

DOI: [https://doi.org/10.30970/fp.3\(51\).2023.637374](https://doi.org/10.30970/fp.3(51).2023.637374)

JEL Classification: H72, G18

BUDGETARY AND TAX REGULATION OF TERRITORIAL COMMUNITIES DEVELOPMENT

ZAKHIDNA Oksana

*PhD in Economics, Associate Professor,
Associate Professor of the department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0003-4964-3472>*

PETYK Lyubov

*PhD in Economics, Associate Professor,
Associate Professor of the department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0002-4807-2236>*

PYLAT Marta

*Student of Bachelor's degree,
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0002-2979-978X>*

Abstract. *The article examines the main aspects and theoretical foundations of budget and tax regulation, outlines its main functions and principles. The tax instruments for regulation of local budget revenues are substantiated. The structure of revenues of local budgets by types of activities was analyzed, the share of local budgets in revenues of the consolidated budget without taking into account transfers and the dynamics of revenues by types of budgets were studied. Methods of improving the mechanism of budget and tax regulation of territorial communities are considered*

Key words: *budget and tax regulation, territorial communities, decentralization, tax instruments, local budget.*

The study of budget and tax regulation is extremely relevant and important in modern conditions, especially in the context of decentralization of power and financial independence of local authorities. The main approaches to defining the concept of budget and tax regulation are emphasized. The main functions of budget and tax regulation are outlined. General principles, which are basic tools and are used to ensure the effective functioning of the budget system

and regulation of the development of territorial communities, are given. The main legislative acts of budget and tax regulation, which govern this process, are indicated. The tax instruments for regulation of local budget revenues are substantiated. It is noted that the use of tax instruments is important for the successful development of territorial communities. The increase in local budget revenues during 2021-2022 was considered. The structure of local budget revenues in 2022 by types of activity was analyzed. The

share of local budgets in the revenues of the consolidated budget without taking into account transfers and the dynamics of revenues by types of budgets during 2018-2022 were studied. Interbudgetary transfers to local budgets in 2023 were considered. It is noted that the war has a serious impact on the budget and tax regulation of territorial communities in Ukraine. The current state of the budgets of territorial communities of Ukraine as of 2022 in some regions was analyzed. The ranking of territorial communities by income and expenditure was analyzed.

The main features of the budget and tax regulation of the development of territorial communities are emphasized. The main tasks that are expected to be implemented within the framework of the functioning of territorial communities in terms of their budgetary decentralization are indicated. The problematic issues of budgetary and tax regulation of the development of territorial communities, as well as the reasons for their occurrence, are studied. Methods of improving the mechanism of budget and tax regulation of territorial communities are considered.

References

1. Panasiuk, O. M. (2022) Udoskonalennia mekhanizmu biudzhethno-podatkovoho rehuliuвання rozvytku terytorialnoi hromady (na prykladi Okhtyrskoi OTH) [Improvement of the mechanism of budget and tax regulation of territorial community development (on the example of Okhtyr OTG)]. *Master's thesis, Sumskyi derzhavnyi universytet*. p. 61.
2. Hryhorenko, V. O. (2013) Teoretychni osnovy biudzhethno-podatkovoho rehuliuвання protsesu formuvannya finansovoho potentsialu terytorii [Theoretical foundations of budget and tax regulation of the process of formation of the financial potential of the territory]. *Efektivna ekonomika*. vol. 2.
3. Tripak M. M., O. Y. Tymchuk (2002) Biudzhethne rehuliuвання v period transformatsii mizhbiudzhethnykh vidnosyn [Budget regulation in the period of transformation of inter-budgetary relations]. *Naukovi zapysky. Ternopilskyi derzhavnyi pedahohichnyi universytet im. V. Hnatiuka. Serii: Ekonomika*. vol. 11, pp. 67-70.
4. Kuchinka, T. V., Malets, S. S. (2016) Biudzhethno-podatkove rehuliuвання, yak forma upravlinnia kryzovymy protsesamy. [Budget and tax regulation as a form of crisis management]. *Naukovi zhurnal «Internauka»*. vol. 10.
5. Osadchuk, S. (2021) Podatkovi instrumenty dlia rozvytku terytorialnykh hromad [Tax instruments for the development of territorial communities]. *Aktualni problemy derzhavnoho upravlinnia*. vol. 3(84), pp. 234-238.
6. Sukach, O. M., Sarana, L. A., & Hordiienko, L. A. (2021) Podatkovi instrumenty rehuliuвання dokhodiv mistsevykh biudzhethiv [Tax instruments for regulation of incomes of local budgets]. *Visnyk Kharkivskoho natsionalnoho universytetu imeni VN Karazina serii «Ekonomichna»*. vol. 101, pp. 68-78.
7. Detsentralizatsiia (2022). Analiz vykonannya mistsevykh biudzhethiv za 2022 rik [Analysis of the implementation of local budgets for 2022]. Retrieved from: <https://decentralization.gov.ua/en/news/16105> (дата звернення: 23.05.2023)
8. Zakhidna, O., & Petryshyn, Kh. (2022) Biudzhethna detsentralizatsiia: analiz yii vprovadzhennia v Ukraini ta sviti [Biudzhethna detsentralizatsiia: analiz yii vprovadzhennia v Ukraini ta sviti]. *Molodyi vchenyi*. vol. 4(104). pp. 80-86.

9. Detsentralizatsiia (2022). Biudzhetny terytorialnykh hromad Ukrainy [Budgets of territorial communities of Ukraine]. Retrieved from: <https://decentralization.gov.ua/news/14281> (дата звернення: 23.05.2023)

10. Chynchyk, A., Holubka, S. (2022) Podatkovi nadkhodzhennia biudzhetiv obiednanykh terytorialnykh hromad: teoretychnyi analiz [Tax revenues of the budgets of united territorial communities: theoretical analysis]. *Visnyk Khmelnytskoho natsionalnoho universytetu*. vol. 3. pp. 113-119.

11. Renzherenko, K. S. (2022) Formuvannia dokhodiv mistsevykh biudzhetiv ta rezervy yikh zbilshennia : vypuskna kvalifikatsiina robota : 072 "Finansy, bankivska sprava ta strakhuvannia" [Formation of revenues of local budgets and reserves for their increase: final qualification work: 072 "Finance, banking and insurance"]. *NU "Chernihivska politekhnika", Kafedra finansiv, bankivskoi spravy ta strakhuvannia*. p. 96.

12. Zakhidna, O., & Petryshyn, Kh. (2022) Biudzhetna detsentralizatsiia: analiz yii vprovadzhennia v Ukraini ta sviti [Biudzhetna detsentralizatsiia: analiz yii vprovadzhennia v Ukraini ta sviti]. *Molodyi vchenyi*. vol. 4(104). pp. 80-86.

13. Smolinska, S. D., & Skydan, U. I. (2022) Stan finansovoho zabezpechennia mistsevykh biudzhetiv [The state of financial support of local budgets]. *Modern Economics*. vol. 33. p. 110-116.