

FINANCIAL CAPACITY OF THE UNITED TERRITORIAL COMMUNITIES BUDGETS

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The features of formation the financial capacity of the united territorial communities local budgets in the conditions of decentralization are defined in the article. Main financial advantages after the unity of territorial communities are determined. Particular attention is paid to the sources of local budget revenues and taxes which form the budget of territorial community.

During the past three years, fundamental changes in the system of local self-government have taken place in Ukraine, especially in the terms of local budgets creation and creation of a new powerful local government entity – united territorial community.

New communities received a decent amount of financial resources, their budgets became proportional to the budgets of cities of regional importance and state support gave stimulus to such communities to create new opportunities for people in rural areas to receive services that were previously in deficit. However, today it is a relevant issue which is widely discussed by scientists and public concerning the fact whether these

funds will be sufficient to meet all community needs.

An important element of Ukraine budgetary system is local budget, which in accordance with the Budget Code of Ukraine, contain revenues and expenditures for the implementation of powers of local self-government bodies. Their financial capacity is secured by property, land and by securing their own sources of income; by the right to determine directions of funds allocation in accordance with legislation and the right of the respective councils to independently consider and approve budgets.

In accordance with the amendments made to the Budget Code, united territorial communities received the following financial resources: 60% of personal income tax; 5% of excise duty tax; profit tax of enterprises and financial institutions of communal property; property tax (real estate, land, transport); single tax; 25% of environmental tax; transfers from the state budget (basic grant, educational and medical subventions).