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FORMATION OF TAX REVENUE TO THE LOCAL BUDGETS IN CONTEXT OF FISCAL DECENTRALIZATION

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Summary. In the article defines the role of taxes in the formation of revenues of local budgets, analyzes the structure of tax revenues and the peculiarities of the distinction between the different levels in terms of amending the budget and tax legislation in terms of fiscal decentralization. On the basis of the study there were identified problems and the main ways to strengthen the financial base of local budgets.

Key words: *local budgets, tax revenues, taxes, local governments, fiscal decentralization.*

The current model of intergovernmental relations in Ukraine is characterized by excessive centralization of tax revenues, the asymmetry between liabilities and income of local governments. Practical aspects of the formation of tax revenues of local budgets require further studies related to the adoption of amendments to the Budget and Tax Code of Ukraine.

Imitation of fiscal decentralization in Ukraine in the form of increasing the power and the financial base of local communities has been going on for over ten years, and every year is declared in the main direction of fiscal policy, and actually increased the level of fiscal centralization. So during the period from 2008–2013. level of budget centralization increased from 75,19 to 76,6 %, and therefore the level of decentralization of budgetary resources decreased from 24,81 to 23,4 %. An important source of local budget revenues are taxes. Among tax revenues income tax continues to maintain the position of the most significant in terms of source revenues of local budgets – 61,4 % of total revenues of local budgets. The second largest source of revenues for local budgets are traditionally are payments for the land share – 12,2 %. Local taxes and fees in Ukraine does not play a sig-

nificant role in local revenues, their share is 7 %. An important source of local budgets, taxes and charges are related to environmental pollution.

Research of forming local budget revenues practice demonstrate the lack of local authorities do not have sufficient financial resources for the management of economic and social areas. Formation of the tax revenues of local budgets for 2015 based on new laws and reforms.

Fiscal decentralization is made to expand revenue sources, local administration and to allow local governments to regulate the size of taxes. However, we believe that legislative innovations do not provide the promised government fiscal decentralization as the transfer of additional sources of income for communities secured a huge amount of new spending, including almost all of spendings on education, medicine, culture, roads and utilities. However, increasing the share of allocations to the center of payments remained largely in local level, including the tax on personal income, royalties for the use of mineral resources. Therefore, the issue of fiscal decentralization in Ukraine remains being actual.

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