

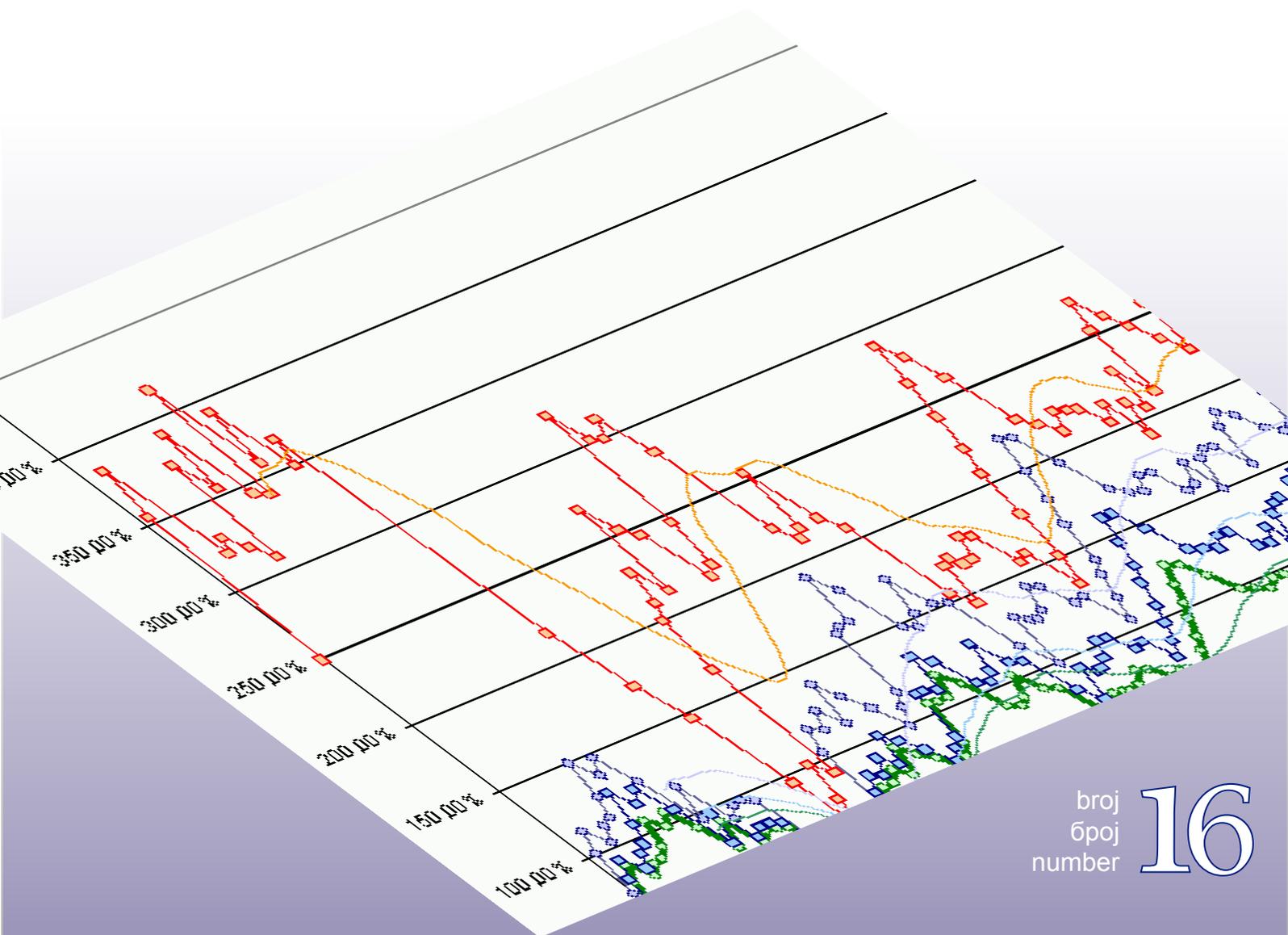
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



Босна и Херцеговина
Одјељење за макроекономску анализу
Управног одбора Управе за indirektno-
опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



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In this issue....

In the beginning of November 2006, Indirect Taxation Authority (ITA) met annual plan for collection of indirect taxes in the single account. Due to non developed economy and low income, which creates low base for VAT, indirect taxes represent the most significant source of revenues for all levels of the administration. Introduction of VAT had an impact on lower levels of the administration (cantons and municipalities), and budgeting process respectively. In the last issue of the Bulletin, the Unit published working projections of revenues from indirect taxes in the single account for the period from 2006 to 2009. In this issue, the Unit is publishing a model for allocation of indirect taxes to all levels of government. Proposed model should make it easier for lower levels of government to prepare forecasts of their own revenues and medium term plans until 2009.

VAT system of taxation is very efficient system for collection of revenues, but it has regressive effects on distribution of income and liquidity of economy. Coherent fiscal policy means balancing of direct and indirect tax policy, which should enable maximum use of VAT positive effects while improving negative effects through facilitating income and wage taxes. Republika Srpska adopted new regulations in the field of indirect taxes in right time in order to create propulsive business atmosphere, create new jobs and attract investors. In this issue, we are providing you short comment about new Law on income tax with emphasis on provisions that are significant for foreign companies and entrepreneurs.

We are continuing to publish consolidated monthly reports for fiscal operations of the single account and entities for October, and consolidated monthly reports for the general government that include fiscal operations of central governments (budgets of BiH, entities and Brcko District) and cantonal budgets for nine months of 2006. We also provide consolidated monthly reports for the BiH Federation for six months including cantons and municipalities, and consolidated reports for some cantons.

From this issued of the Bulletin, our colleagues from the ITA Governing Board will prepare information on work of the ITA Governing Board, which will contribute to transparency of the ITA Governing Board's work. This will also make this important fiscal institution closer to all levels of the administration as well as to other readers of our Bulletin and public in BiH and abroad.

Dinka Antić, MSc.
Head of Unit – Supervisor

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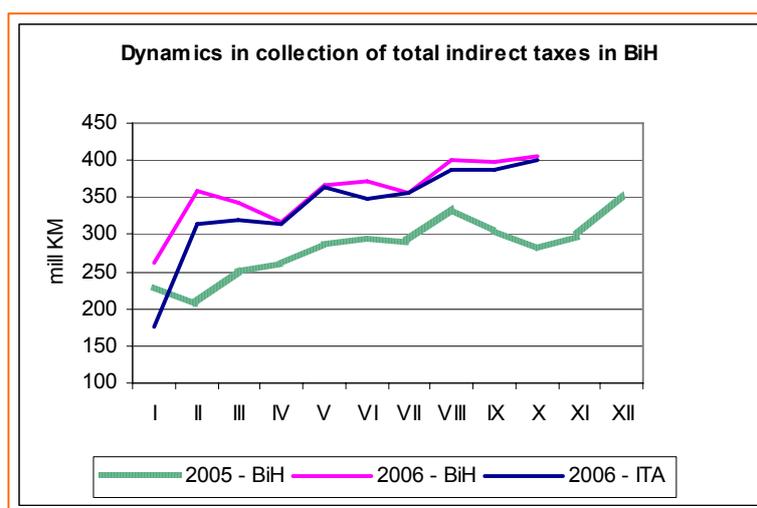
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Collection of indirect taxes: October 2006.

(Prepared by: Dinka Antić, MSc)

In October 2006, almost 400¹ million KM was collected to the single account for indirect taxes in net amount, which is 3% increase compared to September 2006. For ten months in 2006, it was collected 3,580 billion KM net in total of indirect taxes in BiH or 30% more than in the same period 2005. ITA collected 3,362 billion KM of net revenues or 93% and entity administration and Brcko District collected the rest of 218,8 million KM.

Trends in collection of indirect taxes in BiH in 2005 and 2006 is shown in the graph 1:



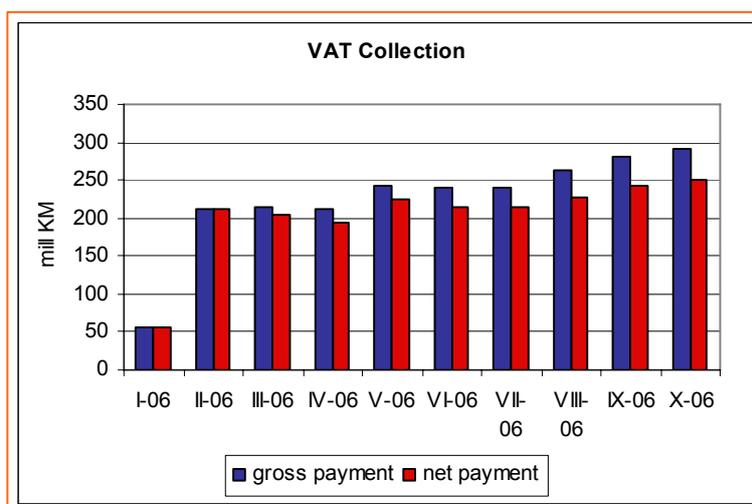
Graph 1.

The graph clearly shows impact of lagging sales tax collected into entity accounts (difference between total collection of indirect taxes in BiH and collection to the single account). From July 2006, collection of lagging sales taxes of entities is sporadic and amounts to around 10 million KM a month.

There was increase in collection of revenues from customs duties in October. In comparison with September, the collection was 7,22% higher for customs. However, in the period from January to October in comparison with the same period 2005, revenues collected from customs duties decreased by 8,21%. Collection of excise in October is almost identical to collection in September 2006, but 27.5% higher than in the same month 2005. Collection of excise in 2006 is 8% higher than in 2005 if we observe period of ten months.

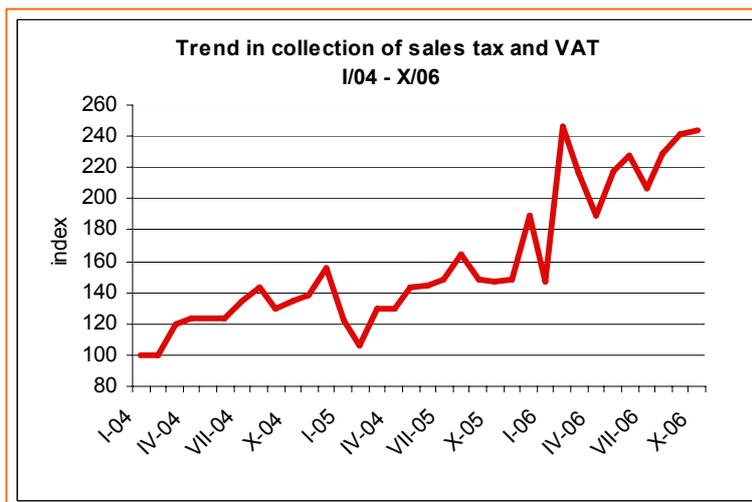
Net receipts from VAT in October were 2,7% higher than in September, which represents lower decrease if take into consideration that growth from net receipts of VAT in September compared to August was 7,16%. This is a result of increase of VAT refunds by 10% due to payments of unused tax credits to taxpayers. Ration of VAT gross collection and refunds is shown in the graph 2:

¹ ITA collected additional 32,678 million KM of revenues that remained unadjusted after compilation of payments breakdown (single account) and records in modules of ITA IT system (VAT, customs, excise) on October 31, 2006. Amount of unadjusted revenues is not included in analysis of collection of indirect taxes.



Graph 2.

In order to compare collection of VAT in 2006 with collection of sales tax in 2005, it is necessary to add lagging sales tax in entity accounts in 2006² to collection of VAT. In comparison with the same period of 2005 with 2006, it was collected 56% more of VAT and sales tax. Trend in collection of this group of revenues is provided in the graph 3:



Graph 3.

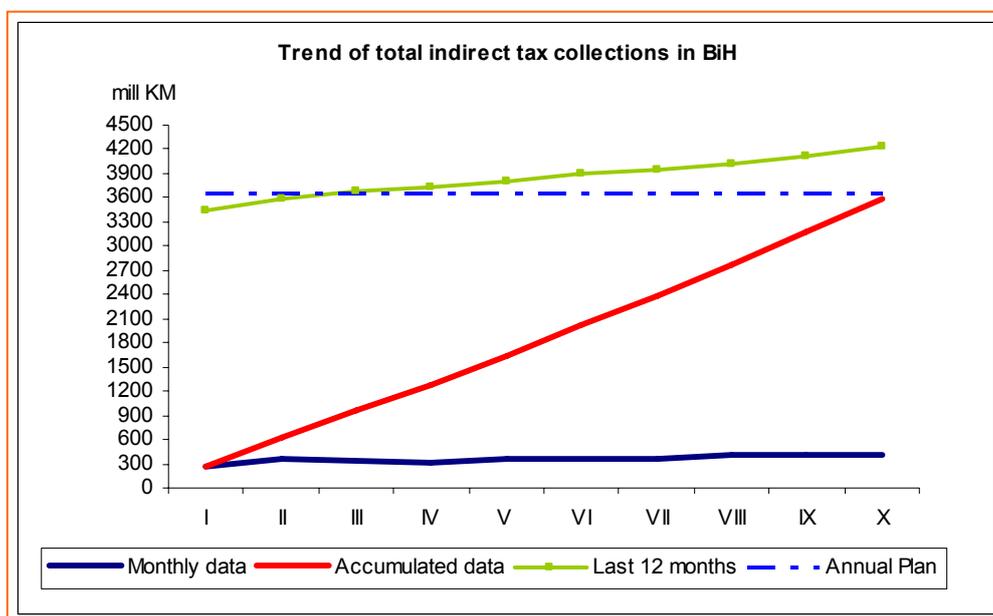
On October 31st, 2006, balance of accumulated tax credits amounted to 157,498 million KM that will be paid to taxpayers in accordance with dynamics of payments adopted by the ITA Governing Board in 2006.

In October, VAT debt increased significantly and debt balance in the end of the month amounted to 85 million KM. However, only 14% of debt relates to unpaid VAT from declarations including penalty interest and additional burdens. Most of debt was automatically assessed by ITA for taxpayers who failed to file declarations³.

² More about methodology for comparative reporting on collection of indirect taxes in 2006 in the Bulletin no. 7

³ Tax assessment is done automatically in the IT system on basis of estimated turnover from this or last year, which means it might happen that in procedure of debt collection it's identified that amount of real debt for VAT less than assessed especially if some taxpayers stopped their business without informing ITA.

Total collection of indirect taxes, especially VAT was constantly increasing and it exceed plan. This can be seen in the graph 4:



Graph 4.

Almost 98% of planned amount of indirect taxes in BiH was collected in ten months of 2006 and ITA met its plan with almost 95,96%. When it comes to collection of VAT, the plan was exceeded by 9,5% and collection of lagging sales tax into accounts of entities almost exceeded planned amount of 150 million KM by 42%. It is expected to collect approximately 4,2 billion KM of indirect taxes in BiH by the end of the year, which means 15% higher than the collection plan for 2006.

For the next period, we should bear in mind that faster payments of unused tax credits will increase amount of paid refunds. This is very important for creation of reserves in the single account, which have direct impact on amount available for allocation to entities and District, and also financing of budgets of lower levels of administration (cantons and municipalities). Abolishment of suspension of refunds to other taxpayers will be "bate" for possible frauds and tax evasions such as false statement of higher input VAT and hiding and non registered sales and output VAT. Experiences in multi annual application of VAT in other countries confirm opinion of tax experts that refunds represent "Achilles heel" of VAT system. It's obvious that increase of VAT will have impact on:

- (i) increase of reserves in the single account⁴,
- (ii) reduction of net inflow of indirect taxes⁵.

Both of these effects have aggregate impact on reduction of inflow from indirect taxes to budgets of all levels of administration in BiH except for the state.

⁴ more about this in special article in this issue

⁵ more on projections for collection of indirect taxes in the single account of ITA is in the Bulletin 15

Allocation of revenues from the single account: working projections, 2006 – 2009

(Prepared by: Ognjen Đukić, Macroeconomist in the Unit)

Budget planning process is more difficult: key role of indirect taxes

Since the beginning of 2006, all revenue coming from indirect taxes are collected to the single account (SA), which is under control of Indirect Taxation Authority (ITA). Indirect taxes make almost half of the public revenues in Bosnia and Herzegovina⁶, so dynamics in filling the single account and allocation of these revenues is of utmost importance for all budgets. In the last few years budget planning process was much more difficult due to frequent tax and institutional reforms and changes of legal regulations. Lower levels (cantons and municipalities/cities) were in extremely difficult situation as they did not have access to timely and adequate information on expected revenues for future period. Budget planning this year is also a challenge because of uncertainty with coefficients for allocation between the Federation, Republika Srpska and Brcko District, and also because of impact of new legal regulations on allocation of revenues. Due to this reason **Macroeconomic Analysis Unit is publishing table with revenue projections from indirect taxes to the single account and its allocation to all layers of the government in the period 2006 – 2009**. This table should enable lower layers of the government to forecast their own revenues in the future period making it easier to conduct process of medium term planning.

Single projections as foundation for budget plans

A need for active coordination of all fiscal operations in Bosnia and Herzegovina is undisputable today. (see Box 1). In order to have coordinated fiscal policy in country, budget planning at all layers of the government should be based on single assumptions i.e. projections. As part of PKF project for strengthening public expenditure management in BiH, state and entity ministries of finance and Brcko District made great progress in this direction through use of methodology for budget preparation, which is based on "10 steps" budget calendar. Such budget calendar prescribes necessary steps that are required in creating budget in order to get to final budget draft and its adoption. One of envisaged steps for both entities and BiH institutions includes creation of revenue projections and Macroeconomic Analysis Unit provides projections for indirect taxes for three year period. On basis of these projections and projections for other revenues (direct taxes, non tax revenues and grants) carried out by entity and state ministries, budget envelopes will be created. In this way **it is ensured that creation of all budgets is based on single revenue projections**.

As we already mentioned, creation of budget proposals for 2007 was even more difficult. On April 15th, according to agreed dynamics of budget steps, Macroeconomic Analysis Unit made revenue projection from indirect taxes to the single account as basis for making budgets, but shares of individual beneficiaries were not known at this time. First of all, share of the budget for BiH institutions was not known, which basically represents result of the political agreement at the state level. Other coefficients for allocation of remaining part of revenues to the Federation, RS and Brcko District were also not agreed at the time.

At the meeting of Coordination board for budget framework paper⁷ on June 27th, 2006 in Banja Luka, it was concluded that we can not wait for political resolution of these issues and

⁶ Indirect taxes in 2005 represented 48% of total revenues for all layers of the government (including funds and excluding foreign financed projects) in BiH while it is expected to have more than 50% in 2006.

⁷ Coordination body for budget framework paper is informal body founded under sponsorship of PKF project with objective to provide support in improving quality through medium term planning of budgets in BiH, through provision of technical analysis, advices and recommendations to BiH Fiscal Council in field of making budgets.

that each individual ministry will use its working assumptions on these issues in making its budget proposal and those should be as harmonized as possible.

Box 1. Necessary elements for fiscal coordination

Macroeconomic analysis unit already wrote on few occasions about importance of fiscal policy coordination and its impact on BiH economy (see [Bulletin 4](#) and [Bulletin 13](#)). Briefly, there are few basic preconditions that should be fulfilled in order for fiscal policy to be able to fulfill its basic task – keeping macroeconomic stability. First, fiscal policy should be comprehensive i.e. it must include all layers of the government. Secondly, it is necessary to have mechanism for determining basic fiscal objectives (budget surplus /deficit, foreign and internal borrowing etc.). Thirdly, making decisions on fiscal objectives must be based on adequate data and expert analysis. Fourthly, it is necessary to provide implementation of agreed fiscal policy at all levels and timely inform on possible deviations. **Due to these reasons, there is a real need for making the Law on Fiscal Council, which would define the role of Fiscal Council as key fiscal coordination body.** Amongst other things, this Law should resolve issue on the way to make decisions in the Fiscal Council, monitor implementation of its decisions at all layers of the government and possible sanctions for deviations from agreed objectives.

Due to great interest on effects of VAT revenues and new legal regulations on allocation of revenues on all layers of the government, the Macroeconomic Analysis Unit is publishing revenue projections for the single account and allocation to all layers of the government for the period 2006 – 2009 (Table 1). This table of allocation is based on latest projections of single account revenues for the period 2006 – 2009 that the Unit published in the last issue of the Bulletin. It's important to note that we had to use different assumptions including assumptions on coefficients for allocation between the Federation, RS and Brcko District that are based on current i.e. temporary decisions. There will be more information about assumptions used to prepare the Table 1 in the rest of this document. **We note that this table should not be understood as effort to assume political resolution of issues for allocation coefficients.**

Allocation of revenues from the single account: working projections										
		in million KM				year / previous year (%)				
		2005	2006	2007	2008	2009	2006	2007	2008	2009
1	Gross payments to single account (SA)	2.106,4	4.360,7							
2	Reserves in SA	0,9	436,1							
3	Refunds paid from SA	0,9	377,7							
4 (1-3)	Net funds to SA	2.105,5	3.983,0	4.110,3	4.317,9	4.564,7	189,2%	103,2%	105,1%	105,7%
5	Reserves/funds transferred to next year	0,8	56,9							
6 (4-5+5t-1)	Funds in SA for allocation	2.104,6	3.926,9	4.167,2	4.317,9	4.564,7	186,6%	106,1%	103,6%	105,7%
6.1	Share for BiH institutions	251,5	566,0	615,0	678,9	752,6	225,0%	108,7%	110,4%	110,9%
6.2	Funds for allocation between entities and Brcko	1.853,1	3.360,9	3.552,2	3.639,0	3.812,1	181,4%	105,7%	102,4%	104,8%
6.2.1	Federation gross	1.217,9	2.214,1	2.333,8	2.390,8	2.504,5	181,8%	105,4%	102,4%	104,8%
6.2.1.1	Foreign debt	140,2	177,1	166,5	185,0	215,3	126,3%	94,1%	111,1%	116,4%
6.2.1.2	Federation net	1.077,7	2.037,1	2.167,3	2.205,9	2.289,2	189,0%	106,4%	101,8%	103,8%
6.2.1.2.1	Federal government	738,8	737,4	784,5	798,5	828,7	99,8%	106,4%	101,8%	103,8%
6.2.1.2.2	Cantons	263,8	1.048,7	1.115,7	1.135,6	1.178,5	397,6%	106,4%	101,8%	103,8%
6.2.1.2.3	Municipalities	16,2	171,5	182,5	185,7	192,8	1061,5%	106,4%	101,8%	103,8%
6.2.1.2.4	Road fund	53,9	79,4	84,5	86,0	89,3	147,5%	106,4%	101,8%	103,8%
6.2.1.2.5	Discrepancy	5,1	0,0	0,0	0,0	0,0	0,0%
6.2.2	Republika Srpska gross	565,0	1.035,9	1.108,3	1.135,4	1.189,4	183,4%	107,0%	102,4%	104,8%
6.2.2.1	Foreign debt	89,0	111,0	104,5	103,4	125,5	124,8%	94,1%	98,9%	121,4%
6.2.2.2	Republika Srpska net	476,0	924,9	1.003,8	1.032,0	1.063,9	194,3%	108,5%	102,8%	103,1%
6.2.2.2.1	RS government	374,2	679,8	737,8	758,5	782,0	181,6%	108,5%	102,8%	103,1%
6.2.2.2.2	Municipalities	66,7	212,7	230,9	237,4	244,7	318,8%	108,5%	102,8%	103,1%
6.2.2.2.3	Public company "RS putevi "	35,0	32,4	35,1	36,1	37,2	92,4%	108,5%	102,8%	103,1%
6.2.2.2.4	Discrepancy	0,0	0,0	0,0	0,0	0,0	0,0%
6.2.3	Brčko	70,3	110,9	110,1	112,8	118,2	157,8%	99,3%	102,4%	104,8%

Table 1.

Working assumptions in allocation projection

Revenues

As we already mentioned, the Table 1 is based on latest projections of revenues from indirect taxes that were published in the last issue of the Bulletin ([Bulletin 15](#)), which correspond to line 4 in the Table 1 – net funds in the single account. Net funds in the single account represent funds that remain in the single account after gross payments to single account are reduced by refunds made from the single account. Revenue projections are made on basis of data on revenue trends in previous years and data for the first nine months in 2006. In making projections different technical approaches were used including model for projection of VAT revenues that was developed by Macroeconomic Analysis Unit using IMF methodology as model. This model individually forecasts single elements of VAT system such as VAT on imports, VAT per declarations, refunds, tax credits etc. Results of projections using this model were also published in the [Bulletin 15](#).

Reserves and refunds

Minimum reserves for 2006 were projected in the amount of 10% of gross revenues in the single account in accordance with current regulations. These funds were used to make refunds from the single account and major part of these was to VAT refunds to exporters. In August, the first refunds were made to VAT taxpayers who are not exporters. If payment of refunds continue with dynamics it is expected to have a bit more than 50 million KM in the account of minimum reserves for refunds next year. This is the reason why allocation funds in the single account (line 6) differ from net funds in the single account (line 4) in the Table 1. It should be mentioned that refunds in the next year are going to exceed amount of 800 million KM, which means that **the current level of minimum reserves of 10% of gross revenues will not be adequate.**

Share for BiH institutions

Projections of amounts for 2006 are based on information received from the Ministry of Finance and Treasury while projections for the next year are based on assumption that budget for BiH institutions will increase by 10% at the annual level including own revenues. Data on projection of own revenues were also received from the Ministry of Finance and Treasury while remaining part from the single account was projected in accordance with the above mentioned assumption.

Allocation between entities and Brčko District

This level of allocation is based on data on factual allocation in 2005 and first ten months in 2006 as well as on the assumption that November coefficients will be used in future period. The most simple assumption was used of currently valid coefficients for future period without prejudging any political solution. The Table 2 shown below provides overview of coefficients for allocation used in the Table 1.

Working assumptions of allocation coefficients between entities and Brčko District					
	2005	2006	2007	2008	2009
Federation of BiH	65,72%	65,88%	65,70%	65,70%	65,70%
Republika Srpska	30,49%	30,82%	31,20%	31,20%	31,20%
Brčko District	3,79%	3,30%	3,10%	3,10%	3,10%

Table 2.

Allocation within entities

Assumptions on amounts for payment of foreign debt that are deducted from entity shares are based on data from the Ministry of Finance and Treasury of BiH as of May 2006. Amounts for 2008 and 2009 take into consideration an assumption that optional amount of London club will be activated in 2008 in order to increase annual payments. Projected amounts also include 5% corrective factor which represents protection from currency exchange risks.

Allocation of net entity amount (which remains after payment of foreign debt is deducted from gross amount that belongs to entity) has been projected in accordance with new regulations on allocation of revenues from the single account in the Federation of BiH and Republika Srpska. Tables 3 and 4 provide overview of coefficients for allocation within entities.

Working assumptions of allocation coefficients for funds from SA within the Federation of BiH					
	2005	2006	2007	2008	2009
Federation net	100,00%	100,00%	100,00%	100,00%	100,00%
BiH Federation Budget	68,55%	36,20%	36,20%	36,20%	36,20%
Cantonal budgets	24,47%	51,48%	51,48%	51,48%	51,48%
Budgets of municipalities/cities	1,50%	8,42%	8,42%	8,42%	8,42%
Road fund	5,00%	3,90%	3,90%	3,90%	3,90%

Table 3.

Working assumptions of allocation coefficients for funds from SA within RS					
	2005	2006	2007	2008	2009
Republika Srpska net	100,00%	100,00%	100,00%	100,00%	100,00%
RS budget	78,62%	73,50%	73,50%	73,50%	73,50%
Budgets of municipalities/cities	14,02%	23,00%	23,00%	23,00%	23,00%
Public company "Putevi RS"	7,36%	3,50%	3,50%	3,50%	3,50%

Table 4.

In focus: New Law on Income Tax in Republika Srpska as of January 1st, 2007

(prepared by: Dinka Antić, MSc)

As of January 1st, 2007, the new Law on Income Tax⁸ will be in force in Republika Srpska. Objective of passing this Law is to remove deviations caused by applying current Law and also to conform to European standards.

A new approach to income taxation

This Law also introduces marginal tax rate, which will eliminate double taxation that was consequence of the current Law on Income Tax in RS.

The Law defines non-taxable share of annual income that is 12 lowest salaries defined in General collective agreement signed by RS Government and Trade Union. Annual income that exceeds nontaxable income but is up to amount of four average annual net salaries in previous year in RS will be taxed with rate of 10% and amounts over that with rate of 15%. Average annual salary in previous year in RS is determined by RS Agency of statistics⁹.

Taxpayer is physical person who earns taxable income and is resident of RS for income earned in RS, other entity, Brcko District or other country. In terms of this Law, resident is a person who has residence in RS or who spends more than 183 days in RS during the calendar year. Nonresidents are also taxpayers of income tax for income earned in RS except for heads and staff of foreign diplomatic missions and international organizations.

Base for tax calculation is every net income that is determined individually for each type of income.

The new Law on income tax starts with global system of income tax and it considers income of citizens as single taxable category that includes the following:

1. Personal income including net salary and all other financial and non financial allowances and benefits that taxpayers have on any basis except for pensions, severance payments, per diems, transport expenses etc.,
2. Income from copyrights and similar rights, industrial property rights,
3. Income from capital including income from renting movable and immovable property, interest on loans etc.,
4. Income from independent activity including all income generated by independent carrying out business activities, in any form (money, things, services).
5. Capital gains.

Income tax on income from 1-3 is paid in the moment of receiving income. For other income, it is paid on basis of tax return by 10th in month for previous month.

Payers of monthly net salary will calculate and make advanced tax payment after reducing tax base for the amount of lowest salary determined according to the General collective agreement. For other income, advanced tax payment is paid with rate of 10 or 15% depending on the base amount. Once tax return is filed, advanced payments will be

⁸ The Law was published in the RS Official Gazette No. 91/06, on September 20th, 2006, and it went into force on September 28th, 2006.

⁹ Just for a comparison: average annual net salary in RS in the year 2005 amounted 5,580 KM and the threshold amounted 22,320 KM accordingly.

deducted from determined annual income tax amount. Annual tax return needs to be filed by March 31st of the current year for previous year. In addition to stating liability, taxpayer is also entitled to get refund for overpaid taxes.

Income tax is paid:

- according to taxpayer's residence, for income from salary, copyrights, renting of movable property and capital gains from movable property,
- according to place of business registration for income from independent activities,
- according to location of real estate for income from renting real estate and capital gains from real estate,
- according to location where income was earned if taxpayer is nonresident.

The Law introduces simplified taxation procedure for small entrepreneurs. Status of small entrepreneur is granted to every physical person who fulfills the following conditions: carries out independent activity (except financial services and organizing lottery games), maximum of 3 employees, total annual revenues should not exceed 50.000 KM. Annual tax of small entrepreneur is calculated with rate of 2% on total income.

RS Minister of Finance shall make implementing rules for application of the Law within 90 days from the day this Law goes into force. Amongst other things, this Rulebook will define form and contents of tax returns and tax files for each taxpayer as well as way to keep books and records.

Impact of the new Law

Government of RS estimated that the application of the new Law will result in collection of approximately 50 million KM of income tax less than when the old Law was in force. However, reduction of tax rates on lowest salaries creates room for increasing lowest salaries. This represents great incentive to companies as it also includes change of gross salary only with neutral impact on current labor costs in companies.

In long term, a new approach to income taxation should contribute to greater employment not only through creation of new jobs, but also through reducing non registered labor. By avoiding to pay taxes and contributions, a number of employees mainly with lower qualifications carry their work without being registered. New Law on income tax encourages companies to finally regulate legal status of their employees. Reduction of non registered labor will have impact on real statement of revenues in profit and loss statement as it will also include revenues that were not in books before. Finally, it should have impact on reduction of tax evasions and increase of revenues from other taxes (profit tax and VAT).

Adoption of the new Law is logical step after introduction of VAT. VAT regression is known and it reflects through the fact that consumers with lower economic power have bigger VAT burden in percentage than consumers with higher economic power. VAT as way of taxation should not be considered isolated from other elements of the tax system. VAT regression level is in direct ratio with efficiency level of other taxes. Researches have shown that poorly administered income tax and limited tax base increase VAT regression. Due to great positive effects of VAT in terms of revenues and reduction of tax evasions, the problem of regression and distribution of tax burden should not be resolved through introduction of different tax rates because this would derogate the system and gives room for tax frauds. Without elaborating problem of differentiated rates, it should be emphasized that EU countries, which have better legal regulations than BiH, developed tax administration and higher level of economic development, have problems in combating tax evasions. Austria estimates that tax

evasion amounts to 4,4% of collected VAT while estimates in Germany show 2% for "phoenix" companies.¹⁰.

VAT regression can be made lower with other tools within tax system or through policy of directed social transfers. However, social transfers can cover only certain social categories but not workers with lowest salaries. Practice of other countries also include provision of certain tax credits (reduction of income tax) as compensation for VAT payments. Such tool could not have been used in BiH because only low percentage of work force pays income tax and they are the ones with high salaries.

Republika Srpska made a good move by exempting lowest salaries from income tax. RS gave up of some revenues in order to create room for increasing lowest salaries, which would compensate payments of VAT for this group of employees. In the end, it is in line with request to use increased VAT revenues for facilitation of labor costs as incentive to new investments and finalization of the privatization process.

Consolidated Reports

(prepared by: Aleksandra Regoje, Macroeconomist in the Unit)

Notes to table 5

The consolidated report includes:

- revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
- transfers from the ITA Single Account for external debt servicing,
- transfers from the ITA Single Account for financing Brčko District, cantons, municipalities and Road Directorates,
- revenues of the budget of Bosnia and Herzegovina from the ITA Single Account,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska.

Notes to table 6

The consolidated report includes:

- revenues and expenditures of the budget of Bosnia and Herzegovina,
- revenues and expenditures of the budget of Brčko District,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska,
- revenues and expenditures of the budget of 10 cantons in the Federation

Report doesn't include amortization of foreign debt
September data for Herzeg-Bosnia Canton are estimated

¹⁰ companies that get entitled to deduction of input tax and then become unavailable to tax authorities.

Notes to table 7

The consolidated report includes:

- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of cantonal budgets in FBiH,
- revenues and expenditures of municipal budgets in FBiH.

Report doesn't include foreign debt amortization

Data from Drvar municipality are estimated

Notes to table 8

The consolidated report includes:

- revenues and expenditures of the budget of Central Bosnia Canton,
- revenues and expenditures of the budgets of municipalities of Central Bosnia Canton,
- revenues and expenditures of the budgets of the Bureau of employment and Health Insurance Bureau of Central Bosnia Canton

Notes to table 9

Consolidated report includes

- revenues and expenditures of the budget of West Herzegovina Canton,
- revenues and expenditures of the budgets of municipalities of West Herzegovina Canton.

Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government"

Notes to table 10

Consolidated report includes

- revenues and expenditures of the budget of Una Sana Canton,
- revenues and expenditures of the budgets of municipalities of Una Sana Canton.

Expenditure item of the cantonal budgets "Grants to other levels of government" and "Capital grants to other levels of government" is reconciled with revenue items of municipalities "Grants from other levels of government" and "Capital support from other levels of government";

Since the expenditure item "Grants to individuals" contains grants directed through municipal budgets, in cases where the amount of grants to other levels of government on expenditure side of cantons is lower than received grants on municipal items, the Unit proceeded in the following way:

-Remaining difference on items of municipalities "Grants from other levels of government" and "Capital support from other levels of governments" is reconciled with expenditure item of the cantonal budget "Grants to individuals".

General government, I – X 2006

	I	II	III	IV	V	VI	VII	VIII	IX	X	Q1	Q2	Q3	Q4	Total
1 Current Revenues	218,1	360,4	384,9	342,7	401,7	385,4	494,5	431,5	446,6	442,6	963,4	1129,9	1372,5	442,6	3908,4
11 Taxes	206,0	343,9	355,1	330,5	382,5	368,1	375,6	406,6	418,3	418,5	904,9	1081,1	1200,5	418,5	3605,0
111 Indirect taxes	190,7	322,6	323,6	315,9	366,4	351,2	357,0	388,5	388,9	401,1	836,9	1033,4	1134,4	401,1	3405,8
VAT	57,3	212,7	203,7	194,4	224,3	215,4	215,6	226,4	242,6	249,2	473,7	634,1	684,7	249,2	2041,7
VAT on imports	56,5	102,6	136,7	134,2	165,7	159,2	161,1	178,5	172,1	184,3	295,8	459,2	511,7	184,3	1451,0
VAT from VAT returns	0,8	100,7	75,9	76,6	75,4	80,2	78,0	83,5	108,1	106,2	177,4	232,2	269,6	106,2	785,4
VAT from automatic assessment done by ITA			0,1	0,7	0,1	0,3	0,1	0,2			0,1	1,0	0,3		1,4
One-off VAT payments	0,1	9,4	2,1	0,3	0,1	0,2	0,2	0,3	0,1	0,2	11,6	0,6	0,6	0,2	13,0
Other			0,1	0,1	0,2	0,3	0,8	0,5	0,5	0,7	0,1	0,5	1,8	0,7	3,1
VAT refunds			-11,2	-17,5	-17,2	-24,7	-24,5	-36,5	-38,3	-42,2	-11,2	-59,5	-99,2	-42,2	-212,1
Customs duties	33,3	30,8	41,5	39,3	49,1	47,0	47,4	52,2	51,9	55,7	105,6	135,4	151,5	55,7	448,2
Sales tax	25,0	10,6	4,4	3,0	3,2	2,2	1,9	2,5	1,4	1,9	40,0	8,3	5,8	1,9	55,9
Imported excisable products	7,8	0,2	0,0	0,0	0,2	0,0	0,0	0,0	0,1	0,0	8,0	0,2	0,1	0,0	8,3
Domestic excisable products	1,1	2,0	0,2	0,1	0,1	0,1	0,0	0,4	0,0	0,0	3,3	0,4	0,4	0,0	4,2
Other products	9,4	4,1	2,3	1,2	1,2	0,9	0,8	1,2	0,7	0,9	15,8	3,4	2,6	0,9	22,6
On services	6,5	4,0	1,7	0,9	0,7	0,4	0,4	0,3	0,4	0,5	12,2	2,0	1,2	0,5	16,0
Others	0,2	0,3	0,2	0,7	0,9	0,7	0,6	0,6	0,2	0,4	0,7	2,3	1,4	0,4	4,8
Excises	62,8	56,9	63,1	66,4	74,0	72,2	76,1	88,1	77,1	77,0	182,8	212,6	241,3	77,0	713,6
on imports	50,5	45,7	48,4	54,1	58,0	57,5	61,9	70,1	62,0	62,4	144,6	169,6	193,9	62,4	570,6
on domestic production	12,3	11,2	14,7	12,3	16,0	14,7	14,2	18,1	15,1	14,6	38,2	43,0	47,4	14,6	143,1
Railroad tax	11,9	11,2	12,1	14,3	15,9	14,3	15,8	18,6	15,3	16,4	35,1	44,5	49,7	16,4	145,7
Other	0,4	0,5	0,7	0,7	0,9	0,9	0,9	0,9	1,0	1,1	1,6	2,5	2,8	1,1	8,0
Other refunds			-1,9	-2,2	-1,0	-0,7	-0,6	-0,4	-0,4	-0,2	-1,9	-3,9	-1,4	-0,2	-7,4
112 Direct taxes	15,3	21,3	31,5	14,7	16,1	17,0	18,6	18,1	29,3	17,4	68,0	47,7	66,1	17,4	199,2
Income taxes	6,9	10,3	20,0	3,6	3,4	5,5	5,6	5,5	6,0	4,2	37,3	12,4	17,0	4,2	70,9
Other tax revenues	8,4	10,9	11,4	11,0	12,7	11,5	13,0	12,7	23,4	13,2	30,7	35,2	49,1	13,2	128,3
12 Non-tax income	11,6	16,1	29,7	12,0	19,0	16,9	118,7	24,7	28,0	23,7	57,3	47,9	171,4	23,7	300,3
13 Others revenues	0,0	0,0	0,0	0,1	0,1	0,1	0,0	0,0	0,1	0,0	0,0	0,3	0,1	0,0	0,5
14 Grants, gifts	0,0	0,3	0,1	0,0	0,0	0,2		0,0	0,0	0,0	0,4	0,3	0,0	0,0	0,7
15 Transfers from higher level of government	0,5	0,1	0,1	0,1	0,1	0,1	0,1	0,2	0,2	0,4	0,7	0,3	0,5	0,4	2,0

	I	II	III	IV	V	VI	VII	VIII	IX	X	Q1	Q2	Q3	Q4	Total	
2	Current expenditures	203,4	298,8	221,3	339,6	402,0	370,4	359,8	385,2	437,9	380,3	723,5	1112,0	1182,9	380,3	3398,7
21	Consumption expenditures	28,5	43,5	46,7	48,2	49,1	62,5	45,0	50,7	56,5	51,9	118,8	159,8	152,3	51,9	482,7
211	Wages and compensations	25,8	37,4	39,6	40,5	41,7	53,1	36,3	42,3	42,5	40,9	102,8	135,4	121,0	40,9	400,1
	Wages	24,9	34,7	36,5	37,2	38,4	47,7	31,3	35,5	38,0	35,7	96,0	123,3	104,8	35,7	359,9
	Compensations	0,9	2,8	3,1	3,3	3,3	5,4	4,9	6,9	4,4	5,2	6,8	12,1	16,2	5,2	40,2
212	Purchases of goods and services	2,8	6,0	7,1	7,6	7,4	9,3	8,8	8,4	14,0	11,0	16,0	24,4	31,2	11,0	82,5
22	Grants	37,5	10,3	51,3	60,5	90,1	70,6	67,5	68,8	62,9	64,9	99,1	221,2	199,1	64,9	584,3
	Transfers to households	32,5	3,6	45,2	38,3	68,7	53,7	41,8	45,0	43,8	46,5	81,2	160,7	130,6	46,5	419,1
	Transfers to institutions/organizations	0,8	0,8	2,3	6,0	4,7	3,2	5,2	5,1	4,1	4,2	3,9	13,8	14,3	4,2	36,3
	Subsidies	4,2	5,9	3,9	16,2	16,7	13,7	20,5	18,7	15,0	14,1	14,0	46,6	54,2	14,1	128,9
23	Interest payments	0,0	0,5	0,4	-0,3	0,1	0,4	0,0	0,2	0,2	0,1	0,9	0,2	0,4	0,1	1,6
24	Other outlays	0,8	2,3	1,7	6,7	3,6	3,7	3,5	1,7	53,5	2,1	4,8	14,0	58,6	2,1	79,5
25	Transfers from Single Account	126,4	209,7	95,3	174,6	198,2	194,3	212,0	217,2	207,8	218,9	431,4	567,1	637,0	218,9	1854,3
	o/w: BiH Budget	41,1	39,2	43,1	59,4	48,5	48,5	46,2	50,7	46,2	48,5	123,4	156,3	143,2	48,5	471,3
	o/w: FBiH / Cantons, Municipalities, Road Fund	67,6	145,7	23,7	94,3	113,9	115,9	124,7	132,5	127,0	134,2	237,0	324,1	384,2	134,2	1079,6
	o/w: RS / Cities, Municipalities, Road Fund	13,1	15,6	18,7	11,6	24,3	19,7	32,0	24,1	25,2	26,3	47,4	55,6	81,3	26,3	210,7
	o/w: Brcko Distrikt	4,5	9,3	9,8	9,2	11,6	10,2	9,0	9,9	9,4	9,9	23,6	31,0	28,3	9,9	92,7
26	Amortization of debt	8,0	27,4	21,8	17,4	34,8	20,3	10,2	30,0	23,7	21,1	57,2	72,5	63,9	21,1	214,8
27	Transfers to lower levels of government	3,1	4,8	4,7	37,7	25,0	18,8	21,8	10,4	36,3	22,7	12,5	81,5	68,4	22,7	185,1
28	Net domestic lending*	-0,9	0,4	-0,6	-5,2	1,1	-0,2	-0,1	6,2	-3,0	-1,2	-1,1	-4,3	3,1	-1,2	-3,5
3	Net acquisition of nonfinancial assets	-22,9	0,4	0,5	0,4	1,5	3,9	22,1	3,6	2,3	4,1	-22,0	5,8	28,0	4,1	15,9
4	Government surplus(+)/deficit (-) (1-2-3)	37,6	61,2	163,1	2,7	-1,8	11,2	112,6	42,7	6,4	58,2	261,9	12,1	161,6	58,2	493,8
	o/w: Reserves from ITA Single Account	16,2	31,6	20,6	13,7	20,8	12,5	14,1	6,6	2,6	0,8	68,4	47,0	23,3	0,8	139,5
5	Net domestic financing**		19,1	-0,6	-1,4	-1,3	-1,2	-1,6	-5,2	-37,3	-0,2	18,5	-3,9	-44,1	-0,2	-29,8

Table 5. Monthly Consolidated Report, General government, I – X 2006

General government + Cantons, I – IX 2006

	I	II	III	IV	V	VI	VII	VIII	IX	Total
1 Current Revenues (11+12+13+14)	212.964.842	205.878.854	488.185.666	376.872.899	416.054.715	376.701.644	479.064.278	410.778.874	415.859.701	3.382.361.473
11 Taxes	182.524.071	167.751.835	433.762.029	323.497.626	373.997.175	337.362.067	325.456.631	361.293.267	365.437.582	2.871.082.283
Income & profit tax	10.940.796	15.500.760	26.893.094	9.076.644	8.600.487	10.449.113	11.683.328	10.641.000	12.226.431	116.011.653
Social security contributions (Brcko)	1.159.755	1.159.755	1.159.755	1.451.012	1.434.132	1.509.170	1.557.544	1.422.516	1.450.109	12.303.747
Taxes on personal income and self-employment	17.877.001	19.200.886	21.350.495	22.794.680	23.857.786	22.511.033	22.720.088	23.232.184	35.484.473	209.028.625
Property tax	1.950.681	3.129.385	2.473.694	2.377.044	2.082.013	2.264.665	2.679.360	1.947.178	2.685.586	21.589.606
Sales tax (incl.excises) (according to Regulations until 31,12,2005)	68.909.159	32.715.681	17.574.639	11.647.680	10.720.410	12.888.234	7.909.381	6.592.640	9.850.014	178.807.838
Transfers from Single Account	81.092.024	95.163.917	361.878.368	274.964.391	325.912.436	286.495.093	277.729.004	315.984.755	302.896.684	2.322.116.674
Other taxes	594.654	881.452	2.431.985	1.186.175	1.389.912	1.244.758	1.177.925	1.472.994	844.284	11.224.140
12 Non-tax revenues	29.425.628	36.730.843	53.783.416	52.913.454	41.546.076	38.783.386	142.640.676	49.058.667	49.947.276	494.829.421
13 Grants	893.842	1.349.206	624.812	367.212	417.556	443.510	10.953.078	392.954	409.894	15.852.065
14 Other revenues	121.302	46.970	15.409	94.607	93.907	112.681	13.893	33.986	64.949	597.704
2 Total expenditures (21+22+23)	205.915.261	216.674.260	263.267.742	308.529.641	339.127.953	334.382.500	314.904.469	307.836.360	406.425.221	2.697.063.408
21 Current expenditures	206.085.898	214.229.279	265.371.157	311.595.327	338.026.250	335.721.382	315.133.591	303.827.484	356.954.453	2.646.944.820
Wages and compensations	116.768.662	127.743.444	135.295.157	136.390.017	138.340.426	156.558.980	139.295.543	139.247.927	130.704.372	1.220.344.528
of which: Gross wages	101.803.039	109.737.210	115.880.126	117.662.633	117.647.879	125.153.044	106.352.954	115.415.010	110.876.937	1.020.528.832
of which: Compensations	14.965.624	18.006.234	19.415.031	18.727.384	20.692.547	31.405.936	32.942.589	23.832.916	19.827.435	199.815.696
Other taxes and contributions	5.583.842	6.440.281	6.673.122	6.842.300	6.876.431	7.861.675	7.619.561	7.146.557	7.912.556	62.956.325
Purchases of goods and services	20.854.594	29.510.529	29.855.879	32.652.244	33.716.560	34.710.834	31.115.257	32.741.193	42.721.346	287.878.436
Current transfers	62.479.537	48.635.620	88.192.288	132.154.608	152.995.336	129.566.281	128.989.035	115.317.048	157.282.383	1.015.612.137
of which: Grants to other levels of government	6.308.215	8.036.002	6.379.896	39.609.983	29.246.547	24.963.918	22.030.992	14.635.278	35.474.924	186.685.755
of which: Grants to households	43.559.344	13.956.853	59.481.280	50.635.431	81.312.649	69.786.815	56.979.691	61.460.790	68.550.749	505.723.601
of which: Grants to non-profit organizations	3.228.182	13.400.386	11.472.824	13.563.565	14.940.028	15.373.101	16.980.089	13.813.589	15.341.565	118.113.329
of which: Grants to public enterprises	8.678.085	13.030.958	10.961.074	22.692.299	23.783.056	16.986.161	26.887.266	23.286.926	33.293.774	179.599.598
Capital grants	0	1.026.722	4.323.850	3.195.109	5.284.536	5.898.672	7.237.276	7.255.894	17.426.730	51.648.788
of which: Capital grants to other levels of g.	0	0	105.683	1.184.332	247.933	1.295.483	1.176.584	271.137	3.335.065	7.616.216
Interest	156.330	509.310	601.192	-248.020	123.179	473.774	182.515	1.439.036	321.016	3.558.331
Transfers to lower spending units	242.932	363.373	429.670	609.069	689.783	651.166	694.404	679.830	586.049	4.946.276
22 Net lending*	-913.376	266.529	-3.823.423	-5.719.059	-1.095.299	-3.098.301	-939.467	3.236.656	-1.455.424	-13.541.164
23 Other expenditures	742.739	2.178.453	1.720.008	2.653.373	2.197.001	1.759.419	710.345	772.220	50.926.192	63.659.751
3 Net acquisition of nonfinancial assets	-20.678.172	1.386.487	2.511.061	2.880.085	4.212.635	11.231.065	32.198.146	15.130.730	17.784.839	66.656.875
4 Government surplus/deficit (1-2-3)	27.727.754	-12.181.893	222.406.863	65.463.173	72.714.127	31.088.079	131.961.662	87.811.784	-8.350.359	618.641.190
Of which: BIH	6.669.833	6.498.930	7.725.848	44.090.966	13.864.723	4.634.885	11.365.391	9.172.739	11.431.810	115.455.125
Consolidated FBiH	-13.985.506	-59.203.929	173.106.389	20.266.167	49.565.875	23.336.239	107.353.692	42.666.388	18.002.171	361.107.485
RS	33.978.119	34.645.207	35.142.440	-2.201.609	4.644.616	546.075	13.763.426	37.237.017	-37.028.486	120.726.805
Brčko	1.065.308	5.877.899	6.432.186	3.307.649	4.638.913	2.570.879	-520.847	-1.264.360	-755.854	21.351.774
5 Net financing **	-34.802	19.073.571	-667.675	-1.410.605	-1.318.599	-1.297.275	-1.695.195	-4.676.854	-37.472.019	-29.499.452

Table 6. Monthly Consolidated Report, General government + Cantons, I – IX 2006

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FBIH, I – VI 2006

	I	II	III	IV	V	VI	Q1	Q2	Total
1 Current Revenues	126.593.841	94.284.034	363.917.766	235.144.348	303.193.498	260.774.686	584.795.640	799.112.532	1.383.908.172
11 Taxes	101.922.961	59.784.247	316.127.050	205.537.706	267.387.505	222.301.773	477.834.258	695.226.983	1.173.061.241
Income & profit tax	10.845.363	13.195.094	14.471.787	7.529.944	7.274.868	9.299.426	38.512.244	24.104.238	62.616.482
Taxes on personal income and self-employment	12.538.656	12.566.859	14.035.620	16.324.518	15.488.990	15.337.338	39.141.135	47.150.846	86.291.981
Property tax	5.483.405	5.525.746	5.230.167	4.441.842	4.850.602	4.851.930	16.239.318	14.144.373	30.383.691
Sales tax (incl.excises) (according to Regulations until 31,12,2005)	57.495.864	27.326.203	14.641.753	10.764.707	10.689.709	13.265.814	99.463.820	34.720.229	134.184.049
Transfers from Single Account	14.602.119	49.906	264.394.732	164.817.810	227.999.332	178.442.798	279.046.757	571.259.940	850.306.697
Other taxes	957.553	1.120.439	3.352.991	1.658.886	1.084.004	1.104.468	5.430.983	3.847.358	9.278.341
12 Non-tax revenues	24.359.153	33.419.650	47.360.347	29.516.862	35.218.928	37.618.918	105.139.150	102.354.707	207.493.857
13 Grants	284.195	1.019.589	352.193	44.056	502.029	677.379	1.655.977	1.223.464	2.879.440
14 Other revenues	27.532	60.547	78.176	45.724	85.037	176.617	166.256	307.378	473.633
2 Total expenditures	132.043.677	146.386.690	181.381.843	201.085.015	235.768.759	227.815.615	459.812.210	664.669.389	1.124.481.599
21 Current expenditures	132.115.507	146.418.872	184.624.512	201.615.507	235.986.687	230.334.281	463.158.892	667.936.475	1.131.095.367
Wages and compensations	62.067.683	74.352.267	78.590.596	79.973.594	81.127.552	96.892.287	215.010.546	257.993.433	473.003.979
of which: Gross wages	51.819.520	60.904.462	63.181.948	65.304.230	64.836.970	73.511.245	175.905.931	203.652.444	379.558.375
of which: Compensations	10.248.163	13.447.804	15.408.648	14.669.364	16.290.583	23.381.043	39.104.615	54.340.989	93.445.604
Other taxes and contributions	6.194.123	7.224.751	7.579.543	7.736.923	7.711.792	8.840.556	20.998.417	24.289.271	45.287.687
Purchases of goods and services	13.065.965	21.932.914	23.744.247	21.328.188	23.776.015	26.064.809	58.743.126	71.169.012	129.912.138
Grants	49.742.225	40.976.068	72.264.568	90.467.657	121.650.372	94.921.360	162.982.861	307.039.388	470.022.249
of which: Grants to other levels of government	3.427.849	4.399.985	3.956.451	5.009.761	4.952.229	6.782.532	11.784.284	16.744.522	28.528.806
Interest	348.705	741.148	722.841	53.689	429.424	728.599	1.812.694	1.211.712	3.024.406
Transfers to lower spending units	696.806	1.191.725	1.722.718	2.055.457	1.291.532	2.886.671	3.611.248	6.233.659	9.844.908
22 Net lending*	-71.830	-32.182	-3.242.669	-530.492	-217.928	-2.518.667	-3.346.681	-3.267.086	-6.613.767
3 Net acquisition of nonfinancial assets	1.926.282	551.070	4.978.196	4.007.344	5.627.989	12.374.660	7.455.548	22.009.992	29.465.541
4 Government surplus(+)/deficit(-)	-7.376.119	-52.653.726	177.557.726	30.051.989	61.796.750	20.584.412	117.527.881	112.433.151	229.961.032
5 Net financing**	-15.616	12.364.466	-614.350	-1.688.656	-661.623	-1.387.566	11.734.499	-3.737.845	7.996.655

Table 7. Monthly Consolidated Report, FBIH, I – VI 2006

Central Bosnia Canton, Municipalities, Fonds, I – IX 2006

	I	II	III	IV	V	VI	VII	VIII	IX	Q1	Q2	Q3	Total
1 Total revenues (11+12+13+14+15)	9.919.035	9.148.658	23.818.630	17.212.781	16.890.013	17.290.825	19.028.025	18.468.494	18.592.528	42.886.323	51.393.619	56.089.047	150.368.989
11 Tax revenues	5.823.072	3.777.297	18.754.133	9.503.229	10.691.159	11.123.786	11.655.802	12.326.831	11.840.719	28.354.501	31.318.174	35.823.352	95.496.027
Income & profit tax	176.799	189.382	159.791	205.500	161.340	178.623	288.014	281.563	163.745	525.973	545.463	733.321	1.804.757
Taxes on personal income and self-employment	810.804	1.070.566	845.189	1.192.663	1.249.113	1.064.353	1.009.189	1.290.019	1.202.875	2.726.559	3.506.129	3.502.082	9.734.771
Property tax	276.798	265.811	353.594	245.748	509.634	376.047	404.249	518.124	306.793	896.202	1.131.430	1.229.166	3.256.798
Sales tax (incl.excises) (according to Regulations until 31.12.2005)	4.517.222	2.199.844	1.027.521	775.231	752.752	693.514	748.245	269.242	503.075	7.744.587	2.221.498	1.520.562	11.486.647
Transfers from Single Account	0	0	15.908.054	6.866.815	7.959.775	8.765.717	9.159.256	9.902.740	9.599.936	15.908.054	23.592.308	28.661.931	68.162.293
Other taxes	41.448	51.694	459.984	217.271	58.544	45.531	46.850	65.144	64.295	553.126	321.346	176.289	1.050.761
12 Social security contributions	2.610.265	3.459.587	3.019.927	5.953.781	4.752.278	3.702.412	4.828.158	4.416.470	4.287.958	9.089.778	14.408.471	13.532.586	37.030.835
13 Non-tax revenues	1.408.593	1.652.650	1.936.827	1.731.089	1.389.116	2.431.408	1.850.378	1.703.500	2.406.904	4.998.070	5.551.613	5.960.783	16.510.466
14 Grants	73.227	249.860	73.850	17.564	43.942	33.219	660.800	12.000	29.834	396.937	94.726	702.634	1.194.297
of which: Grants from other levels of government	67.625	0	0	0	0	0	658.500	12.000	0	67.625	0	670.500	738.125
15 Other revenues	3.878	9.265	33.893	7.117	13.519	0	32.887	9.693	27.112	47.036	20.636	69.692	137.364
2 Total expenditures (21+22)	11.625.302	13.134.375	15.062.128	15.048.415	17.172.577	17.007.135	14.444.307	15.277.946	18.654.082	39.821.806	49.228.127	48.376.336	137.426.268
21 Current expenditures	11.655.795	13.134.375	15.062.128	15.075.857	17.172.577	17.007.135	14.467.108	15.277.946	18.654.082	39.852.299	49.255.568	48.399.137	137.507.004
Wages and compensations	5.506.975	5.840.620	6.590.458	7.583.310	8.209.380	6.822.582	6.045.331	6.191.042	6.715.732	17.938.054	22.615.271	18.952.105	59.505.431
of which: Gross wages	4.442.970	4.608.435	5.220.659	6.409.320	5.231.616	5.313.630	5.229.580	5.091.992	5.436.712	14.272.063	16.954.565	15.758.284	46.984.912
of which: Compensations	1.064.006	1.232.186	1.369.799	1.173.990	2.977.763	1.508.952	815.751	1.099.050	1.279.021	3.665.991	5.660.706	3.193.822	12.520.518
Other taxes and contributions	518.164	546.985	626.080	765.319	618.974	640.486	632.351	596.134	664.702	1.691.229	2.024.779	1.893.187	5.609.195
Purchases of goods and services	1.755.832	2.349.706	2.620.428	1.831.939	1.954.688	2.823.212	1.702.784	1.668.591	2.943.135	6.725.966	6.609.839	6.314.510	19.650.316
Grants	1.424.878	1.899.490	2.560.970	2.302.620	3.636.366	3.160.494	3.415.797	4.083.526	5.548.831	5.885.338	9.099.480	13.048.154	28.032.972
of which: grants to other levels of government	58.751	90.860	620.622	337.508	857.315	963.589	576.575	809.678	650.382	770.232	2.158.412	2.036.635	4.965.279
Interest	5.624	47	13.004	138	18.648	300	8	26.630	13.795	18.675	19.087	40.433	78.195
Transfers to lower budget units	2.444.321	2.497.528	2.651.188	2.592.530	2.734.521	3.560.061	2.670.837	2.712.023	2.767.887	7.593.037	8.887.112	8.150.747	24.630.896
22 Net lending*	-30.493	0	0	-27.442	0	0	-22.801	0	0	-30.493	-27.442	-22.801	-80.736
3 Net acquisition of nonfinancial assets	19.787	-340.040	586.274	355.227	1.064.816	1.017.310	783.165	911.425	961.927	266.021	2.437.352	2.656.518	5.359.891
4 Government surplus/deficit (1-2-3)	-1.726.055	-3.645.677	8.170.228	1.809.139	-1.347.379	-733.619	3.800.552	2.279.123	-1.023.482	2.798.495	-271.860	5.056.194	7.582.830
5 Net financing **	-25.764	-651	-14.968	-18.416	-14.937	-16.539	-690	-28.348	-31.880	-41.383	-49.892	-60.918	-152.193

Table 8. Monthly Consolidated Report, Central Bosnia Canton, Municipalities, Fonds, I - IX 2006

West-Herzegovina Canton, I – IX 2006

	I	II	III	IV	V	VI	VII	VIII	IX	Q1	Q2	Q3	Total
1 Total revenues (11+12+13+14)	4.055.111	3.739.133	11.104.679	2.935.544	8.585.452	7.116.949	7.387.311	7.486.352	10.027.223	18.898.923	18.637.946	24.900.886	62.437.755
11 Tax revenues	3.039.495	2.507.833	9.966.404	2.141.018	7.834.582	5.540.654	6.040.062	6.115.954	5.802.795	15.513.732	15.516.254	17.958.811	48.988.798
Income & profit tax	124.294	189.427	518.835	317.343	225.707	170.201	544.562	282.855	215.729	832.556	713.251	1.043.146	2.588.953
Taxes on personal income and self-employment	285.884	348.885	379.703	420.690	443.158	461.004	381.230	440.911	415.648	1.014.472	1.324.853	1.237.788	3.577.113
Property tax	189.945	149.572	260.228	122.127	-130.576	54.075	85.815	159.201	-52.171	599.745	45.626	192.844	838.215
Sales tax (incl.excises) (according to Regulations until 31.12.2005)	1.977.650	1.696.153	865.971	621.699	665.543	631.209	1.017.826	219.036	308.515	4.539.774	1.918.452	-490.275	5.967.951
Transfers from Single Account	364.628	-5.324	7.828.444	574.664	6.583.248	4.101.046	5.725.457	4.898.486	4.724.505	8.187.748	11.258.958	15.348.448	34.795.154
Other taxes	97.094	129.121	113.223	84.494	47.501	123.119	320.824	115.465	190.570	339.438	255.115	626.860	1.221.412
12 Non-tax revenues	988.726	1.049.321	1.065.594	761.623	649.359	1.443.556	1.071.953	970.416	845.528	3.103.640	2.854.537	2.887.897	8.846.074
13 Grants	5.000	160.089	50.791	6.401	75.009	6.237	275.296	399.983	3.238.983	215.880	87.647	3.914.262	4.217.789
of which: Grants from other levels of government	5.000	0	0	0	0	3.000	262.400	399.983	3.207.968	5.000	3.000	3.870.351	3.878.351
14 Other revenues	21.890	21.890	21.890	26.502	26.502	126.502	0	0	139.916	65.671	179.507	139.916	385.095
2 Total expenditures (21+22)	4.060.418	4.694.000	6.045.130	5.251.455	5.604.821	6.300.283	2.538.955	5.943.496	6.831.798	14.799.548	17.156.560	15.314.249	47.270.357
21 Current expenditures	4.060.418	4.694.000	6.045.130	5.251.455	5.604.821	6.300.283	2.538.955	5.943.496	6.531.798	14.799.548	17.156.560	15.014.249	46.970.357
Wages and compensations	2.619.472	2.713.291	2.789.975	2.837.308	2.789.844	2.904.767	555.849	2.842.024	2.628.529	8.122.738	8.531.918	6.026.403	22.681.059
of which: Gross wages	2.072.642	2.096.855	2.083.708	2.179.121	2.134.914	2.164.314	232.711	2.064.182	2.085.064	6.253.205	6.478.349	4.381.957	17.113.511
of which: Compensations	546.830	616.436	706.268	658.187	654.930	740.452	323.139	777.842	543.465	1.869.533	2.053.569	1.644.446	5.567.548
Other taxes and contributions	224.174	226.179	223.397	229.358	222.892	241.012	55.467	218.721	275.303	673.750	693.262	549.491	1.916.503
Purchases of goods and services	623.318	637.309	1.142.637	692.139	986.294	634.990	441.388	605.049	804.667	2.403.264	2.313.423	1.851.104	6.567.790
Grants	393.751	807.908	1.499.418	1.262.524	1.353.291	2.137.375	1.048.333	1.373.165	2.432.945	2.701.077	4.753.190	4.854.443	12.308.711
of which: grants to other levels of government	153.246	212.386	754.347	407.518	500.732	1.087.856	313.856	573.385	1.144.720	1.119.979	1.996.106	2.031.960	5.148.046
Interest	138.319	179.296	180.407	125.904	84.796	134.726	96.202	530.353	72.329	498.022	345.426	698.884	1.542.331
Transfers to lower budget units	61.384	130.017	209.296	104.224	167.704	247.413	341.715	374.185	318.024	400.698	519.340	1.033.924	1.953.962
22 Net lending*	0	0	0	0	0	0	0	0	300.000	0	0	300.000	300.000
3 Net acquisition of nonfinancial assets	75.955	108.381	154.168	114.871	46.500	299.082	451.019	540.189	3.021.898	338.504	460.452	4.013.106	4.812.062
4 Government surplus/deficit (1-2-3)	-81.261	1.063.248	4.905.381	2.430.782	2.934.131	517.584	4.397.337	1.002.667	173.526	3.760.872	1.020.934	5.573.531	10.355.336
5 Net financing **	-616	-669	-8.832	-635	-655	-19.187	-19.205	-19.187	-43.476	-10.117	-20.477	-81.868	-112.463

Table 9. Monthly Consolidated Report, West-Herzegovina Canton, I – IX 2006

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Una-Sana Canton, I – VII 2006

	I	II	III	IV	V	VI	VII	Q1	Q2	Q3	Total
1 Total revenues	9.943.058	6.614.969	5.819.896	27.483.639	23.114.597	16.541.338	18.122.192	22.377.922	67.139.575	18.122.192	107.639.689
11 Tax revenues	8.153.476	4.295.132	3.610.304	25.070.832	20.780.844	13.806.907	14.664.861	16.058.912	59.658.583	14.664.861	90.382.355
Income & profit tax	194.395	277.479	378.266	295.324	338.648	397.419	395.215	850.140	1.031.391	395.215	2.276.746
Taxes on personal income and self-employment	838.766	731.543	828.907	1.428.784	1.042.911	1.014.857	1.110.930	2.399.217	3.486.552	1.110.930	6.996.698
Property tax	265.696	279.249	254.411	256.533	287.149	197.848	436.806	799.356	741.530	436.806	1.977.693
Sales tax (incl.excises)(according to Regulations until 31,12,2005)	5.544.602	2.971.373	1.182.769	1.058.126	1.140.903	728.065	736.689	9.698.744	2.927.094	736.689	13.362.527
Transfers from Single Account	1.201.978	191	928.521	21.959.410	17.921.948	11.424.428	11.930.829	2.130.689	51.305.786	11.930.829	65.367.304
Other taxes	108.038	35.298	37.429	72.656	49.286	44.289	54.392	180.765	166.231	54.392	401.387
12 Non-tax revenues	1.776.576	2.284.982	2.179.705	2.412.808	2.325.356	2.604.795	2.966.352	6.241.263	7.342.958	2.966.352	16.550.573
13 Grants	13.006	34.855	29.887	0	8.398	129.635	490.980	77.748	138.033	490.980	706.760
2 Total expenditures	11.067.542	12.060.641	12.760.715	11.028.983	12.948.570	12.545.136	11.495.638	35.888.898	36.522.689	11.495.638	83.907.225
21 Current expenditures	11.021.260	11.984.005	12.776.715	11.096.641	12.962.646	12.600.514	11.502.473	35.781.980	36.659.801	11.502.473	83.944.254
Wages and compensations	6.663.563	7.274.333	8.225.551	6.886.844	7.192.421	8.217.747	6.473.726	22.163.448	22.297.012	6.473.726	50.934.186
of which: Gross wages	5.723.924	6.132.330	6.903.055	5.908.645	5.936.637	6.632.812	5.586.171	18.759.308	18.478.094	5.586.171	42.823.574
of which: Compensations	939.640	1.142.003	1.322.496	978.199	1.255.784	1.584.936	887.555	3.404.139	3.818.918	887.555	8.110.612
Other taxes and contributions	688.021	727.091	815.298	707.630	707.416	790.499	657.705	2.230.411	2.205.545	657.705	5.093.661
Purchases of goods and services	1.262.933	1.902.563	1.408.646	1.077.344	2.606.990	1.358.821	1.513.277	4.574.143	5.043.155	1.513.277	11.130.575
Capital grants	2.314.694	1.883.477	1.998.275	2.253.017	2.357.415	2.065.162	2.683.035	6.196.446	6.675.594	2.683.035	15.555.075
of which: Capital grants to other levels of government	150.755	301.733	140.034	492.774	422.415	287.541	402.269	592.522	1.202.729	402.269	2.197.520
Interest	16.451	59.036	23.615	100.691	22.362	80.105	102.280	99.102	203.158	102.280	404.540
Transfers to lower levels	75.599	137.504	305.330	71.114	76.043	88.180	72.449	518.432	235.337	72.449	826.218
22 Net lending*	46.282	76.636	-16.000	-67.658	-14.076	-55.378	-6.835	106.918	-137.112	-6.835	-37.029
3 Net acquisition of nonfinancial assets	120.578	127.766	118.333	228.656	347.798	640.663	460.742	366.677	1.217.117	460.742	2.044.537
4 Government surplus/deficit	-1.245.063	-5.573.439	-7.059.152	16.226.000	9.818.229	3.355.539	6.165.812	-13.877.653	29.399.768	6.165.812	21.687.927
5 Net financing **	110.685	-69.164	-11.283	-103.727	-47.017	-40.837	-59.866	30.238	-191.581	-59.866	-221.209

Table 10. Monthly Consolidated Report, Una-Sana Canton, I – VII 2006

From the work of the Governing Board of ITA

(Prepared by: Šerifa Mujčić, Milan Kuridža)

1. Basic information:

a) **Governing Board of the Indirect Taxation Authority** was established in accordance with the Law on indirect taxation system ("Official Gazette of BiH" number 44/03 i 52/04). This Law defined its composition, competencies, decision making and legal status. Some issues on competencies of this body were also defined by other laws (on indirect taxation procedure, enforced collection of indirect taxes, on Indirect Taxation Authority, on VAT etc.)¹¹.

b) **Basic competencies of the Governing Board** can be divided in few areas:

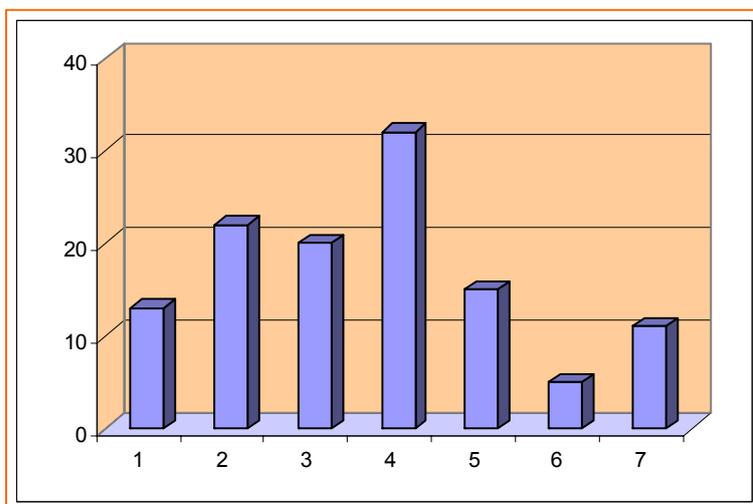
- **Strategic competencies:**
 - proposing indirect taxation policy,
 - informing government and state governments about policy and implementation of indirect taxation policy and its implications on public revenues,
 - defining strategic objectives of ITA and assessment on performance in reaching objectives;
- **Normative competencies:**
 - proposing laws in the field of indirect taxation to the Council of Ministers,
 - adopting bylaws in the field of indirect taxation,
 - giving agreement on same of bylaws made by the Indirect Taxation Authority,
 - adopting general regulations (and giving agreement to general regulations that are under jurisdiction of ITA) that regulate internal relations, rights and duties of employees etc. in ITA and Governing Board;
- **Other competencies**
 - defining coefficients for allocation of indirect taxes
 - proposing appointment and dismissal of ITA director,
 - adopting plan of ITA, budget papers (ITA budget), reports etc.

2. Activities of the Board in 2006

The Governing Board of Indirect Taxation Authority had 19 sessions in 2006 (this review does not include 70th session of the Governing Board). Total number of items on agenda of the Governing Board was 145. Average number of items on agenda was 7,6 per session. Agenda items were discussed in the sessions of the Government Board are divided into types of issues (table):

1. Allocation of revenues from indirect taxes
2. Bylaws
3. Laws
4. Reports, information and analysis of applying regulations
5. Organizational and internal issues (including internal general documents)
6. Other
7. Governing Board budget and issues related to disposal of Governing Board funds

¹¹ Information on current members of the Governing Board can be obtained at www.oma.uino.gov.ba
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Graph 5. Activities Governing Board, 2006

3. News in the work of the Governing Board: 70th session of the Governing Board

70th session of the Governing Board of Indirect Taxation Authority took place on November 22nd in Banja Luka. The agenda for this session included:

- Planning/organizational documents of ITA and Governing Board (budget, strategic plan, public procurement- audit for 2007, opening ITA branch office in Brcko, financing construction of border crossing point in Gradiska),
- Allocation of revenues from indirect taxes,
- Consideration of the Customs Tariff Law,
- general bylaws: decision on compensation interest, Book of rules on application of VAT law, decision on procedure to get entitled to exemption from import duties on equipment that is used for production in free zone,
- Consideration of reports from working groups for change of general documents,
- Initiative to change decision on amount of fee for using customs terminals
- Information about Decision on amending decision on exemption from import duties on goods used for projects of reconstruction,
- Request of the RS Ministry to get refund for expenses of destroyed entity stamps

Activities of the Unit

November 30th, 2006.

The first steering committee session of the EC Project for support to fiscal policy in BiH took place. During the next year and half, this project that is 2 million EUR worth envisages funding expert assistance from consultants from EU, primarily to Macroeconomic Analysis Unit, and also to the Ministry of Finance and Treasury, Federal Ministry of Finance, RS Ministry of Finance and fiscal institutions of Brčko District. Main components refer to development of fiscal capacities of the Unit and support to the Unit to establish system of monthly reporting for all layers of the administration in BiH (state, entities, Brčko District, cantons, municipalities and extra budgetary funds). As part of the project and in accordance with agreement between the Commission and ministries of finance of BiH and entities, employment of six junior professionals, out of which two will work in each ministry of finance for the next 18 months.

Information

At the web site of the Unit www.oma.uino.gov.ba, in the section „Reports“, all users can access to consolidated reports that the Unit publishes in its bulletin as follows: consolidated reports on fiscal operations of the ITA single account, budgets of RS and BiH Federation; consolidated reports of general government that include state, RS, Federation of BiH, Brčko District and cantons; consolidated reports for the level of BiH Federation that include cantons and municipalities, and consolidated reports for cantons. Update of reports depend on dynamics in sending reports by levels of administration and dynamics for processing and verification. Reports are available in Excel format..



*To all our associates in Ministries of Finance of BiH,
Federation, Republika Srpska, Brčko District, cantons,
municipalities and extra budgetary funds, as well as to all
readers, we wish happy and successful New 2007!*

