TAX-BENEFIT MODEL: METHODOLOGICAL ASPECTS OF IMPLEMENTATION

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The paper deals with the applied problem of formation of cumulative microdata set to provide the construction of tax-benefits model for Ukraine. It is shown the importance of microsimulation modelling for the contemporary policymakers to provide the necessary information for the decision-making process. The purpose of this paper is to present practical approaches to the formation of Ukraine's population model within the procedure of national microsimulation model construction.

Methodologically, the implementation of the tax-benefit model is based on a model of a population with defined time and geographic characteristics. So, the first stage of the implementation of a tax-benefit model is the creation of a cumulative dataset, relying on which the analysis of the impacts of policy changes is made. The general principle of microdata set formation is to combine the data from the sample surveys or/and administrative data. It would be useful to make high-level data analysis to provide relatively homogeneous data for a cumulative dataset. It is also needed to use the actual data of demographic statistics, aggregated by the regions and types of the area to ensure that the final estimates of the cumulative dataset are consistent with the target year population.

The evaluation of monetary indicators for the baseline is the mandatory stage of dataset formation; it needs application number of approaches. Depending on what study aims, it is possible to conduct a procedure for taking into account the standard of living of the well-offs. It requires additional information that reflects conditions of life of households/people of different income groups. The implementation of this procedure is multistage; it involves methodological data harmonization and complex statistical tool usage.