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TAX REVENUES OF THE LVIV REGION BEFORE AND DURING THE WAR

SYCH Olga

*PhD in Economics, Associate Professor,
Associate Professor of the Department of Financial Management
Ivan Franko National University of Lviv
ORCID: <https://orcid.org/0000-0002-9322-8105>*

POLUDVORIANIN Mariia

*Student of Master's degree
Ivan Franko National University of Lviv*

Abstract. *The article analyses the impact of changes in tax revenues on the budget of the Lviv region during the military conflict. The analysis was conducted based on statistical data from 2021 to 2023. It was found that with the beginning of the war, an increase in tax rates and other fiscal instruments led to significant fluctuations in tax revenues. The negative impact of military actions on the city's economic activity caused a decrease in income from entrepreneurial activity, tourism and other industries. At the same time, some new tax initiatives and reforms were implemented to stabilize the financial situation. The study reveals the importance of adapting the city's tax policy to unforeseen circumstances and challenges arising in times of crisis.*

Keywords: *tax revenues, military actions, tax for individuals, single tax, property tax, tourist fee, relocation.*

The changing geopolitical situation and the full-scale war in Ukraine have created complex economic challenges for cities located near the conflict zone. Lviv region, having significant economic potential, has also been affected by these processes. One of the key problems is the change in tax revenues, which requires research into the impact of the war on them, mechanisms for adapting the tax system, and possible consequences for the economic stability and social development of the region.

The purpose of the article is to analyse the trends in the change in tax revenues of Lviv region in peacetime and in conditions of full-scale war.

Tax revenues are a key element of state budget revenues. In wartime, their importance increases due to unforeseen challenges to the country's financial system. Tax revenues of Lviv region have undergone significant changes under the influence of local and national fiscal policies. Before the war, the regional budget was supported by taxes on income, profit, rent and natural resources, as well as non-tax revenues and official transfers. The outbreak of the war led to changes in tax policy, affecting local budget revenues. Some taxes, such as personal income tax, increased, while others, such as property and excise taxes on fuel, decreased. The war also led to a spatial redistribution of business and population, affecting local tax bases.

Despite the challenges, Lviv region has maintained a level of tax sufficiency due to the adaptability of business entities and effective fiscal management. Economic entities in the region have demonstrated adaptability, stabilizing the local economy. An analysis of the

dynamics of tax revenues in Lviv region for 2021-2023 indicates positive developments - tax revenues increased by almost 60%. The correlation coefficient between the amount of tax revenues and the number of taxpayers is 0.88, which indicates a close relationship between them. The largest share of tax revenues in the Lviv region budget is occupied by personal income tax (approximately 80% of all tax revenues) and corporate profit tax. The increase in personal income tax revenues is associated with job creation, wage growth, the transition to tax accounting of some IT companies, the repayment of wage arrears, and an increase in the amount of rent for land plots.

To further increase tax revenue in the Lviv region, it is proposed to improve control over the implementation of tax rules using modern technologies and increase the percentage of the tourist tax, which can stimulate the development of tourism in the region and attract more investment in the tourism sector.

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