

# **INFLUENCE OF INSTRUMENTS OF BUDGET EQUALIZATION OF INCOME BASE OF LOCAL BUDGETS ON STATUS OF REGIONAL BUDGET OF CHERNOVITSK REGION**

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The article examines the realization of budgeted equalization of Chernivtsi regional budget with the help of interbudgetary transfers, since they are the main instrument of equalization in Ukraine.

The relevance of the topic is explained by the fact that through the budget equalization mechanisms the issue of the efficiency of budgetary funds distribution between the regions is solved. Therefore, the social protection of the population and economic development of the territories depend on the effectiveness of its implementation.

During the study, it was found that transfers were and remain the main source of filling local budgets of the Chernivtsi region and amount to over 90% of total revenues. This situation shows the high dependence of the budget on intergovernmental transfers and the need to attract new sources of own revenues.

Analysis of the transfer payments structure showed that the largest share is received from subventions. In 2015 and 2016, this share increased and now ranges from 94-95%. The share of the official transfers' revenue is insignificant – within 3%.

The estimation of the dependence of the Chernivtsi regional budget incomes by means of the coefficient method showed that there is a lack of own income which local self-government bodies can dispose independently in accordance with the directions of socio-economic development of the territory and, consequently, financial dependence on the amount of transfer payments transferred by the central authorities to the local level.

Thus, the results obtained suggest that the official transfers received from the state budget are the main method of budgetary regulation, which is inefficiently used for the purpose of financial equalization. Current practice shows that the main purpose of transfer revenues nowadays is not to carry out financial equalization but to meet the current needs of local self-government bodies, which are financed at the expense of local budgets. In recent years, the Chernivtsi regional budget is dependent on transfer revenues. Accordingly, transfers play a decisive role in the functioning and development of the region.