

FORMATION AND EXECUTION OF BUDGETS OF SETTLEMENTS OF THE SAMARA REGION IN MODERN CONDITIONS

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The purpose of reorganization of budgetary system is stability maintenance, accurate differentiation of the rights and duties of various levels of the power, equation of local budgets. As a result of transition to new system of local budgets, account powers and the profitable sources earlier carried only to budgets of municipal areas have been distributed on levels of budgets of municipal areas and settlements.

With acceptance of the Federal law "About financial bases of local government in the Russian Federation" № 131-ФЗ from October, 6th, 2003 and modification of the Budgetary code of the Russian Federation regarding regulation of inter-budgetary relations, accurate enough differentiation of questions of local value has been established, duplication of powers is excluded, restriction on the right of possession by the property which has been not intended for the decision of questions, carried to the competence of corresponding level of local government is established. Forms of inter-budgetary transfers are systematised and unified, key rules of their granting are defined.

Transition to new system of local budgets can be divided into two stages conditionally. At the first stage - 2005 - profitable sources have partially been distributed and standard deductions are changed.

The second stage of transition to new system of local budgets was marked in 2006 by an active stage of differentiation of account powers between the state level of management and local government. Account powers and the profitable sources earlier carried only to budgets of municipal areas have been distributed on levels of budgets of municipal areas and settlements. Now settlements are obliged to solve thirty two questions of local value instead of twenty provided by the initial edition of the Federal law № 131-ФЗ.

The first year of work in the conditions of two-level system of local budgets has revealed certain disproportions in system of local budgets. Incomes to budgets of settlements arrived not in regular intervals and their lack for performance of the fixed account obligations was felt. This results from the fact that at

differentiation of account powers there was no redistribution of budgetary resources between levels of budgetary system and sufficient sources of financing of transferred account obligations have not been given. Since 2009 position should improve a little in connection with increase in own profitable base of local budgets, in particular at the expense of introduction of tax payments under the tax to incomes of physical persons.

The local government's main objective is to provide the decision of own territorial problems. Delegation of powers can be considered as a measure directed on increase of efficiency of use of budgetary funds only in the event that as a result of delegation there is a decrease in expenses on granting of corresponding budgetary services, there is an economy of administration. Otherwise delegation of powers is a way of redistribution before the differentiated powers proceeding from administrative interests. Execution of the delegated powers should not leave on the foreground as in that case it will be a question any more of local government system, and about territorial public authorities (federal or regional).

Local government reorganization in the Russian Federation should provide first of all stability, equation of local budgets, accurately to differentiate the rights and duties of various levels of the power. In the course of reform implementation in regions following problems have come to light: absence of is standard-legal base, imperfect tax laws, inefficient use of tax base and municipal property, a low professional standard of the majority of workers of local governments, etc.

With a view of implementation of reform of local government in the Samara region the law "About an order of the decision of questions

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of local value of settlements in territory of the Samara region in 2007” (the law with the same name has been accepted for 2008 №106-ГД) has been prepared. It defines a delegation of power from level of municipal areas on level of settlements, and also redistributes tax incomes which allow to generate own tax base поселенческого level.

In the Samara region settlements have started formation of own budget since 2006 on the basis of the law “About the budgetary device and budgetary process in the Samara region” №235-ГД from December, 28th, 2005, however in 2006 to settlements of own profitable sources has not been fixed, and only since 2007 following profitable sources have been fixed to settlements: tax incomes, not tax incomes, gratuitous receipts.

Tax incomes: the uniform agricultural tax at a rate of 30 %, the tax to property of physical persons - 50 %, the ground tax - 50 %. As a result of the change budgetary and tax laws in 2008, specifications of distribution and transfer of tax payments changed under the tax to property of physical persons and the ground tax from 50 % to 100 %, and in 2009 introduction of tax deductions under the tax to

incomes of physical persons at a rate of 10 % (Tab. 1) is planned.

Not tax - incomes of use of the property which is in the state and municipal property, a rent for the ground areas in borders of settlements - 50 %.

Gratuitous receipts - grants and subventions.

The analysis of budgets of settlements of the Samara region, in particular, settlements Hvorostjanka, Novotulka of municipal area Hvorostjansky and settlements Bezenchuk, Ekaterinovka of municipal area Bezenchuksky have allowed us to draw following conclusions.

Incomes annually increased on the average by 59 % (Tab. 2). Execution under incomes of settlements for 2006 - has considerably increased 2007, growth has on the average made 65,78 %. And in Hvorostjanke of 36,78 %, in Novotulke - 54,94 %, Bezenchuke - 138,56 %, and in Ekaterinovke - 32,91 %.

The plan under incomes for 2008-2010 also annually increases on the average by 37,80 %. And as a whole for 3 years on Hvorostjanka growth will make 28,28 %, Novotulka - 36,73 %, Bezenchuk - 48,95 %, and on Ekaterinovka - 37,24 %.

Table 1

Specifications of distribution and transfer of tax payments of the settlements fixed to level

| The tax | 2007 | 2008 | 2009, план |
|--|------|------|------------|
| The uniform agricultural tax | 30% | 30% | 30% |
| The tax to property | 50% | 100% | 100% |
| The ground tax | 50% | 100% | 100% |
| The tax to incomes of physical persons | - | - | 10% |

Table 2

Dynamics of incomes of budgets of settlements in 2006-2010, thousand rbl.

| Settlement | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|---------|---------|---------|----------|----------|
| Hvorostjanka | 1411,00 | 1930,00 | 2733,00 | 3712,00 | 3987,00 |
| Novotulka | 466,00 | 722,00 | 1471,00 | 1537,00 | 1567,00 |
| Bezenchuk | 2329,00 | 5463,00 | 6508,00 | 14777,00 | 14877,00 |
| Ekaterinovka | 1106,00 | 1470,00 | 2921,00 | 3256,00 | 3306,00 |

Table 3

Share of tax incomes in incomes of settlements in 2007, %

| Settlement | Incomes, all | Tax incomes | Share of tax incomes in incomes of settlement, % |
|--------------|--------------|-------------|--|
| Hvorostjanka | 1930,00 | 82,00 | 4,25 |
| Novotulka | 722,00 | 35,00 | 32,55 |
| Bezenchuk | 5463,00 | 1358,00 | 24,86 |
| Ekaterinovka | 1470,00 | 72,00 | 4,90 |

Following the results of 2007 a share of tax incomes on analyzed settlements various (Tab. 3). In Novotulka it makes 32,55 %, in Bezenchuk - 24,86 %, and in Hvorostjanka and in Ekaterinovka of only 4,25 % and 4,90 % accordingly.

A feature of a profitable part of budgets of settlements is high enough level of gratuitous receipts (Tab. 4). Their share in incomes of budgets of settlements on the average makes 89,59 %. In 2008 in settlements of Bezenchuksky municipal area reduction of a share of gratuitous receipts in incomes of budgets of settlements on the average to 70,46 % is observed. In settlements of Hvorostjansky municipal area the share of gratuitous receipts not only will not decrease, and even considerably to increase and averages 94,61 % that underlines insufficiency of tax base. In budgets on 2008 - 2010 the increase in a share of tax incomes, and, hence, decrease in relative density of gratuitous receipts that is caused by redistribution of tax base towards budgets of settlement and administration strengthening is planned.

Gratuitous receipts develop of grants for alignment of budgetary security and support of measures on maintenance of equation of budgets, a subvention and other gratuitous receipts. For support and development of an investment component and socially-significant budgetary

services of the grant to investigated settlements of Hvorostjansky and Bezenchuksky areas of the Samara region were not allocated.

The analysis of budgets of settlements Hvorostjanka, Novotulka, Bezenchuk and Ekaterinovka allows us to notice that in 2006-2007 annual growth of expenses (Tab. 5) was observed, and in the planned period it also will remain.

In 2006-2007 as a part of expenses of budgets of analyzed municipal unions the greatest relative density is occupied with expenses on management which average 63,24 % (Tab. 6). In the planned period in Hvorostjanke value of the given indicator practically will not change, but in Novotulke reduction of a share of the given kind of expenses more than in 1,5 times, in Ekaterinovke almost in 2 times, and in Bezenchuke in 3 times is observed.

The following on relative density are expenses on municipal services (Tab. 7) which average 20,88 % on investigated settlements, however values of the given indicator different and make in Hvorostjanke of 34,95 %, in Novotulke of 16,8 %, in Bezenchuke of 26,61 %, and in Ekaterinovke - 5,14 % that is connected with quality of an available housing in territory of the given settlements.

In 2008 - 2010 expenses on culture in the budget of rural settlements will occupy 3 place

Table 4

Share gratuitous receipts in incomes of settlements in 2006-2008, %

| Settlement | 2006 | 2007 | 2008 |
|--------------|--------|-------|-------|
| Hvorostjanka | 100,00 | 80,67 | 92,61 |
| Novotulka | 100,00 | 65,79 | 96,60 |
| Bezenchuk | 100,00 | 75,14 | 51,18 |
| Ekaterinovka | 100,00 | 95,10 | 89,73 |

Table 5

Expenses of budgets of settlements in 2006-2010, thousand rbl.

| Settlement | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|------|------|------|-------|-------|
| Hvorostjanka | 1411 | 1930 | 2733 | 3712 | 3987 |
| Novotulka | 466 | 722 | 1471 | 1537 | 1567 |
| Bezenchuk | 2329 | 5459 | 6508 | 14777 | 14877 |
| Ekaterinovka | 1038 | 1468 | 2921 | 3256 | 3306 |

Table 6

Share of expenses on management in expenses of settlements, %

| Settlement | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|-------|-------|-------|-------|-------|
| Hvorostjanka | 58,82 | 70,57 | 54,96 | 57,95 | 57,51 |
| Novotulka | 78,76 | 83,52 | 48,88 | 48,8 | 48,76 |
| Bezenchuk | 100 | 66,07 | 71,79 | 33,66 | 35,3 |
| Ekaterinovka | 100 | 87,74 | 58,13 | 52,15 | 51,36 |

on the importance of a direction of an expenditure of means (Tab. 8), averaging in Novotulke of 35,75 % and Ekaterinovke of 32,81 % from planned expenses of budgets of settlements. However the given indicator has other value in settlements Hovorostjanka and Bezenchuk - 8,49 % and 7 % accordingly since they are the centres of municipal areas.

At the same time, budgetary security taking into account alignment in settlements of Bezenchuksky and Hovorostjansky areas in 2007 and 2008 was lower on the average on 95,66 % and 91,37 % accordingly that testifies to decrease which, nevertheless, remains big enough. In absolute expression the size of budgetary security at the expense of all incomes

Table 7

Share of expenses on municipal services in expenses of settlements, %

| Settlement | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|-------|-------|-------|-------|-------|
| Hvorostjanka | 41,18 | 29,43 | 36,59 | 33,67 | 33,86 |
| Novotulka | 21,24 | 16,48 | 15,43 | 15,42 | 15,44 |
| Bezenchuk | 0,00 | 33,93 | 17,03 | 41,11 | 41,00 |
| Ekaterinovka | 0,00 | 7,70 | 6,47 | 5,80 | 5,72 |

Table 8

Share of expenses on culture in expenses of settlements, %

| Settlement | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|------|-------|-------|-------|-------|
| Hvorostjanka | 0,00 | 0,00 | 8,45 | 8,38 | 8,63 |
| Novotulka | 0,00 | 0,00 | 35,69 | 35,78 | 35,80 |
| Bezenchuk | 0,00 | 13,34 | 11,19 | 4,93 | 4,89 |
| Ekaterinovka | 0,00 | 0,00 | 35,40 | 31,76 | 31,28 |

To provide efficiency of activity of settlements in the decision of questions of local value and implementation of separate state powers by them it is possible only in the presence of the stable profitable sources which basis tax revenues should occupy. The operating mechanism of calculation and collection of local taxes should be improved, since even the growth of tax revenues planned for 2008-2010 will not allow it to increase considerably a tax component and consequently the share of gratuitous transfers still remains considerable. Decrease in profitable base was reflected and in indicators of budgetary security. As to the given indicator its size counting on soul of the population without alignment in 2007 has averaged 100,76 roubles on the person, and in 2008 its decrease to 80,63 roubles on the person.

In comparison of budgetary security of settlements with an average on area level it is important to notice that at the expense of own profitable sources this indicator in 2007 on the average on 98,32 % is lower on average on the area level.

It speaks about insufficiency of profitable sources for maintenance of all necessary account obligations and necessity of transfer of missing resources from the budget of higher level.

per capita settlements of Bezenchuksky and Hovorostjansky areas in 2007 has on the average made 454,68 roubles on the person. Value of the given indicator in 2008 on the average has increased to 815,91 roubles on the person. All it testifies to strengthening of own profitable base.

Distribution of incomes and expenses between power levels should be in close conformity. Differentiation of incomes should provide possibility to executive powers of all levels of the power to carry out the account obligations fixed to them, first of all, at the expense of own means.

Strengthening of profitable base of local budgets is a priority direction not only the budgetary policy but also the competence of local governments.

One of components of a problem of financial independence of municipal unions is low level of a collecting of local taxes that is caused, in particular, by following reasons:

- ◆ orientation in the activity of tax departments on gathering of mainly federal taxes;
- ◆ presence at tax departments of incomplete information on tax bearers and objects of the taxation, including absence of interaction between various federal departments;

◆ exceptions of the taxation of the property which is object of the taxation under the tax to property of physical persons and the ground tax, in view of absence at citizens of documents establishing the right to property.

Local governments should improve an order of calculation and collection of actually local taxes which concern the uniform agricultural tax, the tax to property of physical persons, the ground tax.

The existing federal legislation fixes possibility of use of means of self-taxation of citizens - single payments for the decision of concrete questions - as a source of financial resources for financing of expenses of settlements. Questions of introduction and use of the given means dare on a local referendum or a descent of citizens. Thus in the decision on gathering introduction concrete objects of financing should be specified. The information on use of such gathering should have open character. It will promote increase of interest of the population in management and the decision of problems of local scale.

The local legislation payers of the given gathering to whom it is expedient to carry inhabitants constantly living in given territory should be accurately defined. The top limit of the sum of gathering raised from one inhabitant should be simultaneously limited. It is necessary to provide the limited differentiation of the given

gathering also. Administration of target gathering can be carried out in the same order as local taxes.

Possibility of introduction of target gathering will soften the limited list of local taxes a little, giving the chance simultaneously to local authorities on attraction of additional means. The special-purpose character of use of means is simultaneously provided and the control over their use becomes tougher.

Thus, to provide activity of settlements in the decision of questions of local value and implementation of separate state powers by them it is possible only in the presence of the stable profitable sources which basis tax revenues should occupy. The operating mechanism of collection and calculation of local taxes should be improved.

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