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# THE THEORETICAL BASIS OF THE HISTORICAL ASPECT OF DEVELOPMENT AND A SYSTEM OF LOCAL TAXES AND FEES

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The Ukraine local taxes system in its modern dimension moved a difficult and controversial way. The problem of the formation and development of local taxes and fees extensively researched within the last years, but has not lost its relevance. The creation of a quality local system of taxes and fees, begins almost simultaneously with the proclamation of independence of the Ukrainian state. So, naturally the beginning of the Ukrainian taxes system is the year, when our country gained independence.

The history of the local taxes and fees system may be divided into two stages:

- prior to the tax code;
- after the tax code.

In 1991, the regulation of the local taxes and fees carried out by USSR law which was called " Taxation System " provided 3 local taxes and 12 local fees. The law called " Taxation System " was the main starting point of creation of their own local taxation system, which resulted in a significant increase in business, reducing unemployment and capital accumulation.

The turning point in shaping their own effective taxes system is the Tax Code of Ukraine, which is the beginning of a new reform of the national tax system. After adoption of the Tax Code of Ukraine in 2011 the structure of local taxes and fees has undergone significant changes. In this Code the quantity and quality of national and local taxes and fees has been changed.

The reducing of the amount of local taxes and fees introduces the tax code positive features : firstly, most taxes that existed before

the introduction of the tax code almost did not conduct their fiscal function; secondly, they had low economic efficiency and most of the costs of their administration often exceeded the income from them. On the other hand, there is a duplication association and local fees that existed before. Inability of local authorities to implement a hidden tax potential and effectively regulate economic activity at the local level, lack of transparency in the administration of certain taxes lead to underutilization of existing capacity taxation.

The process of reforming local taxation is unfinished, but it needs to be changed more than ever. To increase the efficiency and functioning of local taxation it needs to adapt to European standards. In modern conditions of European integration transformations and the crisis in the country, forming quality local taxes system is one of the main country target.

Overseas local taxes appear to be a viable source of financial self-sufficiency of communities rather than perform an auxiliary role that the state tax reform should go through the experience of other European countries in this area.