

## PROBLEMS OF FORMING OF REVENUES OF LOCAL BUDGETS IN TERMS OF FINANCIAL DECENTRALIZATION

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Local budgets play the main role in the socio-economic development of the territory, because they finance institutions of education, culture, public health and media; also they fund various youth programs, expenditures on housing and communal services, etc. But the main question that arises at this stage of local government development is to provide with the necessary financial resources to effectively cost management. Therefore fiscal decentralization will help to solve this problem; it is one of the fundamental conditions for independence and viability of local governments: decentralization of decision-making processes increases the possibility of participation of local authorities in developing their own territory, promotes the effective public services provision by closer coordination of spending authorities with most essential local needs.

Aim of the article is an analysis of contemporary issues of local budgets forma-

tion in terms of financial decentralization and proposals development to improve their financial independence and autonomy, taking into account budget and tax legislation changes.

The process of fiscal decentralization is declared by the Ukraine government each year in the major public policy. The real process of decentralization of financial resources began in 2015. But despite some achievements of the Ukrainian government, the issue of fiscal decentralization is still quite relevant: new costs on education, on health, culture, roads and housing and communal services are fixed in parallel with obtaining additional sources of income at the local level. A significant proportion of the individual income tax and acreage rent is redistributed disproportionately between local and state budgets of Ukraine; it is not decentralization, but rather the centralization of financial resources.