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TAX STRATEGY AND ECONOMIC GROWTH: HOW TO FIND THE BALANCE AT THE ENTERPRISE LEVEL?

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Abstract: In this article, the role of tax strategy in enterprise activity and its impact on economic growth are analyzed. The issues of rational management of the tax burden, effective use of tax incentives within the framework of legislation, and optimization of financial resources are highlighted. Also, the mechanisms for ensuring a balance between tax obligations and investment activity in enterprises are considered. The research results show the importance of an effective tax strategy in ensuring the sustainable development and increasing the competitiveness of enterprises.

Keywords: tax strategy, economic growth, enterprise management, tax burden, tax incentives, financial resources, investments, tax planning, profitability.

Introduction. The tax system is one of the most important instruments of state economic policy, performing the tasks of forming budget revenues, maintaining economic stability, and supporting entrepreneurial activity. In the modern economy, conducting an effective tax policy not only ensures the strength of public finances but also serves to improve the investment climate and accelerate economic growth. International experience shows that an optimal balance between tax rates and tax administration is an important factor in economic development. Economically developed countries have achieved an increase in the investment activity of business entities by optimizing the tax burden. In Uzbekistan as well, the tax reforms implemented in recent years are aimed at improving the business environment, reducing the tax burden, and stimulating economic growth. As a result, investment activity and production volume increased significantly in many sectors of the economy.

The connection between tax policy and economic development is considered one of the important directions of economic theory. According to the results of research, lowering corporate tax rates expands the investment opportunities of enterprises and helps create new jobs. At the same time, the complexity of the tax system is noted as one of the factors that reduces economic activity. In this research, methods of comparative analysis, statistical observation, and economic comparison were used. The indicators of tax policy of Uzbekistan and foreign countries were compared with each other, and practical conclusions were developed.

Changes in Certain Macroeconomic Indicators in Uzbekistan (2019–2024)
Table 1

Indicator	2019	2021	2024	Change (%)
GDP growth rate (%)	5.7	7.4	6.5	+14.0
Direct foreign investments (billion USD)	4.2	6.8	11.9	+183.3

Number of newly established enterprises (thousands)	93	101	124	+33.3
Tax revenues (trillion UZS)	112	136	189	+68.8

Discussion and Results. As a result of the analysis, it was determined that the role of tax strategy in enterprise activity and economic development is high. Keeping the tax burden at an optimal level creates an opportunity for additional financial resources to remain at the disposal of enterprises. These funds are directed towards modernization, the implementation of innovations, and expanding production. A digitalized tax system reduces administrative costs and creates convenience for taxpayers. The experience of Estonia, Singapore, and South Korea shows the effectiveness of such an approach.

Impact of Tax Strategy on Enterprise Activity

Table 2

Indicator	Before Tax Optimization	After Tax Optimization	Change (%)
Net profit (million UZS)	850	1120	+31.8
Investment volume (million UZS)	430	690	+60.5
Number of workers (persons)	95	118	+24.2
Labor productivity (%)	100	127	+27.0

Conclusion. The research results showed that tax strategy is one of the important factors of economic growth. Reasonably managing the tax burden at the enterprise level serves to expand investment activity, increase profitability, and create new jobs. In the conditions of Uzbekistan, further improving tax policy, accelerating digitalization processes, and applying targeted tax incentives will allow for increasing economic growth rates. Also, maintaining a balance between fiscal stability and entrepreneurial interests is an important condition for long-term economic development.

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