

## **Annotation**

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### ***Increased revenue opportunities of local government budgets by distributing the tax proceeds on personal income***

*The revenue base of local government budgets is dependent on the existing tax potential, provided by the selected budget model, as well as the efficiency of tax administration and budget control mechanisms. An important direction of strengthening the revenue base of local government budgets is increase in its tax component.*

*For scientific solutions set out in the article, the scientific methods of scientific knowledge and research of economic phenomena are used. Theoretical and methodological basis of the study are the works of local and foreign scientists and experts, as well as regulatory and legal acts of Ukraine governing relations within the financial sector and the tax field. The article used the following methods: abstract and logical, and economical and statistical methods, in particular monographic, comparison and tabular and graphic ones.*

*The article is devoted to strengthening the fiscal capacity of local government budgets at the expense of more rational distribution of tax proceeds on personal income (PIT). It summarizes the economic essence of PIT as a payment form of a physical person for public goods and services provided by the territorial community of the territory of which the person resides. Revenue sharing models of PIT levying between the levels of the budget system are considered and their main differences are summarized.*

*The dynamics of PIT revenue sharing ratios between the levels of the budget system during the period of functioning budgetary system of Ukraine is shown. Fiscal value of PIT is characterized, in particular its share in total tax revenues in a profitable part of local budgets is determined, , as well as the structure of PIT proceeds and characteristics for its levying in the agricultural sector.*

*It was determined that the problem of uncertainty of the tax status of structural subdivisions of legal entities impedes proper use of the fiscal capacity of PIT in the formation of revenues of the local government. Proposals to strengthen their financial sufficiency at the expense of PIT proceeds taken from incomes in the form of rent for land plots – in the local budget depending on the location of such land plots and parity distribution of PIT proceeds taken from incomes in the form of wages, between local budgets – if there is no state registration of the structural unit of the legal entity at the place of actual business activities.*

**Key words:** *direct taxes, tax on personal income, budget revenues, fiscal efficiency.*