

SCIENTIFIC APPROACH TO THE FINANCIAL SUPPORT OF LOCAL SELF-GOVERNMENT IN UKRAINE

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An important condition for building a democratic state is the independence and financial independence of local authorities in the performance of the functions assigned to them. Local budgets are the basis for financial support for the development of administrative-territorial units. However, the current system of forming local budgets in Ukraine is characterized by a high level of dependence of their revenue base on the provision of transfers from the state budget and an annual decrease in the share of fixed and own revenues. In the context of limited budget resources, the issue of providing local governments with the necessary revenue base for better satisfying the needs and interests of territorial communities and enhancing the economic and social development of the territories is acute.

The purpose of the article is to deepen theoretical developments and provide prac-

tical recommendations on the formation of the revenue base of local budgets in the context of reforming the budgetary system of Ukraine within the budgetary decentralization for financial support to local government bodies.

In the process of research, theoretical questions of the formation of incomes of local budgets are considered. The tendencies of the structure of incomes of local budgets by main groups are analysed and established in accordance with the classification presented in the Budget Code of Ukraine. The main problems in the formation of the revenue side of local budgets are identified. A scientific approach to the redistribution of the value-added tax between the state and local budgets is proposed, taking into account the role of each administrative-territorial unit in the formation of the volume of VAT in the state budget.