

The interpretation of the concept of quality of budgetary planning (forecasting) provides that public spending and revenue can not be measured only by financial indicators of the current budget year, also attempts of performing only quantitative indicators of planned amounts of revenue and expenditure budget are insufficient. In addition to the quantitative indicators of the budget of current year should consider such indicators of effectiveness as stability or vulnerability of revenue sources, the dynamics of the number of budget programs and funding, their connection with the solution of demographic, environmental and social objectives of the state because the adoption of a balanced budget is not final and overarching criterion for measuring the financial situation of the country or territorial unit.

The active modernization of mechanism for tax-budgetary (fiscal) regulation of the economy and upgrading of its instruments are occurring currently in Ukraine for overcoming of post-crisis imbalances, stabilization of economy and transition to sustainable development. Therefore, the introduction of budget strategy will promote perfection the process of formation of budget revenues and determination the volume of expenditure and will promote balanced management decision-making in the area of state finances concerning balancing the budget in the long term.

References:

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Buriachenko A.

DSc. (in Econ.), Prof., Department of Finance,
Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine

IMPERATIVES OF THE FINANCIAL BASE OF LOCAL GOVERNMENTS

*Neither tanks, nor glorious traditions,
nor wealth won't help if the imperatives are wrong...
S.P. Kaputsa (Academician of the Academy Science of the USSR)*

It is no accident in the title of our paper, we introduced the concept of "imperative", according to the great German philosopher I. Kant "... is a common comprehensive moral law inherent in every person." Indeed, when the citizens of the country understand that the development and prosperity of both the individual community and the state as a whole depend on their awareness and attitudes, their work, we can approve that imperatives of local self-government are strongly entrenched in the mind.

Local self-government has a specific form and name in every state, depending on the characteristics of its political and administrative-territorial structure, forms of government and political regime, historical, national, and geographic and other features.

Currently in Ukraine, is implemented the so-called "continental public" model of local self-government, the main principles of which are enshrined in the Constitution and laws of Ukraine. Local self-government is carry out by the local communities of villages, towns and cities, both directly and through appropriate electoral and executive bodies, representing the common interests of the local communities of villages, towns and cities.

According to Art. 5 of the Constitution of Ukraine, the realization of power by citizens takes place directly through local self-government bodies, while local self-government bodies occupy a separate place in the political system of society and do not enter into the state mechanism, which gives grounds for considering it as a separate form of realization power belonging to citizens.

Let us note, the general principles of local government include: Democracy; Legality; Publicity; Collegiality; Combination of local and state interests; Electivity; Legal, organizational and material and financial autonomy; Accountability and responsibility to the local

communities; State support and guarantees of local government; Judicial protection of local self-government. These principles have a determining (imperative) influence in all spheres of local self-government.

In our opinion, very important aspect in the development of local government is the learning of the economic content of local government, its financial component. Although, the main financial basis of local self-government is local budgets, we suppose, it is necessary to consider financial and economic complex as a whole.

Determination of the main theoretical aspects and features of public and local finances is important for the practical implementation objectives and functions of the state and local governments. At the same time, the main features of the local finance are:

- 1) closely related to the functions of local and state government;
- 2) closely linked with the existence of commodity-money relations, the GDP distribution and redistribution;
- 3) define specific relations that arise between local government and local communities according to the formation, distribution and use of local governments funds;
- 4) the purposeful nature is expressed in providing local government with the financial resources necessary to fulfill their functions.

The financial base should be the cornerstone that must be laid down in the implementation of all reforms relating to the administrative structure, the financial decentralization and the development of local government. This will make it possible to involve the full mechanism of local financial resources formation and use, thereby increasing the overall effectiveness of the existing financial potential of communities and ensuring the balanced development of administrative and territorial units.

Demydenko L.

PhD in Economics, Assoc. Prof.

Taras Shevchenko National University of Kyiv, Kyiv, Ukraine

TAX SYSTEM EVOLUTION IN UKRAINE

Forming of Ukraine's tax system began in the early 90's of the XX century with adoption of the Law of Ukraine "On Taxation System" (1991) [1]. Article 67 of the Constitution of Ukraine declares that everyone is obliged to pay taxes and charges in the manner and in the amount established by the law [2].

Analysis of economic feasibility, legislative instruments and practical actions allows distinguishing several stages of Ukraine's tax system evolution:

The first stage (1991-1996) characterized by frequent changes in laws, low level of tax payments and tax authorities' experience. During 1994 taxable income of corporate tax was changed several times, amount of deductions for compulsory income insurance totaled to 90% of payroll budget, in 1995, balance sheet profit was recognized as a taxable income also differential rates of corporate tax depending on type of activity were introduced.

The second stage (1997 -2003)- system of fiscal control over taxable items was established, tax police was created, tax burden was increased, proportional tax scale for corporate tax with rate in the amount of 30% was introduced, the reduced rate for enterprises with foreign investment was canceled. Procedure for value added tax, VAT rate decrease from 28% to 20% was introduced, which exist up to the present moment.

The third stage (2004-2010). Proportional tax rate on personal income in the amount of 13% was introduced instead of the progressive scale, with further increase to 15%, social tax benefit was introduced instead of non-taxable minimum of citizens' income, term for tax loss carry-over under income tax was changed from 60 months to 36, and further to 12 months.