

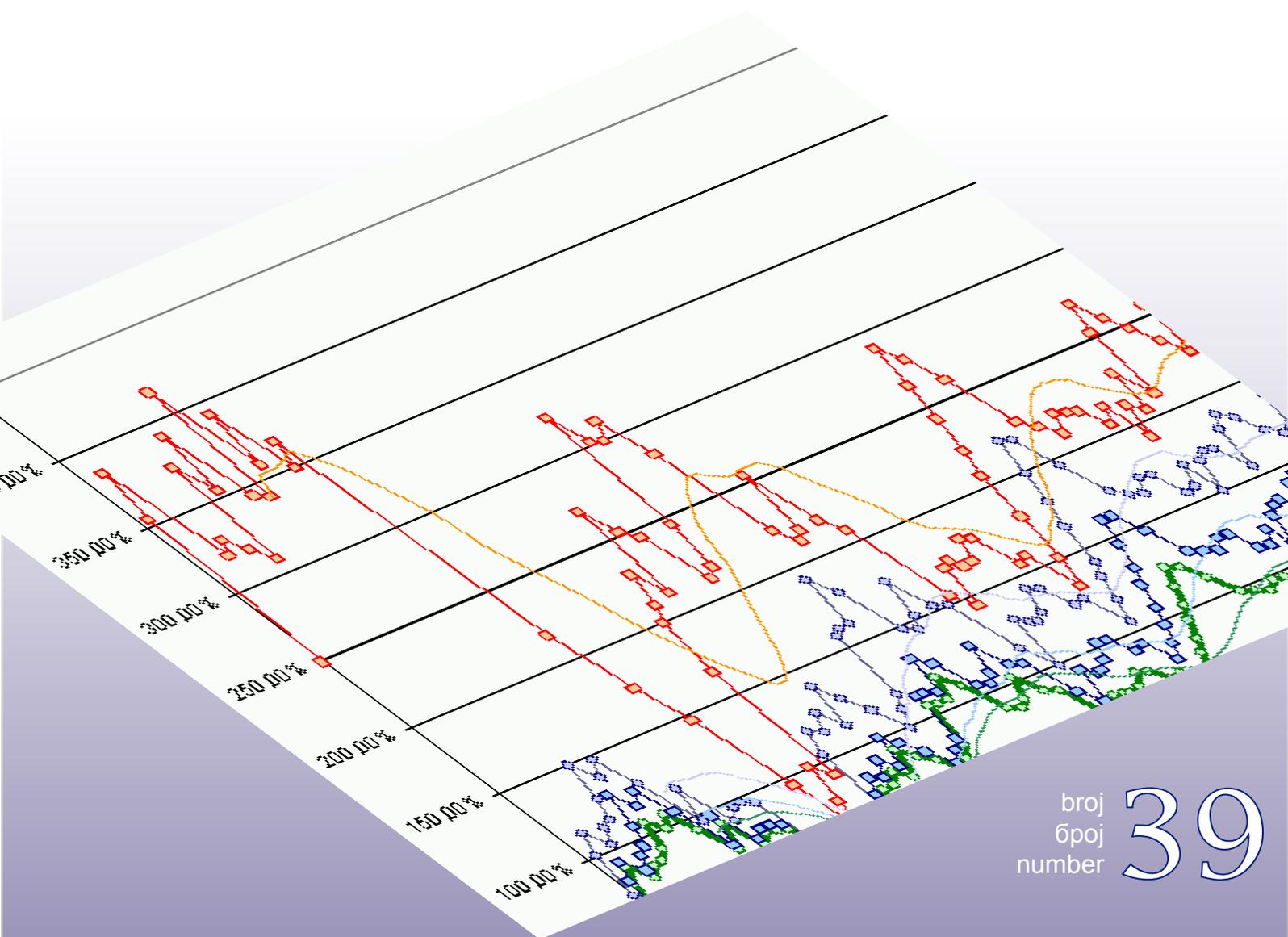
Bosna i Hercegovina  
Odjeljenje za makroekonomsku analizu  
Upravnog odbora Uprave za indirektno-  
neizravno oporezivanje



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

Global trends and implementation of the Stabilization and Association Agreement are basic factors for slowdown in growth of revenues from indirect taxes in Bosnia and Herzegovina. Although the collection of indirect taxes in 2008 exceeds projection, hints on recessions in leading world economies will inevitably reflect on slowdown of economic activities in BiH and collection of taxes. In the analysis of indirect taxes collection for previous months, we noticed reflection of energy crisis on reduction of use of energy, which led to significant slowdown in growth of excise revenues on energy. Certain effects in change of consumer preferences are present in BiH in terms of collection of excise on tobacco products. Evident decrease of customs revenues will have to be compensated by increase of excise rates in future years. Increase of excise rates is also in accordance with harmonization of BiH legislation with EU standards. One of the most difficult segments in harmonization of the legislation refers to adjustment of excise rates on energy and tobacco products in accordance with EU standards. In order to estimate possible effects of increasing excise rates on tobacco products, it is necessary to analyze the structure of revenues, structure of excise products consumption, estimate consumption elasticity and possible reactions of importers and producers in one hand and consumers in other hand (because of price increase). So, in this issue, we have analyzed revenues from excise on tobacco products through prism of consumption structure and consumer preferences.

Leading world agencies placed Bosnia and Herzegovina in the bottom of the list of European countries in terms of market competitiveness and quality of business environment. One of factors for the competitiveness and attraction of the country for investments is also tax burden of companies and population. In this issue, we are providing you with comparative analysis of tax burden of EU member states and comparison with Bosnia and Herzegovina.

In accordance with dynamics of data collection from the reporting units, we have an opportunity to publish consolidated report for seven months of 2008, which includes budget execution for BiH Institutions, Federation of BiH, Republika Srpska, Brcko District and cantons for aforementioned period.

Dinka Antić, Ph.D.  
Head of Unit – Supervisor

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## Collection of indirect taxes: January – August 2008.g.

(Author: Dinka Antić, Ph.D.)

For eight months of 2008, Indirect Taxation Authority (ITA) collected total of 3,389 billion KM of revenues from net indirect taxes, which is 8,39% higher than in the same period 2007. In the same period, ITA collected additional 21,717 million KM of revenues that remained unadjusted in ITA records in the end of August<sup>1</sup>.

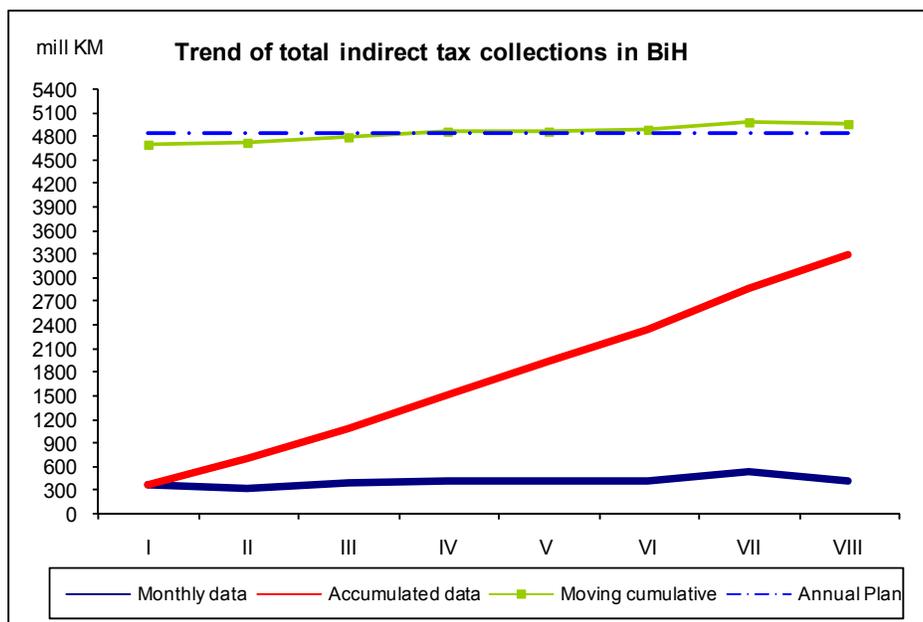


Chart 1

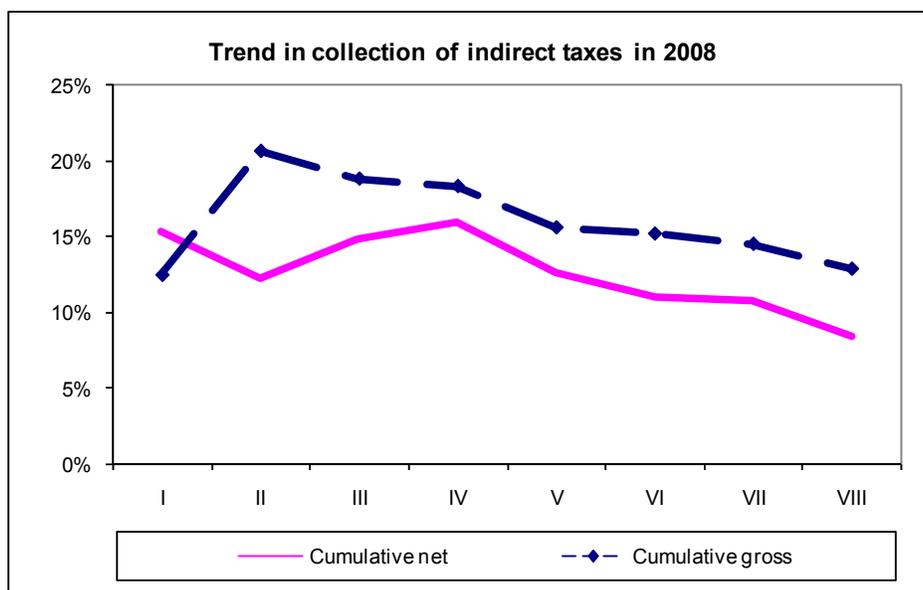


Chart 2

<sup>1</sup> 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)

From the charts, we can see slowdown in growth of total revenues from indirect taxes. However, they are still higher than projected growth for this year. Slowdown in collection may be attributed to the following reasons:

- Loss of share of customs revenues after the implementation of Stabilization and Association Agreement,
- Minimal growth of excise revenues, which is mainly the result in increase of prices reflected in decrease of consumption or change of the structure in consumption of excise products,
- Increase of VAT refunds.

In August, the collection of most significant types of revenues from indirect taxes decreased compared to July this year. Collection of customs and customs duties decreased by 11,4% compared to July, while the excise decreased by 8,07%. In comparison with August 2007, the customs revenues decreased by 23,60% and the excise revenues decreased by 7,94%.

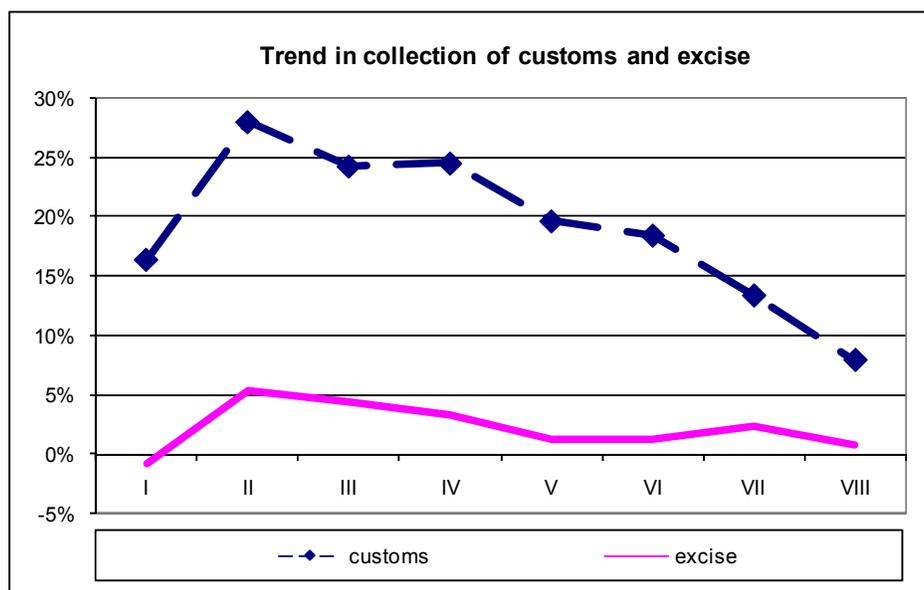


Chart 3

Period I-VIII	2006	2007	2008
Oil derivatives	0.94%	6.93%	1.18%
Tobacco products - total	10.36%	11.18%	3.26%
Imported tobacco products	18.53%	17.55%	8.27%
Domestic tobacco products	1.54%	1.56%	-5.52%
Coffee	14.75%	22.14%	-7.59%
Alcohol, beer, soft drinks	1.33%	9.14%	0.05%
<b>Total excise</b>	<b>6.21%</b>	<b>10.00%</b>	<b>0.74%</b>

In the table above, we present you growth of excise revenues on certain excise products observed in the period from January to August 2006-2008. We noticed negative growth in collection of excise on coffee and domestic tobacco products as well as low growth of revenues from excise on oil derivatives. Similar to excise revenues from excise on oil derivatives, the road tolls in eight months also showed zero growth (0,05%).

In August, there was decrease of VAT revenues by 14,64% mainly as the result of high VAT refunds, which increased by 78% compared to the same month of 2007.

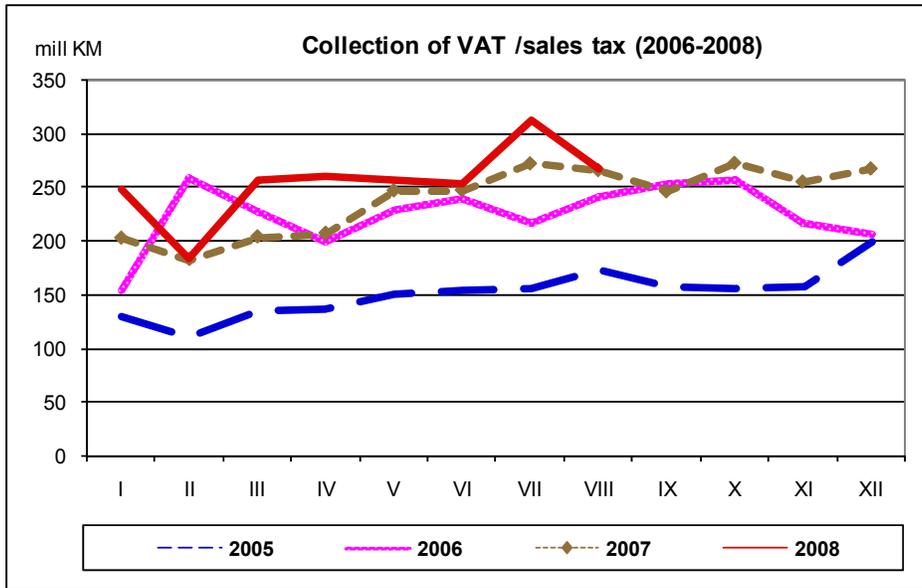


Chart 4

Although the pattern in terms of applying for refunds or tax credits do not match with dynamics of really paid refunds, data on VAT refund requests show increasing trend of refunds. In other hand, tax credits have shown stagnation as of the beginning of 2007.

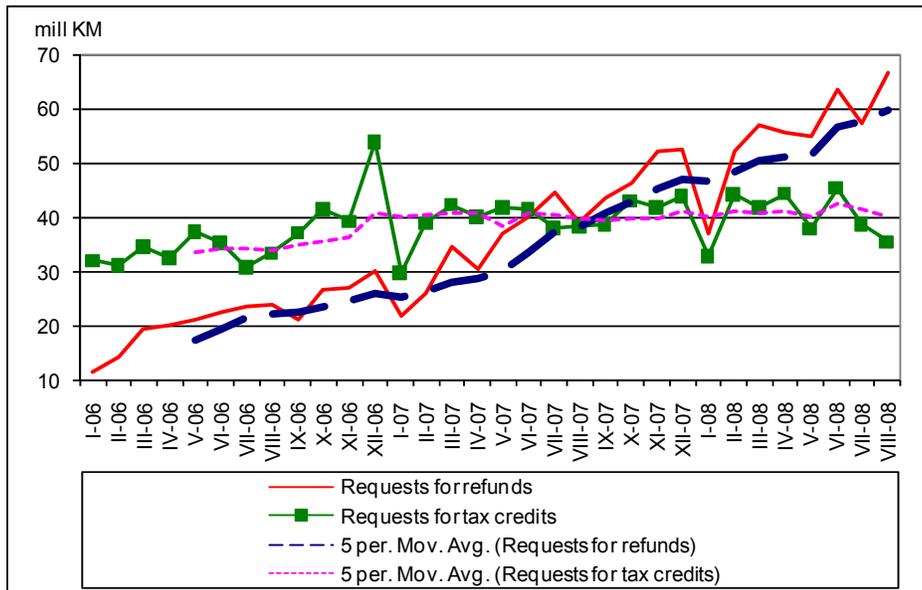


Chart 5

## Trend of revenues from excise on cigarettes for the period from 2006 to 2008

(Author: Aleksandar Eskić, Macroeconomist in the Unit)

### Basic characteristics of cigarette market in the country

Production and sale of cigarettes are very important activities, especially in terms of source of budget revenues for public administration. Since these products are additionally burdened with excise, control of their import and sale becomes more important because these revenues are very generous and relatively small number of businesses is engaged in these activities. In continuation, we provide you with review of the situation in terms of number of companies that produce and sell tobacco and tobacco products in Bosnia and Herzegovina in 2008 as well as trends of excise on cigarettes in the period from 2006 to 2008.

Table 1. Number of taxpayers for excise on tobacco and tobacco products

ENTITY/DISTRICT	IMPORTERS	DOMESTIC PRODUCERS
REPUBLIKA SRPSKA	12	4
FEDERATION BIH	12	3
BRČKO DISTRICT	2	-
<b>TOTAL</b>	<b>26</b>	<b>7</b>

In the chart 6, we can see slight slowdown of growth rate in 2007 (due to negative rate of domestic excise growth), and the growth rate in 2008 reached the value of 18.5% (thanks to recovery of domestic excise, but also the growth of import excise).

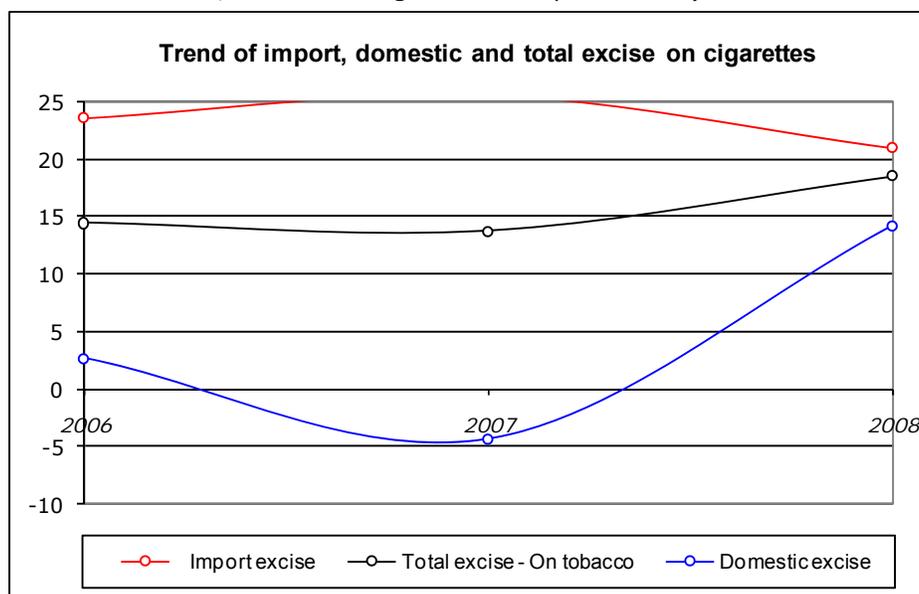


Chart 6

Table 2. Increase in value of domestic and import excise at semiannual and annual level

Growth rates (%) ( $y_t / y_{t-1}$ )	2006	2007	2008
<b>Tobacco excise</b>	<b>14.5</b>	<b>13.8</b>	<b>18.5</b>
Domestic	2.7	-4.3	14.2
Import	23.6	25.6	21.0

On basis of data from the table 3, we identify decrease of domestic excise i.e. increase of import excise. With increase of importance of import excise, average prices of cigarettes increases and increase of revenues.

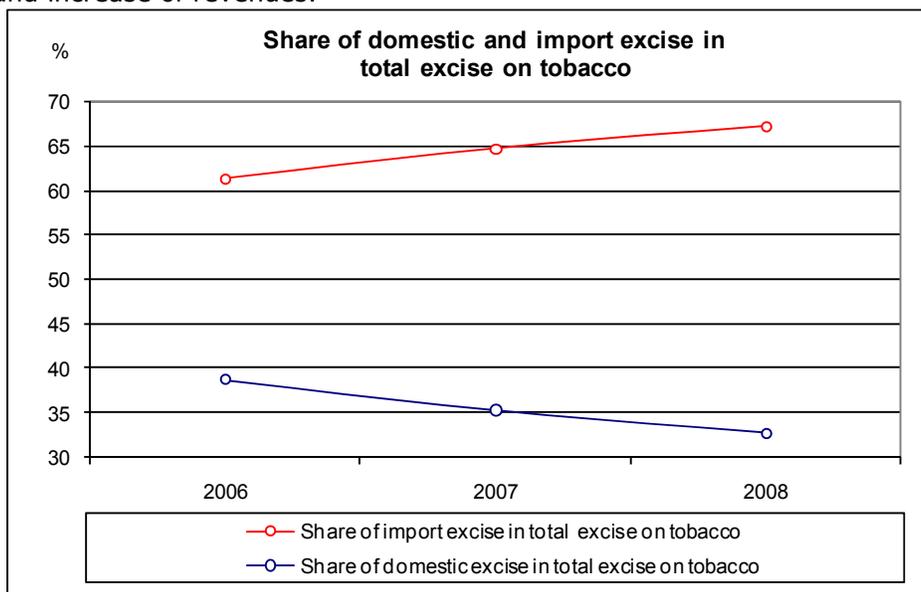


Chart 7

Table 3. Significance of domestic and import excise in total excise on tobacco

Share (%)	2006	2007	2008
1. Domestic	38.7	35.3	32.8
2. Import	61.3	64.7	67.2

### Causes for increase of revenues from excise on cigarettes

In the chart below, we can see trends of excise, inflation measured by consumer price index and average net wages in Bosnia and Herzegovina. Available data show that revenues from excise show strong tendency of growth during observed period. In terms of quantity of cigarettes, we identified significant growth of 9.2% in 2007 i.e. 14,5% in 2008 compared to previous year. Thanks to this, excise revenues had different growth dynamics in different periods. We would like to emphasize that number of smokers has not significantly changed in observed period (population, age group 20-65, change of age of early smokers, sex structure etc.).

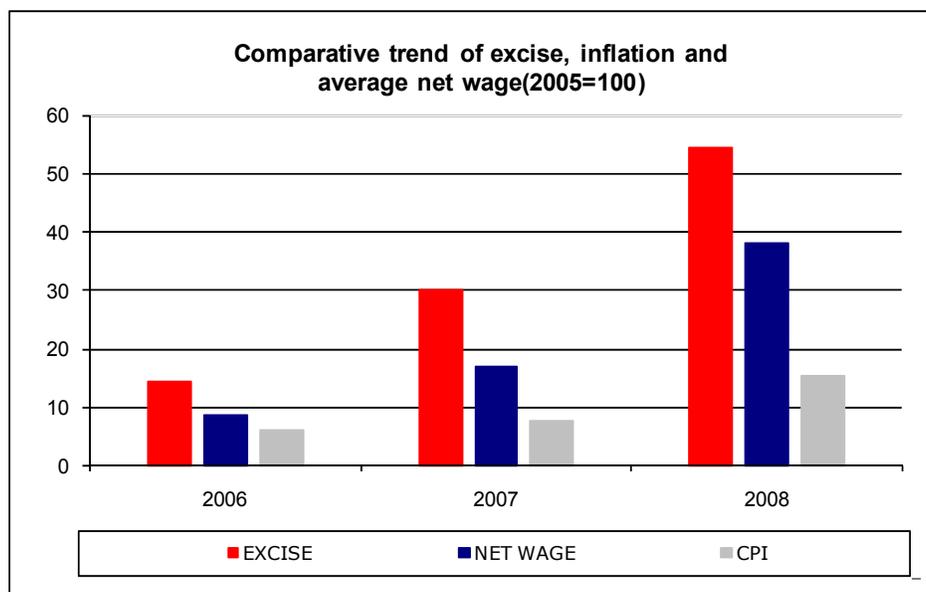


Chart 8.

Table 4. Growth rate of excise<sup>2</sup>, inflation and wages (⊙ 2005 = 100)

TOTAL	2006	2007	2008
EXCISE	14.5	30.3	54.4
CPI	6.1	7.7	15.5
NET WAGE	8.7	16.9	38.2

This leads us to the conclusion that there was change in consumption of cigarettes in favor of higher price class, which is in accordance with data we have. It is also important to mention that there was increased consumption of imported cigarettes, which are more expensive than domestic ones. This confirms previous statement. As we can see from the chart, strong growth of average net wage and relatively modest inflation had affirmative impact in terms of growth of revenues from this type of excise.

We would like to emphasize the fact that the inflation from the group "alcohol beverages and tobacco" in September 2008 compared to the average in 2005 is only 2%. We believe that prices of tobacco increased slower than prices of alcohol beverages. Strong growth of average net wage enables fulfilling needs of higher priority and it leaves enough room (income), which is used to consume cigarettes. We also identified that the prices of food, drinks, transport and living increased the most and "pushed" CPI-consumer price index. The wages increased the most in sectors of health and social welfare, civil service, and the sectors that do not participate so much in the population of smokers. We note again that the value of increase indicators in physical volume of cigarettes consumption of 9.2% in 2007 and growth of 14.5% in 2008 are possible causes in which response to this phenomena should be looked for.

### Imported cigarettes

Cigarettes from the price class of **2,00 KM** are most represented and significant when we observe imported cigarettes. Share of consumed quantity ranged from 34.1% to 38.7% while

<sup>2</sup> Data for 2008 were assessed on basis of average share of excise for 7 months of previous two years and this coefficient was then applied to real available data for 7 months of the current year. We separately treated excise on domestic products and excise on imported products. We assumed that the structure of consumption in first 7 months is representative for entire year and dynamics of the consumption will remain unchanged until the end of year..

the share of collected excise on consumption of cigarettes from this price class ranged from 40.0% to 43.2%.

In the chart below, we can see the share of quantity and value was in the range of aforementioned values. We can also notice that observed occurrences had the same trend, which was negative in 2007. There was also dramatic growth of both quantity and value of consumed cigarettes from this price class in 2008.

In 2007, there was decrease in quantity of consumed cigarettes from this price class, which also led to decrease of share in the value of excise. In 2008, the trend changed and there was higher share of this price class in total consumption and value of collected excise on imported cigarettes.

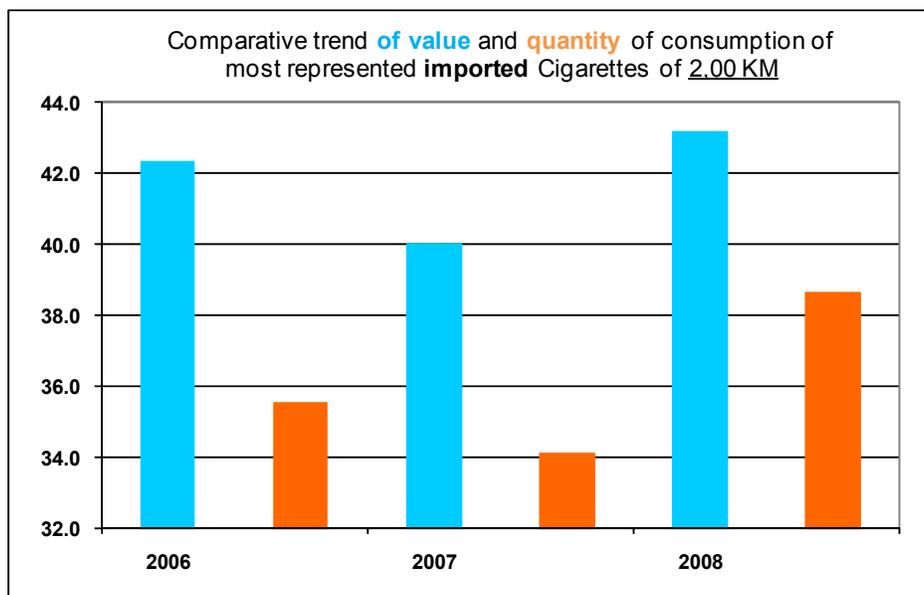


Chart 9

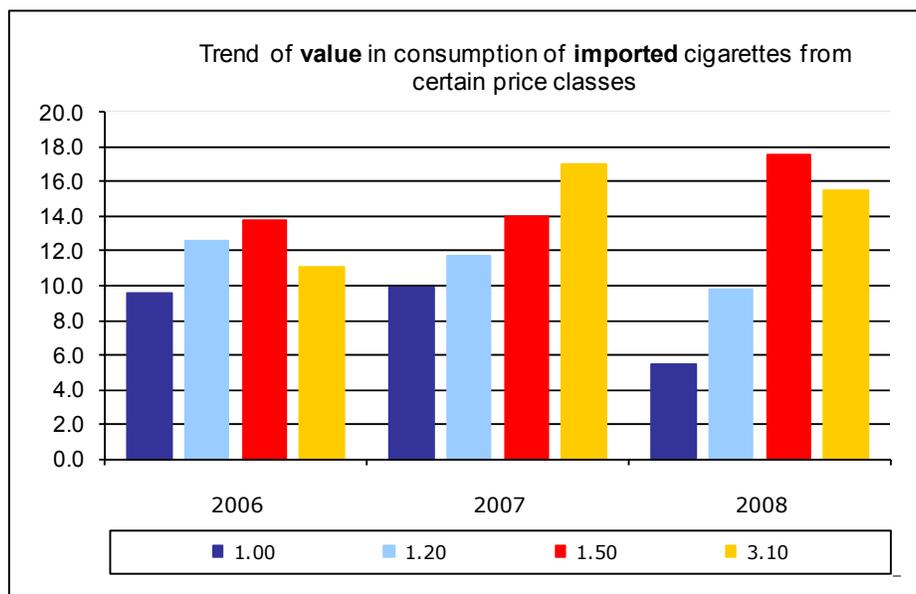


Chart 10

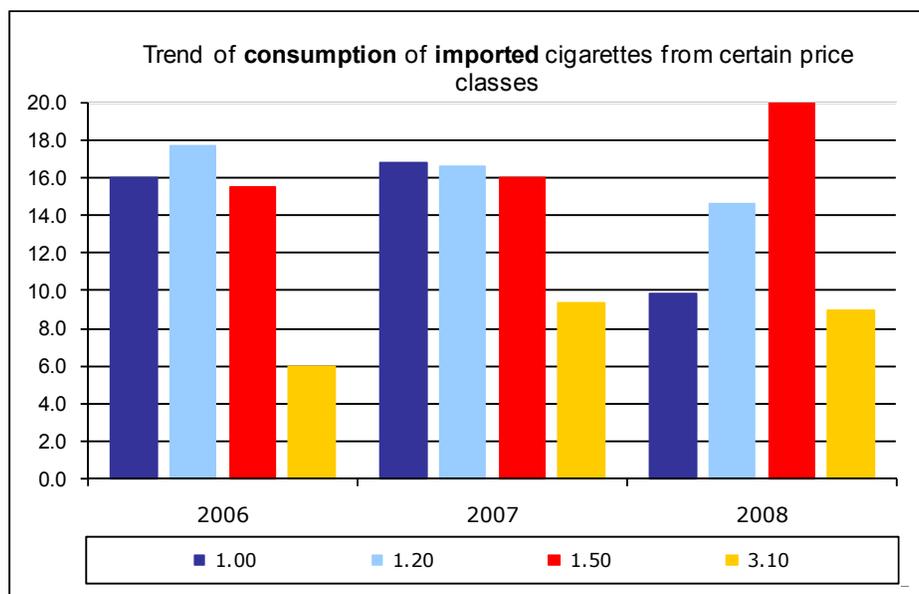


Chart 11

Table 5. Value and quantity of consumed imported cigarettes by price classes

VALUE	2006	2007	2008	QUANTITY	2006	2007	2008
1.00	9.6	9.9	5.5	1.00	16.1	16.8	9.9
1.20	12.6	11.7	9.8	1.20	17.7	16.7	14.7
1.50	13.8	14.0	17.5	1.50	15.4	15.9	20.9
2.00	42.3	40.0	43.2	2.00	35.5	34.1	38.7
3.10	11.0	16.9	15.5	3.10	6.0	9.3	8.9

From the table 5, we see that different price categories had different behavior. For most of these categories, the year of 2007 was critical. Importance of cigarettes consumption from the price class of 1.00 KM dramatically decreased in 2008 in terms of quantity and value although it had modest growth until then. For cigarettes from the price class of 1.20 KM, we can say that their importance decreases in observed period with more significant decrease in 2008.

At the same time, share of quantity of consumed cigarettes from the price class of 1.50 KM has constantly increased and it reached the value of 20.9%, while the value of collected excise was 17.5% in 2008. For cigarettes from the price class of 3.10 KM, we can say that there was strong growth in 2007 and slight decrease in 2008.

On basis of aforementioned, we can conclude that there was significant decrease in consumption from highest price class in favor of price classes of 1.50 KM and 2.00 KM.

### Domestic cigarettes

Cigarettes from the price class of **1.20 KM** are most represented and significant for domestic cigarettes. Share of consumed quantity ranged from 65.5% to 67.4%, while the value of excise on cigarettes from this price class ranged from 60.7% to 62.2%.

In the chart below, we see that the share of quantity of consumed cigarettes from most popular price class constantly increased in total consumption of domestic cigarettes, while the value of collected excise was lower than in the first year of observed period.

In other words, higher quantity becomes lower value. We can conclude and see from two charts below, the consumption of expensive domestic cigarettes grows higher and they are becoming important in terms of physical value of consumption and even higher in terms of collected excise.

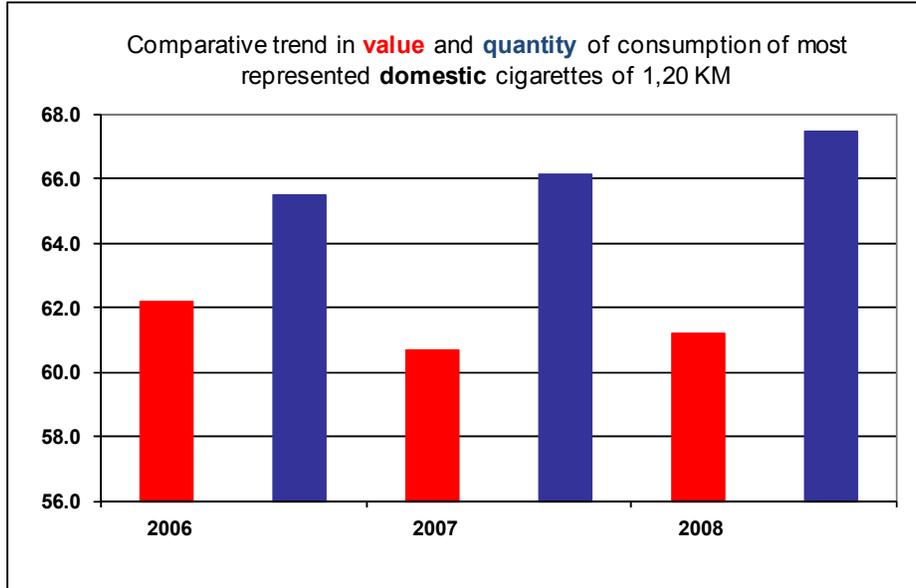


Chart 12

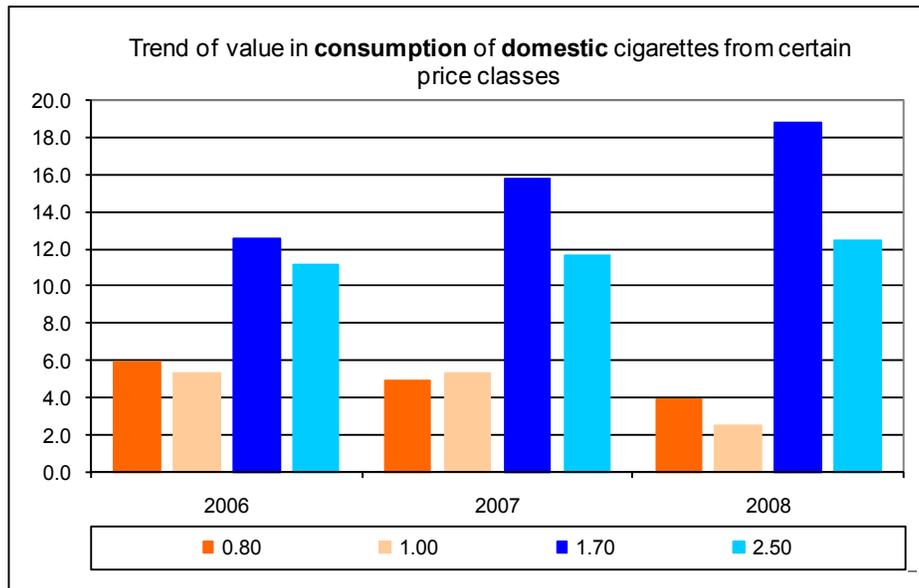


Chart 13

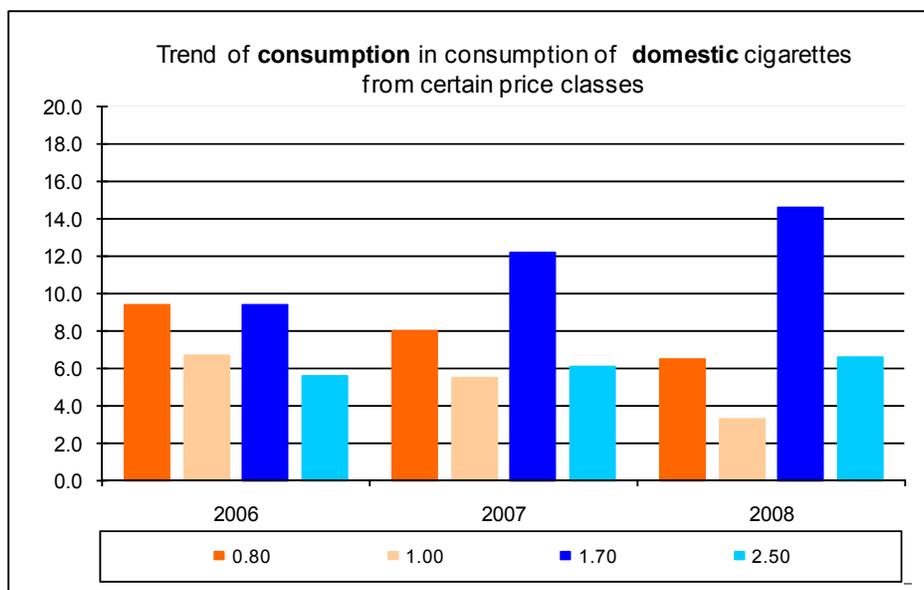


Chart 14

Table 6. Value and quantity of consumption of domestic cigarettes by price classes

VALUE	2006	2007	2008	QUANTITY	2006	2007	2008
0.80	6.0	4.9	3.9	0.80	9.4	8.0	6.5
1.00	5.3	5.3	2.5	1.00	6.7	5.5	3.3
1.20	62.2	60.7	61.2	1.20	65.5	66.2	67.4
1.70	12.6	15.8	18.8	1.70	9.4	12.2	14.6
2.50	11.1	11.7	12.5	2.50	5.6	6.1	6.6

From the table above, we can see constant decrease of domestic cigarettes consumption in absolute terms from the price classes of 0.80 KM and 1.00 KM and their contribution to value of excise in observed period. These trends were especially emphasized in 2008 when there was sudden decrease in share of consumed cigarettes from this price class.

At the same time, share of quantity of consumed cigarettes from the price class of 1.70 KM and 2.50 KM constantly increased and reached the value of 14.6% and 6.6%, while the contribution to excise in 2008 was 18.8% and 12.5% respectively.

During observed period, there was a change in terms of moving consumption of cigarettes towards higher price classes, which led to higher importance if we analyze contribution of the value of domestic excise.

### Instead of the conclusion

On previous pages, we presented basic trends of both import and domestic excise on cigarettes. We see that the changes were sharp and very significant in terms of these revenues. We also tried to explain reasons for such trends on basis of official data that we. There were also significant changes in the quantity of consumed cigarettes, which are difficult to fully explain on basis of data available. These big changes have impact on reliability of projections for consumption of cigarettes and revenues from this. One is for sure, the consumption of cigarettes in observed period moved to the cigarettes in higher price class. This is also confirmed by increase in value of average used pack of cigarettes that ranged about 4%.

We have not analyzed social costs of smoking and activities that the state should undertake in this context. In addition to making decision on excise on cigarettes and amount of public revenues, we should also take care of ratio of imported and domestic cigarettes, provision of subsidies to domestic tobacco producers, social costs of smoking and requirement to harmonize domestic legislation and practices with European ones. This will be the topic, which we are going to analyze in next issue of the Bulletin.

## Fiscal burden of Bosnia and Herzegovina in comparison with EU countries

(Author: Aleksandra Regoje, Macroeconomist in the Unit)

### Introduction

One of the issues that is being repeated lately is the issue of fiscal burden, i.e. share of public revenues in total newly created value of some country within calendar year. Basic reasons why public revenues are used for calculation of burden (and not public expenditures):

- Total mass of public revenues also contains transfers through which the state gives back a share of what was collected through public revenues to economy and population,
- Public expenditures are partially covered by public revenues that do not represent "burden" for population and economy. These are non-fiscal revenues such as public loans. Public loans basically represent spending part of future public revenues in advance and it can not be related to GDP of current year.

So, in calculation of fiscal burden, we should take into consideration only public revenues of duties type. We should exclude from the calculation non-duty revenues such as loans, donations, revenues from privatization etc. Division of such defined revenues with gross domestic product of the country provides international comparability of fiscal burden of gross domestic product with public revenues as well as comparability of certain country in different time periods<sup>3</sup>.

### Fiscal burden in EU

Table 7. Ratio of taxes (including contributions) and gross domestic product

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Revenues (u mil €)
BE	43,8	44,4	44,9	45,5	45,5	45,2	45,2	45,3	44,9	45	44,9	44,6	141.267
BG						32,6	31,4	30	32,6	33,9	34,1	34,4	8.628
CZ	36,2	34,7	35,0	33,3	34	33,8	34	34,8	35,7	37,4	37,1	36,2	41.328
DK	48,8	49,2	48,9	49,3	50,1	49,4	48,4	47,8	48	49	50,7	49,1	108.137
DE	39,8	40,7	40,7	40,9	41,7	41,9	40	39,5	39,6	38,8	38,7	39,3	911.520
EE	37,8	35,1	35,2	34,7	33,9	31,3	30,5	31,1	30,9	30,9	30,6	31	4.108
IE	33,1	33,1	32,4	31,7	31,8	31,7	29,8	28,5	29	30,4	30,8	32,6	56.890
EL	29,1	29,4	30,6	32,5	33,3	34,6	33	33,4	32,3	31,3	31,3	31,4	67.116
ES	32,7	33,1	33,2	33	33,6	33,9	33,5	33,9	33,9	34,5	35,6	36,5	357.981
FR	42,7	43,9	44,1	44	44,9	44,1	43,8	43,1	42,9	43,2	43,8	44,2	792.493
IT	40,1	41,8	43,7	42,5	42,5	41,8	41,5	40,9	41,3	40,6	40,6	42,3	623.972
CY	26,7	26,4	25,8	27,7	28	30	30,9	31,2	33	33,4	35,5	36,6	5.350
LV	33,2	30,8	32,1	33,7	32	29,5	28,5	28,2	28,5	28,5	29	30,1	4.887
LT	28,5	27,9	31	32	31,8	30,2	28,7	28,4	28,2	28,3	28,8	29,7	7.050
LU	37,1	37,6	39,3	39,4	38,3	39,1	39,8	39,3	38,3	37,3	37,8	35,6	12.049
HU	41,6	40,6	39	39	39,1	38,5	38,3	37,9	37,6	37,6	37,4	37,2	33.458
MT	26,8	25,4	27,5	25,6	27,3	28,2	30,4	31,5	31,4	33,1	33,7	33,8	1.710
NL	40,2	40,2	39,7	39,4	40,4	39,9	38,3	37,7	37,4	37,5	37,9	39,5	211.016
AT	41,3	42,6	44	44	43,7	42,8	44,7	43,7	43,1	42,8	42	41,8	107.738
PL	37,1	37,2	36,5	35,4	34,9	32,6	32,2	32,7	32,2	31,5	32,8	33,8	91.892
PT	31,9	32,8	32,9	33,1	34,1	34,3	33,9	34,7	34,8	34,1	35,1	35,9	55.749
RO							27,8	28,1	27,7	27,4	27,9	28,6	27.939
SI	40,2	39,1	38	38,8	39,2	38	38,2	38,6	38,8	38,9	39,3	39,1	11.908
SK	40,2	39,4	37,2	36,6	35,3	34	33	33,1	33,1	31,6	31,5	29,3	13.067
FI	45,7	47	46,3	46,1	45,8	47,2	44,6	44,6	44	43,4	44	43,5	72.596
SE	47,9	50,3	50,8	51,5	51,8	51,8	49,9	47,9	48,3	48,7	49,5	48,9	153.343
UK	35,1	35	35,5	36,5	36,9	37,4	37,1	35,6	35,3	35,7	36,6	37,4	714.208

Legend: BE-Belgium, BG-Bulgaria, CZ-Czech Republic, DK-Denmark, DE-Germany, EE-Estonia, IE-Ireland, EL-Greece, ES-Spain, FR-France, IT-Italy, CY-Cyprus, LV-Letonia, LT-Lithuania, LU-Luxemburg, HU-Hungary, MT-Malta, NL-Netherlands, AT-Austria, PL-Poland, PT-Portugal, RO-Romania, SI-Slovenia, SK-Slovakia, FI-Finland, SE-Sweden, UK-United Kingdom

Source: Eurostat

<sup>3</sup> More information on methodology: Božidar Raičević, „Public finance“, Beograd 2005

Table 7 shows fiscal burden of gross domestic product in EU countries<sup>4</sup>. Pondered arithmetic mean of tax burden in all 27 EU member states was 39,9% in 2006, which is significantly higher than burden of non-European OECD member countries. There are significant differences in burden indicators within EU member states starting from 28,6% in Romania to 49,1 in Denmark<sup>5</sup>. On average, burden of old member states i.e. EU-15 (Countries that joined EU before 2004) is significantly higher than indicators in 12 new member states.

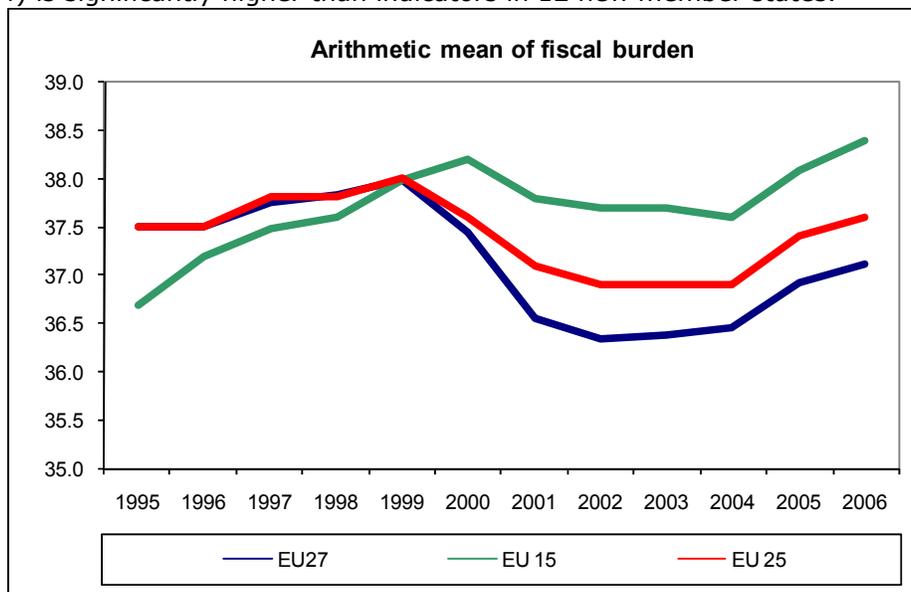


Chart 15  
Source: Eurostat

Charts 15 and 16 show arithmetic and pondered means of tax burden in EU. Pondered mean of fiscal burden is usually used in comparison of EU with other countries, while arithmetic mean is used for comparison amongst EU member states.

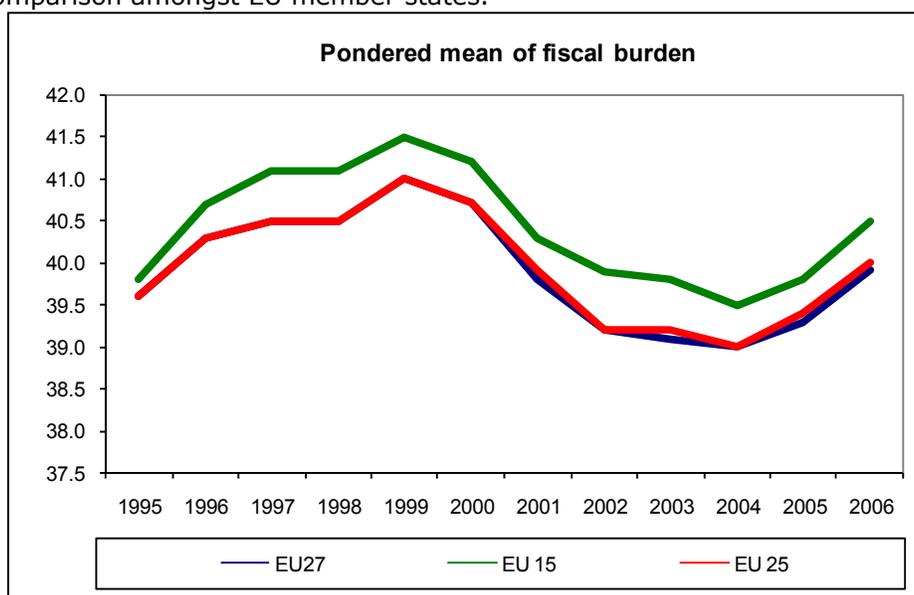


Chart 16  
Source: Eurostat

<sup>4</sup> The table shows data for the period 1995-2006 for all member states regardless the date of joining EU

<sup>5</sup> Data for 2006

In early nineties, Maastricht convergence criteria and Pact on stability and growth stimulated introduction of fiscal consolidation measures. In some EU member states, the measures were based on constraining public spending, while others focused on increase of tax rates, which led to increase of fiscal burden.

In the end of nineties, many countries reduced fiscal burden, primarily by decreasing rates of social insurance, income tax and profit tax. This period is characterized by low economic growth, factor that influences decrease of tax and GDP ratio. It is evident that average tax burden decreases as of 2000, but it took place only in the period of few years. After 2004, there was trend in increase of tax burden. Measures on decrease of tax rates lost on importance due to cyclic factors and measures for reduction of budget deficits. In the end of 2006, global fiscal burden reached the level from 1995<sup>6</sup>. Highest growth of fiscal burden was in larger EU member states<sup>7</sup>. So, higher growth was recorded for indicators of pondered than arithmetic mean of fiscal burden.

### Partial fiscal burdens

Fiscal burden defined in the introduction represents so called global fiscal burden. In addition to global one, numerous partial fiscal burdens are also defined such as the ones measured by ratio of duty revenues and gross domestic product at regional level or by ratio of duty revenues of concrete taxpayer and his total revenues<sup>8</sup>. However, the literature usually mentions partial fiscal burden that is measured by share of certain duty revenues in gross domestic product.

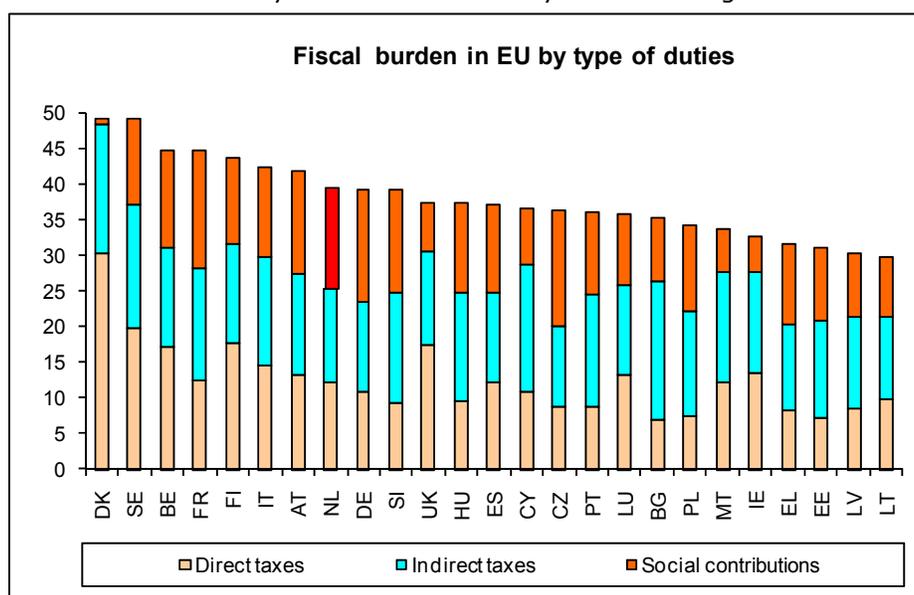


Chart 17

Source: Eurostat, data for 2006

"New" EU member states usually have lower share of direct taxes in total taxes in comparison with "old" member states (EU 15). Lowest shares of direct taxes in total tax revenues<sup>9</sup> in 2006 were recorded in Bulgaria (20,1%), Slovakia (20,4%) and Romania (21,4%), while highest shares were recorded in Denmark (61,5%), United Kingdom (46,7%) and Ireland (41,1%). One of the reasons for such differences in the structure of taxes amongst member states are higher tax rates for income tax and profit tax in old member states as well as the fact that these are more developed economies capable to generate significant share of these revenues.

For new member states have high share of indirect taxes in tax revenues. Highest share of indirect taxes in 2006 was recorded in Bulgaria (56,5%) and Cyprus (49%). High share of social contributions in tax revenues is characteristic for Czech Republic (44,7%), Germany (40,6%) and Slovakia (40%).

<sup>6</sup> Observed as pondered mean of fiscal burden of EU-27 member states

<sup>7</sup> Highest growth of tax burden in 2006 was recorded in Italy, Ireland and Netherlands.

<sup>8</sup> Božidar Raičević, *ibid.*

<sup>9</sup> Total tax revenues include contributions for social insurance

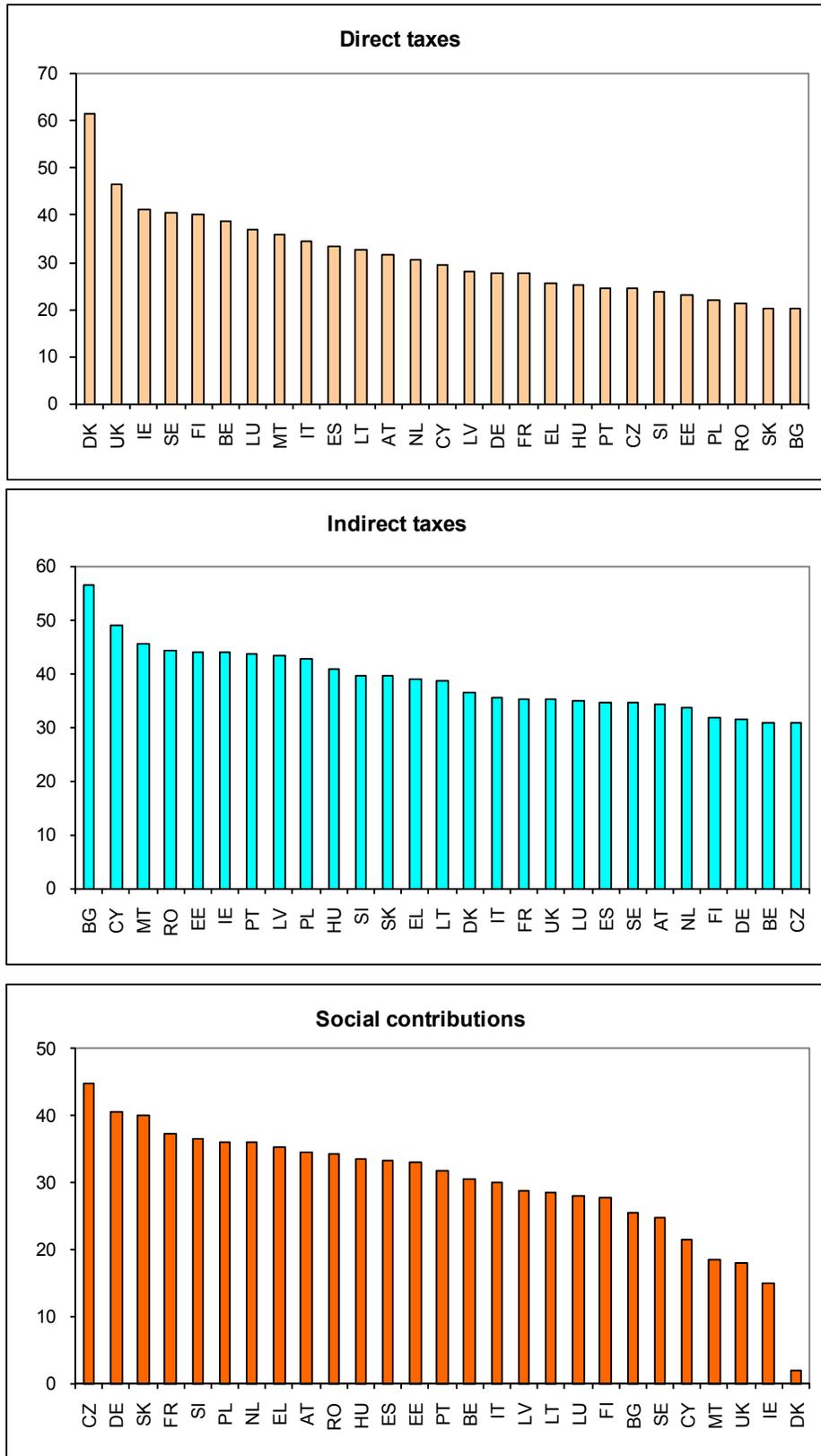


Chart 18 Structure of tax revenues

Source: Eurostat, data for 2006

## Fiscal burden in BiH

Fiscal burden of Bosnia and Herzegovina measured by ratio of tax revenues (including social contributions) and gross domestic product was 39% in 2007. Chart no. 5 shows total and partial tax burdens of gross domestic product in the last five years. Total fiscal burden increased by 3,8% in the period from 2003 to 2007. Highest growth was recorded in 2006 (3,09% compared to previous year) primarily due to increase of burden by indirect taxes (2,29%). Growth of fiscal burden by indirect taxes in 2006 may be explained by the fact that it was the year when value added tax was introduced and there was strong growth of revenues from indirect taxes (25,8%)<sup>10</sup> compared to previous year.

Fiscal burden with direct taxes slightly decreased in the past period, from 3,52% in 2003 to 3,26% in 2007. In other hand, burden with social contributions slightly increased from 12,95% in 2003 to 13,44% in 2007..

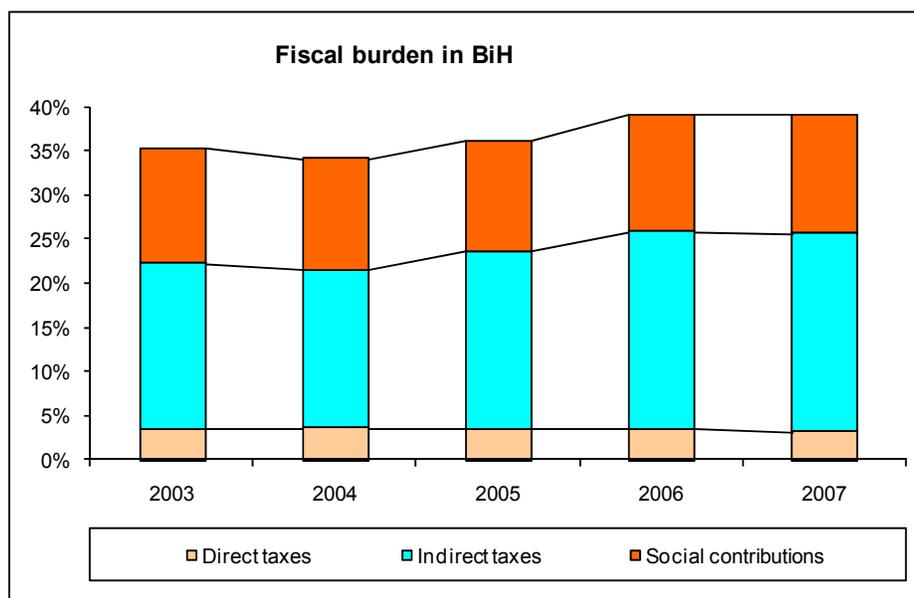


Chart 19

Source: BiH Statistics Agency and CBBiH

If we compare fiscal burden of BiH with EU countries (chart 20), we can conclude that global burden does not deviate much from the average of member states, while partial burdens significantly differ. Cause of this is significant difference in the structure of tax revenues of Bosnia and Herzegovina and EU member states. However, we should bear in mind that data are not fully comparable due to different methodologies in compilation of data on government finances<sup>11</sup>.

European Union generates much higher share of tax revenues from direct taxes compared to BiH (33,8 % compared to 8,7% in BiH)<sup>12</sup>. In other hand, BiH has significantly higher share of indirect taxes in total tax revenues (57,4% in 2006 compared to 34,9% in EU). In comparison with EU countries where pondered mean of fiscal burden with direct taxes was 13,5% in 2006, the burden of direct taxes in BiH is extremely low. This can be explained by much lower rates of income and profit tax in BiH compared to average indicators in EU and BiH's lower economic potential. In other hand, BiH has much higher burden with indirect taxes than pondered mean of EU countries (22,46 compared to 13,9%). In next issues of the Bulletin, we will individually analyze fiscal burden of gross domestic product in BiH by different types of revenues.

<sup>10</sup> CBBiH, Annual operational reports in 2006 and 2005

<sup>11</sup> More information on comparability of statistical methodologies is in the Bulletin no. 30

<sup>12</sup> Data for 2006. Tax revenues include social contributions. Data for EU represent pondered mean of EU-27 member states.

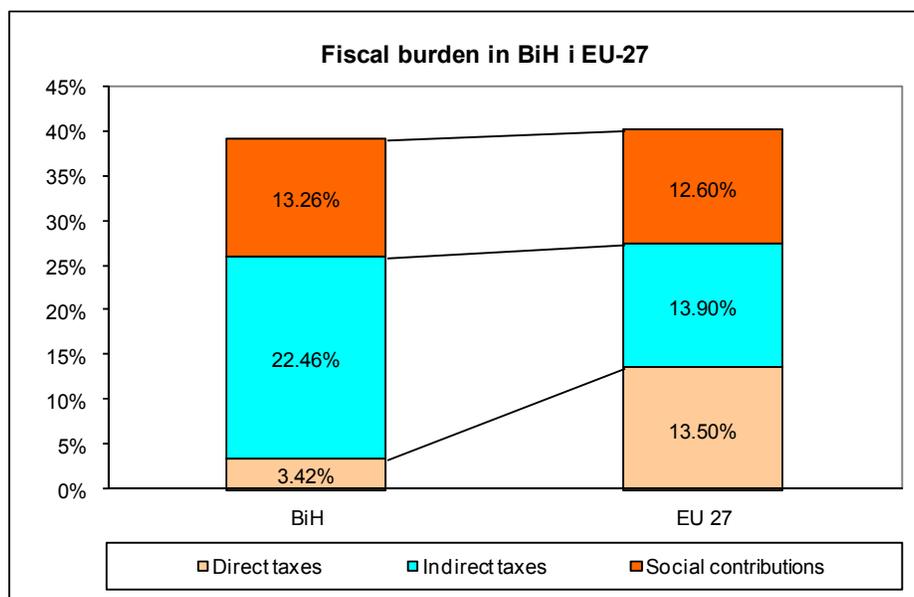


Chart 20

Source: Eurostat, BiH Statistics Agency and CBBiH (2006.g.)

However, for full assessment of fiscal burden, we need to observe so called "relative tax pressure"<sup>13</sup>, which is defined by taking into consideration benefits that are returned to taxpayers through public expenditures. In other words, if public revenues are returned to economy through subsidies or expenditures are rationally used for growth of production and domestic product, then fiscal burden may increase without being burden to economy and individuals.

### New Law on property tax in Brcko District

(prepared by Dinka Antić, Ph.D.)

As of January 1<sup>st</sup>, 2009, implementation of the Law on property tax in Brcko District of BiH is expected to begin. The Law was adopted by the Parliament of Brcko District on July 18<sup>th</sup> 2007. The Law provided a period within which all necessary actions should be completed in the Directorate of Finance in District and pass all bylaws, which should provide full implementation of the Law.

The Law introduces annual tax on property located in the District. Property tax is paid on basis of:

- Ownership of real estate,
- Use
- Right of possession or
- Right to build.

Subject of taxation is real estate located in area of the District on December 31<sup>st</sup>, of the year prior to the year in which tax assessment is done. Real estate includes all land, everything that is permanently linked to land, built on, above or below land surface.

Directorate of Finance is obliged to establish a fiscal register of real estate in the form of digital database or in paper form, on basis of which estimate of real estate, annual assessment and collection of tax will be done. Fiscal register is of public character. Within 60 days from the day implementation of this Law starts, taxpayers are obliged to file a return to Directorate with information on their real estate located in the area of District. Within 30 days from the day of possession, alienation or change in value of real estate, they must report this change to the

<sup>13</sup> Božidar Raičević, Ibid.

Directorate of Finance.

Taxpayer is person who is in the possession of real estate or is user of real estate. Possessor of real estate represents a person who owns real estate regardless is this ownership derives from registration in land register or cadastre only. User of real estate is person who uses or occupies real estate if owner of real estate can not be determined or found. In case of right to build or use, taxpayer is user of real estate if he does not pay rent and owner of construction facility is taxpayer for that facility and land.

Tax base for property tax is market value of real estate. Market value of real estate is determined by estimate based on market conditions on December 31<sup>st</sup> of previous year. Directorate prescribes uniform standards for estimated of market value of real estate with possibility to change value to lower (e.g. in case of force majeure) or higher value in case of improvements on real estate, changed purpose of use or change of owner.

The Law also regulates certain exemptions. Real estate exempt applies to real estate of Bosnia and Herzegovina, its entities, District and other local Government institutions; real estate of religious communities; real estate in ecologically sensitive areas, real estate that belong to or are being used by consular and diplomatic missions, when real estate is used in this purpose and on basis of reciprocity; real estate owned by international organizations; real estate located in mine fields that can not be used for normal purposes; individual residential facilities that were destroyed in last war according to records of relevant body from Brcko District of BiH. Exempts do not apply if real estate is used in business purposes for generation of income or if real estate is owned or used by non-governmental organization with status of humanitarian organization, but not exclusively for the purpose they are registered for.

Physical persons are entitled to tax deduction in the amount of 20.000 KM of taxable value of facility under the condition it is registered until February 1<sup>st</sup>, and if person uses property as its residence. In addition, for persons with low income and in case payment of tax might jeopardize existence of taxpayer, postponement of payment is envisaged. Postponement of payment includes calculation of interest, which along with amount of tax liability represent legal mortgage on real estate.

The Law determines minimum tax rate on real estate of 0,05% and maximum of 1,0%. At the proposal of the Directorate of Finance, Parliament of the District adopts tax rate for every fiscal year when adopting the budget of District. Tax period represents calendar year. Until March 31<sup>st</sup> of current year, the Directorate sends tax assessment to taxpayer. Taxpayer pays tax in two installments, until June 30<sup>th</sup> and until December 31<sup>st</sup> of current year. However, the first installment can not be lower than 50% of tax liability..

**Consolidated reports**

(prepared by: Mirela Kadić, Research Assistant)

**Table 8. (Consolidated report: BiH: SA and Entities)**

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 9. (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 Brčko District as an independent financial institution.

**Tables 10, 11 and 12. (Consolidated reports: Cantons)**

Consolidated report includes:

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

## BiH: SA and Entities, I-VIII, 2008.

		I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Total
<b>1</b>	<b>Current revenues</b>	<b>411,9</b>	<b>381,9</b>	<b>482,2</b>	<b>490,3</b>	<b>457,4</b>	<b>476,0</b>	<b>559,4</b>	<b>488,0</b>	<b>1276,0</b>	<b>1423,7</b>	<b>1047,4</b>	<b>3747,1</b>
11	Taxes	386,5	354,6	444,9	465,0	437,4	432,8	502,5	441,3	1186,0	1335,3	943,8	3465,0
111	Indirect taxes	370,2	325,0	405,8	424,6	415,1	409,4	479,2	419,2	1101,0	1249,1	898,3	3248,4
	VAT	247,3	183,8	257,3	260,5	256,9	253,7	311,8	266,2	688,5	771,1	578,0	2037,6
	VAT on imports	149,5	200,9	217,0	234,0	222,7	228,6	246,4	228,2	567,4	685,3	474,5	1727,2
	VAT from VAT returns	128,9	100,4	94,8	100,0	102,4	109,4	124,0	125,1	324,0	311,7	249,0	884,8
	VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,1		0,0	0,2	-0,1	0,1	0,1	0,1	0,2
	One-off VAT payments	0,3	0,1	0,2	0,1	0,1	0,1	0,1	0,0	0,6	0,2	0,2	1,0
	Other	1,2	1,1	1,0	1,1	1,9	0,9	1,2	1,1	3,3	3,9	2,3	9,5
	<b>VAT refunds</b>	<b>-32,6</b>	<b>-118,6</b>	<b>-55,7</b>	<b>-74,6</b>	<b>-70,2</b>	<b>-85,3</b>	<b>-60,1</b>	<b>-88,1</b>	<b>-206,9</b>	<b>-230,1</b>	<b>-148,1</b>	<b>-585,1</b>
	Custom duties	40,8	58,2	62,3	66,8	61,6	60,9	52,1	46,0	161,3	189,3	98,1	448,7
	Sales tax	0,5	1,5	0,9	0,7	1,7	0,9	0,9	1,1	3,0	3,2	2,0	8,2
	Excises	67,8	66,6	70,0	79,0	77,8	77,7	95,0	87,4	204,3	234,5	182,4	621,2
	on imports	53,9	55,0	57,9	65,9	64,2	64,0	76,9	71,4	166,8	194,2	148,3	509,3
	on domestic production	13,9	11,6	12,1	13,1	13,5	13,6	18,1	16,0	37,5	40,2	34,1	111,9
	Railroad tax	12,7	14,4	14,0	16,6	16,2	15,0	18,1	17,4	41,0	47,9	35,6	124,5
	Other	1,4	1,4	1,8	1,5	1,6	1,7	1,6	1,4	4,7	4,8	3,0	12,4
	<b>Other refunds</b>	<b>-0,4</b>	<b>-0,9</b>	<b>-0,6</b>	<b>-0,7</b>	<b>-0,6</b>	<b>-0,3</b>	<b>-0,4</b>	<b>-0,3</b>	<b>-1,8</b>	<b>-1,6</b>	<b>-0,7</b>	<b>-4,2</b>
112	Direct taxes	16,3	29,6	39,1	40,4	22,3	23,3	23,3	22,1	85,0	86,1	45,5	216,6
	Income taxes	8,0	18,8	26,6	27,4	11,0	10,1	10,1	8,0	53,4	48,5	18,1	120,0
	Other tax revenues	8,3	10,8	12,5	13,1	11,3	13,3	13,3	14,1	31,6	37,7	27,4	96,6
12	Non-tax income	24,3	27,1	37,1	24,5	19,8	41,9	56,3	47,4	88,5	86,2	103,7	278,5
13	Other revenues			0,1		0,1	0,2	0,0		0,1	0,3	0,0	0,3
14	Grants	0,2	0,0	0,0	0,5	0,0	0,2	0,0		0,2	0,7	0,0	1,0
15	Transfers from other level of government	0,9	0,1	0,1	0,2	0,1	0,9	0,6	-0,7	1,2	1,2	-0,1	2,3

		I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Total
<b>2</b>	<b>Current expenditures</b>	<b>305,0</b>	<b>400,2</b>	<b>427,7</b>	<b>490,2</b>	<b>447,9</b>	<b>514,1</b>	<b>506,3</b>	<b>458,8</b>	<b>1133,0</b>	<b>1452,2</b>	<b>965,1</b>	<b>3550,2</b>
21	Consumption expenditures	48,5	68,7	85,7	80,4	77,2	99,0	61,6	85,5	202,9	256,6	147,0	606,5
211	Wages and compensations	45,2	61,0	68,5	67,1	65,9	86,4	48,0	69,3	174,6	219,4	117,3	511,3
212	Purchases of goods and services	3,3	7,7	17,2	13,2	11,3	12,6	13,5	16,2	28,3	37,2	29,7	95,2
22	Grants	13,7	53,5	64,6	79,5	68,5	95,9	107,6	87,4	131,9	243,9	194,9	570,7
	Transfers to households	10,7	48,5	43,4	56,1	50,3	67,2	58,1	56,1	102,7	173,6	114,2	390,5
	Transfers to institutions / organizations	0,3	1,2	5,9	5,1	8,9	6,1	11,8	12,3	7,4	20,1	24,1	51,6
	Subsidies	2,7	3,8	15,2	18,3	9,3	22,6	37,7	19,0	21,8	50,2	56,6	128,6
23	Interest payments	0,6	10,1	13,6	5,4	16,2	19,8	0,6	13,5	24,3	41,5	14,1	79,9
24	Other outlays	1,9	44,4	25,5	32,1	36,7	37,3	30,2	30,0	71,8	106,1	60,1	238,1
25	Transfers from Single Account	224,3	205,4	219,8	248,2	226,9	239,7	287,6	220,8	649,5	714,9	508,4	1872,8
	o/w : BiH Budget	51,6	51,6	61,5	57,6	52,3	54,9	60,2	54,9	164,8	164,8	115,1	444,8
	o/w: FBiH / Cantons, Municipalities, Road Fund	130,8	121,1	117,7	144,6	135,4	141,6	153,5	135,7	369,6	421,5	289,2	1080,4
	o/w: RS / Municipalities, Road Fund	30,7	22,7	28,4	33,1	26,5	30,4	57,1	17,0	81,8	89,9	74,2	245,9
	o/w: Brcko	11,2	10,0	12,1	13,1	12,7	12,8	16,8	13,1	33,3	38,6	29,9	101,8
27	Transfers to lower levels of government	17,2	18,1	18,7	40,2	23,0	25,4	17,5	21,7	54,0	88,5	39,2	181,8
28	Net lending*	-1,3		-0,1	4,4	-0,7	-3,0	1,2		-1,4	0,7	1,2	0,5
<b>3</b>	<b>Net acquisition of nonfinancial assets</b>	<b>4,7</b>	<b>4,7</b>	<b>8,4</b>	<b>13,3</b>	<b>6,5</b>	<b>19,3</b>	<b>16,7</b>	<b>11,1</b>	<b>17,8</b>	<b>39,2</b>	<b>27,8</b>	<b>84,8</b>
<b>4</b>	<b>Government surplus (+)/ deficit(-) (1-2-3)</b>	<b>102,2</b>	<b>-23,0</b>	<b>46,1</b>	<b>-13,3</b>	<b>3,0</b>	<b>-57,4</b>	<b>36,5</b>	<b>18,1</b>	<b>125,2</b>	<b>-67,7</b>	<b>54,6</b>	<b>112,1</b>
<b>5</b>	<b>Net financing**</b>	<b>-0,57</b>	<b>-1,4</b>	<b>-35,2</b>	<b>-9,0</b>	<b>-5,6</b>	<b>-8,2</b>	<b>-2,0</b>	<b>-34,9</b>	<b>-37,2</b>	<b>-22,8</b>	<b>-37,0</b>	<b>-97,0</b>

Table 8.

## BiH: State, Entities, Brčko Distrikt, Cantons I-VII, 2008

	I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2008	
<b>1</b>	<b>Current Revenues</b> (11+12+13+14)	<b>423.907.371</b>	<b>419.830.532</b>	<b>483.068.613</b>	<b>556.052.141</b>	<b>468.517.302</b>	<b>497.134.554</b>	<b>532.971.062</b>	<b>1.326.806.516</b>	<b>1.521.703.997</b>	<b>532.971.062</b>	<b>3.381.481.575</b>
11	Taxes	365.884.873	361.235.083	419.722.044	440.244.102	417.019.360	418.125.827	445.403.847	1.146.841.999	1.275.389.289	445.403.847	2.867.635.135
	Income & profit tax	18.111.809	24.534.333	35.964.793	33.784.658	17.149.409	15.838.074	17.674.377	78.610.934	66.772.142	17.674.377	163.057.454
	Taxes on personal income and self-employment	20.074.584	28.816.874	25.692.452	32.049.227	27.338.511	29.409.851	30.551.028	74.583.910	88.797.590	30.551.028	193.932.528
	Property tax	2.214.127	2.371.659	1.696.239	1.745.895	1.540.358	1.592.552	1.867.360	6.282.024	4.878.806	1.867.360	13.028.190
	Transfers from Single Account	324.480.548	303.963.832	351.223.953	371.126.040	367.318.003	367.943.199	392.633.622	979.668.334	1.106.387.242	392.633.622	2.478.689.198
	Other taxes	1.003.805	1.548.385	5.144.607	1.538.282	3.673.078	3.342.150	2.677.459	7.696.797	8.553.510	2.677.459	18.927.766
12	Non-tax revenues	56.389.323	56.149.652	61.220.330	54.319.749	41.934.122	76.245.023	84.065.117	173.759.305	172.498.894	84.065.117	430.323.316
13	Grants	1.513.148	2.389.365	2.060.368	61.486.462	9.504.312	2.549.536	3.487.865	5.962.881	73.540.310	3.487.865	82.991.056
14	Other revenues	120.027	56.432	65.872	1.828	59.509	214.167	14.233	242.331	275.504	14.233	532.068
<b>2</b>	<b>Total expenditures (21+22+23)</b>	<b>316.074.784</b>	<b>365.852.430</b>	<b>372.739.333</b>	<b>464.218.454</b>	<b>436.927.114</b>	<b>518.065.658</b>	<b>499.770.802</b>	<b>1.054.666.547</b>	<b>1.419.211.226</b>	<b>499.770.802</b>	<b>2.973.648.575</b>
21	Current expenditures	<b>315.668.774</b>	<b>363.353.017</b>	<b>369.619.421</b>	<b>455.405.173</b>	<b>433.630.837</b>	<b>515.651.324</b>	<b>494.588.211</b>	<b>1.048.641.213</b>	<b>1.404.687.334</b>	<b>494.588.211</b>	<b>2.947.916.758</b>
	Wages and compensations	173.384.264	176.831.289	177.108.249	192.306.714	189.580.814	218.520.692	195.877.488	527.323.802	600.408.220	195.877.488	1.323.609.510
	of which: Gross wages	148.024.166	150.109.364	150.336.024	160.421.313	158.839.536	175.286.435	151.065.163	448.469.554	494.547.284	151.065.163	1.094.082.001
	of which: Compensations	25.360.098	26.721.925	26.772.225	31.885.401	30.741.278	43.234.256	44.812.325	78.854.248	105.860.935	44.812.325	229.527.508
	Other taxes and contributions	8.231.021	8.469.281	8.339.164	9.448.301	9.398.233	11.378.568	7.655.969	25.039.465	30.225.101	7.655.969	62.920.536
	Purchases of goods and services	26.336.520	35.359.678	44.612.437	43.158.361	39.587.953	43.944.017	43.009.932	106.308.635	126.690.332	43.009.932	276.008.899
	Capital grants	103.187.783	128.805.949	133.192.342	204.691.714	178.740.713	221.866.834	247.126.325	365.186.074	605.299.261	247.126.325	1.217.611.659
	Interest	4.529.186	13.886.820	6.367.230	5.800.083	16.323.124	19.941.213	918.497	24.783.236	42.064.421	918.497	67.766.154
22	Other expenditures	<b>2.064.457</b>	<b>2.196.423</b>	<b>2.900.735</b>	<b>4.780.059</b>	<b>4.064.912</b>	<b>3.160.173</b>	<b>4.314.619</b>	<b>7.161.614</b>	<b>12.005.143</b>	<b>4.314.619</b>	<b>23.481.377</b>
23	Net lending**	<b>-1.658.447</b>	<b>302.990</b>	<b>219.176</b>	<b>4.033.222</b>	<b>-768.636</b>	<b>-745.838</b>	<b>867.972</b>	<b>-1.136.280</b>	<b>2.518.748</b>	<b>867.972</b>	<b>2.250.440</b>
<b>3</b>	<b>Net acquisition of nonfinancial assets</b>	<b>9.660.446</b>	<b>7.610.028</b>	<b>10.375.184</b>	<b>20.352.056</b>	<b>18.223.714</b>	<b>31.868.537</b>	<b>30.889.037</b>	<b>27.645.658</b>	<b>70.444.306</b>	<b>30.889.037</b>	<b>128.979.001</b>
<b>4</b>	<b>Government surplus/deficit (1-2-3)</b>	<b>98.172.141</b>	<b>46.368.074</b>	<b>99.954.096</b>	<b>71.481.630</b>	<b>13.366.475</b>	<b>-52.799.641</b>	<b>2.311.223</b>	<b>244.494.311</b>	<b>32.048.465</b>	<b>2.311.223</b>	<b>278.853.999</b>
<b>5</b>	<b>Net financing ***</b>	<b>-11.358.160</b>	<b>-13.075.109</b>	<b>-12.188.258</b>	<b>-8.667.075</b>	<b>-5.715.626</b>	<b>-8.410.429</b>	<b>-2.471.593</b>	<b>-36.621.527</b>	<b>-22.793.130</b>	<b>-2.471.593</b>	<b>-61.886.251</b>

Table 9

**Bosnia Podrinje Canton, I-VII, 2008.**

		I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2008	I-VII 2007
1	<b>Total revenues (11+12+13+14)</b>	<b>2.768.849</b>	<b>2.750.910</b>	<b>3.037.627</b>	<b>3.311.453</b>	<b>5.735.885</b>	<b>3.985.677</b>	<b>5.795.821</b>	<b>8.557.385</b>	<b>13.033.015</b>	<b>5.795.821</b>	<b>27.386.222</b>	<b>23.599.072</b>
11	Tax revenues	2.467.845	2.248.870	2.728.926	2.830.978	2.725.008	2.848.934	3.038.011	7.445.640	8.404.921	3.038.011	18.888.572	16.740.432
	Income & profit tax	37.212	65.132	44.962	31.750	51.546	38.941	25.966	147.305	122.237	25.966	295.508	247.814
	Taxes on personal income and self-employment	160.574	255.134	266.876	314.130	250.979	250.126	281.557	682.584	815.235	281.557	1.779.377	1.481.842
	Property tax	32.174	77.592	51.961	55.401	53.291	71.460	61.718	161.727	180.153	61.718	403.598	179.444
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	58.243	64.563	10.764	7.722	26.260	21.794	52.691	133.570	55.776	52.691	242.038	262.780
	Transfers from Single Account	2.172.347	1.775.526	2.343.046	2.408.667	2.330.852	2.453.168	2.603.354	6.290.919	7.192.687	2.603.354	16.086.959	14.511.737
	Other taxes	7.296	10.922	11.317	13.308	12.080	13.445	12.725	29.534	38.833	12.725	81.092	56.815
12	Non-tax revenues	242.861	391.911	238.928	380.340	253.382	509.700	415.748	873.700	1.143.422	415.748	2.432.871	1.482.342
13	Grants	19.326	104.955	66.742	96.622	2.754.508	623.844	2.327.001	191.023	3.474.974	2.327.001	5.992.998	5.293.798
14	Other revenues	38.817	5.174	3.032	3.512	2.986	3.199	15.061	47.022	9.698	15.061	71.781	82.500
2	<b>Total expenditures (21+22)</b>	<b>2.680.335</b>	<b>2.890.455</b>	<b>3.317.224</b>	<b>3.218.587</b>	<b>3.082.728</b>	<b>3.761.428</b>	<b>3.869.327</b>	<b>8.888.015</b>	<b>10.062.743</b>	<b>3.869.327</b>	<b>22.820.085</b>	<b>18.210.110</b>
21	Current expenditures	<b>2.680.335</b>	<b>2.890.977</b>	<b>3.317.663</b>	<b>3.219.507</b>	<b>3.082.812</b>	<b>3.761.866</b>	<b>3.869.807</b>	<b>8.888.975</b>	<b>10.064.185</b>	<b>3.869.807</b>	<b>22.822.967</b>	<b>18.186.299</b>
	Wages and compensations	1.510.491	1.614.763	1.602.434	1.609.114	1.634.022	1.656.784	1.930.869	4.727.688	4.899.920	1.930.869	11.558.478	8.394.623
	of which: Gross wages	1.295.121	1.377.112	1.342.975	1.340.794	1.371.096	1.350.562	1.330.774	4.015.209	4.062.453	1.330.774	9.408.436	6.497.543
	of which: Compensations	215.370	237.650	259.460	268.320	262.925	306.222	600.095	712.480	837.467	600.095	2.150.042	1.897.080
	Other taxes and contributions	161.773	164.952	166.770	165.738	168.521	177.070	163.737	493.495	511.329	163.737	1.168.560	789.564
	Purchases of goods and services	405.810	528.559	524.316	411.936	317.417	310.080	261.763	1.458.685	1.039.433	261.763	2.759.880	2.899.822
	Grants	602.070	580.335	1.022.392	1.031.353	958.553	1.611.663	1.512.014	2.204.798	3.601.569	1.512.014	7.318.381	6.085.913
	Interest	191	2.368	1.364	1.366	1.489	1.269	1.424	3.923	4.124	1.424	9.472	14.877
	Transfers to lower spending units	0	0	386	0	2.810	5.000	0	386	7.810	0	8.196	1.500
22	Net lending*	0	-522	-438	-920	-83	-438	-480	-960	-1.441	-480	-2.881	23.811
3	<b>Net acquisition of nonfinancial assets</b>	<b>70.853</b>	<b>55.825</b>	<b>369.530</b>	<b>210.721</b>	<b>69.281</b>	<b>15.057</b>	<b>49.568</b>	<b>496.208</b>	<b>295.059</b>	<b>49.568</b>	<b>840.835</b>	<b>629.699</b>
4	<b>Government surplus/deficit (1-2-3)</b>	<b>17.660</b>	<b>-195.370</b>	<b>-649.127</b>	<b>-117.855</b>	<b>2.583.875</b>	<b>209.192</b>	<b>1.876.926</b>	<b>-826.837</b>	<b>2.675.213</b>	<b>1.876.926</b>	<b>3.725.301</b>	<b>4.759.263</b>
5	<b>Net financing **</b>	<b>-8.193</b>	<b>-18.465</b>	<b>-129.110</b>	<b>-12.050</b>	<b>-11.993</b>	<b>-11.770</b>	<b>-43.377</b>	<b>-155.768</b>	<b>-35.813</b>	<b>-43.377</b>	<b>-234.959</b>	<b>-84.309</b>

Table 10

## Posavina Canton, I-VII, 2008.

		I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2008	I-VII 2007
1	<b>Total revenues (11+12+13+14)</b>	<b>3.490.226</b>	<b>3.075.106</b>	<b>3.170.705</b>	<b>3.190.802</b>	<b>4.655.629</b>	<b>3.414.978</b>	<b>4.422.218</b>	<b>9.736.037</b>	<b>11.261.409</b>	<b>4.422.218</b>	<b>25.419.664</b>	<b>23.012.226</b>
11	Tax revenues	<b>2.599.548</b>	<b>2.249.073</b>	<b>2.760.559</b>	<b>2.719.794</b>	<b>2.678.273</b>	<b>2.826.659</b>	<b>2.961.125</b>	<b>7.609.180</b>	<b>8.224.726</b>	<b>2.961.125</b>	<b>18.795.031</b>	<b>18.355.111</b>
	Income & profit tax	117.870	145.482	103.275	38.614	46.127	22.584	27.568	366.627	107.324	27.568	501.520	577.229
	Taxes on personal income and self-employment	223.105	266.557	239.037	266.437	256.950	261.103	263.378	728.699	784.491	263.378	1.776.568	1.532.078
	Property tax	43.961	37.479	68.256	20.487	37.242	54.317	23.264	149.696	112.046	23.264	285.006	288.653
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	54.757	31.903	34.642	28.218	29.133	38.147	32.852	121.302	95.498	32.852	249.653	306.063
	Transfers from Single Account	2.126.256	1.729.663	2.275.991	2.340.381	2.267.159	2.382.851	2.531.023	6.131.910	6.990.391	2.531.023	15.653.324	15.437.807
	Other taxes	33.598	37.989	39.358	25.656	41.662	67.657	83.039	110.945	134.975	83.039	328.959	213.281
12	Non-tax revenues	705.479	768.601	345.643	424.611	385.627	413.742	578.954	1.819.724	1.223.980	578.954	3.622.658	3.246.401
13	Grants	95.722	1.000	60.143	44.569	1.590.770	173.619	882.139	156.865	1.808.958	882.139	2.847.962	1.245.667
14	Other revenues	89.476	56.432	4.360	1.828	959	958	0	150.268	3.745	0	154.013	165.047
2	<b>Total expenditures (21+22)</b>	<b>2.392.746</b>	<b>2.561.099</b>	<b>3.270.755</b>	<b>3.181.784</b>	<b>3.468.213</b>	<b>3.952.333</b>	<b>3.094.834</b>	<b>8.224.601</b>	<b>10.602.330</b>	<b>3.094.834</b>	<b>21.921.765</b>	<b>17.568.577</b>
21	Current expenditures	<b>2.392.746</b>	<b>2.563.099</b>	<b>3.268.904</b>	<b>3.181.784</b>	<b>3.468.213</b>	<b>3.952.333</b>	<b>3.080.793</b>	<b>8.224.750</b>	<b>10.602.330</b>	<b>3.080.793</b>	<b>21.907.873</b>	<b>17.566.377</b>
	Wages and compensations	1.505.819	1.541.399	1.507.173	1.515.393	1.659.704	1.926.055	1.322.103	4.554.391	5.101.151	1.322.103	10.977.645	9.836.845
	of which: Gross wages	1.155.484	1.194.786	1.179.583	1.106.774	1.337.547	1.206.031	1.059.435	3.529.854	3.650.352	1.059.435	8.239.641	7.443.535
	of which: Compensations	350.334	346.613	327.590	408.618	322.157	720.024	262.668	1.024.537	1.450.799	262.668	2.738.004	2.393.310
	Other taxes and contributions	139.408	141.599	140.170	139.221	163.146	145.619	128.373	421.176	447.987	128.373	997.535	938.417
	Purchases of goods and services	865.313	562.737	816.101	718.050	554.827	589.050	492.200	2.244.151	1.861.928	492.200	4.598.280	2.844.861
	Grants	-134.739	315.663	804.122	807.337	1.088.809	1.291.608	1.123.189	985.047	3.187.755	1.123.189	5.295.991	3.930.328
	Interest	16.947	1.701	1.337	1.782	1.727	0	14.929	19.985	3.509	14.929	38.422	15.926
	Transfers to lower spending units	0	0	0	0	0	0	0	0	0	0	0	0
22	Net lending*	0	-2.000	1.851	0	0	0	14.041	-149	0	14.041	13.892	2.200
3	<b>Net acquisition of nonfinancial assets</b>	<b>677</b>	<b>216.414</b>	<b>97.679</b>	<b>2.859</b>	<b>534.061</b>	<b>95.221</b>	<b>436.157</b>	<b>314.770</b>	<b>632.140</b>	<b>436.157</b>	<b>1.383.068</b>	<b>284.425</b>
4	<b>Government surplus/deficit (1-2-3)</b>	<b>1.096.803</b>	<b>297.592</b>	<b>-197.729</b>	<b>6.160</b>	<b>653.354</b>	<b>-632.575</b>	<b>891.227</b>	<b>1.196.666</b>	<b>26.939</b>	<b>891.227</b>	<b>2.114.831</b>	<b>5.159.224</b>
5	<b>Net financing **</b>	<b>0</b>	<b>0</b>	<b>-3.943</b>	<b>-3.943</b>	<b>-3.973</b>	<b>0</b>	<b>-3.943</b>	<b>-3.943</b>	<b>-7.916</b>	<b>-3.943</b>	<b>-15.802</b>	<b>0</b>

Table 11

## Central Bosnia Canton, I-VII, 2008.

	I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2008	I-VII 2007	
<b>1</b>	<b>Total revenues (11+12+13+14)</b>	<b>16.015.798</b>	<b>13.894.783</b>	<b>16.408.958</b>	<b>18.723.404</b>	<b>18.086.121</b>	<b>16.658.857</b>	<b>18.879.134</b>	<b>46.319.539</b>	<b>53.468.381</b>	<b>18.879.134</b>	<b>118.667.054</b>	<b>103.813.995</b>
11	Tax revenues	13.387.956	11.225.963	14.029.694	15.562.952	15.584.285	14.202.745	15.655.666	38.643.612	45.349.982	15.655.666	99.649.261	86.565.817
	Income & profit tax	246.556	223.469	264.274	810.388	376.224	483.833	533.809	734.299	1.670.445	533.809	2.938.553	1.891.500
	Taxes on personal income and self-employment	1.408.130	1.413.751	1.447.687	1.749.961	1.903.228	1.566.052	1.672.531	4.269.568	5.219.241	1.672.531	11.161.340	9.133.520
	Property tax	450.566	319.485	436.794	390.246	571.019	488.451	509.568	1.206.845	1.449.716	509.568	3.166.129	3.145.455
	Sales tax (incl.excises)(according to Regulations until 31.12.2005)	190.326	567.959	445.738	865.869	802.556	223.689	284.716	1.204.023	1.892.114	284.716	3.380.854	1.913.290
	Transfers from Single Account	11.020.592	8.623.995	11.356.218	11.629.737	11.823.018	11.352.159	12.561.832	31.000.805	34.804.913	12.561.832	78.367.550	69.968.342
	Other taxes	71.785	77.304	78.984	116.752	108.240	88.561	93.210	228.073	313.554	93.210	634.836	513.710
12	Non-tax revenues	2.247.532	2.340.477	2.216.162	2.788.669	2.092.703	1.935.268	2.541.028	6.804.171	6.816.640	2.541.028	16.161.839	15.963.501
13	Grants	352.810	328.343	163.102	371.783	409.132	520.844	682.440	844.256	1.301.759	682.440	2.828.454	1.371.907
14	Other revenues	27.500	0	0	0	0	0	0	27.500	0	0	27.500	-87.230
<b>2</b>	<b>Total expenditures (21+22)</b>	<b>11.579.277</b>	<b>13.170.769</b>	<b>14.869.546</b>	<b>17.122.464</b>	<b>15.287.832</b>	<b>19.273.778</b>	<b>15.728.144</b>	<b>39.619.592</b>	<b>51.684.074</b>	<b>15.728.144</b>	<b>107.031.810</b>	<b>89.597.231</b>
21	Current expenditures	11.579.277	13.170.769	14.869.546	17.122.464	15.287.832	19.273.778	15.728.144	39.619.592	51.684.074	15.728.144	107.031.810	89.597.231
	Wages and compensations	7.141.901	7.499.816	7.443.584	8.452.916	8.372.930	10.842.750	7.702.861	22.085.301	27.668.595	7.702.861	57.456.758	52.837.626
	of which: Gross wages	5.594.489	5.727.419	5.774.171	6.579.469	6.552.527	6.479.876	6.474.331	17.096.078	19.611.873	6.474.331	43.182.282	37.994.903
	of which: Compensations	1.547.412	1.772.397	1.669.413	1.873.447	1.820.402	4.362.874	1.228.530	4.989.222	8.056.723	1.228.530	14.274.476	14.842.723
	Other taxes and contributions	687.751	700.190	707.070	795.654	790.199	784.381	788.470	2.095.011	2.370.234	788.470	5.253.715	4.565.310
	Purchases of goods and services	1.610.340	1.671.347	2.005.064	1.868.355	1.475.665	1.779.253	1.483.147	5.286.751	5.123.272	1.483.147	11.893.170	9.860.767
	Grants	2.047.067	3.214.946	4.586.870	5.914.601	4.579.694	5.768.575	5.665.433	9.848.883	16.262.870	5.665.433	31.777.186	21.747.420
	Interest	20.148	11.226	54.001	4.839	4.965	15.019	4.898	85.376	24.823	4.898	115.097	59.823
	Transfers to lower spending units	72.070	73.244	72.956	86.099	64.380	83.801	83.334	218.270	234.280	83.334	535.884	526.285
22	Net lending*	0	0	0	0	0	0	0	0	0	0	0	
<b>3</b>	<b>Net acquisition of nonfinancial assets</b>	<b>200.033</b>	<b>171.377</b>	<b>328.955</b>	<b>498.820</b>	<b>777.631</b>	<b>1.517.129</b>	<b>647.669</b>	<b>700.365</b>	<b>2.793.579</b>	<b>647.669</b>	<b>4.141.613</b>	<b>1.140.796</b>
<b>4</b>	<b>Government surplus/deficit (1-2-3)</b>	<b>4.236.489</b>	<b>552.637</b>	<b>1.210.457</b>	<b>1.102.120</b>	<b>2.020.658</b>	<b>-4.132.050</b>	<b>2.503.320</b>	<b>5.999.582</b>	<b>-1.009.272</b>	<b>2.503.320</b>	<b>7.493.631</b>	<b>13.075.968</b>
<b>5</b>	<b>Net financing **</b>	<b>-2.266</b>	<b>-2.282</b>	<b>-2.291</b>	<b>-2.294</b>	<b>-2.304</b>	<b>-2.314</b>	<b>-2.308</b>	<b>-6.840</b>	<b>-6.913</b>	<b>-2.308</b>	<b>-16.060</b>	<b>-21.632</b>

Table 12