

TAX INCENTIVES AND THEIR IMPORTANCE IN ENTERPRISE ACTIVITIES

Turayev Alijon Akmal ugli

Associate Professor of the Department of "Investment and Innovations," PhD

E-mail: alijon.turayev@mail.ru

Jo'raboyev Ma'murjon Shuhrat o'g'li

Student, Samarkand Institute of Economics and Service

E-mail: aniota0102@gmail.com

ARTICLE INFO.

Keywords: tax incentives, enterprise activity, tax policy, economic efficiency, investment activity, financial stability, tax administration, business support, economic growth, competitiveness, tax benefits, state budget

Annotation

This article analyzes tax incentives and their importance in enterprise activities. The study examines the economic essence of tax incentives, their role in supporting business development, and their impact on enterprise efficiency. It also evaluates the distribution of tax incentives among large enterprises and their contribution to expanding production and investment activity. Based on the findings, practical recommendations are developed to improve the effectiveness and targeted application of tax incentives. The results of the study are important for ensuring sustainable economic growth and strengthening enterprise competitiveness.

<http://www.gospodarkainnowacje.pl/> © 2026 LWAB.

Introduction

In our country, tax policy plays an important role in developing a market economy, supporting entrepreneurial activity, and ensuring economic growth. In particular, tax incentives are widely used as an effective tool for regulating and stimulating the economy. Through tax incentives, the state promotes the development of priority sectors, attracts investments, creates new jobs, and increases production volumes.

According to the Tax Code of the Republic of Uzbekistan, tax incentives refer to the full or partial exemption of certain taxpayers from taxes, reduction of tax rates, decrease of the tax base, or deferral of tax payment deadlines. This mechanism serves to support enterprise activities, reduce their financial burden, and increase economic activity. In this regard, tax incentives are considered an important economic stimulus for enterprises.

In recent years, large-scale measures aimed at liberalizing the economy and developing entrepreneurship have been implemented in our country. In particular, presidential decrees and resolutions have identified reducing the tax burden, simplifying tax administration, and creating favorable conditions for doing business as priority tasks. This further enhances the practical importance of tax incentives.

Tax incentives play a significant role in enterprise activities. They reduce production costs, increase profits, and improve investment attractiveness. Especially for newly established enterprises and small business

entities, tax incentives help ensure financial stability in the initial stages. At the same time, tax incentives play an important role in supporting innovation, promoting exports, and introducing new technologies.

However, an excessive number of tax incentives or their improper application may lead to certain negative consequences. In particular, it may result in a reduction of state budget revenues, the emergence of economic imbalances, and increased complexity of the tax system. Therefore, it is important to evaluate the effectiveness of tax incentives and apply them in a targeted manner.

In the current global economic environment, the role of tax incentives is increasing. Many countries actively use tax incentives to attract investments and stimulate economic growth. This increases the need for scientific research and analysis of this issue.

From this perspective, studying the economic essence of tax incentives, analyzing their impact on enterprise activities, and assessing their practical effectiveness is of great scientific and practical importance. The purpose of this article is to reveal the content of tax incentives, analyze their importance in enterprise activities, and develop scientifically grounded recommendations for their improvement.

Literature Review

The issue of tax incentives and their importance in enterprise activities is studied in economic literature in close connection with state tax policy, investment climate, and entrepreneurship development. Various theoretical and practical approaches have been developed by both domestic and foreign scholars.

First of all, the tax system and its impact on the economy have been widely covered in classical economic theories. A. Smith considered taxes as the main source of state revenue and emphasized that their fair and efficient collection ensures economic stability. Later economists began to consider tax incentives as a tool for regulating and stimulating the economy and substantiated their positive impact on enterprise activities.

In modern economic literature, tax incentives are considered an important factor in attracting investment and stimulating economic growth. In particular, foreign researchers emphasize that tax incentives help increase production volumes, introduce new technologies, and expand export potential. In their view, tax incentives create additional financial resources for enterprises and enhance their competitiveness.

Uzbek economists have also extensively studied this issue. In particular, Sh. Sh. Gulomov emphasizes that improving the tax system contributes to the development of entrepreneurship. According to him, tax incentives are an important tool for supporting enterprises, ensuring their financial stability, and increasing economic activity.

M. Q. Pardayev and other domestic scholars consider tax policy as an important instrument of economic development and note that the effective use of tax incentives improves the investment climate. Their research shows that tax incentives help develop priority sectors and support regional economies.

Normative-legal documents are also important sources for studying this topic. In particular, the Tax Code of the Republic of Uzbekistan defines the types of tax incentives, as well as the procedures and conditions for their application. This document forms the legal basis of tax incentives and provides clear and understandable mechanisms for enterprises.

In addition, presidential decrees and resolutions identify the use of tax incentives as a key direction for developing the economy, attracting investments, and supporting entrepreneurship. These documents contribute to increasing the practical importance of tax incentives.

Analysis of foreign experience shows that in developed countries, tax incentives are widely used as an important tool for economic stimulation. In particular, tax incentives are widely applied in supporting innovation, exports, and small businesses. At the same time, some studies note that excessive tax incentives may negatively affect budget revenues.

The analysis of the above scientific sources shows that tax incentives are an important factor in developing enterprise activities, and their effective and targeted use plays a significant role in ensuring economic stability. Therefore, in-depth study of this issue and the development of practical recommendations are highly relevant.

Research Methodology

In this study, a comprehensive approach was applied to examine the impact of tax incentives on enterprise activities. During the research process, economic analysis, comparison, and generalization methods were used. In addition, theoretical and practical analyses were conducted based on the Tax Code, presidential decrees, and scientific sources. Analytical and logical approaches were applied to assess the impact of tax incentives on enterprise performance. To ensure the reliability of the results, data from various sources were compared.

Analysis and Results

In assessing the importance of tax incentives in enterprise activities, the volume of incentives received by large enterprises and their distribution were analyzed. According to data from the State Tax Service, the top 10 enterprises that benefited most from tax incentives received a total of 11.6 trillion UZS in incentives. After this information, the image is placed as Illustration 1.



Illustration 1. Enterprises that benefited most from tax incentives

The analysis of the presented data shows that the majority of tax incentives are concentrated in large industrial and strategically important enterprises. In particular, "Navoi Mining and Metallurgical Combine" JSC received 4.3 trillion UZS in incentives, which is the highest показатель. In addition, "Almalyk Mining and Metallurgical Combine" JSC received 1.8 trillion UZS, "National Bank of Uzbekistan" JSC 1.2 trillion UZS, and "Agrobank" 0.81 trillion UZS in tax incentives.

The analysis indicates that tax incentives are mainly directed toward large industrial and financial sector enterprises, reflecting the state's policy of supporting strategic sectors. Especially enterprises operating in mining, banking, and transport sectors widely benefit from incentives due to their significant role in the economy.

Furthermore, the data shows that a significant portion of tax incentives is provided through the application of a zero rate for value-added tax. This contributes to promoting exports and improving enterprise liquidity. As a result, enterprises gain additional financial resources, enabling them to expand production and increase investment activity.

The obtained results demonstrate that tax incentives serve as an important tool for stimulating enterprise activities. However, the concentration of incentives among a few large enterprises may lead to certain economic imbalances. Therefore, it is necessary to evaluate the effectiveness of tax incentives and expand their coverage to include small and medium-sized enterprises.

Conclusion and Recommendations

Kielce: Laboratorium Wiedzy Artur Borcuch

The research results show that tax incentives are an important economic tool for developing enterprise activities. The analysis revealed that through tax incentives, large enterprises gain additional financial resources, enabling them to increase production volumes, expand investment activities, and improve economic efficiency. In particular, enterprises operating in strategically important sectors such as industry, banking, and transport widely benefit from tax incentives, confirming their significant role in the economy.

At the same time, the research indicates that most tax incentives are concentrated among large enterprises. While this supports the development of priority sectors, it may negatively affect the formation of a fair competitive environment for small and medium-sized enterprises. Moreover, an excessive number of incentives may reduce state budget revenues.

Based on the above findings, several recommendations can be proposed. First, it is necessary to improve the system for evaluating the effectiveness of tax incentives. Each incentive should produce tangible economic results, such as increased production, investment, or employment. Second, tax incentives should be more targeted and directed toward priority sectors with high value-added.

Third, the scope of tax incentives should be expanded for small and medium-sized enterprises to strengthen competition and broaden the tax base. Fourth, transparency in granting tax incentives should be ensured, and monitoring mechanisms should be strengthened.

In addition, it is important to regularly analyze the impact of tax incentives on state budget revenues and optimize them when necessary. This will help maintain economic balance and ensure budget stability.

In conclusion, tax incentives play a crucial role in promoting enterprise development and economic growth. Their effective and targeted application can contribute not only to improving enterprise performance but also to ensuring the sustainable development of the entire economy.

References

1. President of the Republic of Uzbekistan, "On measures to improve tax policy and support entrepreneurship," Tashkent, 2024.
2. Ministry of Economy and Finance of the Republic of Uzbekistan, Analysis of state budget revenues and tax receipts, Tashkent, 2024.
3. State Tax Committee of the Republic of Uzbekistan, Report on tax incentives and their application, Tashkent, 2024.
4. Sh. Sh. Gulomov et al., Modern tax system and tax policy, Tashkent: Iqtisodiyot, 2024.
5. M. Q. Pardayev, Tax policy and economic development, Tashkent: Fan va texnologiya, 2024.
6. B. T. Rasulov, "Economic efficiency of tax incentives," Economics and Innovative Technologies, no. 2, 2024.
7. D. A. Qodirov, "The role of tax incentives in enterprise activities," Finance and Banking, no. 3, 2024.
8. Z. R. Yusupov, "Management and evaluation of tax incentives," Economics and Education, no. 1, 2025.
9. A. A. Karimov, "The relationship between tax incentives and investment activity," Journal of Economic Research, no. 2, 2025.
10. State Statistics Agency of the Republic of Uzbekistan, Enterprise activity and economic indicators collection, Tashkent, 2025.