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### **STRATEGIC DIRECTIONS FOR REFORMING FISCAL POLICY OF UKRAINE**

The article is about the current direction of the transformation of the Ukrainian fiscal policy. The analysis of tax revenues to the State Budget and expenditures from it was carried out. Negative trends in the implementation of fiscal policy have been identified. A mechanism for implementing the fiscal policy is proposed. The main strategic directions of reforming fiscal policy have been identified. It is substantiated that in order to achieve an effective fiscal policy at the macro level it is necessary to create conditions for optimal filling of the state budget and contain inflationary processes. At the meso level it is necessary to ensure the fulfillment of tasks that promote economic growth in the regions and at the micro level—to identify and implement measures to enhance the development of business structures through improvement of the investment climate. It is argued that for this purpose it is important to develop and implement an effective fiscal policy of Ukraine strategy that should include the following smart directions in the field of fiscal policy: improving the combination of fiscal and budgetary spheres in regulation, planning,

management with the goal of achieving the maximum results of increasing the welfare of the population; determination of effective communication chains between business centers and the state fiscal service in the course of tax administration, the formation of an objective tax control system.

It is pointed that the implementation of the fiscal mechanism combines the fiscal and budgetary mechanisms and includes the mobilization of financial resources from tax payments, as well as their distribution and effective use.

It is noted that the instruments of the fiscal mechanism are means for influencing the formation of the optimal amount of financial resources for their further use, in turn, each instrument within the fiscal mechanism has its own functional load. So, expanding the functional boundaries of one tool at the expense of the other negatively affects the functioning fiscal mechanism as a whole. It is proved that in order to achieve the effect, the implementation of instruments within the fiscal mechanism must be mutually agreed.

**Keywords:** *fiscal policy, tax revenues, budget expenditures, tax sphere, budget sphere, fiscal relations.*

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