

## SUMMARY

**The Subject Matter of the Graduation Thesis: THE ROLE AND IMPORTANCE OF THE LAND TAX IN THE FORMATION OF INCOME OF MUNICIPALITIES' BUDGETS (by the Example of the Administration of the Village Psychokh of the Baksansky District of the Kabardino-Balkar Republic).**

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**The Information about the Contracting Authority:** the Administration of the Village Psychokh of the Baksansky District of the Kabardino-Balkar Republic.

### **The Topicality of the Research.**

One of the most urgent issues of the local governments' development in the Russian Federation at the present stage is the problem of ensuring the real budgetary self-sufficiency of municipalities.

In the present circumstances, the role which local authorities are obliged to play in the life of the population in accordance with the responsibilities entrusted to them by the Constitution of the Russian Federation, is not ensured by the finance volume of the local government. The majority of municipal budgets have no independent, from an economic point of view, budget, and, therefore, local governments cannot fully exercise their powers. Especially important is the consideration of the taxation issues in the area of the land tax in the aspect of its role in the formation of local budgets.

**The Objective of the Research** is to ground some theoretical propositions as well as to work out practical recommendations to improve the system of the land tax by the example of the Administration of the village Psychokh of the Baksansky District of the Kabardino-Balkar Republic.

### **The Tasks of the Research:**

- to examine some theoretical issues of the economic nature, functions and the legal framework of the land tax in the system of the existing taxation;
- to study some peculiarities of the existing mechanism of the land tax in the Russian Federation;
- to examine the municipal budget of the Administration of the village Psychokh of the Baksansky District of the Kabardino-Balkar Republic;
- to analyze the land tax role in the formation of the municipal budget of the village Psychokh of the Baksansky District of the Kabardino-Balkar Republic;
- to analyze the problems of the land taxation in the municipalities of the Russian Federation;
- to find the ways to improve the efficiency of the land tax collection for the budget of the municipality.

**The Theoretical and Practical Significance of the Research** is determined by the findings that have been made by the research and the recommendations that have been worked out on the basis of them to improve the mechanisms for the calculation and payment of the land tax.

The author's proposal to improve the existing taxation mechanism of land resources can contribute to the revenues growth from the land tax to the local budgets, and as a result, strengthen municipalities' own revenue base, improve their fiscal autonomy.

### **The Findings of the Research:**

The graduation thesis has analyzed some theoretical and practical aspects of the land tax role in the formation of local budgets, in particular: the economic nature of the land tax in the current tax system has been studied, some peculiarities of the existing mechanism of the land taxation in the Russian Federation have been analyzed; the municipality's budget of the Administration of the village Psychokh of the Baksansky District of the Kabardino-Balkar Republic has been characterized, the land tax role in the budget formation of the village Psychokh of the Baksansky District has been analyzed; the problems of the land taxation in the

municipalities of the Russian Federation have been identified, the ways to improve the collection efficiency of the land tax for the municipality's budget have been found.

### **Recommendations:**

We have developed a number of recommendations for the municipality Psychokh of the Baksansky District to improve the collection efficiency of the land tax for the local budget on the basis of the analysis results, and they are as follows:

- to take some measures to create an effective assessment of the land and put them on the cadastral registration;

- to carry out a demarcation of the state ownership between the property of the Baksan district and the property of other municipalities of the district, to increase the efficiency of the land use, the reasonable setting of charges for the land, to create conditions to increase social investment and production capacity of the land;

- to take measures to reduce the arrears from the land tax that will significantly replenish the revenue part of the municipality budgets. The tax authorities together with the local authorities should work in the direction to identify the sources of arrears of the land tax. It is necessary to intensify the work on the implementation of the taxpayers' – defaulters' – seized assets;

- to prohibit the issuance of licenses to the organizations that have arrears to the budget on the land tax;

- to increase the number of potential payers, provide them with tax incentives.

The measures to improve the mechanism of levying the land tax recommended by the graduation thesis, can enhance the tax base, increase the level of payments on the land tax to the local budgets, and, as a result, strengthen municipalities' own revenue base, increase the level of their fiscal autonomy.