

Annotation

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Improving withdrawal mechanisms of local taxes in Ukraine

Local taxes in Ukraine, until recently, included the fee for car parking, market fee, fee for issuing a warrant on an apartment, fee of dog owners, resort fee, fee for participation in races at the racetrack, fee for winning at races, fee of individuals who are involved in the game betting at the racetrack, fee for the right to use local symbols, fee for the right to host the film and TV shootings, charges for local auctions, competitive sales and lotteries and fee for issuing a permit for placing objects of trade.

During the tax reform that was carried out in 2010-2014 as a part of local fees imposed in Ukraine, initially fees for certain types of business activities, fee for parking vehicles and tourist tax were left and since 2015 there were only fee for parking vehicles and tourist tax.

One of the indirect consequences of reforming local taxation is that in recent years the proportion of local taxes and fees is extremely poor in the revenue base of local budgets of Ukraine and local taxes are even lower. In addition, for last three years the growth rate of revenues from local fees to local budgets is reduced by one half comparing with the growth rate of amounts of mobilized local taxes and fees in general.

The results of studies showed that withdrawal mechanisms of fee for parking vehicles and tourist tax during transforming mechanisms of charging and payment have been improved, both fiscal and regulatory properties of the investigated domestic payments.

At the same time, the results of studies showed that fee cancellation of certain types of business activities was a little too hurried, the fiscal importance of which in the revenue base of local budgets was significantly higher than the proportion of the fee for parking vehicles and tourist tax.

So it is necessary to strengthen their fiscal and regulatory properties. For this purpose our country needs to expand the power of local communities concerning introducing new local fees and their administration and to introduce compulsory contributions for health care of citizens living and working in environmentally disadvantaged areas.

Key words: *local budgets, local budget revenues, local taxes, fees for parking vehicles, tourist tax, Tax Code of Ukraine.*