

THE ROLE OF FISCAL TAX ON INCOME OF INDIVIDUALS

Dibrova O.L.

Postgraduate Student at Department of Finance,
Odessa National Economic University

With the development of market relations in Ukraine tax revenues are becoming increasingly important in the formation of profitable part of budgets of all levels. Tax on personal income is included in the group of the main budget-tax and fiscal significance occupies the first position in the direct taxation system of Ukraine.

In this study, we consider the content of the fiscal value of tax on personal income at the macroeconomic level through the performance share of revenues from this tax in GDP in the consolidated budget of Ukraine at the meso and macrolevel – through their shares of personal income tax in the structure of state budget revenues and local budgets of Ukraine respectively.

On the basis of the study, we conclude that the tax on personal income is a fairly stable source of filling the budgets of all levels. Now the share of personal income tax in the structure of revenues of the Consolidated Budget of Ukraine amounted to 15.3%, in revenues structure of the State Budget – 8.5%, local budgets – 45.6%.

Considering the vastness and sufficient stability of the tax base, the tax on personal income is a significant financial instrument for the implementation of administrative-territorial reform in Ukraine, but in our opinion the PIT splitting mechanism between levels of budgetary system needs to be revised. Indeed, in such circumstances, the dependence of local budgets is stored on the volume of inter-budgetary transfers.

To strengthen the financial independence of local budgets, we offer to consider options for the full utilization of the capacity of the tax personal income tax, through the use of optimum proportions of the distribution of personal income tax to be credited to the local budgets of the highest possible proportion of the tax revenue.

Directions for further research are steps to improve the efficiency of the distribution of income from the collection of personal income tax between the administrative and territorial units of different levels by reallocating based formula calculation of enrolment in local budgets.