

THE DISTRIBUTION OF STATE REVENUE AND FISCAL IMBALANCES WITHIN THE BUDGET SPACE

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The necessity of improving actual budget system, notably, through the intergovernmental fiscal relations, could be considered as one of the main tasks of development of Ukraine's economy. The geographical, demographic, social and economic features of each region and also the imperfect distribution of both budget and fiscal power are the main reasons of occurrence of fiscal imbalances.

So the given article deals with defining of prerequisites of occurrence of horizontal fiscal imbalances, which are related to the equalization problem and vertical fiscal imbalances, related to the fiscal gap. Both of these types of imbalances arise under the fiscal decentralization process. The analysis of both theoretical and empirical research allowed us to define the position of such imbalances in the system of budget space and to conclude that in such system the

vertical fiscal imbalances could lead to the problem of inadequacy while horizontal fiscal imbalances could lead to the necessity of financial equalization. The existing investigations of fiscal decentralization allowed us to determine three main areas of fiscal relations arising between different levels of authorities within the budget space. Notably, they contain the spending side, the revenue side, and the macroeconomic aspects. The latest concerns the ways of coordination between different government levels by force of fiscal rules, cooperation arrangements or market forces in order to ensure compatibility with national fiscal and budget goals.

The main directions of further research will be concentrated on examination of actual system of intergovernmental fiscal relations in Ukraine, on determination of existing fiscal imbalances and possible ways of their elimination within the budget space.