

***I. V. Kopytina***

***Problems and prospects of local budgets formation considering the economic development of the country***

*The features and impact of the economic situation on the dynamics of local budgets revenues in Ukraine were investigated. The dynamics of local budgets revenues and their share in the Consolidated Budget of the country were analyzed, prospective factors of improving the financial sustainability of local budgets are highlighted. The purpose of this paper is to study the impact of economic situation on the dynamics of local budgets revenues of Ukraine. Theoretical and methodological basis of research became scientific works on the problems of development of the budgetary system of the country, features of income formation and distribution of expenditures of local budgets, the Budget Code of Ukraine, the Law 'On Local Self-Government in Ukraine', the Law 'On the State Budget for the current year', as well as data of budget monitoring of Institute of Budget and Socio-Economic Researches, reports of the Accounting Chamber of Ukraine and the National Bank. Scientific methods are used: analytical, abstract-logical, economic and statistical. Author studied the peculiarities of formation of local budgets revenues considering the dynamics of tax revenues for 2008 – 2013, the structure of local budgets revenues in Ukraine and their share in the Consolidated Budget of the country for the period of 2002 – 2013 were studied. The author highlights the major issues of local budgets formation of Ukraine, which include reduction of their income level due to not full tax payments and the shadow sector of the economy and deformation of structure of local finances. Furthermore the author focuses on one of the important factors – economical expediency of existing mechanism of redistribution of financial resources of local level.*

***Keywords:*** local budgets, state budget, transfers, GDP, income, expenses.