

FORMATION OF BUDGETS FINANCIAL RESOURCES OF ADMINISTRATIVE-TERRITORIAL UNITS IN TERMS OF DECENTRALIZATION

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The article highlights the current state of formation of budgets of administrative-territorial units in terms of decentralization of financial resources, taking into account changes to the budget and tax legislation. The analysis of budget revenues of the administrative-territorial unit is made.

The problems and ways of strengthening the financial base of local governments are defined. Formulated the basic objectives of fiscal decentralization. It is established that subject to solution of legislative, organizational and social problems, the administrative territorial units budgets will have sufficient amount of funds for fulfilling delegated powers.

One of the important problems of formation of budgets of administrative territorial units is to ensure balanced socio-economic

development and the formation of intergovernmental relations in order to increase the level of financial self-sufficiency by strengthening fiscal decentralization.

In order to ensure capability of the community to fulfil its objectives, it must have an appropriate amount of financial resources that are required to cover their own costs. The principle of financial independence is crucial in the formation of budgets of local governments. And since the community is a territorial basis for the establishment and activities of local government, it is advisable to consider the tax potential during its formation. Presumably, formation of financially self-sufficient administrative and territorial units requires changes not only in the tax and budget legislation, but also in territorial sizes of communities, districts and regions.