs, as well as to reform the tax system corresponding to them.

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