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TAX DISTRIBUTION OF REGIONAL ECONOMIC COOPERATION UNDER GLOCALIZATION AND LOCAL SELF-GOVERNANCE REFORMING CONDITIONS

Topicality. *The urgency is explained by the need of use of taxation regulatory leverage for stimulation of territorial communities cooperation, as well as the development of scientifically substantiated grounds for the economic cooperation of regional economic systems is to be developed in order to increase their socio-economic development and on the basis of improving of the institutional basis in favorable conditions for local self-government reform and inclusion of local systems globalization processes. In the process of active decentralization reform, realization of efforts to build effective local self-governance and achieve the development of territorial economic systems on the basis of European integration and the implementation of international best practices and trends, it is necessary to regulate the use of cooperation measures. The practice of applying of contractual forms of cooperation between administrative units in order to improve their economic capacity, which has been spread in the EU, has not been widely disseminated and implemented in Ukraine, despite its exceptional value as a measure to stimulate the socio-economic development of the regions and as an instrument for implementing of strategic documents initiatives on regional policy in Ukraine and in the EU.*

Aim and tasks. *The purpose of the article is to determine the scientific basis for tax incentives for regional economic cooperation as a measure of increase of socio-economic development level, to substantiate the proposals of stimulation of the implementation of investment and innovative projects, that are aimed at improving the community's welfare on local, regional, national and international levels due cooperation tools and better use of local resources and the benefits of territorial units during their participation in economic exchange, that is - during the glocalization process.*

Research results. *It's proposed the scientific principles of tax stimulation of economic cooperation at the regional level and the essence of regional economic cooperation process, achieved by administrative units, is determined. It's stated that such sense should correspond and improve the existing principles and provisions of the European regional policy, implementation means of which are to be updated in accordance with national features and trends of economic system development. The scientific principles and measures that are to stimulate economic cooperation are developed on the basis of actual provisions of the modern institutional environment, including the Tax and Budget Codes of Ukraine. It has been established that the proposed regulatory tax measures have become possible for practical use, on the basis of appropriate scientific justification, due to modern changes in the budget legislation and are promising for*

implementation, especially in the aspect of the implementation of new large-scale investment projects, and as a lever to support the development of economic growth.

The list of local taxes and fees with the help of which it is possible to stimulate regional economic cooperation is determined, the methodical bases of the regulation of economic cooperation are formulated, in the context of inclusion of territorial communities in the processes of global economic exchange. The measures of stimulation of economic cooperation and implementation of strategically important investment projects with global character are proposed. The measures are to establish preferential rates for local taxes within the existing powers of local self-governmental bodies, the application of privileges for reinvestment operations, the drawing up of strategic plans for promising investment-oriented taxation at the territorial level communities and regions.

Conclusion. The results of the research are outlined in the article, in the form of regulatory measures, and are actually necessary for central and regional authorities, since they contain a scientific justification for the effective promotion of economic transformations in a territorial context in according to the implementation needs of the reform of local self-governance and taking into account the influence of the processes of globalization. The prospect for further research includes the formulation of methodological approaches to the determining of tax regulators set that are to stimulate socio-economic development and stimulate regional cooperation, to assess the effectiveness of such regulatory measures.

Keywords: regional economic cooperation, investment taxation, investment projects, globalization.

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ПОДАТКОВЕ СТИМУЛЮВАННЯ РЕГІОНАЛЬНОГО ЕКОНОМІЧНОГО СПІВРОБІТНИЦТВА В УМОВАХ ГЛОКАЛІЗАЦІЇ ТА РЕФОРМУВАННЯ МІСЦЕВОГО САМОВРЯДУВАННЯ

Актуальність пояснюється потребою застосування важелів податкового стимулювання співробітництва територіальних громад, а також розробки науково обґрунтованих положень провадження економічного співробітництва регіональних економічних систем з метою підвищення рівня їхнього соціально-економічного розвитку та на основі вдосконалення інституціонального базису в сприятливих для цього умовах реформування місцевого самоврядування та включення локальних систем глобалізації ні процеси. В процесі активного провадження реформи децентралізації, намаганні побудувати ефективне місцеве самоврядування та досягти розвитку територіальних економічних систем на засадах євроінтеграції та імплементації міжнародних кращих практик і трендів необхідним є регуляторне стимулювання застосування заходів співробітництва. Практика застосування договірних форм співпраці адміністративних одиниць з метою покращення їхньої економічної спроможності, яка розповсюджена в країнах ЄС, не знайшла суттєвого поширення і впровадження на теренах України, незважаючи на її виключну цінність як заходу стимулювання соціально-економічного розвитку регіонів та як інструменту реалізації ініціатив стратегічних документів з регіональної політики в Україні та в ЄС.

Мета та завдання. Метою статті є визначення наукових засад податкового стимулювання регіонального економічного співробітництва як заходу підвищення рівня соціально-економічного розвитку, обґрунтування пропозицій щодо стимулювання реалізації локальних, регіональних, національних та міжнародних інвестиційних, інноваційних та інших проектів, спрямованих на підвищення рівня добробуту громад на засадах провадження співпраці і кращого використання локальних ресурсів і переваг територіальних одиниць при участі в економічному обміні, тобто – глокалізації.

Результати. Запропоновано наукові засади податкового стимулювання економічного співробітництва на рівні регіонів та визначено сутність провадження регіонального економічного співробітництва адміністративних одиниць, що має відповідати і вдосконалювати існуючі принципи і положення європейської регіональної політики, імплементація якої потребує актуалізації відповідно до національних особливостей та тенденцій розвитку економічної системи. Розроблені наукові засади та заходи стимулювання економічної співпраці ґрунтуються на актуальних положеннях сучасного інституціонального середовища, в тому числі Податкового та Бюджетного кодексів України. Встановлено, що запропоновані регуляторні податкові заходи стали можливими для практичного використання, на основі відповідного наукового обґрунтування, завдяки сучасним змінам в бюджетному законодавстві та є перспективними для реалізації, особливо в аспекті реалізації нових масштабних інвестиційних проектів, та в якості важеля підтримки розвитку точок економічного зростання.

Визначено перелік місцевих податків і зборів, за допомогою яких можливим є стимулювання регіонального економічного співробітництва, сформульовані методичні основи провадження регулювання економічного співробітництва, в аспекті включення територіальних громад до процесів широкомасштабного економічного обміну. Запропоновано заходи стимулювання економічної співпраці при виконанні інвестиційних проектів стратегічно важливого та глокалізаційного характеру, які полягають у встановленні пільгових ставок з місцевих податків в межах наявних повноважень органів місцевого самоврядування, застосуванні пільг для реінвестиційних операцій, складанні стратегічних планів з перспективного інвестиційно-орієнтованого оподаткування на рівні територіальних громад та регіонів.

Висновки. Результати досліджень, викладені в статті, у вигляді заходів регулювання є потрібними для центральних та регіональних органів влади, оскільки містять в собі наукове обґрунтування для ефективного стимулювання економічних перетворень в територіальному розрізі в умовах провадження реформи місцевого самоврядування та з врахуванням впливу глокалізаційних процесів. Перспективою для подальших досліджень є формулювання методичних підходів до визначення необхідного набору податкових регуляторів зі стимулювання соціально-економічного розвитку і стимулювання співробітництва регіонів, до оцінки дієвості таких регуляторних заходів.

Ключові слова: регіональне економічне співробітництво, інвестиційне оподаткування, інвестиційні проекти, глокалізація.

Problem statement and its connection with important scientific and practical tasks. The system of economic cooperation of territorial economic systems, which includes regions, districts, cities, rural communities, united communities, provides additional opportunities for rapid socio-economic development and for solving urgent and large-scale socio-economic problems. However, this tool is being implemented in Ukraine without additional regulatory stimulation very slowly, despite full legalization and adoption of a common legislative framework. Experience of EU countries [1] testifies to the necessity of the state, including tax, to stimulate the formation of the institute of economic cooperation for territorial economic systems.

The national realities of economic development and the peculiarities of the process of reforming the system of local self-government are characterized by a set of own specific features and require new methodological, conceptual and methodical approaches to the development and implementation of regulatory policy, and this determines the uniqueness of the received scientific provisions in comparison with the past achievements obtained in European countries and international level. In the context of the implementation of the reform of local self-governance [2] and the implementation of European integration initiatives, the need for effective use of local preferences of regions for inclusion in cross-border and international economic cooperation is updated. Therefore, it is necessary to develop methodological approaches and tools for ensuring the effective implementation of the European policy of regional convergence and overcoming the disproportions of socio-economic development of territorial economic systems in the aspect of conducting economic cooperation of functional territories in Ukraine and in the Ukrainian Black Sea region, in particular. This is especially true of the Lower Danube region, where the process of voluntary formation of united territorial communities has almost stopped because of conflicts of interest and inconsistency of opinion of local residents about the appointment of community leaders and administrations. However, the Lower Danube region is one of the most promising for the implementation of European integration initiatives of Ukraine and participation in international economic exchange due to geographical proximity to European

borders and water transport and trade routes. That is, the implementation of the ideas of globalization - the use of local preferences for participation in international processes of economic exchange, for the territories of the Ukrainian Danube is an actual task. It also determines the need to leverage tax incentives for cooperation of territorial communities and develop scientifically sound provisions for the economic cooperation of regional economic systems with a view to enhancing their socio-economic development and based on improving the institutional framework in favor of reforming local self-government for this purpose. The scientific problems of this article are related to the scientific provision of the practical implementation of the provisions of such documents as: European Policy for Investment Development [1] and the European Strategy 2020 [3], Concept of reforming the system of local self-government and territorial organization of power in Ukraine [4], Laws of Ukraine "On Voluntary Association of Territorial Communities" [5] and "On Cooperation of Territorial Communities" [2], The Strategy for Sustainable Development "Ukraine 2020" [6] and the Draft Strategy for Sustainable Development "Ukraine-2030" [7]. Also, the scientific provisions and proposals of this article will be related to the introduction of amendments and amendments to the Tax Code of Ukraine [8] aimed at activating socio-economic development in territorial economic systems, on the basis of the establishment of cooperation and participation in the processes of globalization. In addition to the general tasks of the legislative and institutional nature, the following should be resolved: in the system of institutional provision of the development of territorial economic entities at the local level, the status of functional territories - complex territorial and economic systems that objectively formed on the basis of the unity of production, logistics, social, ecological, cultural and other interests, are characterized by the stability of economic ties and, according to the experience of developed countries, increase the efficiency a tool for the formation of united territorial communities. Therefore, scientific substantiation of the essence of economic cooperation of territorial communities as an effective tool for increasing the competitiveness and the level of socio-economic development of regional and national economic systems, defining theoretical and methodological foundations for cooperation of functionally capable territorial entities, on the basis of which methodological approaches to assessing the efficiency of proceedings should be developed cooperation at the regional and local levels, as well as the essence of the mechanism is formulated jacks, tools and suggestions for incentives (including tax) joint implementation processes important economic projects in different local communities that share common functional relationships.

Analysis of recent publications on the problem. The rich applied and scientific experience of stimulating economic cooperation of territorial communities has been formed in the EU countries and other developed countries where there are scientific schools, created the relevant institutions and available scientific works of renowned regional scholars. However, the fundamental and applied research findings on this issue have a certain link to the realities and conditions of socio-economic development in developed countries, where local government reform has already taken place and the process of improving the forms and methods of cooperation is ongoing, but for most of the countries of Eastern Europe such approaches Implemented in pure form is impossible. New fundamental results and applied developments in the form of mechanisms, tools and proposals are necessary for the scientific substantiation of regulatory regional policy in Ukraine, since national institutional conditions for regional development are needed.

Tkachuk A. [9], Natalenko N. Approval of Best Practices for Stimulating the Regional Development of Economic Systems of Small Municipalities [9], publications of the current state of decentralization processes in Ukraine, as well as outlined key perspectives for the application of the best foreign practices, including European ones. Formations, on the basis of increasing socio-economic impact, is given in works by Sipilova V., Alekseeva L., Ostrovskaia I. [10], in which applied aspects of the problem of stimulation of regional development on basis of taking into account the experience of the Latvian economy and some EU countries. The analysis of the influence of inter-municipal cooperation processes on the efficiency of economic and structural development of territorial economic systems in Western Europe is given in the works of Kachmarek T. [11]. Kachmarek T. in his studies emphasizes the growing role of public administration (public administration in the broad sense) in the process of organization and formation of socio-economic life, draws attention to the steady global trend of growth of the tasks of management and, as a consequence, an increase in the number of administrative apparatus on all managerial levels. An important set of priorities and indicators is taken into account in scientific and applied aspects. sustainable, inclusive development for the regional level developed by the European Commission analysts [12] and which should also be used to identify and evaluate the development of territorial communities as key actors in the modern economic system of European countries. The theoretical and applied aspects of

managing the development of territorial communities on the basis of sustainable development in the countries and regions of Eastern Europe are presented in the works of Loginova Yu. [13]. The experience of applying a project approach in the management of the development of the territorial communities of Romania is considered in the works of Carmenado I. [14]. General theoretical and some applied aspects of comparing the advantages and disadvantages of locally-oriented and locally-independent approaches to managing the development of territorial communities as well as integrated social and economic systems are given in the publications of Barcy F. [15].

Tax instruments for stimulating socioeconomic systems at various levels are dealt with in the works of such scholars as Dillon A. [16], Woods M., Zissimon B., C. Romer and D. Romer [17], Buffett U., Bailey J., Laffer A., Development of the Regions Perez S., Warren J., Harbberger A. Aspects of the scientific study of the regional measurement of tax incentives for investment activities, the development of socio-economic systems, support for the implementation of investment projects, and the conduct of interregional economic competition are discussed in Wilson D.D. [18] Perez S. However, the aspect of stimulating tax measures of investment activity in the regions in the context of new opportunities provided by the results of the process of decentralization, and especially - on the example of the regions of the Danube Region, remains relevant and insufficiently researched.

In the works of such European researchers as R. Halst, R. Monforta and A. Monforth, the principles, conceptual foundations and basic tools for the implementation of regional and inter-municipal cooperation are defined. The experience of regulating the processes of creating territorial-economic, in particular, industrial complexes in Poland, the Czech Republic, Slovenia, in comparison with the first six EU countries, is based on the principles of economic cooperation in the works of G. Bonsdof, D.Kotsiuby, I.Rakar, B.Tikar and other scholars . Also, key aspects of the economic cooperation of regions are described in the documents of the European Commission, in particular, the provisions of the policy of convergence of levels of economic development of the regions of the EU for the period 2014-2020 and 2021-2027.

However, the results of these studies are still at an initial stage and the question of the formation of an integrated system of state regulation and, especially, the tax regulation by economic cooperation of functional territories at the local, regional, national, international levels in aspect of the ensuring of welfare and achieving the best indicators of socio-economic development of regions and national economy.

Allocation of previously unsolved parts of the general problem. Regional economic cooperation, principles, mechanisms of application of levers of tax stimulation of cooperation of territorial communities is relevant, but not fully fully studied issues and peculiarities of its disclosure in the theoretical plan, fullness of methodological approaches, proposals, measures in the applied aspect are determined by the characteristic features of those territorial-economic systems, in within the limits of which the consideration of tools of economic cooperation is underway. The need to provide proposals and mechanisms for regulating socio-economic development of communities, the process of establishing an institute for regional economic cooperation, providing methodological support for the assessment of the effectiveness and planning (strategy) of development and cooperation at the level of regions and territorial communities, in mechanisms and measures to stimulate the attraction of capital in the development of territories and intensifying their socio-economic development on the basis of cooperation, in mechanisms of stimulating the participation of regions in Cross-border and international co-operation (in particular on the basis of the Danube Strategy and EU Cohesion Policy) arose due to the need to support economic growth in the community, as well as due to lack of scientific substantiation and methodological provision for the application of such an approach in Ukraine.

Specific task in the sphere of stimulation of socio-economic development on the basis of cooperation is the definition of measures of tax support for the implementation of strategic investment projects at the level of territorial communities. Also relevant for the scientific provision of economic cooperation of the regions is the definition of the concept of functional territory - a category that defines the spatial and economic dimension of the development of economic systems of the local level.

Formulation of research objectives (problem statement). The research objective is to develop the scientific basis for tax incentives for regional economic cooperation as a measure to increase the level of socio-economic development and to promote the social and economic development of regional economic systems in the aspect of the active inclusion of territorial communities in the processes of international economic exchange, ie, globalization.

An outline of the main results and their justification. The development of partnerships and cooperation of territorial communities is perhaps the only way to effectively enhance prosperity in a context

where local decentralization initiatives and global challenges are combined, that is, the process of globalization is taking place. Opportunities for entry into the world markets and participation in international economic exchanges for small local community communities are expanding considerably when applying approaches to stimulating partnerships in terms of globalization. In the process of active reform of decentralization, efforts to build effective local government and achieve the development of territorial economic systems on the basis of European integration and the implementation of international best practices and trends, it is necessary to regulate the promotion of cooperation measures, in particular:

- conducting an economic experiment on preferential taxation of new investment projects implemented in the format of cooperation;

- application of effective tools for cooperation of territorial communities that will allow to fully realize the potential of endogenous factors and conditions of economic ties and specialization, existing points of economic growth on voluntary contractual basis, which can make an alternative to the instrument of creation of joint territorial communities or supplement it without the need for complex administrative-territorial changes.

The practice of applying contractual forms of cooperation of administrative units with the aim of improving their economic capacity, which has been distributed in the EU countries, has not been widely disseminated and implemented in the territory of Ukraine, despite its exceptional value as a measure to stimulate socio-economic development of the regions. The Law "On Cooperation of Territorial Communities" adopted in Ukraine [2] defines the general framework for the application of the cooperation instrument, but does not stimulate the community to cooperate, as it needs additional support in the form of related legislative norms, state and regional policy provisions that should set incentives for implementation of local, regional, national and international investment, innovation and other projects aimed at increasing the community's welfare on the basis of the spi labor and better use of local resources and benefits units. While in all the EU countries an instrument of interregional or inter-municipal cooperation has allowed to form the whole network sectoral economic complexes that really embody and embody the implementation of the principles and goals of sustainable development, in Ukraine, as of February 2019, only 1262 communities became users of the intermunicipal tool cooperation, having concluded only 325 cooperation agreements (Table 1) and prompted the process of such cooperation due to administrative measures and facts of attraction of the international technical services are due even.

Table 1

Activity of participation in regional economic cooperation of regions of Ukraine

Region	Total number of cooperation projects	Number of communities using the inter-municipal cooperation tool	Class of the region by the level of activity of cooperation	Region	Total number of cooperation projects	Number of communities using the inter-municipal cooperation tool	Class of the region by the level of activity of cooperation
Poltava	97	505	The most active	Ternopil	5	13	Low-active
Vinnitsa	64	192		Chernivtsi	4	10	
Sumy	36	81	Highly active	Transcarpathian	3	8	
Cherkassy	23	116		Lviv	3	7	
Kharkiv	22	94		Kherson	3	7	
Zhytomyr	16	43		Khmelnitsky	3	12	
Volyn region	11	31	Medium-active	Donetsk	2	5	
Ivano-Frankivsk	11	78		Odesa	2	9	
Chernihiv	11	45		Lugansk	0	0	

Rivne	10	30		Nikolaev	0	0	
Kirovogradskaya	10	20		m. Kyiv	0	0	
Dnipropetrovsk	9	24					
Zaporozhye	8	16					
Kievskaya	7	9					

* - calculated according to data of [19]

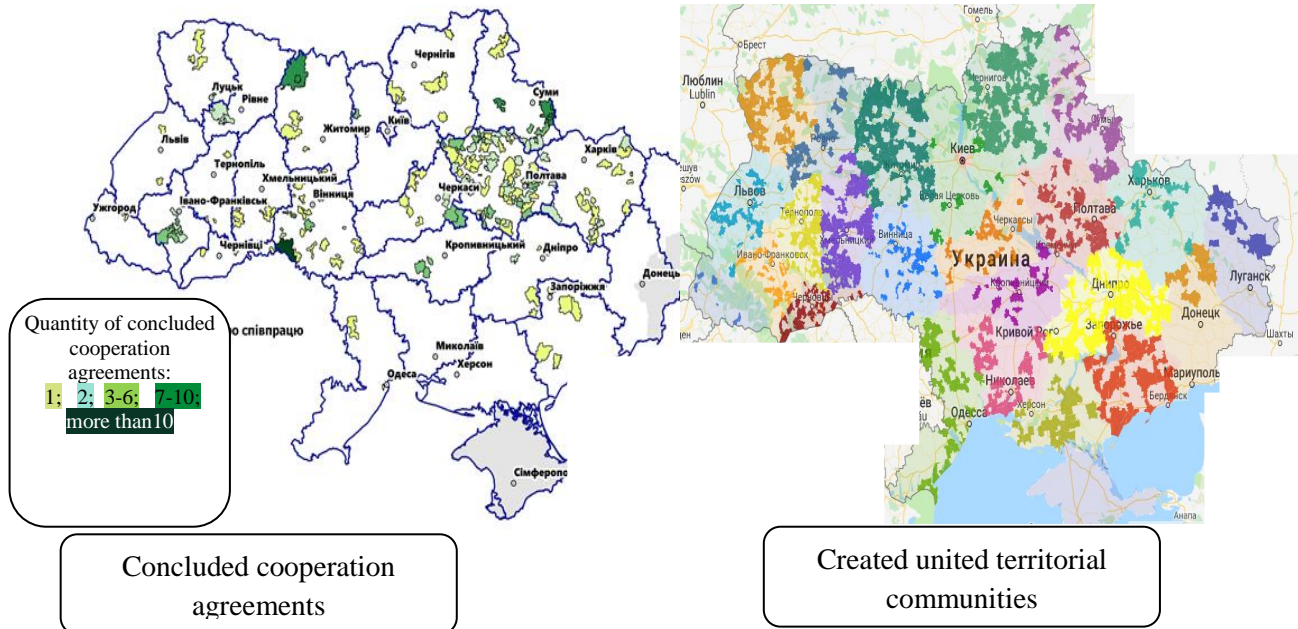


Fig. 1. Activity of the territorial communities of Ukraine on the implementation of cooperation and voluntary association, as of 01.02.2019 p.*

*- calculated according to data of [19]

The pace of economic growth and the state of socio-economic development of the regions depend heavily on the availability of economic growth and well-adjusted regulatory policies and the promotion of business activity. The realities of decentralization, administrative and territorial reform and the system of local self-government show the need to stimulate economic cooperation at all levels of the administrative-territorial hierarchy for the effective use of local potential, obtaining economic benefits from business development, which will promote social uplift and welfare growth, and will allow to increase the economic base for filling the revenue part of the budgets of all levels. The most active and successful process of forming united communities takes place in those territorial units where there is an economic basis for further development, that is, existing industrial complexes, production facilities or centers of business activity that allow communities to achieve economic and fiscal capacity. Economic cooperation of territorial economic systems in this regard can serve as an effective tool for revitalizing the socio-economic development of the regions, as it allows for the formation of stable cooperative ties as the basis for the sustainable development of strategically important activities in certain territories (communities, cities, villages, regions), which will contribute to the creation and development of economic growth. Economic cooperation of territorial systems can act as a catalyst for economic growth in already formed territorial communities, and it is an alternative to community consolidation, when it is impossible to reach a decision on the formation of a joint administrative body, but to achieve the desired effect of scale from consolidating the economic potential of communities is necessary to ensure their ability in the aspect of performing administrative, social (in particular medical, educational) functions, resolving issues with renewed roads and communications, and the conduct of economic activity in a cooperative form.

Economic cooperation should be carried out at different administrative and territorial levels, but the regional level will be the key to solving large-scale issues that are not available at the local level and taking into account the local specifics, advantages and opportunities of individual territorial units, which is difficult to do at the national level. The institutional basis for the implementation of multilevel cooperation is defined by the Laws of Ukraine "On Voluntary Association of Territorial Communities", "On Cooperation of Territorial Communities", the CMU Resolution "On Approval of the Procedure for the Preparation, Conclusion and Implementation of an Agreement on Regional Development and the Model Agreement", and also a number international treaties and provisions of EU policy "European Cohesion Policy 2021-2027". It is supposed that cooperation of the regions with the central authorities on the issues of solving common problems in the area of improving the economic development of the regions is carried out through regional development agreements; cooperation at the local level between cities, communities and villages is carried out with the help of five forms of contracts defined by the Law "On Cooperation of Territorial Communities"; Cross-border and international economic cooperation should be carried out through certain forms of international agreements and treaties. At the same time, the issue of regulating and stimulating the processes of cooperation of territorial economic systems on the principles of mutual benefit is not regulated institutionally and is not substantiated properly in the scientific aspect. Therefore, the proposed methods of economic cooperation are not sufficiently effective, and agreements on regional development are not really effective at all. There are also no grounds for identifying functional areas - a key economic category that defines a set of territorial and economic subcomplexes that can function collectively as a single system suitable for fulfilling common tasks of socio-economic development in the sectoral dimension. In developed countries, and especially the European Union, approaches to the regulated and effective implementation of economic cooperation between regions and communities based on the allocation of functional areas in the form of informal subregional, local, regional, and transboundary entities are rather widespread and developed, take into account local specificities and promote socio-economic development of national economies.

Educational activities to disseminate knowledge about the use of the instrument of cooperation in the territorial communities are actively conducted by experts of the decentralization project in Ukraine [20], but information and communication support in this sense is not enough for the successful implementation of this project in the national economy. The experience of the EU countries shows the need to stimulate and support economic cooperation processes of territorial communities in Ukraine. State aid, competitive financing and tax incentives for the implementation of investment projects were provided in Poland, the Czech Republic, Slovenia, Romania [21] and others. In the latter part of the EU, tax incentives for regional economic cooperation have been used mainly in the form of targeted benefits, for example in Romania, a reduced land tax rate has been proposed in the formation of large-scale agri-businesses engaged in environmentally-friendly agricultural production. In Poland and the Czech Republic, a reduced income tax for new projects for the creation of network industries with the highest added value created in the country [21]. Even in Germany, local taxation is used as a tool to support the implementation of priority investment projects [22, 23].

Stimulation of economic cooperation processes in Ukraine can be carried out with the help of tax measures, the application of which becomes more realistic and relevant in the conditions of decentralization, which leads to progressive changes in a number of legislative acts, in particular, in the tax legislation, in terms of local taxes.

The existing list of local taxes and fees (in accordance with Article 10 of the Tax Code of Ukraine [8] and the Budget Code of Ukraine [24]) includes:

- property tax;
- single tax on entrepreneurship activity (single tax);
- parking fees for vehicles;
- tourists tax.

Also, legislation stipulates that local councils are required to establish a single tax and property tax (in terms of transport tax and land fees, except land tax on forest land) [8]. Local councils within the scope of the powers determined by the Tax Code resolve issues related to the establishment of property tax (with respect to the tax on immovable property other than land) and the imposition of fees for parking vehicles, tourist fees and land tax for forest land. Local councils set the single tax rate for entrepreneurs-individuals of the 1st and 2nd groups and with the help of such powers can significantly stimulate the activity on cooperation, taking into account the following main features of the tax:

- the single tax for entrepreneurs of the 1st and 2nd groups has a significant social significance - the majority of individuals engaged in active economic activity on the territory of cities and communities, registered and are subject to a single tax;

- the single tax on individual entrepreneurs is characterized by high elasticity - for all small entrepreneurs the tax size is very important and they are ready to change the type of economic activity, if it will bring an economic effect in the form of a reduction in the amount of tax;

- reduction of the tax rate to support the implementation of strategically important investment projects cannot create significant risks for the revenue part of local budgets (Table 2).

Table 2

Structure of revenues from own budgets 665 OTGs in Ukraine *

Indicators of tax revenue from the budget	January -July 2017		January -July 2018	
	UAH mln	%	UAH mln	%
Total:	10453,6	100	16962,2	100
Income tax	4100,8	39,2	9388,3	55,3
Excise tax	1259,7	12,1	1281	7,5
Fee for land	2279,5	21,8	2523,6	14,9
Single tax	2231,2	21,3	2803,9	16,5
Real estate tax	227,8	2,2	349,5	2,1

*- calculated according to data of [25]

The impact on the business environment in order to intensify activity on the implementation of investment projects within the framework of cooperation with the help of tax leverage - a single tax on entrepreneurs-individuals - is a very real and legitimated measure that is not applied by local communities. For example, for the border regions of Ukraine it would be possible to support the formation of entrepreneurial networks with efficient logistics and value-added chains, which would allow local entrepreneurs to participate in cross-border cooperation on the basis of economically profitable for themselves and for the national economy.

It is also possible to regulate cooperation in territorial communities with the help of other taxes, namely: personal income tax and corporate income tax. But such taxes are characterized by higher risks and there is a need to introduce legislative changes to put in place such regulators.

Regarding the personal income tax, there are some contradictions in the existing legislation on the tax provision of financial development of territorial communities that concern the delegation of powers to administer and collect taxes with the actual payment of tax payments to certain budgets. The tax on personal income, which by the legislative classification is national, actually serves as the main source of financial support for the economic development of territorial communities, cities and districts, since 60% of the total amount of this tax is levied to the local budgets of the listed administrative-territorial entities. This tax is one of the main for local geo-economic systems and provides the financial supply of local development by 80-90%. However, for local communities at the local level, tools are available only for indirect management of their own revenue-based budget base for personal income tax, namely: it is possible to encourage employers with administrative, informational, consulting, educational and advisory methods on accrual and payment of relatively high wages, which will ensure accrual of higher personal income tax. At the same time, the use of stimulators for socio-economic development of territorial communities with the help of most direct taxes, as is the case in most developed countries, is not possible without the introduction of special changes to the current tax legislation. A possible way to apply tax incentives to economic activity, to encourage investment projects to be implemented and to cooperate with them is to use the terms of Art.11 of the Tax Code of Ukraine [8] on special tax regimes. Special tax regimes are established and applied in the cases and in the procedure, determined exclusively by the Tax Code of Ukraine, and provide for the establishment of a special system of measures that determines the special tax treatment of certain categories of economic entities [8]. A special tax regime may provide for a special procedure for the determination of elements of tax and collection, exemption from the payment of individual taxes and fees.

Provisions of Art.11 of the Tax Code of Ukraine is appropriate in the form of an economic experiment to support the attraction of investments in depressed and border regions, which should ensure the level of socio-economic development and promote the implementation of local preferences of territories in their participation in a globalized economic exchange.

Conclusions and perspectives of further research. The key instrument for conducting regulatory support for the implementation of regional economic cooperation in the territorial communities of Ukraine is local taxes and fees, especially those for which rates are set by local self-government bodies. For the single tax, the institutional framework for the promotion of economic inter-municipal and regional cooperation is already legally defined, but in practice such an instrument is not yet used because of the lack of interest and risks for the state fiscal service due to underperformance of the revenue side of the budget. However, the application of such special preferential terms to the taxation of a single tax of only new investment projects almost alleviates such risks and will promote the increase of entrepreneurial activity in problem areas, where processes of formation of capable united territorial communities pass with significant difficulties. Special taxation conditions for such territories as, for example, the Lower Danube region, should facilitate the formation of efficient business networks that specialize in the implementation of priority economic activities for the given territory, effectively use local resources and potential and are capable of competitive participation in economic exchange at the cross-border, international level.

It is assumed that on the basis of the basic proposals, the directions and aspects of their adaptation and implementation at the basic level will be formulated in order to stimulate economic inter-municipal cooperation in specific territorial economic systems, for example, in the Lower Danube sub-region, and this will be the subject of applied implementation and implementation of investment projects on the basis of partnership and economic cooperation.

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