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SPECIFIC FEATURES OF COMMUNITY INCOME MANAGEMENT IN THE CONTEXT OF DECENTRALIZATION

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Abstract. *The formation of an effective financial support mechanism is the basis for the successful functioning of territorial communities and the financial capacity of local governments as a whole. The article analyzes and evaluates the structure of providing territorial communities with financial resources, as well as examines the features of their distribution and use in the context of decentralization reform. This made it possible to identify the existing problems in the system of filling community budgets and to form recommendations for improving their involvement.*

Keywords *financial resources, united territorial community, revenues of the united territorial community, revenues of local budgets, local governments, state budget, transfers of the state budget.*

One of the main factors contributing to qualitative change at the local level is the financial support of the united territorial communities. Financial resources are the basis for the successful functioning of the territorial community, so the study of problematic issues of formation, distribution and use of budget funds of communities of Ukraine is especially relevant in today's conditions of local self-government.

Studies have shown that despite the considerable powers of communities in the field of tax administration, they still remain dependent on the center and unable to independently exercise their powers. The main share in the total revenue of community budgets is occupied by transfers from the state budget (60-80%). The rest are tax revenues (15–30% of

total revenues) and non-tax revenues (only 5%).

The largest share of own revenues of community budgets is occupied by the personal income tax - 65-80% of the revenue side of the budget. Exceptions are communities with powerful enterprises with a large number of employees. Next in terms of occupancy are a single tax and land fee (average of 15-20% of total financial resources). The share of local taxes and fees in the total own revenues of community budgets averages less than 1%, and this is one of the significant problems in the formation of their revenues.

Regarding to the non-tax revenues, their share in the total income of communities is insignificant (5-7%). The main reason for the low activity of this

type of revenue is the lack of quality projects and low level of funding.

The largest share of community revenues is made by intergovernmental transfers (65–75% of total community revenues), as a rule, due to the basic subsidy and additional subsidy for the implementation of expenditures on education and health care transferred from the state budget. However, the allocated funds from the state budget were insufficient for effective development in some social spheres. The reason for the situation is the lack of funds allocated by the state for the development of territories is that the rate of formation of new communities outpaces the rate of increase in their volume.

The filling of community budgets was directly affected by the amendments to the Tax Code to support taxpayers during quarantine in connection with the Covid-19 pandemic. In particular, from March 1 to April 30, 2020, no land fees were levied and non-residential real estate was not taxed, as a result, the losses of urban

and urban communities amounted to 2.6% of budget revenues without transfers. However, the most vulnerable to innovations were rural communities, whose losses reached 3%. The decline in business activity due to the Covid-19 pandemic could lead to layoffs and lower revenues.

Thus, studies of the peculiarities of communities budget management revealed a number of problems and shortcomings inherent in most communities. In order to eliminate them, all communities need further work in the following main areas: improving community planning documents, increasing the transparency of their functioning, strengthening public participation in their management, interaction of communities with fiscal authorities in the direction of revenue administration, deepening community asset management, construction internal control systems to ensure effective oversight of revenues and expenditures of community budgets, etc.

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