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## **MECHANISM OF THE USE OF REVENUES OF THE LOCAL BUDGETS IN UKRAINE**

**Introduction.** In this article the peculiarities of local revenues in Ukraine highlight the use of the main directions of local government, carried out in accordance with the Budget Code of Ukraine; the distribution of expenditures on the example of Mykolayiv in the Mykolayiv region is analyzed and on its base the mechanism of local revenues is formed. Local budgets, as the main financial base of local self-government bodies, have a special place in the budget system of Ukraine. An important role is assigned to local budgets in the socio-economic development of the territory, because funding for education, culture, public health, and mass media is provided from the local budgets; Youth programs are also financed, expenditures for the settlement are being financed.

**Purpose.** Formation of the optimal mechanism for using local budget revenues in Ukraine.

**Results.** There are no significant legislative changes regarding the sources of the formation of the revenue part of local budgets, except that from January 1, 2018, 5% of the rental fee for the use of mineral resources for the extraction of oil, natural gas and gas condensate will be charged to local budgets (except for rent for use of subsoil within the continental shelf and / or the exclusive (maritime) economic zone of

Ukraine), 2% - to regional budgets and 3% - to budgets of cities, united territorial communities and districts (2% - to the district budget, 1% - to the village, town and city budgets of the district); 100% of the single tax are payable for the payers of the single tax of the fourth group (agricultural producers).

Regarding the formation of the expenditures of local budgets, it is planned to increase the size of the state social standards, namely the minimum wage and the increase in the subsistence minimum, which will take place from July 1 and December 1 of the corresponding year. In the years 2018-2020, the subsistence minimum and its level of support will increase at a rate that is 2 percentage points higher than the forecast consumer price index for 2018-2020. Also, changes will be made in calculating the need for funds for utilities and energy costs.

**Conclusions.** On the basis of the mechanism for using local budget revenues on the example of Mykolayiv district of Mykolayiv region, other districts can use such a division, since today Mykolayiv region executes a budget program, where incomes exceed expenditures, which allows the district to allocate funds and develop the investment attractiveness of the area.

**Keywords:** local budget, revenues, charges, mechanism, Budgetary code of Ukraine.

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