

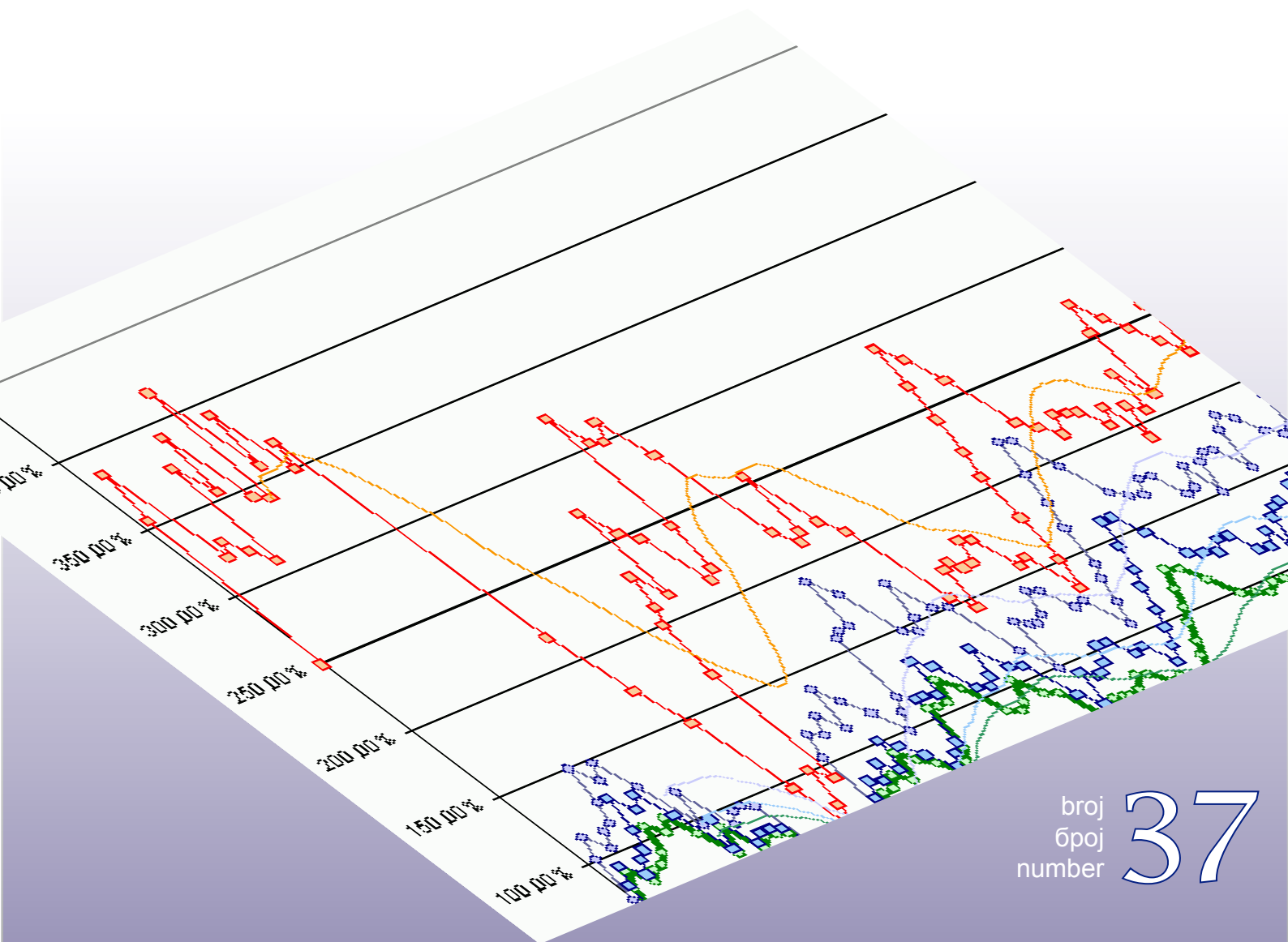
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



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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With this issue

Observing collection of indirect taxes in first half a year, we can conclude that the collection is high and stable. Although nominal revenues from indirect taxes have shown strong growth, second quarter of this year shows slowdown in net collection. Bosnia and Herzegovina depends on imports and revenues from indirect taxes are under huge impact of change in world prices of energy, raw materials and food. In addition to that, European path requires from BiH to abolish its customs in trade with EU. It still unknown how big will be impact of gradual abolishment of customs on imports from EU in regards to imports from EU and collection of revenues related to these imports. This primarily depends on business operators, who can postpone larger purchases, usually contracted two times a year or postpone investments until the moment when customs will be abolished on raw materials or machinery. It is also expected that reduction of costs due to abolishment of customs duties will lead to reduction of prices of goods in the country, higher demand and production. It will also leave room for large purchases and increase of production in the country for scarce goods. In this way, abolishment of customs duties in trade with EU could contribute to increase in collection of direct and indirect taxes in the country. It is expected that abolishment of customs duties on goods from EU will produce effect of substitution. This effect means change in purchase of companies from BiH in terms of turning to suppliers and goods from EU. This might reduce import from third countries and expected revenues from customs and VAT. In any case, there should be additional caution in creation of budgets for 2009 and new liabilities of public sector towards certain companies, employees or population.

In this issue, we are providing you analysis of impact of reserves in ITA single account in the end of 2006 on fiscal balance of consolidated BiH government for 2006 and 2007. In addition, we are publishing analysis of realization of public revenues and expenditures of consolidated BiH central government in the period from 2005 to 2007. 3/1000

Dinka Antić, MSc
Head of Unit– Supervisor

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Collection of indirect taxes: January-June 2008

(Author: Dinka Antić, Msc)

In the first half of 2008, total amount of 2,342 billion KM of indirect taxes was collected in net amount in BiH. It does not include about 20 million KM of collected and non-adjusted revenues¹.

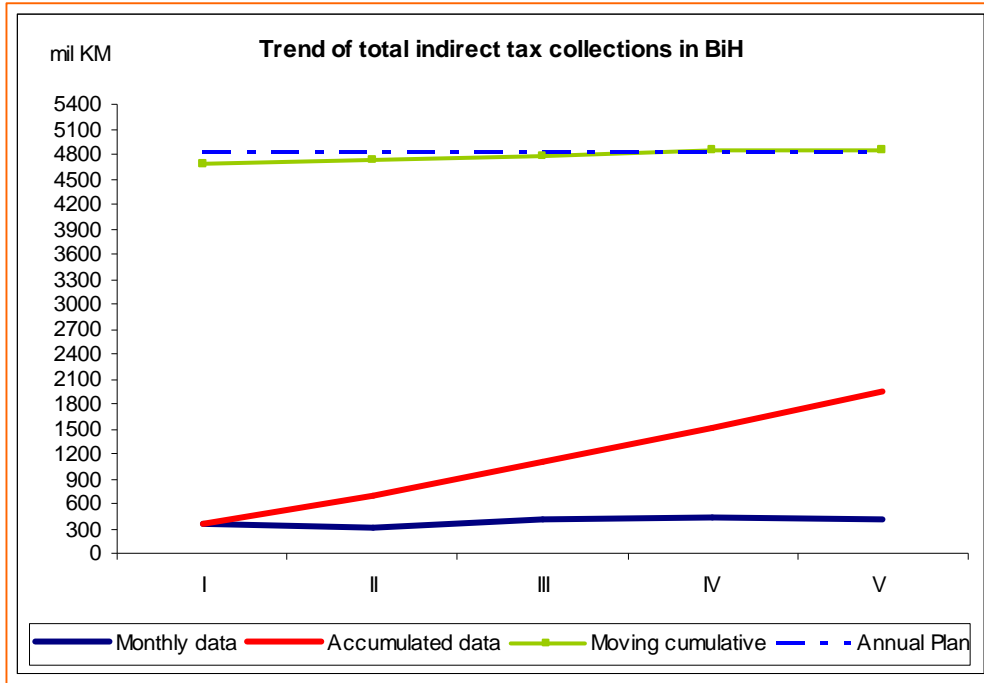


Chart 1

At the level of six month period, the collection increased by 11,03% compared to the same period in 2007.

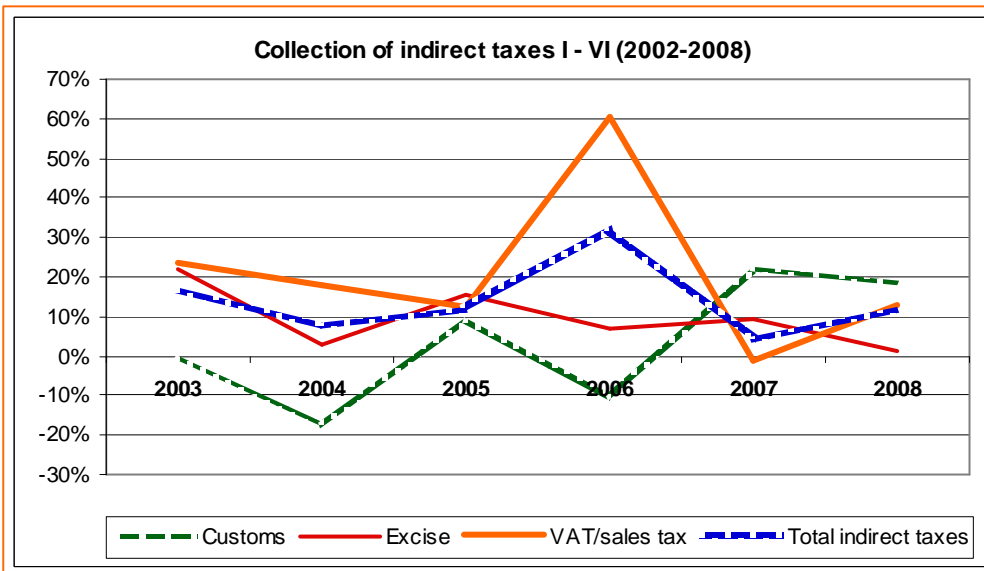


Chart 2

Customs revenues show slower increase in the last two months, which is a result of decisions of business operators on dynamics of purchases in regards to the application of EU Stabilization and Association. Certain slowdown in collection is noted for VAT and excise.

¹ Unadjusted revenues include revenues for which breakdown of payments (single account) and analytical records of taxpayers in IT modules of ITA can not be matched (VAT, customs, excise)

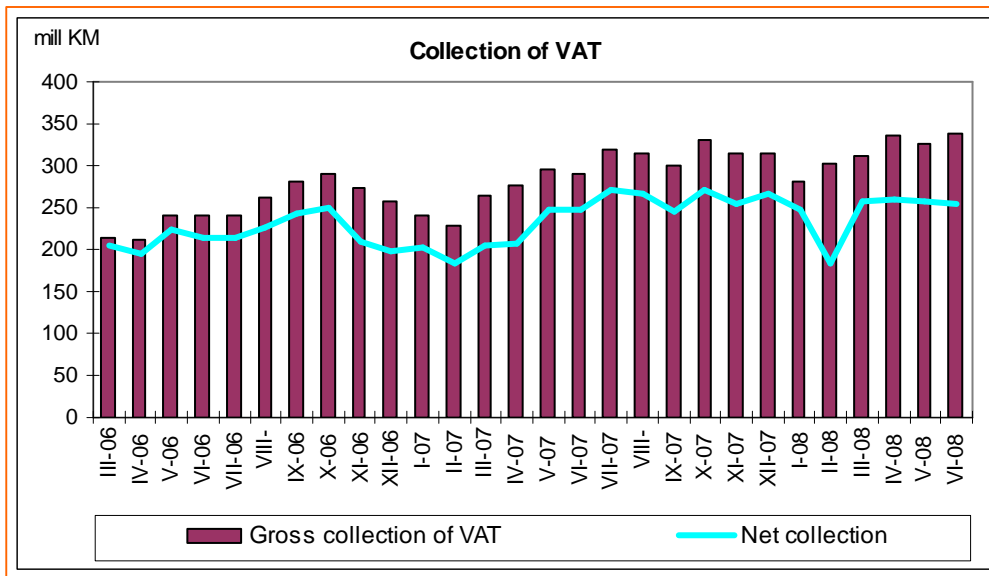


Chart 3

Impact of VAT refunds on net collection of revenues from indirect taxes

After payment of remaining refunds in February, second quarter brought low growth of net VAT of only few percents a month.

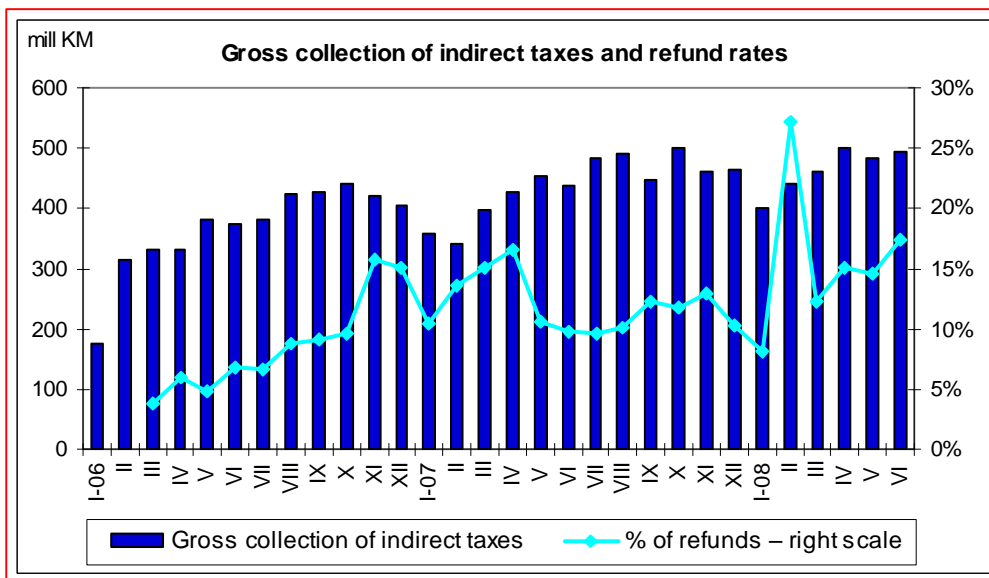


Chart 4

In addition to slower collection of customs duties, which is part of base for calculation of VAT, slower growth of net VAT is also influenced by higher VAT refunds. VAT refunds regulate allocation of reserves in the single account i.e. amount of transfer from ITA single account to entities and District. There is growth in percentage of refunds compared to gross collection of indirect taxes. At the level of refunds, it is 15.83% and in 2007 it was 11,83%.

Impact of excise collection on collection of revenues from indirect taxes

Observing by type of revenues, we can notice that in 2007 only revenues from excise stagnated. At the level of this period, increase of revenues from excise amounts only 1,23%. Taking into consideration the structure of revenues from excise with dominant excise on oil and oil derivatives, we analyzed trends of imports for main types of derivatives, diesel and unleaded gasoline. Starting point of analysis is relation between consumption of energy

products (i.e. import) and price of energy products. It is assumed that there is negative elasticity between these two variables, i.e. increase of prices should lead to reduction in consumption of derivatives. It is assumed that this statement may apply to general consumption where it is possible to use alternative sources and reduce consumption within short time². When it comes to industrial consumption of energy, demand for diesel and heating oil should be non-elastic in short term. Since we were not able to calculate import prices of derivatives on the border to unit prices of derivatives on the border (per 1 kg), we used total customs value and imported quantities in first six months of 2006, 2007 and 2008.

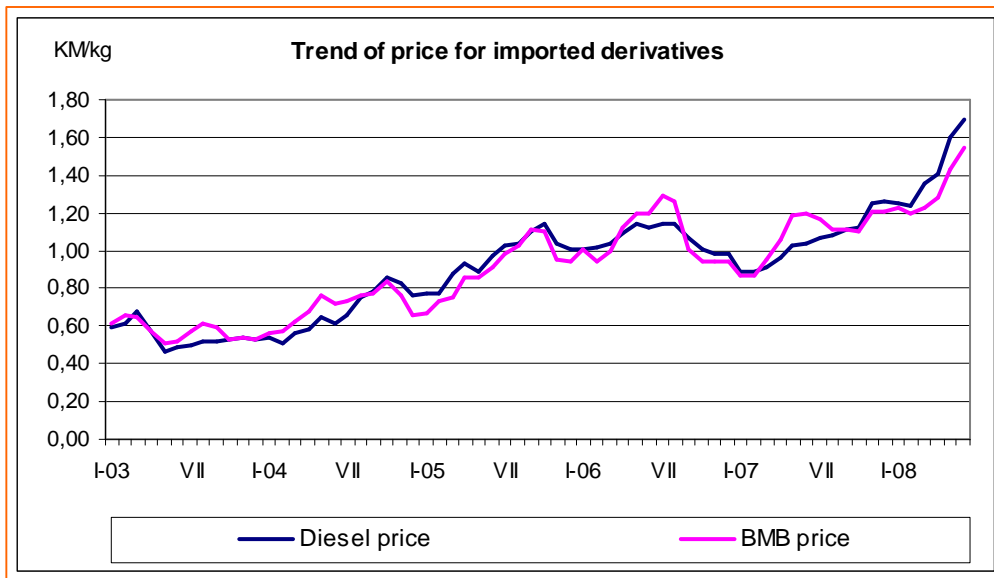


Chart 5

We note that calculated prices should be taken as reference since the customs value can contain insurance and transport costs, which depends on the agreement with supplier. So, further analysis is based on the assumption that in above mentioned three year periods, sources of purchase (main suppliers) and conditions of trade (conditions of purchase, CIF, FOB etc.), which influence customs base, were unchanged and do not influence relation between prices and imported quantity of derivatives. From above shown chart, we can see increasing trend in price of energy, which was imported to BiH in the last one and a half year for both types of derivatives. In lower chart, we can see seasonal pattern of purchasing derivatives in 2006 and 2007 and strong growth of imports in second quarter of import prices, which denies assumption on negative elasticity in import of energy products. However, the first six months of 2008 showed strong oscillations in imports of diesel with significant increase of import prices in second quarter, which led to reduction of diesel imports.

² EU statistics that previous years, due to lower excise rates on diesel, huge number of consumers chose diesel cars, which led to changes in demand and restructuring of car production. Taken into consideration ecological consequences in use of diesel, European Commission decided to apply strategy of gradual increase of excise on diesel in order to harmonize excise on diesel and unleaded gasoline in 5-6 years. This will reflect on preferences of consumers for certain types of cars and this will change orientation of car producers in long term.

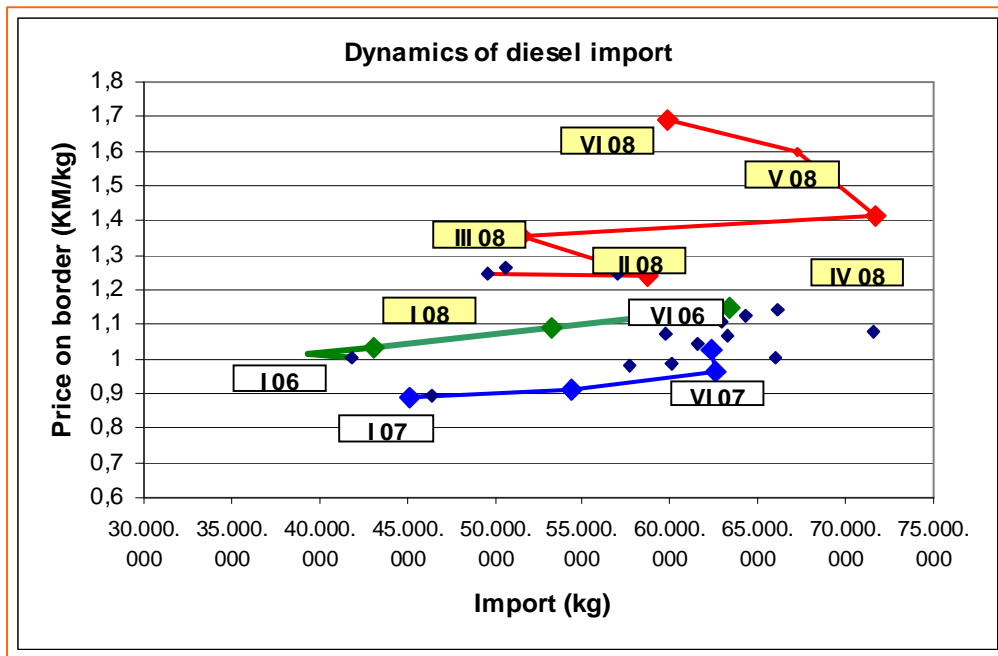


Chart 6

From the following table, we can see slower growth in imports of diesel and unleaded gasoline, while heating oil and motor gasoline shows significant reduction of imports. This corresponds to trend in EU to eliminated motor gasoline due to its damage for living environment.

Growth in import of derivatives	I-VI 2006	I-VI 2007	I-VI 2008
Diesel	16.64%	10.77%	7.86%
Heating oil	-24.67%	-14.90%	-9.66%
Leaded petrol	-2.02%	6.47%	0.60%
Unleaded petrol	-3.83%	3.45%	-15.92%
Total growth in import of derivatives	4.95%	6.73%	3.38%
Growth of revenues from excise on derivatives	2.62%	7.35%	2.93%

Excise on tobacco products represent 39% of total excise revenues and determine amount of collection of total excise. There are two groups of tobacco products by origin, imported and produced in the country. There is significant slowdown in collection of excise on imported tobacco products in the last three years as well as significant decrease this year. This is important due to announcement on possible increase of excise on cigarettes. Increase of excise on cigarettes is in accordance with a need to harmonize domestic excise with minimal excise rate on cigarettes in EU, which is much higher than current rates in BiH. Experiences of other countries show that sudden increase of excise on cigarette led to loss of revenues (excise, VAT) due to increase in smuggling and strengthening of black market. Due to these reasons, there should be a strategic approach to harmonization of excise on cigarettes.

Tobacco products	I-VI 2006	I-VI 2007	I-VI 2008
Excise on imported tobacco products	20.34%	15.56%	6.45%
Excise on domestic tobacco products	-1.18%	1.54%	-7.49%
Increase of revenues from excise on cigarettes	9.62%	9.94%	1.29%

Growth of total revenues from excise	6.99%	9.19%	1.23%
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From the analysis mentioned above, we can conclude that low rate of excise in the first half of year in the amount of 1.23% was cumulative result of slowdown in import of derivatives and collection of excise on tobacco products.

Conclusion

Observing entire collection of indirect taxes in first half of year, we can conclude that it is high and stable. Revenues from indirect taxes have shown strong growth in this year, but the net collection in second quarter was slower. Due to high dependency of BiH on imports and price trends in world market, collection of indirect taxes and alimentation of budgets of all governments in BiH, largely depends on external factors that BiH authorities have small influence on in short term. It is still unknown what will be impact of gradual abolishment of customs on import from EU and total revenues. In this uncertainty in regards to increase of public revenues, it is necessary to have fiscal policy that will, in one hand, act in direction of constraining public spending, which should be basic function of BiH Fiscal Council. In other hand, there is a need for active policy of all government levels, which will lead to increase of fiscal efforts in the country and increase of efficiency in collection of indirect and direct taxes.

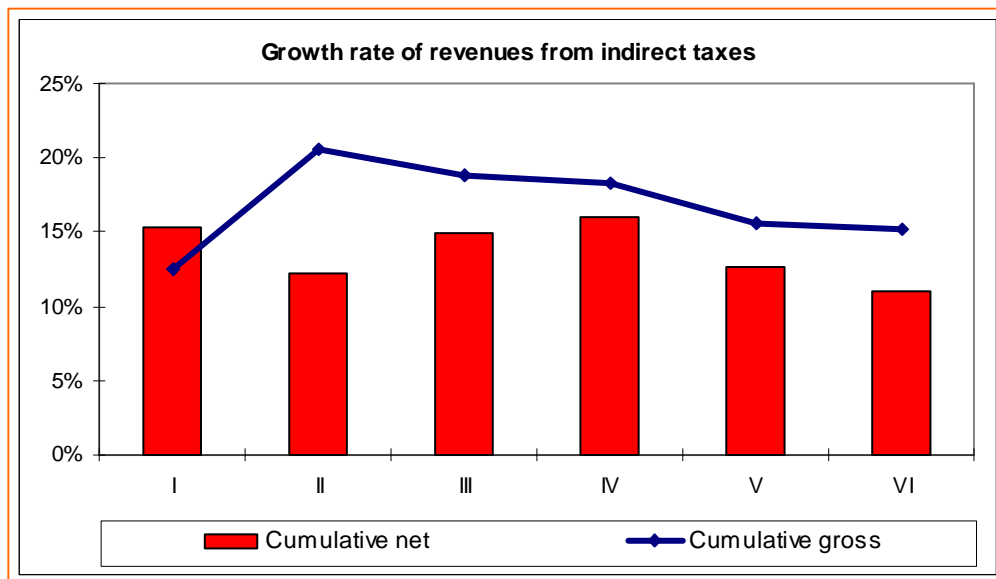


Chart 7

Implications of the ITA Single Account balance on consolidated balance of BiH

(Author: Aleksandra Regoje, Macroeconomist in the Unit)

Introduction

Comparative analysis includes application of consistent base on which data series are based over the number of years i.e. application of consistent methodology for calculation of data or preparation of reports. Accelerated reforms in fiscal area in BiH also reflect on level of report comparability. In the last few years, reforms also included changes in the fiscal policy (e.g. introduction of VAT) and changes in fiscal competencies of reporting units (e.g. defense reform, changes in competencies of administering taxes, exclusion of funds from Brcko District). All this together leads to problems in reporting³ on consolidated balance of BiH, and it also reduces possibility to make a comparison for longer period of time. In order to ensure comparability, it is necessary to make some corrections and adjustments in deconsolidated reports.

In addition, there were significant changes in collection of indirect taxes to the ITA single account (SA)⁴. In technical terms, the single account represents transitional account where indirect taxes are collected for which daily balance after amounts zero after transfer to accounts of beneficiaries in the central bank. However, certain elements of the fiscal policy in the moment of VAT introduction led to a need to treat the single account as additional reporting unit in the consolidation process. Decision of the ITA Governing Board on allocation of 10% of inflow of indirect taxes to the account of reserves in order to service VAT refunds when only exporters were only entitled to refunds led to accumulation of significant amount in the account of reserves. From accounting point of view, cumulated reserves in 2006 represented revenue of BiH in 2006. However, real spending of those revenues took place in 2007, so this was included in reports of lower levels of administration as revenues in 2007. The effect of reserves should be included in consolidated balance of BiH in the way where the process of consolidation will include fiscal operations of ITA single account. In addition, inclusion of ITA single account operations provide possibility to recompose summary item "revenues from indirect taxes from single account" into really collected revenues from customs, excise, VAT and other indirect taxes. This improves quality of reporting and it also provides possibility to compare revenue side of consolidated fiscal report of BiH with consolidated reports of other countries by type of tax revenues.

In further text, we will present effects of budget correction in District and effect of reserves on consolidated BiH budget for 2007.

Corrections of District budget

Consolidated fiscal surplus of Bosnia and Herzegovina, which includes budgets of the state, entities, Brcko District, cantons and municipalities in 2007 amount to 1,29% of gross domestic product⁵ i.e. 279,53 million KM. In 2006, the surplus amounted to 3% of GDP, i.e. 573,21 million KM. In comparison of data with previous year, we should take into consideration that the health insurance fund was included in Brcko District government, so it was included in consolidated report. In 2007, health insurance fund of Brcko District was separates as independent financial institution. Since the consolidated reports do not include funds, comparison of data with previous year is possible only if we include data on budget execution of above mentioned fund in the report for 2007. According to report for 2007 (column III from table 1) consolidated fiscal surplus is slightly higher and it amounts to 1,3% of GDP i.e. 281,31 million KM.

³ In 2006, we wrote about problems in reporting on collection of indirect taxes in transition to VAT system (more information on this: Bulletin no. 7)

⁴ More information on functioning of ITA single account in the Bulletin no. 7

⁵ Data on GDP were take from BiH Statistics Agency

		I	II	III
		2006	2007	Corrected 2007
1	Revenues (11+12+13+14)	5.883.525.078	6.722.258.268	6.740.971.398
11	Taxes	4.849.824.384	5.460.832.009	5.479.506.306
	Income and profit tax	170.352.963	220.118.619	220.118.619
	Social security contributions (Brčko)	18.140.195	7.284	18.681.581
	Taxes on personal income and self-employment	377.898.319	357.078.784	357.078.784
	Property tax	103.759.048	121.837.309	121.837.309
	Revenues from indirect taxes *	4.156.578.888	4.723.756.173	4.723.756.173
	Other taxes	23.094.970	38.033.840	38.033.840
12	Non-tax revenues	995.887.403	1.127.417.119	1.127.455.953
13	Grants	28.590.895	126.939.549	126.939.549
14	Other revenues	9.222.397	7.069.590	7.069.590
2	Expenditures (21+22+23)	4.943.021.299	5.847.477.782	5.864.407.965
21	Current expenditures	4.781.629.660	5.756.930.814	5.773.860.997
	Wages and compensations	1.945.647.602	2.218.819.854	2.219.241.930
	Contributions of employers and other contributions	105.340.167	126.952.213	126.974.903
	Purchases of goods and services	714.818.137	781.990.106	810.694.523
	Grants	1.883.433.329	2.495.297.960	2.483.078.960
	Expenditures for interest and other fees	132.390.425	133.870.681	133.870.681
22	Other expenditures	136.567.400	69.675.328	69.675.328
23	Net lending	24.824.240	20.871.640	20.871.640
3	Net acquisition of non-financial assets	367.289.473	595.246.708	595.246.708
4	Government surplus / deficit (1-2-3)	573.214.306	279.533.777	281.316.724
5	Net financing	-199.548.911	-168.733.321	-168.733.321

Table 1⁶.

Effects of reserves on single account from 2006 on consolidated balance of BiH

We should mention that previous consolidated reports did not include balance of the ITA single account i.e. difference of **net** collected indirect taxes (gross revenues deducted by refunds paid) and total allocated funds to budget beneficiaries.

Revenues from indirect taxes from single account are recorded as the sum of funds received from indirect taxation of every level of government individually, so they could be stated only in total amount (Item „Revenues from indirect taxes“ in reports), as certain levels of government record them in budget execution reports.

When we include single account balance...

In the table 2 in annual consolidated reports from the table 1, report from ITA single account is included, which covers net inflows to single account on revenue i.e. funds allocated to budget beneficiaries on expenditure side⁷. In the column III (corrected report for 2007), health insurance fund of Brcko District is included in order to have comparability of data with previous year, as earlier explained.

⁶ Consolidated report includes revenues and expenditures of state, entity, cantonal and municipal budgets as well as revenues and expenditures of Brcko District. Monthly consolidated report for 2006 was published in MAU bulletin no. 22, and corrections of this one (due to additional change of data by certain municipalities) were published on the web site of the Unit, <http://www.oma.uino.gov.ba/publikacije/2006BiHDrzavaEntitetiBDKantoniOpcine.xls> Monthly report for 2007 (column II in the table 2) was published in MAU bulletin no. 35, <http://www.oma.uino.gov.ba/publikacije/2007BiHDrzavaEntitetiBDKantoniOpcine.xls>

⁷ Similar report was published in issues of the Bulletin under name of BiH (entities and single account). In addition to inflows and outflows from single account, it only included entity budgets.

		2006	2007	Korig. 2007
1	Revenues (11+12+13+14)	6.063.055.537	6.737.460.019	6.756.173.149
11	Taxes	5.029.354.843	5.476.033.761	5.494.708.058
111	Income and profit tax	170.352.963	220.118.619	220.118.619
112	Social security contributions (Brčko)	18.140.195	7.284	18.681.581
113	Taxes on personal income and self-employment	377.898.319	357.078.784	357.078.784
114	Property tax	103.759.048	121.837.309	121.837.309
115	Revenues from indirect taxes to single account (net)	4.101.782.705	4.648.968.193	4.648.968.193
	Out of which: VAT/ Sales tax	2.496.565.398	2.871.196.545	2.871.196.545
	Out of which: Customs	556.414.058	654.477.425	654.477.425
	Out of which: Excise	861.802.542	917.453.800	917.453.800
	Out of which: Road tolls	176.578.768	186.743.908	186.743.908
	Out of which: Other revenues	10.421.940	19.096.515	19.096.515
116	Domestic taxes on goods and services (according to regulations until December 31 st , 2005)	234.326.642	89.989.732	89.989.732
117	Other taxes	23.094.970	38.033.840	38.033.840
12	Non-tax revenues	995.887.403	1.127.417.119	1.127.455.952
13	Grants	28.590.895	126.939.549	126.939.549
14	Other revenues	9.222.397	7.069.590	7.069.590
2	Expenditures (21+22+23+24)	5.032.523.253	5.972.990.872	5.989.921.055
21	Current expenditures	4.781.629.660	5.756.930.814	5.773.860.997
211	Wages and compensations	1.945.647.602	2.218.819.854	2.219.241.930
212	Contributions of employers and other contributions	105.340.167	126.952.213	126.974.903
213	Purchases of goods and services	714.818.137	781.990.106	810.694.523
214	Grants	1.883.433.329	2.495.297.960	2.483.078.960
215	Expenditures for interest and other fees	132.390.425	133.870.681	133.870.681
22	Transfers from the single account (road fund and non-adjusted revenues)	89.501.954	125.513.090	125.513.090
23	Other revenues	136.567.400	69.675.328	69.675.328
24	Net lending*	24.824.240	20.871.640	20.871.640
3	Net acquisition of non-financial assets	367.289.473	595.246.708	595.246.708
4	Government surplus/deficit (1-2-3)	663.242.812	169.222.439	171.005.386
	Out of which: ITA single account	90.028.505	-110.311.339	-110.311.339
5	Net financing**	-199.548.911	-168.733.321	-168.733.321

Table 2

Revenues from indirect taxes are taken from the ITA report. Regardless the fact that consolidated report does not include all levels of government that receive these revenues⁸, they are recorded in total collected amount (net) and shown by types (VAT, customs, excise, road tolls and other). Data on collected indirect taxes according to regulations by December 31st, 2005, were not available by type of revenue, so they are shown in total amount (Item 116 in the table 2).

On the expenditure side, there was consolidation for funds allocated from the single account with funds received by certain levels of authority, so the amount in the expenditure side 22 – transfers from the single account table 2 represents non-consolidated amount of levels that are not included in the report, but they get funds from the single account (road fund) and possible discrepancy due to time lage in recording of allocation of funds from single account and funds received by certain levels of government. In comparison with previously published reports (table 1), report prepared in this way practically means that the amount of total revenues was corrected for difference of net collected and allocated funds to single account and the amount

⁸ i.e. Road fund

of non-consolidated funds from the single account⁹, while the expenditure side now includes the amount of non-consolidated funds from the single account. **In this way, we will show the impact of ITA single account balance on consolidated balance of BiH.**

What do data show?

In 2006, difference of net collected revenues from indirect taxes (excluding non-adjusted revenues) and funds allocated to budget beneficiaries (including funds for servicing foreign debt) amounted to 90,03 million KM. Non-adjusted revenues are the revenues for which the analytics of payments to the single account and analytical records of taxpayers in ITA IT modules can not be matched.

Basic reason for surplus in the single account is that the year of 2006 was characteristic due to suspension of refunds to taxpayers who are not predominantly exporters and payment of refunds started only in March that year. In the next 2007, budget beneficiaries were allocated more funds than net collected indirect taxes in the amount of 110,31 million KM (excluding non-adjusted revenues). Discrepancy of positive balance in 2006 and negative balance in 2007 in the ITA single account was primarily caused by exclusion of non-adjusted revenues in the report. For example, non-adjusted revenues from 2006 were allocated to appropriate categories of indirect taxes in the next year, so their inclusion in 2006 would *de facto* mean double recording.

From the table 2, we can see the impact of the single account balance on total balance of BiH. Surplus stated like that in 2006 amounts to 3,47% of GDP, i.e. 663,24 million KM, while the surplus in 2007 is significantly lower and it amounts to 0,79% of GDP or 171 million KM.

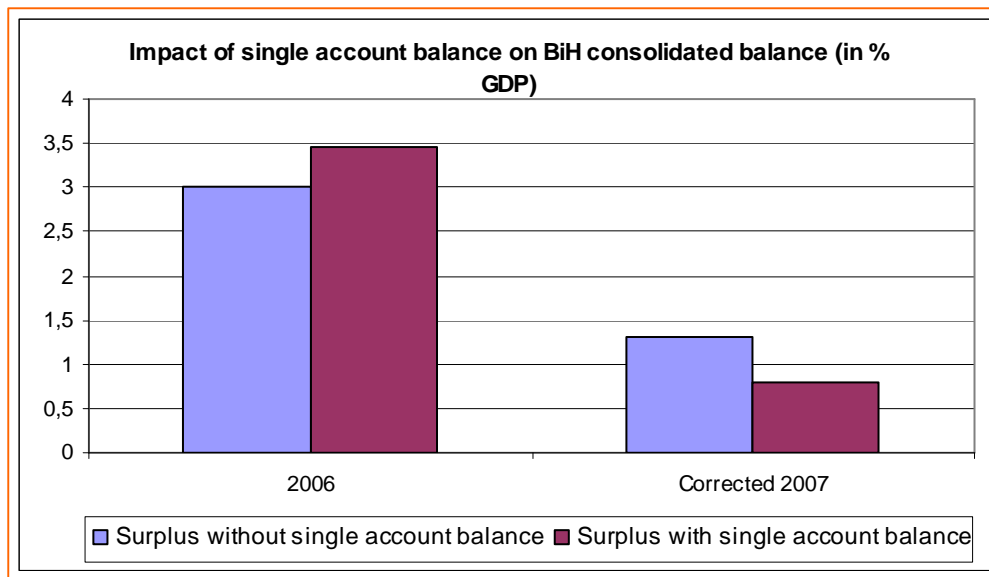


Chart 8

Conclusion

Analysis of the impact of the ITA single account balance on consolidated balance of BiH should be observed in the light of earlier application of 10% allocation for reserves in the ITA single account, which proved to be too high in the year of VAT introduction, but it was insufficient in 2007 for timely servicing liabilities to taxpayers. So, in 2006, there was positive difference in the single account of net collected revenues and funds allocated to budget beneficiaries. In 2007, this difference was negative as in addition to collected revenues in given year, positive

⁹ Revenues from the level of single account, which are not included in the report and they get funds from the single account (road fund) and potential discrepancies due to time lag of recording allocation of funds, as already explained.

balance of previous year was also allocated. Inclusion of the single account balance in consolidated report of Bosnia and Herzegovina represents time adjustment of collected indirect taxes and it causes increase of surplus in 2006 and its reduction in 2007.

Decision of the ITA Governing Board from February 2008 ensured timely payment of refunds in accordance with legal deadlines and daily allocation for reserves is at least 10% of inflows. Reserves are today determined on daily basis as the sum of refunds that needs to be paid on the following working day. Allocation for reserves on basis of the aforementioned decision basically means that the amount of funds collected to the single account will match amount of the funds allocated, so inclusion of the single account balance will not have important impact on total consolidated balance of BiH. However, there is still a need to show collected indirect taxes by types instead of transfers from the single account.

Analysis of performance of public revenues and expenditures of BiH central government for the period from 2005 to 2007

(Author: Aleksandar Eskić, Macroeconomist in the Unit)

Consolidated fiscal balance of public revenues and expenditures for BiH central government for the period from 2005 to 2007

According to consolidated report on realized public revenues and expenditures for BiH central government¹⁰, total collected revenues without capital receipts and financing assets for 2007 amount to 3,74 billion KM, which is 14% higher than revenues collected in 2006. In the same period, realized expenditures including net purchase of non-financial assets increased faster than revenues at the rate of 26% and they amount to 3,56 billion KM. So, in the end of fiscal year 2007, fiscal deficit was 179,5 million KM, which is 39% of fiscal deficit from 2006 i.e. 4,8% of total collected revenues in 2007.

		2005	2006	2007	2006	2007
		<i>u 000 KM</i>			<i>INDEKS</i>	
1	REVENUES	2,610,878.47	3,290,272.95	3,736,315.77	126	114
11	Tax revenues	2,075,128.58	2,749,974.85	3,106,551.05	133	113
12	Non-tax revenues	483,877.15	518,996.72	586,257.93	107	113
13	Current grants	51,846.16	20,598.65	42,924.81	40	208
14	Other revenues	26.58	702.73	581.99	2644	85
2	EXPENDITURES	2,331,041.45	2,727,114.72	3,325,810.75	117	122
21	Current expenditures	2,223,871.56	2,596,086.20	3,273,143.55	117	126
22	Other expenditures	100,964.56	112,890.37	44,647.26	112	40
23	Net lending	6,205.34	18,138.16	8,019.94	292	44
3	Net acquisition of non-financial assets	98,321.39	94,544.07	231,051.33	96	244
4	SURPLUS/DEFICIT (1 - 2 - 3)	181,515.62	468,614.15	179,453.69	258	39
5	Net financing	(85,480.11)	(224,966.05)	(188,322.67)	263	84

Table 3. Consolidated fiscal balance of revenues and expenditure of BiH central government for the period from 2005 to 2007

¹⁰ BiH central government in our analysis include BiH institutions, both entities and Brcko District, which the *Government Finance Statistics – GFS Manual*, prepared by IMF, central government also includes cantons.

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If we compare realization with the plan for 2007¹¹, we can see that the revenues and expenditures increased higher than planned. Revenues were collected and they are 300 million KM higher than planned, while the expenditures were higher by 150 million KM. Main reason for increase of revenues compared to the plan is conservative approach in planning revenues from indirect taxes. Reasons for use of this methodology are: at the time, date of signing and implementing Stabilization and Association Agreement with EU were not known and also accession of BiH to free trade zone (CEFTA). Signing of these agreements means full or partial abolishment of customs protection on domestic products i.e. direct loss of state revenues from customs and part of VAT, which is calculated on those customs duties. Signing of SAA with EU also brings abolishment of revenues from customs recording, which only started in 2008 although it was taken into consideration in preparation of projections for 2007. Main reasons for increase of revenues are general increase of prices both in domestic and international market, which led to increase of base for calculation of fiscal revenues that include value of traded goods and services.

Since the introduction of value added tax on January 1st, 2006, Indirect Taxation Authority became responsible for calculation, collection and allocation of indirect taxes. All revenues from indirect taxes are paid into single account and allocation is made so that the reserves for refunds and share for financing BiH institutions represent first priority in allocation of revenues. Remaining amount is allocated to budgets of BiH Federation, Republika Srpska and Brcko District after reduction of amount of liabilities requires for servicing foreign debt.

Due to re-composition of functions and transfer of competencies between certain levels of administration, which took place in past, comparison of budget execution between the same levels of government for previous years would not be adequate. Analysis of consolidated financial reports of all levels of administration, which were part of reforms, provide adequate basis for further analysis and making certain conclusion. This means that the data on realization of indirect taxes would be comparable with previous periods if they are observed as aggregated. So called lagging payments i.e. direct payments of liabilities for indirect taxes calculated according to regulations that were in places by December 31st, 2005, were added to revenues collected to the single account.

Realized fiscal surplus decreased from 468.6 million KM in 2006, to 179.5 million KM in 2007, which is 39%. Reasons are numerous, but we will list two basic reasons: over-proportional increase of current expenditures, which increased by the rate of 26%, and increased expenditures for purchase of fixed assets that increased with the rate of 144% in comparison with previous year. This led to sudden decrease of fiscal surplus.

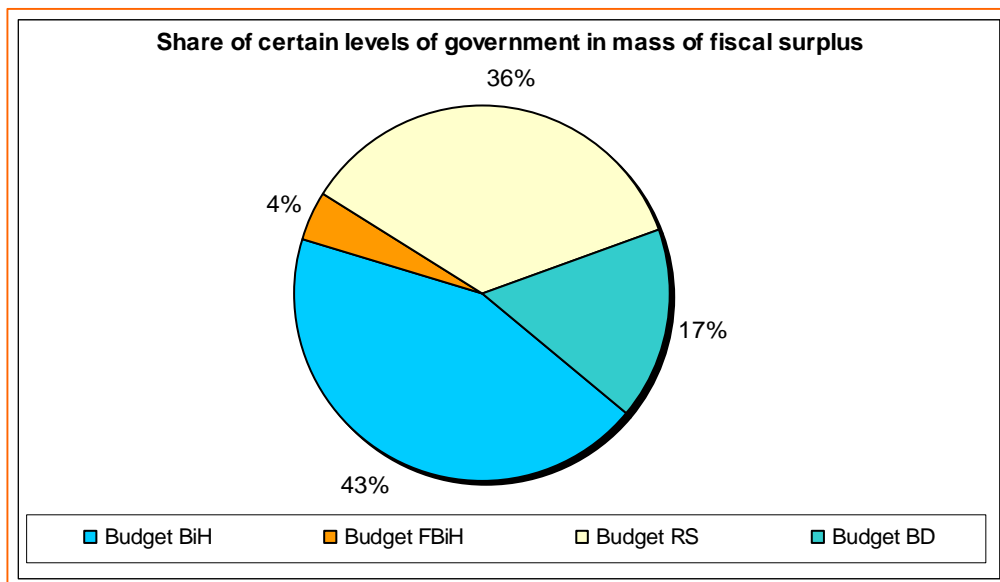


Chart 9 Structure of fiscal surplus

¹¹ See bulletin no.25

Net purchase of non-financial assets increased by 144% compared to previous year, and it amounted to 231 million KM in 2007, while expenditures for purchase of fixed assets were below 100 million KM. Observing these expenditures by level of government, we can see that highest allocation for this purpose was from the budget of RS (87 million KM), the budget of F BiH (78 million KM) and the budget for financing BiH institutions (50 million KM).

By observing position of net financing from the Table 3, we can see there was decrease compared to previous year, while the chart shows share of liabilities from borrowing of entity budgets in 2007.

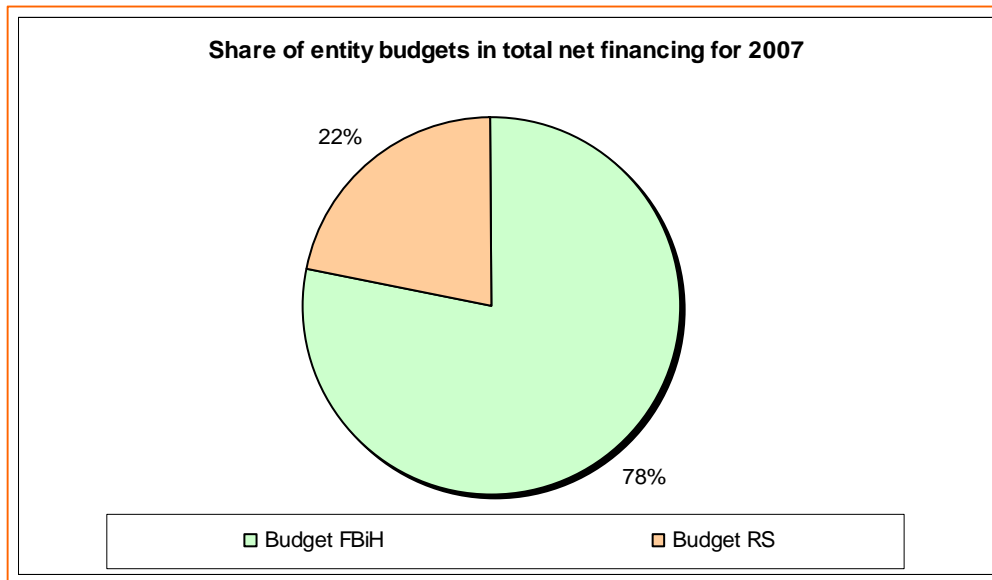


Chart 10. Structure of net financing

		2005	2006	2007	2005	2006	2007
		<i>u 000 KM</i>			<i>struktura %</i>		
1	Revenues	2,610,878	3,290,273	3,736,316	100%	100%	100%
11	Tax revenues	2,075,129	2,749,975	3,106,551	79.48%	83.58%	83.14%
	Income and profit tax	73,916	89,094	120,218	2.83%	2.71%	3.22%
	Income tax	4,645	3,831	4,508	0.18%	0.12%	0.12%
	Profit tax	65,075	81,935	70,688	2.49%	2.49%	1.89%
	Tax on income from capital gains	4,196	3,328	45,022	0.16%	0.10%	1.20%
	Social contributions (Brčko)	16,337	18,132	18,674	0.63%	0.55%	0.50%
	Wage tax and tax on labor	109,621	137,716	90,869	4.20%	4.19%	2.43%
	Property tax	23,847	22,377	17,216	0.91%	0.68%	0.46%
	<i>Revenues from indirect taxes</i>	<i>1,835,138</i>	<i>2,473,135</i>	<i>2,840,914</i>	<i>70.29%</i>	<i>75.17%</i>	<i>76.04%</i>
	Other taxes	16,270	9,521	18,660	0.62%	0.29%	0.50%
12	Non-tax revenues	483,877	518,997	586,258	18.53%	15.77%	15.69%
13	Current grants	51,846	20,599	42,925	1.99%	0.63%	1.15%
	Grants from abroad	50,717	18,603	19,877	1.94%	0.57%	0.53%
	Grants from other levels of government	1,129	1,996	23,038	0.04%	0.06%	0.62%
14	Other revenues	27	703	582	0.00%	0.02%	0.02%

Table 4. Consolidated review of revenues of BiH Central Government budget

Analysis of collected public revenues of BiH central government

Most significant individual item in consolidated report for BiH central government for 2007 is revenue from taxes, which were collected in the amount of 3,106.55 million KM. This represents 83.14% of total revenues. Tax revenues continued to strongly increase and average annual growth rate in 2007 was 12.97% (after the growth rate of 32.52% in 2006) and this more and less corresponds to the growth rate for total revenues, which was 13,56%. Taking into consideration importance of tax revenues, we can conclude that they represent main force for growth of public revenues in the country.

As part of tax revenues, revenues from indirect taxes are important for their volume and share in the structure of total revenues. Detailed clarifications on this type of revenues are in the following chapter.

Non-tax revenues show stable growth, and the growth rate in 2007 was 12.96%. Revenues from current grants also had trend of increase in 2007 and they reached the level from 2005 in absolute amount. This is primarily due to decrease of grants from abroad as it can be clearly seen from the table no. 4.

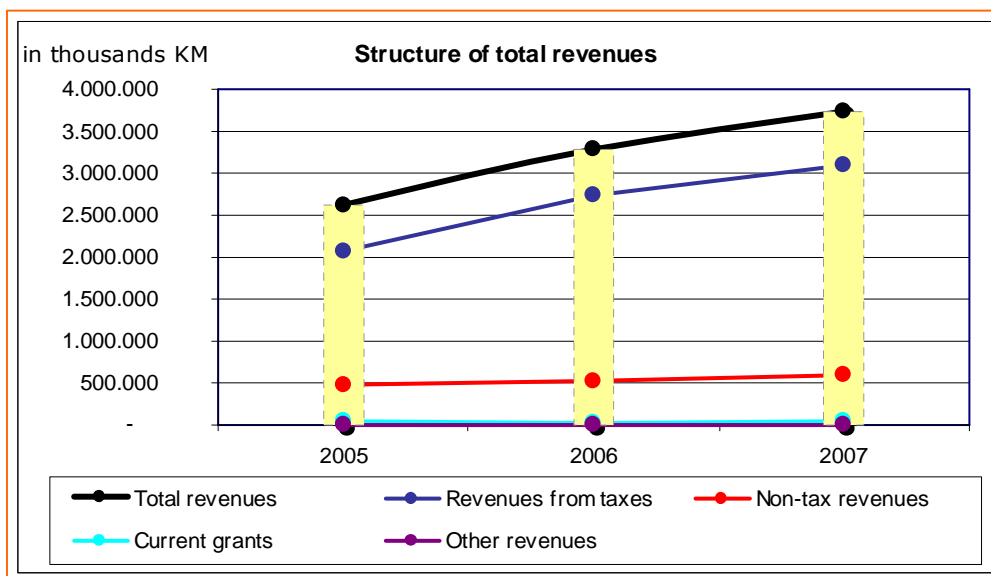


Chart 11. Structure of total revenues of BiH central government for 2007

Analysis of collected tax revenues of BiH central government

If we focus on tax revenues, we can notice two different trends for two basic groups of tax revenues: revenues from indirect taxes and revenues from direct taxes. For revenues from indirect taxes, we can see continued growth that was 14,87% in 2007¹² (the growth rate in 2006 was 34,77%). There is constant increase of share of revenues from indirect taxes in the amount of tax revenues during observed period. Total amount of collected revenues from indirect taxes in 2007 amount to 2,840.91 million KM with the share of 91,45% in structure of tax revenues. In 2006, total amount of these collected revenues were 2,473.14 million KM with the share of 89,93%.

As opposed to revenues from indirect taxes, revenues from direct taxes showed moderate stagnation and there is decrease of these revenues in 2007. Their share in structure of total revenues also decreased.

¹² Comparison was based on previous years (*back-to-back analysis*)

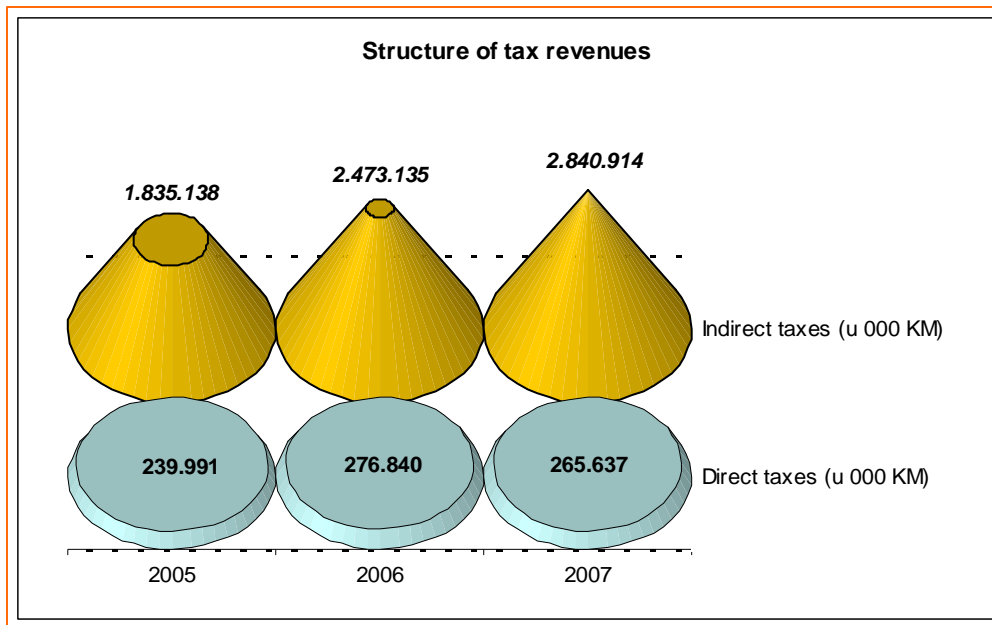


Chart 12. Structure of tax revenues of BiH central government for 2007

		BiH	FBiH	RS	BD
		<i>u 000 KM</i>			
1	Revenues (11+12+13+14)	791,839	1,337,265	1,381,135	240,964
11	Tax revenues	646,111	1,093,603	1,188,109	178,728
	Income tax and profit tax	0	41,316	74,735	4,167
	Social contributions (Brčko)	0	0	0	18,674
	Wage tax and tax on labor	0	0	84,535	6,334
	Property tax	0	0	15,868	1,347
	<i>Revenues from indirect taxes</i>	<i>637,514</i>	<i>1,048,977</i>	<i>1,006,218</i>	<i>148,205</i>
	Other taxes	8,597	3,311	6,752	0
12	Non-tax revenues	90,530	243,662	190,179	61,887
13	Current grants	55,198	0	2,295	349
14	Other revenues	0	0	553	0
2	Expenditures (21+22+23)	663,821	1,251,332	1,230,399	195,616
21	Current expenditures	643,383	1,240,986	1,208,089	195,616
	Wages and compensations	481,773	167,700	401,212	69,644
	Out of which: gross wages	371,324	126,257	363,172	67,042
	Out of which: compensations	110,449	41,442	38,040	2,602
	Contributions of employers and other contributions	0	15,581	13,612	23
	Expenditures for materials and services	136,905	63,744	115,565	92,039
	Grants	24,704	932,749	613,739	33,875
	Expenditures for interest and other compensations	0	61,212	63,961	36
22	Other expenditures	14,784	0	24,209	0
23	Net lending	0	10,346	- 2,326	0
3	Net acquisition of non-financial assets	50,025	78,375	87,158	15,493
4	Government surplus / deficit (1-2-3)	78,035	7,558	64,005	29,855
5	Net financing	0	- 148,530	- 41,589	1,797

Table 3. Review of realized revenues and expenditures in BiH by certain levels of BiH central government in 2007

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From the chart no. 13, we can see structure of total revenues and expenditures of BiH central government for 2007 by level of government. We can notice that the budget of Republika Srpska has highest share, which is reasonable taken into consideration administrative arrangements in Bosnia and Herzegovina as well as functions financed from this budget. There is also significant increasing share of BiH Federation budget in past period, which shows current trends in this entity, in terms of functions financed from this budget that reached its peak in 2008. It primarily refers to liabilities on basis of the Law on rights of demobilized soldiers and members of their families¹³ and other liabilities to military and civil victims of the war. All this led to full financial exhaustion of the Federation budget and impossibility to reach fiscal surplus. These trends caused initiative for change and amendment of the Law on allocation of public revenues in BiH Federation, which were adopted in 2008¹⁴.

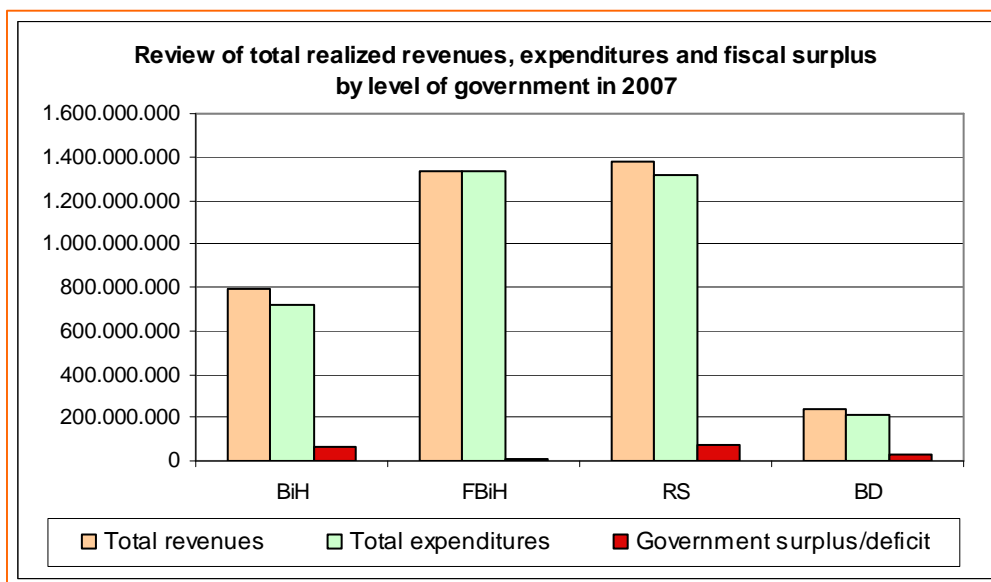


Chart 13. Structure of public revenues, expenditures and fiscal surplus by level of government

Current year is marked by few key things that will for sure have impact on fiscal balance of BiH central government for 2008. These are primarily signing of Stabilization and Association Agreement with EU and accession to CEFTA. These agreements at least in segment that is interesting for our analysis, will reduce burden on trade of goods and services, which will ultimately lead to decrease of all revenues for all budgets in Bosnia and Herzegovina. However, data available show positive trend in growth of public revenues from indirect taxes, which continued in 2008 and it is a bit higher than projections of the Unit with slight slowdown in the last few months.

Entering into force of the regulations on income and profit tax in BiH Federation will have certain implications on fiscal balance. It is also the fact that Republika Srpska is already considering changes in legislation and bringing back old solutions although aforementioned laws went into force in 2007. This would ultimately lead to gradual harmonization with tax policy of the Federation in this field.

Introduction of fiscal registers in Republika Srpska caused large attention of public. According to estimates of the officials from Republika Srpska, this will additionally reduce field of grey economy and generate budget revenues. It remains to be seen what will be these effects and when will they happen.

Being observed from the expenditure side, there will increase of current expenditures in 2008 of BiH central government, primarily budgets of Republika Srpska and BiH joint institutions. In first case, pressure on this category of expenditures is caused by increase in number of employees in institutions that are financed from Republika Srpska budget, increase in number

¹³ Official Gazette of BiH Federation, 61/06

¹⁴ Law on changes and amendments of the law on allocation of public revenues in BiH Federation, F BiH Official Gazette, no. 43/08

of budget beneficiaries and entering into force (as of beginning next year) of regulations that regulate wages and personal income of civil servants in entity institutions (and elected and appointed persons). In other case, application of the Law on wages and compensations in BiH institutions¹⁵ will lead to proportional increase of expenditures regulated by this law, and ultimately increase of total expenditures and allocation from ITA single account, which they use for financing since wages represent high share in total expenditures of state institutions.

Expenditures for current grants deserve special attention as they predominantly influence current liquidity, long term liquidity and possibility of savings shown through fiscal surplus. In BiH Federation, we can notice transfers for financing rights of demobilized soldiers and members of their families. In Republika Srpska, we have the case of co-financing social welfare funds, primarily RS health insurance fund, and the process of bringing back the property to state, which applies to previously privatized property and settlement of occurred liabilities and non-paid liabilities of these businesses.

All those aforementioned processes have impact on volume and dynamics on execution of fiscal revenues and expenditures of BiH central government in 2008. Domestic and international expert public continually warns legislators in BiH to carefully consider and adopt regulations that refer to financing from the budget in order not to get in position of current inliquidity, long term unsustainability and possible implications in such relations. Due to this, there is constant mentioning of a need to promote cooperation and exchange of information between fiscal authorities in BiH, as well as urgent application of the Law on fiscal council of BiH, and full operations of this body.

Consolidated Reports

(prepared by: Mirela Kadić, research assistant)

Table 6. (Consolidated report: BiH: SA and Entiteties)

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.

Table 7. (Consolidated Report: BiH: State, entities, Brčko Distrikt, Cantons)

1. 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

2. Report includes amortization of foreign debt

3. 2007 year report is not fully comparable with previous year data because of separation of Health insurance fund of Brcko District as an independent financial institution.

4. May data for Tuzla Canton are estimated

Table 8, 9 and 10 (Consolidated reports: Cantons)

Consolidated report includes:

- revenues and expenditures of the cantonal budgets,
- revenues and expenditures of the budgets of related municipalities.

¹⁵ Official Gazette BiH, no. 50/08

BiH: entities, SA, I-VI, 2008.

		I	II	III	IV	V	VI	Q1	Q2	Total
1	Current revenues	411,9	381,9	482,2	490,3	457,4	476,2	1276,0	1423,9	2699,9
11	Taxes	386,5	354,6	444,9	465,0	437,4	432,8	1186,0	1335,3	2521,2
111	Indirect taxes	370,2	325,0	405,8	424,6	415,1	409,4	1101,0	1249,1	2350,1
	VAT	247,3	183,8	257,3	260,5	256,9	253,7	688,5	771,1	1459,6
	VAT on imports	149,5	200,9	217,0	234,0	222,7	228,6	567,4	685,3	1252,7
	VAT from VAT returns	128,9	100,4	94,8	100,0	102,4	109,4	324,0	311,7	635,8
	VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,1		0,0	0,1	0,1	0,2
	One-off VAT payments	0,3	0,1	0,2	0,1	0,1	0,1	0,6	0,2	0,8
	Other	1,2	1,1	1,0	1,1	1,9	0,9	3,3	3,9	7,2
	VAT refunds	-32,6	-118,6	-55,7	-74,6	-70,2	-85,3	-206,9	-230,1	-437,0
	Custom duties	40,8	58,2	62,3	66,8	61,6	60,9	161,3	189,3	350,6
	Sales tax	0,5	1,5	0,9	0,7	1,7	0,9	3,0	3,2	6,2
	Excises	67,8	66,6	70,0	79,0	77,8	77,7	204,3	234,5	438,8
	on imports	53,9	55,0	57,9	65,9	64,2	64,0	166,8	194,2	361,0
	on domestic production	13,9	11,6	12,1	13,1	13,5	13,6	37,5	40,2	77,8
	Railroad tax	12,7	14,4	14,0	16,6	16,2	15,0	41,0	47,9	88,9
	Other	1,4	1,4	1,8	1,5	1,6	1,7	4,7	4,8	9,4
	Other refunds	-0,4	-0,9	-0,6	-0,7	-0,6	-0,3	-1,8	-1,6	-3,5
112	Direct taxes	16,3	29,6	39,1	40,4	22,3	23,3	85,0	86,1	171,1
	Income taxes	8,0	18,8	26,6	27,4	11,0	10,1	53,4	48,5	101,9
	Other tax revenues	8,3	10,8	12,5	13,1	11,3	13,3	31,6	37,7	69,2
12	Non-tax income	24,3	27,1	37,1	24,5	19,8	42,1	88,5	86,5	175,0
13	Other revenues			0,1		0,1	0,2	0,1	0,3	0,3
14	Grants	0,2	0,0	0,0	0,5	0,0	0,2	0,2	0,7	0,9
15	Transfers from other level of government	0,9	0,1	0,1	0,2	0,1	0,9	1,2	1,2	2,4
2	Current expenditures	305,0	400,2	427,7	490,2	447,9	514,1	1133,0	1452,2	2585,2
21	Consumption expenditures	48,5	68,7	85,7	80,4	77,2	99,0	202,9	256,6	459,4
211	Wages and compensations	45,2	61,0	68,5	67,1	65,9	86,4	174,6	219,4	394,0
212	Purchases of goods and services	3,3	7,7	17,2	13,2	11,3	12,6	28,3	37,2	65,5
22	Grants	13,7	53,5	64,6	79,5	68,5	95,9	131,9	243,9	375,8
	Transfers to households	10,7	48,5	43,4	56,1	50,3	67,2	102,7	173,6	276,3
	Transfers to institutions / organizations	0,3	1,2	5,9	5,1	8,9	6,1	7,4	20,1	27,5
	Subsidies	2,7	3,8	15,2	18,3	9,3	22,6	21,8	50,2	72,0
23	Interest payments	0,6	10,1	13,6	5,4	16,2	19,8	24,3	41,5	65,7
24	Other outlays	1,9	44,4	25,5	32,1	36,7	37,3	71,8	106,1	177,9
25	Transfers from Single Account	224,3	205,4	219,8	248,2	226,9	239,7	649,5	714,9	1364,4
	o/w : BiH Budget	51,6	51,6	61,5	57,6	52,3	54,9	164,8	164,8	329,7
	o/w: FBiH / Cantons, Municipalities, Road Fund	130,8	121,1	117,7	144,6	135,4	141,6	369,6	421,5	791,1
	o/w: RS / Municipalities, Road Fund	30,7	22,7	28,4	33,1	26,5	30,4	81,8	89,9	171,7
	o/w: Brcko	11,2	10,0	12,1	13,1	12,7	12,8	33,3	38,6	71,9
27	Transfers to lower levels of government	17,2	18,1	18,7	40,2	23,0	25,4	54,0	88,5	142,6
28	Net lending*	-1,3		-0,1	4,4	-0,7	-3,0	-1,4	0,7	-0,7
3	Net acquisition of nonfinancial assets	4,7	4,7	8,4	13,3	6,5	19,3	17,8	39,2	57,0
4	Government surplus (+) / deficit(-) (1-2-3)	102,2	-23,0	46,1	-13,3	3,0	-57,2	125,2	-67,5	57,7
5	Net financing**	-0,57	-1,4	-35,2	-9,0	-5,6	-8,2	-37,2	-22,8	-60,0

Table 6.

BiH: State, entities, Brčko Distrikt, Cantons I-V, 2008.

		I	II	III	IV	V	Q1	Q2	Total
1	Current Revenues (11+12+13+14)	423.907.208	419.784.845	483.068.613	556.052.141	468.257.540	1.326.760.666	1.024.309.681	2.351.070.346
11	Taxes	365.884.873	361.235.083	419.722.044	440.244.102	416.866.801	1.146.841.999	857.110.903	2.003.952.902
	Income & profit tax	18.111.809	24.534.333	35.964.793	33.784.658	16.942.525	78.610.934	50.727.183	129.338.117
	Taxes on personal income and self-employment	20.074.584	28.816.874	25.692.452	32.049.227	27.666.912	74.583.910	59.716.139	134.300.049
	Property tax	2.214.127	2.371.659	1.696.239	1.745.895	1.540.358	6.282.024	3.286.254	9.568.278
	Transfers from Single Account	324.480.548	303.963.832	351.223.953	371.126.040	367.071.633	979.668.334	738.197.673	1.717.866.007
	Other taxes	1.003.805	1.548.385	5.144.607	1.538.282	3.645.373	7.696.797	5.183.654	12.880.451
12	Non-tax revenues	56.389.160	56.103.965	61.220.330	54.319.749	41.839.545	173.713.455	96.159.293	269.872.748
13	Grants	1.513.148	2.389.365	2.060.368	61.486.462	9.491.686	5.962.881	70.978.147	76.941.028
14	Other revenues	120.027	56.432	65.872	1.828	59.509	242.331	61.337	303.668
2	Total expenditures (21+22+23)	316.069.687	365.838.658	372.739.333	464.218.454	437.559.660	1.054.647.678	901.778.114	1.956.425.792
21	Current expenditures	315.663.677	363.339.245	369.619.421	455.405.173	434.260.053	1.048.622.343	889.665.226	1.938.287.570
	Wages and compensations	173.384.001	176.831.289	177.108.249	192.306.714	190.971.870	527.323.539	383.278.584	910.602.123
	of which: Gross wages	148.023.904	150.109.364	150.336.024	160.421.313	159.989.620	448.469.291	320.410.932	768.880.224
	of which: Compensations	25.360.098	26.721.925	26.772.225	31.885.401	30.982.251	78.854.248	62.867.652	141.721.900
	Other taxes and contributions	8.231.021	8.469.281	8.339.164	9.448.301	9.533.401	25.039.465	18.981.702	44.021.167
	Purchases of goods and services	26.331.686	35.358.117	44.612.437	43.158.361	40.031.823	106.302.240	83.190.185	189.492.424
	Capital grants	103.187.783	128.793.738	133.192.342	204.691.714	177.314.487	365.173.863	382.006.200	747.180.064
	Interest	4.529.186	13.886.820	6.367.230	5.800.083	16.408.472	24.783.236	22.208.555	46.991.791
22	Other expenditures	2.064.457	2.196.423	2.900.735	4.780.059	4.064.912	7.161.614	8.844.971	16.006.585
23	Net lending**	-1.658.447	302.990	219.176	4.033.222	-765.305	-1.136.280	3.267.917	2.131.637
3	Net acquisition of nonfinancial assets	9.660.446	7.610.028	10.375.184	20.352.056	18.210.327	27.645.658	38.562.383	66.208.040
4	Government surplus/deficit (1-2-3)	98.177.075	46.336.159	99.954.096	71.481.630	12.487.553	244.467.330	83.969.184	328.436.514
5	Net financing ***	-11.358.160	-13.075.109	-12.188.258	-8.667.075	-5.753.114	-36.621.527	-14.420.189	-51.041.717

Table 7

Posavina Canton, I-VI, 2008.

		I	II	III	IV	V	VI	Q1	Q2	I-VI 2008	I-VI 2007
1	Total revenues (11+12+13+14)	3.490.063	3.029.419	3.170.705	3.190.802	4.655.629	3.414.978	9.690.187	11.261.409	20.951.596	18.835.706
11	Tax revenues	2.599.548	2.249.073	2.760.559	2.719.794	2.678.273	2.826.659	7.609.180	8.224.726	15.833.906	15.109.702
	Income & profit tax	117.870	145.482	103.275	38.614	46.127	22.584	366.627	107.324	473.952	499.678
	Taxes on personal income and self-employment	223.105	266.557	239.037	266.437	256.950	261.103	728.699	784.491	1.513.190	1.231.115
	Property tax	43.961	37.479	68.256	20.487	37.242	54.317	149.696	112.046	261.742	225.159
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	54.757	31.903	34.642	28.218	29.133	38.147	121.302	95.498	216.801	280.417
	Transfers from Single Account	2.126.256	1.729.663	2.275.991	2.340.381	2.267.159	2.382.851	6.131.910	6.990.391	13.122.301	12.711.948
	Other taxes	33.598	37.989	39.358	25.656	41.662	67.657	110.945	134.975	245.920	161.385
12	Non-tax revenues	705.316	722.914	345.643	424.611	385.627	413.742	1.773.874	1.223.980	2.997.853	2.617.004
13	Grants	95.722	1.000	60.143	44.569	1.590.770	173.619	156.865	1.808.958	1.965.823	1.079.000
14	Other revenues	89.476	56.432	4.360	1.828	959	958	150.268	3.745	154.013	30.000
2	Total expenditures (21+22)	2.387.649	2.547.327	3.270.755	3.181.784	3.468.213	3.952.333	8.205.732	10.602.330	18.808.061	14.925.215
21	Current expenditures	2.387.649	2.549.327	3.268.904	3.181.784	3.468.213	3.952.333	8.205.881	10.602.330	18.808.210	14.922.915
	Wages and compensations	1.505.556	1.541.399	1.507.173	1.515.393	1.659.704	1.926.055	4.554.128	5.101.151	9.655.279	8.614.814
	of which: Gross wages	1.155.221	1.194.786	1.179.583	1.106.774	1.337.547	1.206.031	3.529.591	3.650.352	7.179.943	6.417.249
	of which: Compensations	350.334	346.613	327.590	408.618	322.157	720.024	1.024.537	1.450.799	2.475.336	2.197.565
	Other taxes and contributions	139.408	141.599	140.170	139.221	163.146	145.619	421.176	447.987	869.163	809.144
	Purchases of goods and services	860.478	561.176	816.101	718.050	554.827	589.050	2.237.756	1.861.928	4.099.684	2.468.726
	Grants	-134.739	303.452	804.122	807.337	1.088.809	1.291.608	972.836	3.187.755	4.160.591	3.030.231
	Interest	16.947	1.701	1.337	1.782	1.727	0	19.985	3.509	23.494	0
	Transfers to lower spending units	0	0	0	0	0	0	0	0	0	0
22	Net lending*	0	-2.000	1.851	0	0	0	-149	0	-149	2.300
3	Net acquisition of nonfinancial assets	677	216.414	97.679	2.859	534.061	95.221	314.770	632.140	946.910	278.676
4	Government surplus/deficit (1-2-3)	1.101.737	265.678	-197.729	6.160	653.354	-632.575	1.169.685	26.939	1.196.624	3.631.815
5	Net financing **	0	0	-3.943	-3.943	-3.973	0	-3.943	-7.916	-11.859	0

Table 8

Una Sana Canton, I-V, 2008.

		I	II	III	IV	V	Q1	Q2	I-V 2008	I-V 2007
1	Total revenues (11+12+13+14)	20.067.566	17.881.682	20.574.663	22.341.100	21.664.612	58.523.911	44.005.712	102.529.623	88.167.154
11	Tax revenues	16.461.802	13.947.626	16.658.883	17.570.808	16.464.022	47.068.311	34.034.830	81.103.141	72.233.923
	Income & profit tax	562.084	548.285	385.650	582.678	426.431	1.496.019	1.009.109	2.505.127	2.403.910
	Taxes on personal income and self-employment	1.231.875	1.361.470	1.351.203	1.663.042	1.298.788	3.944.548	2.961.830	6.906.378	5.965.704
	Property tax	536.647	680.350	561.504	505.949	421.649	1.778.501	927.598	2.706.099	1.631.736
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	791.858	596.587	307.919	263.636	87.584	1.696.364	351.220	2.047.585	2.293.857
	Transfers from Single Account	13.273.018	10.679.276	13.978.449	14.471.651	14.152.952	37.930.742	28.624.603	66.555.345	59.676.202
	Other taxes	66.321	81.658	74.157	83.852	76.618	222.136	160.470	382.606	262.514
12	Non-tax revenues	3.596.764	3.873.251	3.379.649	4.165.886	4.893.470	10.849.664	9.059.357	19.909.021	14.341.549
13	Grants	9.000	60.805	536.131	604.405	307.120	605.936	911.525	1.517.461	1.587.482
14	Other revenues	0	0	0	0	0	0	0	0	4.200
2	Total expenditures (21+22)	13.680.705	15.298.820	17.200.582	19.105.473	16.971.187	46.180.107	36.076.659	82.256.766	66.116.058
21	Current expenditures	13.680.705	15.310.710	17.188.039	19.105.473	16.971.187	46.179.454	36.076.659	82.256.113	66.191.133
	Wages and compensations	8.685.481	8.978.123	9.467.693	9.784.173	9.751.742	27.131.297	19.535.915	46.667.212	40.562.751
	of which: Gross wages	7.162.158	7.442.346	7.664.285	7.580.606	7.978.900	22.268.790	15.559.506	37.828.296	33.594.472
	of which: Compensations	1.523.322	1.535.777	1.803.408	2.203.567	1.772.842	4.862.507	3.976.409	8.838.916	6.968.279
	Other taxes and contributions	873.842	889.296	921.802	924.907	971.730	2.684.939	1.896.637	4.581.577	4.043.952
	Purchases of goods and services	1.266.870	1.227.447	1.765.420	2.601.604	2.263.187	4.259.736	4.864.791	9.124.527	8.156.236
	Grants	1.070.717	2.597.507	2.423.523	3.769.704	1.887.374	6.091.747	5.657.078	11.748.824	12.485.613
	Interest	89.914	126.406	82.656	83.268	104.125	298.977	187.392	486.369	423.689
	Transfers to lower spending units	1.693.881	1.491.932	2.526.945	1.941.817	1.993.029	5.712.757	3.934.846	9.647.604	518.892
22	Net lending*	0	-11.890	12.543	0	0	653	0	653	-75.075
3	Net acquisition of nonfinancial assets	760.113	507.648	1.161.961	2.194.712	2.465.069	2.429.722	4.659.781	7.089.504	2.455.187
4	Government surplus/deficit (1-2-3)	5.626.748	2.075.214	2.212.119	1.040.915	2.228.357	9.914.082	3.269.271	13.183.353	19.595.909
5	Net financing **	-1.673	-1.673	-38.782	-8.126	-8.107	-42.128	-16.233	-58.361	-78.834

Table 9

Zenica Dobož Canton, I-V, 2008.

		I	II	III	IV	V	Q1	Q2	I-V 2008	I-V 2007
1	Total revenues (11+12+13+14)	26.143.515	22.896.092	29.219.389	29.209.470	26.792.618	78.258.996	56.002.088	134.261.084	115.741.751
11	Tax revenues	21.512.382	18.897.029	22.728.500	24.118.134	22.573.410	63.137.912	46.691.544	109.829.456	97.354.103
	Income & profit tax	871.479	1.016.850	681.301	577.984	492.492	2.569.631	1.070.475	3.640.106	3.528.511
	Taxes on personal income and self-employment	2.256.458	2.563.199	2.683.028	3.259.430	2.779.649	7.502.685	6.039.079	13.541.763	10.728.588
	Property tax	753.467	719.532	689.325	1.069.152	1.084.739	2.162.324	2.153.891	4.316.215	3.493.520
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	842.581	847.925	621.749	625.898	216.675	2.312.255	842.573	3.154.828	4.436.718
	Transfers from Single Account	16.672.915	13.659.335	17.960.931	18.485.182	17.904.729	48.293.181	36.389.910	84.683.091	74.832.210
	Other taxes	115.482	90.189	92.166	100.489	95.127	297.837	195.616	493.452	334.556
12	Non-tax revenues	3.424.454	3.753.128	5.920.906	4.719.035	3.760.620	13.098.488	8.479.655	21.578.143	18.206.291
13	Grants	1.084.642	207.892	569.983	372.301	458.587	1.862.517	830.888	2.693.405	159.285
14	Other revenues	122.037	38.043	0	0	0	160.080	0	160.080	22.072
2	Total expenditures (21+22)	19.731.941	24.164.071	26.052.657	24.949.402	27.601.885	69.948.670	52.551.287	122.499.957	93.608.216
21	Current expenditures	19.731.941	24.164.071	26.052.657	24.949.402	27.596.185	69.948.670	52.545.587	122.494.257	93.608.216
	Wages and compensations	11.219.867	13.009.127	12.888.084	12.909.086	15.097.160	37.117.078	28.006.246	65.123.324	51.288.991
	of which: Gross wages	9.352.033	10.314.319	10.297.254	10.357.883	10.424.438	29.963.606	20.782.320	50.745.926	42.952.099
	of which: Compensations	1.867.834	2.694.809	2.590.829	2.551.203	4.672.723	7.153.472	7.223.926	14.377.398	8.336.892
	Other taxes and contributions	1.122.497	1.226.058	1.222.158	1.223.114	1.241.802	3.570.713	2.464.917	6.035.629	5.079.084
	Purchases of goods and services	3.907.037	4.390.395	4.508.860	4.269.053	3.388.543	12.806.292	7.657.596	20.463.887	17.706.379
	Grants	3.363.862	5.336.356	7.106.332	6.290.183	7.682.633	15.806.550	13.972.816	29.779.366	17.891.502
	Interest	88.574	3.533	13.171	6.634	61	105.277	6.695	111.972	92.812
	Transfers to lower spending units	30.106	198.602	314.054	251.331	185.986	542.761	437.317	980.078	1.549.448
22	Net lending*	0	0	0	0	5.700	0	5.700	5.700	0
3	Net acquisition of nonfinancial assets	1.014.328	1.312.966	2.753.200	2.734.031	2.685.827	5.080.494	5.419.857	10.500.352	5.513.464
4	Government surplus/deficit (1-2-3)	5.397.246	-2.580.946	413.532	1.526.037	-3.495.094	3.229.832	-1.969.056	1.260.776	16.620.071
5	Net financing **	-154.055	-2.500	-27.496	-14.998	-2.500	-184.051	-17.498	-201.548	-86.902

Table 10