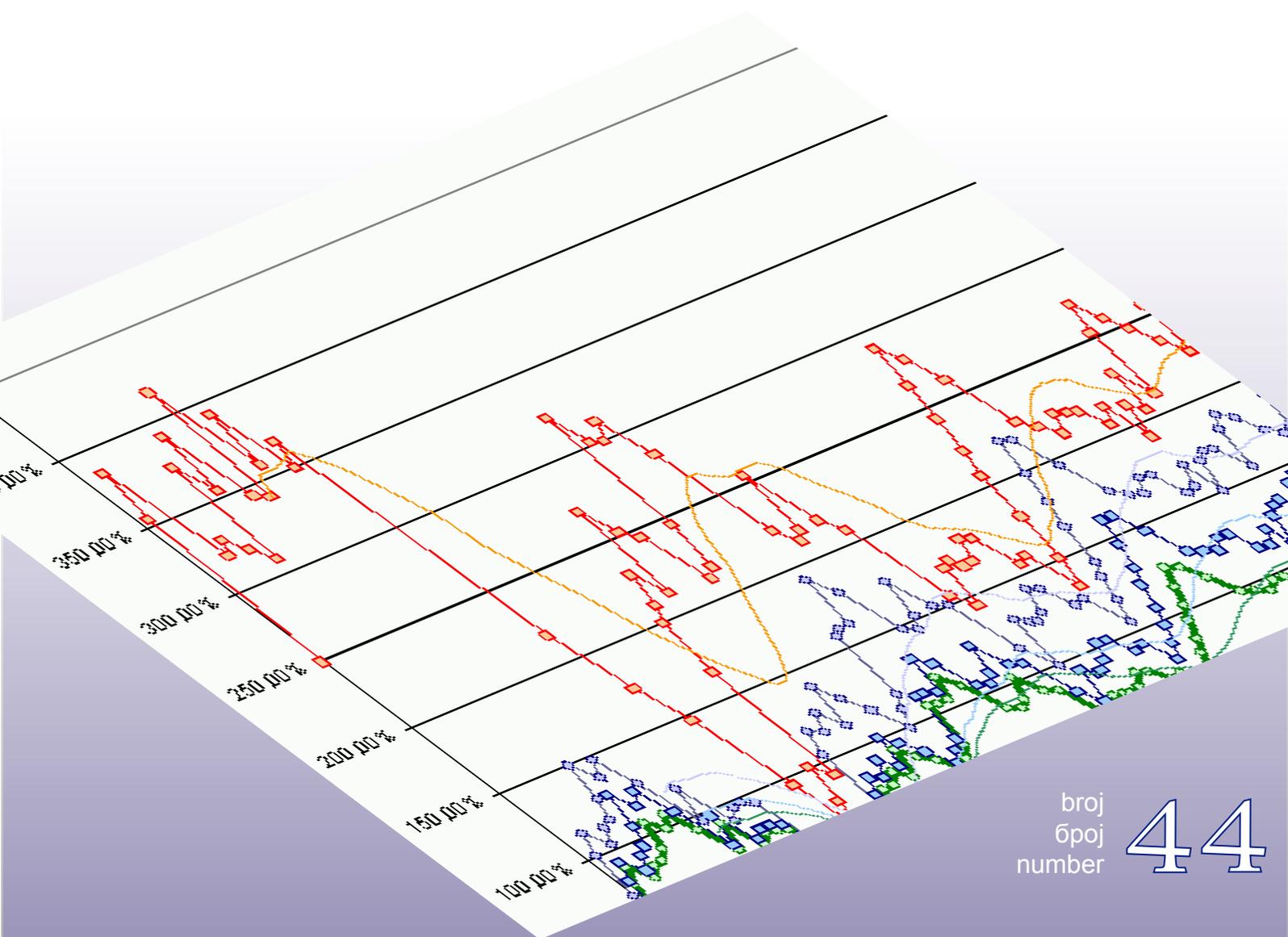




Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



broj
број
number

44

With this issue

Indirect Taxation Authority (ITA) ended the last year with increase of revenues from indirect taxes, which was above projections. However, it is important to emphasize that fourth quarter, quarter in comparison with 2007 brought us decrease in collection of VAT and customs, which had negative impact on total collection of indirect taxes. Observing the collection in January 2009 in comparison with the same month in 2008, we can see further worsening, especially in customs revenues. Negative trend in January was improved by increase in collection of CAT. We should note that comparative analysis for collection of indirect taxes month/month, at least for 2009, does not provide reliable assessment on collection of indirect taxes. Keeping refunds in 2007 due to allocations for reserves in ITA single account led to overestimating of surplus in 2007 and payment of carried refunds in next year led to underestimating surplus in 2008. Due to all this, in order to get realistic and reliable analysis, it is necessary to level oscillations in the collection, which we are going to present in next issue.

In this issue, we present you two articles on tax policy in UE in the field of direct and indirect taxes. Both articles give valuable knowledge useful for creation of tax policy in BiH. Article on implications of cigarettes taxations is the last in series of articles on cigarettes taxation in EU. At first sight, these issues deviate from approach to economic and fiscal topics that the Unit deals with. However, the article shows an interaction between fiscal policy with taxation of cigarettes as one of its segments, and health policy. Interaction is done through measures and instruments for taxation of cigarettes that the state can apply to encourage or discourage consumption of cigarettes and have direct impact on costs of health system related to fixing negative externalities that cigarettes have on health of people. On other hand, increase of costs for fixing externalities represent additional burden for health funds, which are insufficient for financing growing costs caused by process of population aging and better standards of living. In lack of health funds, state is forced to impose new fiscal duties on companies and citizens, which are higher than collected revenues from cigarettes taxation. In weighting benefits and costs of cigarettes taxation, the article shows that EU moved away from fiscal aims and focused on health policies.

Dinka Antić, PhD
Head of Unit

Table of contents:

Health aspect of cigarettes` taxation in the EU	2
Direct taxes in European Union in Bosnia and Herzegovina	7
Consolidated reports	12

Technical design : Sulejman Hasanović, IT Officer
Translation : Edin Smailhodžić

Health aspect of cigarettes` taxation in the EU

(author: Aleksandar Eskić, Macroeconomist within the Unit)

EUROPEAN LEGISLATION ON THIS ISSUE

In Article 4 of Directive 92/79/EEC stands that two criteria are important when discussing existing level of excise duty on tobacco products:

- Correct functioning of internal market
- Wider objectives defined by the Treaty

Main question in terms of wider objectives of the Treaty is health protection. Article 129 from Maastricht's agreement says: `health care requirements should be a part of all Commission's policies`. European Commission also says that tobacco products taxation is a very powerful tool for discouraging tobacco consumption. Price policy of tobacco should have in effect bigger increase the price of the product than the effect of inflation. Real effect of this price increase is measured with price elasticity. It is clear from existing studies that the price has significant impact on tobacco products consumption. Neglecting the taxation of tobacco as a tool to discourage tobacco consumption would be not respecting the health policy of the EU and wider objectives of the Treaty. European Commission has been published several reports when talking about the process and dynamic of harmonization of excise duties. Fourth report, and the last one at the moment, suggests a number of important amendments to the existing legislation in order to modernize existing rules and level the playground for all actors. Additionally, **health care** is the key issue and number of countries requires increase of minimum burdens on tobacco.

This proposal is in line with the main policies and objectives of the Union. Article 152 of the Treaty provides that a high level of human health protection shall be ensured in the definition and implementation of all Community policies and activities. Given the characteristics of manufactured tobacco products, particular attention has therefore been paid to the **relationship between public health and the final price of the products**. Smoking is still the biggest single form of avoidable death in the Community and one of the leading causes of morbidity and mortality in the EU, with about **650,000 smoking-related deaths** per year in the Community.

Taxation forms part of an overall strategy of prevention and dissuasion which also includes other reduction demand measures such as non-price measures, protection from exposure to tobacco smoke, regulation of the contents, etc. However, according to the **World Bank** price increases of tobacco products are the most effective single intervention to prevent smoking. **A price increase of 10 % decreases consumption on average by about 4% in high income countries among adults**. Importantly, the impact of higher prices is likely to be greatest on **young people**, who are more responsive to price rises than older people. This proposal suggests the setting of a **monetary minimum duty** and **establishing a tax "floor" for all cigarettes** sold in the EU allowing to address health concerns for all categories of cigarettes. It increases the minimum requirements in order to contribute to a reduction in tobacco consumption over the forthcoming five years, notably by preventing that Member States' tobacco control policies be undermined by considerably lower levels in other Member States. In addition the proposal allows Member States greater flexibility to apply specific duties and to levy minimum excise duties on cigarettes in order to achieve health objectives. Finally it brings the minimum rates and structure for fine-cut tobacco intended for the rolling of cigarettes into line with the rate and structure for cigarettes in order to discourage substitution of cigarettes by fine cut.

In last five years, the consumption of cigarettes in the EU decreased by slightly more than 10%. Over the same period the excise duties on cigarettes increased on average by more than 30%. In order to trigger a similar decline in consumption over the coming 5 years further increases in excise duties would be desirable. Taking into account a price elasticity of -0.43 as suggested by

the World Bank, a 25% price increase is needed to achieve a 10% reduction in demand. Decrease of 10% over the next 5 years would be in line with European strategy for tobacco control (ECTC), adopted by the Regional Committee of WHO which set the goals and that is to decrease tobacco consumption by 2% annually. In terms of this, the Commission discussed several possible increases.

From a health perspective an increase to €90 on all cigarettes and 63% on WAP would trigger a probable decrease of demand of on average 10% in 22 Member States. In addition it would pave the way for further increases of excise duties on cigarettes, also by those Member States which already have a high level of taxation. All in all, in the field of taxation of cigarettes this approach seems to be the most adequate which would ensure functioning of internal market and high level of health protection at the same time.

POSITION OF THE GERMAN CANCER SOCIETY TO THE EU CONSULTATION PAPER ON THE STRUCTURE AND RATES OF EXCISE DUTY APPLIED ON TOBACCO PRODUCTS

In following lines we will introduce contemporary position of the German cancer society to the EU consultation paper on the structure and rates of excise duty applied on cigarettes and manufactured tobacco. Their involvement into the fiscal policy field represents a part of the efforts which they undertake in prevention and their fight against smoking-related cancers. Many medical reseraches undoubtely showed that there is a direct link between smoking and lung cacner. And then there comes a question, which is for as the most important, what are the implications on economic system? A draft of this answer we will present in the second paragraph.

The Commission services question whether the MPPC is still in line with Internal market objectives and justified as a reference point for setting the minimum requirements. The views of concerned parties are invited on the abolition of the MPPC and on whether EU minimum requirements should either apply to all cigarettes or should be defined in accordance with weighted average prices. That opinion is shared even by the German cancer society. Rationale for such an attitude lies in a fact that the most popular price category (MPPC) covers only a minor part of the overall cigarette market. The market share of cheap cigarettes which was virtually non-existent in 2000 increased to 12.0 % in 2006 in Germany. The market share of MPPC cigarettes dropped from 72.2 % to 39.3 % within the six year time period. Thus, at least in Germany, MPPC is no longer representative of the overall cigarette market.

Furthermore, the flexibility for the European member states to levy minimum taxes (excise duties and VAT) on cigarettes should be reduced to a minimum. Rationale is that different taxation levels of cigarettes between Member States would promote cross border shopping and undermine efforts to sustain higher taxation levels. This is of particular concern for Germany which is neighboring two new EU member states, Poland and the Czech Republic. The cigarette prices in these two countries are much lower than in Germany, i.e. a pack of Marlboro cigarettes costs 1.79 € in Poland and 2.07 € in the Czech Republic versus 4.71 € in Germany. Considering these price differences it is not surprising that there is a high degree of cross border shopping at the Eastern border of Germany.

The next question we want to ask is should the current monetary minimum incidence for cigarettes (€ 64/1000 cigarettes) be increased, given that it only came into force in July 2006 and 10 new Member States have been granted transition periods, some of them until the end of 2009? On the other hand, would an increase in the minimum ad valorem requirement of 57% be in line with internal market and health objectives? The Society strongly recommends that minimum taxation, i.e. excise duties and VAT combined, should be increased. The overall minimum tax shall not be less than 120 € per 1000 cigarettes. It is apparent that the prices of tobacco products and the taxes on these products vary greatly throughout the Community. The very low levels of excise

duties in some of the new EU Member States in 2007 are striking. Whereas the Commission has been active in combating minimum prices in some Member States, it has done little to motivate Member States to increase the minimum excise yield.

Another issue we want to raise here is how can the current provisions be improved in order to better achieve health objectives? The Position of the Society is that tax differences should be harmonized on the basis of specific rates as opposed to ad valorem duties. Furthermore, the present 55% maximum threshold for the weight of the specific tax component of the total tax should be removed and the required tax incidence (VAT and excise duties) on the retail selling price of cigarettes should be at least 71%. The directives adopted in 1992 on tax levels across the Community caused a substantial price increase in a number of member states. However, the directives failed to eliminate the large differences in price and tax levels across the EU market. The failure is due to a number of factors. First, EU tax rules apply only to the most popular price category which is not representative of the overall cigarette market. Second, minimum tax rules apply to overall taxes (excise duties and VAT) and not specifically to excise duties (the 57% rule) or to the minimum specified VAT rate. There is no justification for setting an upper limit to the specific excise duty. At present, specific taxation cannot be higher than 55 percent of the total tax including VAT in the EU. Specific taxes would help to reduce large price differentials and, thus, should be promoted.

MODERN TENDENCIES ON THE BALKAN

A special problem is illegal trade of cigarettes. In other words, no matter how the lawmaker tried to discourage smoking by carefully shaped policies and achieve specific goals, it's full effect is missing just because of well developed channels outside the system. The size of this discrepancy depends on the size of illegal trade. According to some estimates done by international and european agencies from this branch, smuggled cigarettes occupy 25% to 80% share from the markets of Southeastern European states, and 40% of the cigarettes at the Macedonian market had been imported illegally. Albania ranks first in smuggled cigarettes with a share of 80%, followed by Bosnia and Herzegovina with 47%, Macedonia - 40%, Bulgaria - 38%, Serbia and Montenegro - 37%, and Romania and Croatia - 24%.

Latest results of conducted surveys show that in Croatia almost 13,000 people, a size of a smaller town, die every year from smoking-related disease. That is the very first country which undertook concrete steps to discourage smoking adopting the law that regulates that area. Although it discourages smoking, Croatia continues with production of cigarettes. The main reason for that is because that industry contributes the state budget with 3 billion KN (40,000,000 EUR) annually. Also, stopping production will cause firing employees within the industry. It is believed that forbidding the production is not an adequate respond because it will be replaced with import soon.

GREECE`S PARLIAMENT APPROVES BAN ON SMOKING IN PUBLIC PLACES

The Greek parliament has approved a ban on smoking in public places, including all restaurants, bars and public transport, from January 1 2010. Greece is reportedly in top five of the heaviest smokers in the European Union and has one of the highest rates of smoking in the world. Greece has provided for a 300 euro fine for lighting up in an area where smoking is forbidden. The Greek legislation will also ban the sale of tobacco products to people under 18. Those who sell tobacco products or liquor to under-18s will face fines of up to 20 000 euro. Smoking will be banned in workplaces but designated smoking areas may be set aside. Previously, Greece banned smoking in hospitals, offices and taxis and legislated separate smoking and non-smoking areas in restaurants and bars, but media reports said that these laws were widely ignored.

`LIGHT` CIGARETTES

Restrictions related to tobacco products` consumption, promotion and classifications are increasing on many European markets. It is not allowed to name cigarettes with prefix `light` or `super light` because it is considered that the consumer can be seduced how light cigarettes are less harmful than some others. That is not the intention of tobacco industry because light cigarettes contain lower percentage of tar and nicotine, but that does not mean they are less harmful. American Superior Court decided that manufacturers which labeled cigarettes as `light` can be sued because of misinforming customers which is the decision that caused panic among leaders of the tobacco industry because of fear of possible making-up-the-damage requests worth multi billion dollars. In the Court`s decision that surprised many and which was approved by dire majority, it is stated how smokers can use laws that regulate costumer`s protection n the state level and based on that sue cigarettes manufacturers for the way of marketing `light` cigarettes with lower percentage of nicotine. Various researches showed that many people are suspicious towards edible light products. The latest survey by Agricultural faculty from Zagreb showed that is almost one third interviewed citizens (28%) think that `light` products are decisive to consumers. The biggest percentage (39.2%) of interviewed people does not have opinion whether light products are really how they are presented whereas others believe to light brands.

CONCLUSION

We saw that health aspect of tobacco consumption and taxation plays very important role in European legislation and getting more and more of importance. Everybody agrees that taken measures should lead to decreasing consumption of tobacco and tobacco products which is fully understandable if consider everything that has been said. The fact is that European Union, including our country as well as neighboring countries, has had a problem of very slow population growth rate. The latest estimates say that around 50% of population in Bosnia are smokers. This terrible fact is surely affected by the fact that there is a direct connection between smoking and numerous diseases like lung cancer. Estimates say that around 5 million people die every year as a direct consequence of smoking. Furthermore, latest trends show that this number could be doubled in next 15 years. It requires higher costs for health insurance. Consequently we have higher absence-from-work rate, permanent loss of critical production factor in sense of rare but necessary skills and knowledge in a business process etc. All these lead us to increased expenditures and discontinuity of a national economy which endangers it`s position on the very aggressive international market. This topic, though completely neglected without a proper reason, requires more attention of domestic experts and wider audience in order to determine and define clear position towards this issue. And to remind you all that results of this kind of study should be taken into consideration when shaping the tobacco and tobacco taxation policy, which is exactly prescribed by the EU legislation.

'FIRE SAFE' CIGARETTES TO GO ON SALE IN EUROPE BY 2011

All cigarettes sold throughout the European Union will be self-extinguishing `fire-safe` brands by 2011, the EU Commission reported. Last year the 27 member states approved a commission proposal which would require the tobacco industry to use fire-retardant paper in all cigarettes to cut down on the number of sometimes fatal fires caused by dropped cigarettes each year.

The independent European Committee for Standardisation has been developing pan-EU norms which the commission believes will allow the new safe cigarettes to reach the EU market and become mandatory for the industry `by 2011 at the latest`. Such cigarettes, which go out in a minute if they are not smoked, are already on sale in Canada, Australia and parts of the United States adding that the safer cigarettes should not be any more expensive.

`We think that by 2011 at the latest these cigarettes will be on the market, and we think that this will not really lead to price increases of cigarettes`. Data from 14 EU member states (along with Iceland and Norway) show that cigarette-related fires account for some 11,000 blazes every year, with 520 deaths and 1,600 injuries. The elderly are disproportionately affected.

US research shows that cigarettes are the leading cause of home fire fatalities every year, according to the European Commission. Dropped cigarettes are also a major cause of forest fires. The EU commission spokesman said that all 27 member states had responded positively to the plans.

***** *New book* *****

**“Macroeconomic stability and fiscal federalism in Bosnia
and Herzegovina”**

author:

Dr Dinka Antić

Head of Macroeconomic Analysis
ITA Governing Board

reviewers:

Prof. Dr Rajko Tomaš
Faculty of Economics, University of Banjaluka

Prof. Dr Boško Živković
Faculty of Economics, University of Belgrade

publisher:

FIRCON d.o.o., Mostar

350 pages
250x210 mm, hardcover

Orders:

FIRCON d.o.o.
Kneza Višeslava 77a
88000 Mostar
tel/fax: 036/333-065
e-mail: rif-hb@tel.net.ba
www.fircon.biz

Information about book:

tel/fax: 051/335-350
e-mail: dinka.antic@uino.gov.ba

Direct taxes in European Union in Bosnia and Herzegovina

(Author: Aleksandra Regoje, Macroeconomist)

Harmonization of direct taxes in EU

Differences in taxation systems of certain countries represent barriers for free movement of goods, services and capital. Tax regulations are competencies of EU member states, but tax sovereignty is partially limited since EU membership bases on treaty that imposes a number of obligations to signatories. With aim to strengthen internal market, European Union creates a number of guidelines and other regulations to influence on establishment of tax systems in member states and their harmonization.

Harmonization of tax policies of EU member states refer to measures for coordination of their tax systems. Harmonization does not mean equalization of tax policies, but it means their harmonization in degree, which ensures free movement of goods, services and capital, prevention of unloyal competition, grey economy and double taxation. In addition to above mentioned, the harmonization leads to gradual harmonization of economic policies in the member states.

Tax policy of European Union has two components:

- o Indirect taxation and
- o Direct taxation.

Process of harmonization is far more present in indirect than direct taxes. Basic reason for that is old understanding according to which indirect taxes should be harmonized first in order to eliminate barriers for creation of common market. EU treaty bans any policies in the field of indirect taxation that would either directly or indirectly favor national products at the cost of products from other member states. On other hand, legal basis for harmonization of direct taxes is not clearly determined and their harmonization started after high level of harmonization of indirect taxes was reached.

System of harmonization of direct taxes was very modest until 1990 when so called Ruding's committee was established. The committee of independent experts got its name by Onno Ruding, Dutch minister of finance at the time, who headed this commission. In 1992, the commission prepared the report with aim to determine level of differences in company taxation, which were causing unloyal competition, and also to propose way to resolve this problem.¹ Regardless numerous recommendations listed in Committee's report, there were no stronger moves in harmonization of direct taxes. However, few tax-legal documents related to company taxation were made and they were more focused on resolving double taxation issues than on harmonization of taxation.²

In 1997, European Commission issued the document (COM (97) 564) proposing a number of measures in order to resolve difficulties in functioning of common market. Aim of above mentioned tax package of measures was harmonization of profit and income taxation amongst the member states in order to remove barriers for free movement of goods and services.³

¹ Report of the Committee of Independent Experts on Company Taxation, Commission of the European Communities, Official Publications of the EC, ISBN 92-826-4277-1, Mart 1992

² Guidelines on fusions, Guidelines on companies mother-daughter, international agreement on application of arbitrary procedure in cases of double taxation, Guidelines on common taxation of interest and fees for authors amongst related companies, Code of conduct in company taxation

³ Tax package contained three initiatives: Code of conduct for company taxation, Guidelines on common taxation of interest and fees for authors amongst related companies, Guidelines on taxation of interest on savings

Structure of direct taxes in EU

As opposed to indirect taxes for which final burden is carried by consumers (through price increase), burden of direct taxes is carried directly by taxpayer. Income and profit tax represent highest share in structure of EU direct taxes. In addition to above mentioned categories, other direct taxes are collected for which amount in most EU member states does not exceed 1% of gross domestic product.⁴ Average share of revenues from all direct taxes in EU gross domestic product is 13,5%⁵. Only six countries has higher share of direct taxes in GDP from weighted average. These are Denmark, Sweden, Finland, United Kingdom, Belgium and Italy. These are old EU member states which are characterized by higher share of direct taxes in GDP than in new member states. Basic reasons for such differences in tax structure amongst member states are higher profit and income tax rates in old member states and the fact these economies are more developed and capable to generate higher revenues.

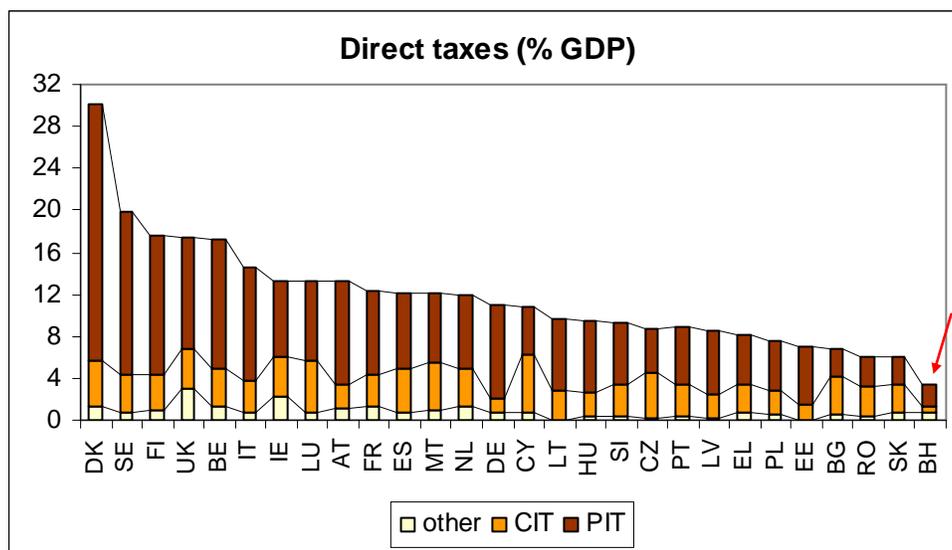


Chart 1.⁶

Income tax

Income tax reforms went in direction of reducing tax rates (most often for lower income classes in order to increase employment) and number of income classes, and also in direction to increase level of non-taxable income. Average income tax rate for higher income classes in the world decreased by 2,5% in the last six years. It went from 31,3% in 2003 to 28,8% in 2008. Average rate in European Union is a bit higher and it was 36,4% in 2008. Taxpayers in Asian-Pacific countries on average pay income tax rate of 34,6% and it is 26,9% in Latin America.⁷

Income tax rates significantly vary amongst EU member states and they range from 10% in Bulgaria⁸ to 59% in Denmark.⁹ So, it is not surprising that revenues also vary from lowest 2,7% in

⁴ Detailed classification of direct taxes according to EU standards is available in the Bulletin no. 30

⁵ Weighted average, data for 2006, Eurostat

⁶ 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-Leetonia, LT-Lithuania, LU-Luxembourg, 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

⁷ KPMG International, taken from „Personal Income Tax Fall As Government Compete For Talent“, Mike Godfrey, Tax-News.com, Washington

⁸ In 2008, income tax rate in Bulgaria was reduced from 24% to 10%

⁹ These are highest rates by income classes

Bulgaria to 24% of GDP in Denmark.¹⁰ As already mentioned, lower tax rates are typical for new member states. Highest rates are typical for Nordic countries, which also record highest collection of direct taxes expressed as % of GDP. Exception is Netherlands, which is 14th by share of direct taxes in GDP and it is 3rd in EU by income tax rate. Lowest income tax rates are in Bulgaria, Slovakia and Romania, which also have lowest shares of direct taxes in GDP.

Numerous member states lately introduced single income tax rates. Bulgaria introduced single income tax rate of 10%, Romania 16%, Slovakia 19% and Estonia 21%. Lithuania reduced rate by 6% in 2007 and by 3% in 2008 and it introduced single rate of 21%.

Gradual decrease of income tax rates led to decrease of these revenues in % of GDP. Up to 2006, only 9 countries had growth of these revenues (in comparison with 1995), out of which only France and Malta experienced growth higher than 1% of GDP (Chart no. 2).

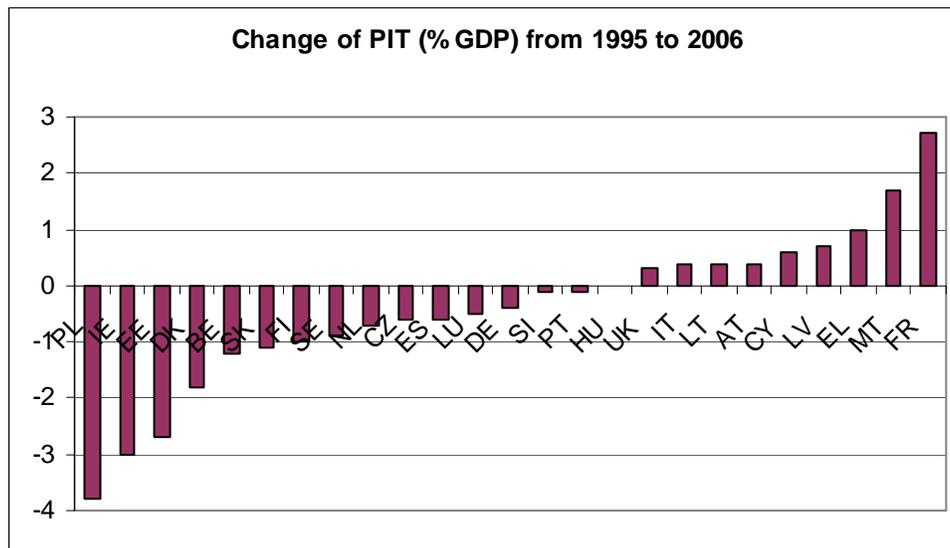


Chart 2.

Profit tax

As with income tax, profit tax rates significantly vary amongst member state and range from 10% in Bulgaria to 35% in Malta (data for 2008). Average profit tax rate in European Union amounted to 23,6% in 2008. Profit tax rates show trend of decrease as of 1990. This trend continued in 2008, which is shown also by decrease of average profit tax rate by 0,9% in European Union. Decrease of the rate is more significant in euro zone (1,2 %), which are more typical for having higher profit tax rates than other EU member states (average rate in Euro zone was about 3% higher in 2008). In comparison with 1995, profit tax rates reduced in all member states except Malta and Sweden.

Although there was strong decrease of profit tax rates in pas period, these revenues experienced growth (in% GDP) from 1995 as the result of above mentioned and other measures, which contributed to expansion of tax base (chart 3).

¹⁰ Weighted average in EU for 2009 was 9,2%

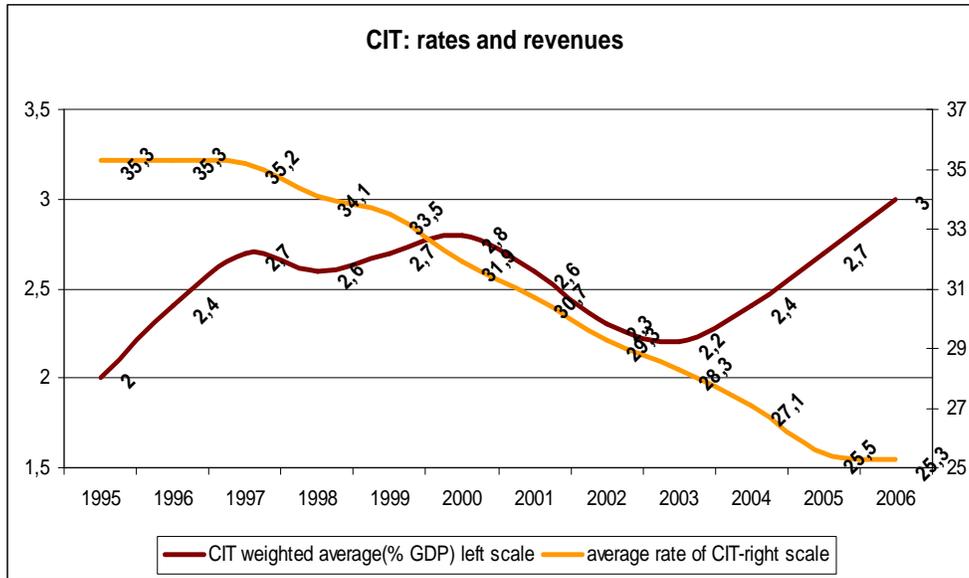


Chart 3.

In the period from 2001 to 2006, highest decrease of profit tax (18%) was recorded in Cyprus. At the same time, share of these revenues in gross domestic product reduced by only 0,7%. After Cyprus, highest decrease of rates in this period was recorded in Bulgaria, Leetonia and Slovakia, while revenues from this tax (in % of GDP) remained unchanged (Bulgaria) or even slightly increased (Leetonia and Slovakia). Highest increase of revenues from profit tax in the period from 2001 to 2006 was experienced by Lithuania (2,3%), while tax rate was reduced by 5% in the same period. This growth can be related to strong growth of economy after the recession in 1999 and measures for expansion of tax base (chart 4).

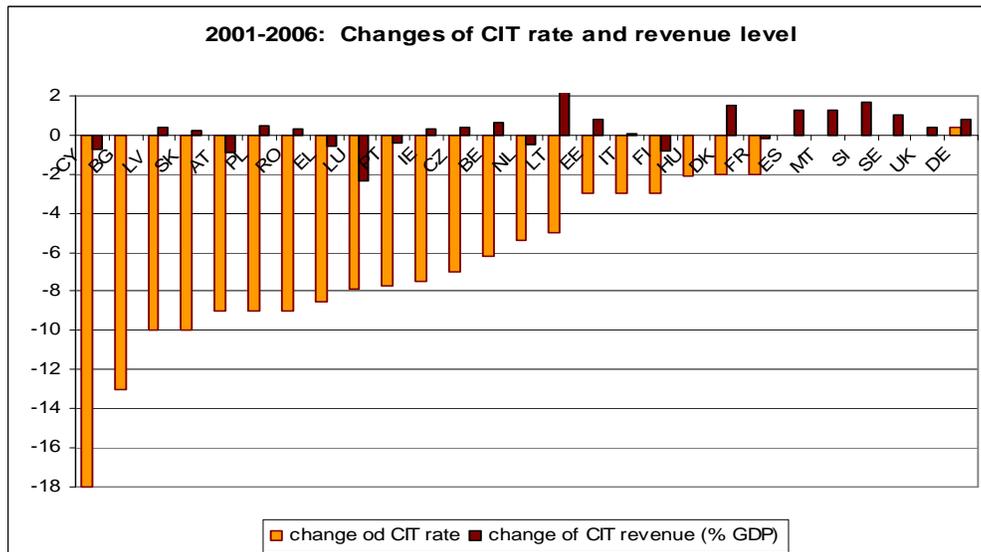


Chart 4.

Direct taxes in BiH

Reforms of income and profit tax

Bosnia and Herzegovina recently went through intensive reform of indirect taxation. Reforms went towards harmonization with European standards and within borders of BiH. Aims of reforms were to create better business environment, reduction of grey economy, growth of employment, investments and competitiveness of companies..

Process of reforms of direct taxation started with adoption of new laws on income and profit tax in Republika Srpska (RS) with implementation that started on January 1st, 2007.¹¹ As of January 1st this year, changes of the Law on income tax in RS went into force, which brought us to "gross wage" model and single rate of 8% for personal income taxation. Statutory profit tax rate of 10%, which is in force in RS since 2001¹² is assessed as competitive in comparison with countries in the region¹³ and EU member states¹⁴. The law that is in force since 2007¹⁵ kept the same statutory rate and it brings a number of benefits for growth of domestic and foreign investments (simplified regime for small companies; reducing the base for tax calculation if production company invests in purchase of equipment and machines etc.).

In the Federation of BiH (FBiH), implementation of new Law on profit tax started on January 1st, 2008, while changes on the Law on income tax went into force on January 1st, 2009. New Law on profit tax¹⁶ regulates decrease of statutory rate from 30% to 10% and it envisages subsidies for exporters and certain categories of investors.¹⁷ Some of aims of this Law are elimination of double profit taxation and harmonization of taxation conditions in the territory of BiH. Adoption of new Law on income tax provided single way of income taxation in F BiH since it was regulated by different cantonal regulations. Income tax replaced wage tax and a number of taxes related to taxation of citizens.¹⁸

Revenues from direct taxes in BiH

Basic sources of revenues in Bosnia and Herzegovina are indirect taxes since they represent 70% of total revenues. On other hand, share of direct taxes in total revenues amounts to only 11% of total revenues.¹⁹ Despite strong growth in the last few years, there was no significant growth of burden on GDP. Fiscal burden of GDP by direct taxes in Bosnia and Herzegovina is very low in comparison with EU member states. According to Unit's data, share of direct taxes in Bosnia and Herzegovina GDP was 3,4% in 2007, which is almost four times lower than EU average and almost two times lower from lowest adequate % recorded amongst EU member states.

Reforms of income and profit tax, which took place in the last few years were incentive for growth of investments and competitiveness of BiH economy. In next period, through growth of employment, expansion of tax base, reduction of exemptions and distortions, should lead to growth of these revenues.

¹¹ More about the Law in Bulletin no.16

¹² Official Gazette RS, 51/01

¹³ Croatia has profit tax rate of 20%, Serbia and Macedonia have 10%

¹⁴ Lowest rate of 10% is in Bulgaria

¹⁵ More about the Law in Bulletin no 17

¹⁶ More about the Law in Bulletin no 30

¹⁷ Taxpayers who invest in production over the period of five consecutive years in the value of at least 20 million KM in the territory of F BiH are exempt from profit for the period of five years starting from first year of investment, which has to have investment of at least 4 million KM. Employers who employ more than 50% of disabled persons are also exempt from profit tax.

¹⁸ More about the Law in Bulletin no 31

¹⁹ OMA, „BiH: State, entities, BD, cantons and municipalities“, consolidated report for 2007

Basic literature:

- „Taxation trends in European Union“, Eurostat, 2008 Edition.
- www.europa.eu; Summaries of legislation
- „Personal Income Tax Fall As Government Compete For Talent“, Mike Godfrey, Tax-News.com, Washington.
- „Fiskalni sustav i fiskalna politika EU“, Jure Šimović i Hrvoje Šimović, Zagreb 2005.
- „Hrvatska i EU, izazovi integracije“, Vesna Barić Punda, Branko Grčić, Mario Pečarić, Split 2006.
- „Porezna harmonizacija“, Marina Kesner-Škreb, Institut za Javne financije, Zagreb.

Consolidated reports

(prepared by: Mirela Kadić, Research Assistant)

Table 1. (Consolidated report: BiH: SA and Entities – preliminary data)

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 2. (Consolidated report: BiH: State, Entities, Brčko Distrikt, Cantons preliminary data)

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.

Table 3. (Consolidated report: FBiH: Budget FBiH, Cantons, municipalities preliminary data)

1. The consolidated report includes:

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

2. Monthly data for the following municipalities are estimated on the basis of the 2008. annual report: Ravno, Bosansko Grahovo, Drvar, Glamoč and Kupres. Data for Prozor, Gornji Vakuf, Tomislavgrad (X, XI, XII); Široki Brijeg (XI, XII) i Tešanj (XII) are estimated on the basis of available monthly data for 2008.

Table 4.1-4.4 (Consolidated reports: Cantons)

1. Consolidated report includes:

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

BiH: SA and Entities, 2008, preliminary report

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Current revenues	412,9	383,2	483,7	491,9	458,8	477,7	561,3	492,1	521,7	507,8	435,5	475,4	5.702,0
11 Taxes	387,5	356,0	446,4	466,7	438,8	434,5	504,1	442,8	491,0	466,5	410,9	428,0	5.273,2
111 Indirect taxes	370,2	325,0	405,8	424,6	415,1	409,4	479,2	419,2	468,0	442,6	390,4	374,8	4.924,3
VAT	247,3	183,8	257,3	260,5	256,9	253,7	311,8	266,2	313,2	284,6	252,7	231,3	3.119,5
VAT on imports	149,5	200,9	217,0	234,0	222,7	228,6	246,4	228,2	249,5	250,6	201,8	221,6	2.650,7
VAT from VAT returns	128,9	100,4	94,8	100,0	102,4	109,4	124,0	125,1	128,2	127,2	123,0	118,5	1.381,7
VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,1	0,0	0,0	0,2	-0,1	0,1	0,1	0,2	0,1	0,7
One-off VAT payments	0,3	0,1	0,2	0,1	0,1	0,1	0,1	0,0	0,4	0,1	0,1	0,0	1,6
Other	1,2	1,1	1,0	1,1	1,9	0,9	1,2	1,1	0,8	1,3	1,2	2,1	14,8
VAT refunds	-32,6	-118,6	-55,7	-74,6	-70,2	-85,3	-60,1	-88,1	-65,7	-94,6	-73,5	-111,1	-930,1
Custom duties	40,8	58,2	62,3	66,8	61,6	60,9	52,1	46,0	53,0	56,9	45,8	47,3	651,7
Sales tax	0,5	1,5	0,9	0,7	1,7	0,9	0,9	1,1	0,6	0,7	0,8	0,8	11,2
Excises	67,8	66,6	70,0	79,0	77,8	77,7	95,0	87,4	82,3	82,2	74,9	79,0	939,6
on imports	53,9	55,0	57,9	65,9	64,2	64,0	76,9	71,4	68,0	68,7	61,3	64,2	771,5
on domestic production	13,9	11,6	12,1	13,1	13,5	13,6	18,1	16,0	14,3	13,5	13,6	14,8	168,0
Railroad tax	12,7	14,4	14,0	16,6	16,2	15,0	18,1	17,4	17,7	16,9	14,7	15,8	189,6
Other	1,4	1,4	1,8	1,5	1,6	1,7	1,6	1,4	1,6	1,8	1,7	1,5	19,0
Other refunds	-0,4	-0,9	-0,6	-0,7	-0,6	-0,3	-0,4	-0,3	-0,4	-0,5	-0,2	-0,9	-6,3
112 Direct taxes	17,3	30,9	40,6	42,1	23,7	25,0	25,0	23,7	23,0	23,9	20,4	53,2	348,9
Income taxes	8,0	18,8	26,6	27,4	11,0	10,1	10,1	8,0	8,7	8,9	6,7	14,5	158,8
Other tax revenues	9,3	12,2	14,0	14,7	12,7	15,0	14,9	15,6	14,3	15,0	13,7	38,7	190,1
12 Non-tax income	24,3	27,1	37,1	24,5	19,8	41,9	56,6	49,9	29,9	39,9	24,4	47,3	422,8
13 Other revenues	0,0	0,0	0,1	0,0	0,1	0,2	0,0	0,0	0,2	0,0	0,0	0,4	1,0
14 Grants	0,2	0,0	0,0	0,5	0,0	0,2	0,0	0,0	0,0	0,0	0,1	-0,2	0,9
15 Transfers from other level of government	0,9	0,1	0,1	0,2	0,1	0,9	0,6	-0,7	0,6	1,3	0,2	-0,2	4,1
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
2 Current expenditures	305,0	400,2	427,7	490,2	447,9	513,9	506,4	461,8	527,5	499,3	453,7	655,6	5.689,2

Banja Luka: Bana Lazarevića, 78 000 Banja Luka, Tel/fax: +387 51 335 350, E-mail: oma@uino.gov.ba
Sarajevo: Đoke Mazalića 5, 71 000 Sarajevo, Tel:+387 33 279 553, Fax:+387 33 279 625, Web: www.oma.gov.ba

21	Consumption expenditures	48,5	68,7	85,7	80,4	77,2	98,8	61,6	88,3	91,2	87,7	85,9	138,4	1.012,4
211	Wages and compensations	45,2	61,0	68,5	67,1	65,9	86,4	48,0	71,8	72,6	70,9	68,4	100,8	826,5
212	Purchases of goods and services	3,3	7,7	17,2	13,2	11,3	12,4	13,5	16,5	18,6	16,8	17,5	37,6	185,8
22	Grants, transfers and other expenditures	15,6	98,0	90,1	111,6	105,3	133,2	137,8	117,4	141,0	125,7	117,4	199,2	1.392,2
23	Interest payments	0,6	10,1	13,6	5,4	16,2	19,8	0,6	13,5	6,2	6,3	18,0	19,9	130,3
24	Transfers from Single Account	224,3	205,4	219,8	248,2	226,9	239,7	287,6	220,8	266,3	252,7	209,0	218,2	2.819,0
	o/w : BiH Budget	51,6	51,6	61,5	57,6	52,3	54,9	60,2	54,9	57,6	60,2	52,3	60,2	675,0
	o/w: FBiH / Cantons, Municipalities, Road Fund	130,8	121,1	117,7	144,6	135,4	141,6	153,5	135,7	158,8	148,2	118,2	123,4	1.629,0
	o/w: RS / Municipalities, Road Fund	30,7	22,7	28,4	33,1	26,5	30,4	57,1	17,0	35,3	30,7	26,5	23,3	361,7
	o/w: Brcko	11,2	10,0	12,1	13,1	12,7	12,8	16,8	13,1	14,7	13,7	11,9	11,3	153,3
25	Transfers to lower levels of government	17,2	18,1	18,7	40,2	23,0	25,4	17,6	21,7	22,8	22,8	23,1	77,5	328,2
26	Net lending*	-1,3	0,0	-0,1	4,4	-0,7	-3,0	1,2	0,0	-0,1	4,0	0,3	2,3	7,0
3	Net acquisition of nonfinancial assets	4,7	4,7	8,4	13,3	6,5	19,3	16,7	11,3	5,7	19,2	5,8	26,5	142,0
4	Government surplus (+)/ deficit(-) (1-2-3)	103,2	-21,7	47,6	-11,7	4,4	-55,5	38,3	19,0	-11,5	-10,7	-24,0	-206,7	-129,2
5	Net financing**	-0,6	-1,4	-35,2	-9,0	-5,6	-8,2	-2,0	-34,9	-8,3	-9,7	-6,9	-45,2	-167,2

Table 1.

BiH: State, Entities, Cantons, Brcko District, 2008, preliminary report

	2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1	Revenues (11+12+13+14)	424.937.359	421.161.606	484.615.563	557.740.240	469.929.209	498.746.620	534.538.334	515.576.334	522.578.975	527.092.740	439.526.708	539.443.083	5.935.886.770
11	Taxes	366.910.974	362.566.157	421.267.883	441.834.492	418.424.853	419.737.730	445.997.592	434.823.091	462.335.536	451.171.769	389.210.447	444.945.237	5.059.225.761
	Income and profit tax	18.111.809	24.534.333	35.964.793	33.784.658	17.149.409	15.838.074	17.308.939	12.559.922	15.234.533	16.222.075	12.981.571	24.953.529	244.643.646
	Taxes on personal income and self employment	21.100.686	30.147.948	27.231.769	33.680.980	28.744.005	31.086.823	32.509.152	29.497.692	31.623.313	31.547.956	28.470.492	74.765.652	400.406.467
	Property tax	2.214.127	2.371.659	1.696.239	1.745.895	1.540.358	1.592.552	1.873.806	1.505.809	1.649.514	1.550.199	1.297.008	1.820.426	20.857.591
	Indirect tax revenues *	324.480.548	303.963.832	351.223.953	371.079.375	367.318.003	367.878.131	392.401.084	387.890.170	409.485.394	399.205.406	344.838.111	341.594.481	4.361.358.488
	Other taxes	1.003.805	1.548.385	5.151.130	1.543.583	3.673.078	3.342.150	1.904.611	3.369.498	4.342.783	2.646.134	1.623.265	1.811.149	31.959.570
12	Nontax revenues	56.389.323	56.149.652	61.221.440	54.404.152	41.940.535	76.245.187	85.036.010	74.387.342	54.813.669	70.305.803	47.656.110	78.009.432	756.558.654
13	Grants	1.517.035	2.389.365	2.060.368	61.499.768	9.504.312	2.549.536	3.487.865	6.364.484	5.275.830	5.572.938	2.658.057	16.058.541	118.938.100
14	Other revenues	120.027	56.432	65.872	1.828	59.509	214.167	16.868	1.417	153.940	42.230	2.093	429.872	1.164.255
2	Expenditures (21+22+23)	316.096.481	365.815.538	372.827.190	464.222.795	436.899.102	518.012.389	499.917.315	458.613.944	499.411.132	492.950.575	493.204.705	813.073.501	5.731.044.668
21	Current expenditures	315.690.471	363.316.125	369.707.279	455.409.514	433.602.826	515.598.055	494.589.247	455.799.005	499.898.186	484.278.271	488.840.710	803.812.758	5.680.542.447
	Wages and compensations	173.384.264	176.831.289	177.108.249	192.306.714	189.580.814	218.543.175	195.872.357	192.200.284	205.231.912	206.199.680	202.458.414	244.321.005	2.374.038.157
	Of which: gross wages	148.024.166	150.109.364	150.336.024	160.421.313	158.839.536	175.268.979	151.059.750	165.028.546	171.341.400	172.553.983	175.183.010	202.372.378	1.980.538.448
	Of which: compensations	25.360.098	26.721.925	26.772.225	31.885.401	30.741.278	43.274.197	44.812.607	27.171.739	33.890.512	33.645.697	27.275.404	41.948.627	393.499.709
	Other taxes and contributions	8.231.021	8.469.281	8.339.164	9.448.301	9.398.233	11.378.703	7.655.969	9.398.726	9.836.974	9.896.750	9.653.310	12.736.571	114.443.002
	Purchases of goods and services	26.338.282	35.359.857	44.678.159	43.162.702	39.583.509	43.861.720	43.018.194	42.182.123	54.668.382	52.633.882	55.741.000	135.110.463	616.338.274
	Grants	103.207.718	128.768.879	133.214.477	204.691.714	178.716.621	221.873.243	247.124.230	198.458.139	223.755.967	208.383.159	202.860.660	391.440.513	2.442.495.320
	Interest payments	4.529.186	13.886.820	6.367.230	5.800.083	16.323.649	19.941.213	918.497	13.559.732	6.404.952	7.164.799	18.127.326	20.204.206	133.227.694
22	Other expenditures	2.064.457	2.196.423	2.900.735	4.780.059	4.064.912	3.160.173	4.460.097	2.856.302	5.651.308	4.410.095	3.503.243	9.761.257	49.809.060
23	Net lending*	-1.658.447	302.990	219.176	4.033.222	-768.636	-745.838	867.972	-41.363	-6.138.362	4.262.209	860.752	-500.514	693.161
3	Net acquisition of nonfinancial assets	10.217.794	9.778.029	13.592.146	23.698.167	21.315.490	34.233.688	33.548.622	29.774.688	28.465.201	41.199.238	23.714.975	95.068.870	364.606.907
4	Gov. surplus/deficit (1-2-3)	98.623.084	45.568.038	98.196.228	69.819.278	11.714.617	-53.499.457	1.072.397	27.187.702	-5.297.357	-7.057.073	-77.392.972	-368.699.288	-159.764.804
5	Net financing**	-11.358.160	-13.075.109	-12.188.258	-8.667.075	-5.715.626	-8.410.429	-2.471.593	-35.081.172	-8.689.676	-9.947.292	-7.052.766	-46.957.216	-169.614.372

Table 2.

FBiH: FBiH budget, cantons, municipalities, 2008, preliminary report

2008	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Revenues (11+12+13+14)	309.319.008	288.083.428	309.632.945	323.932.194	313.352.822	342.659.210	358.320.178	350.493.162	352.586.053	347.551.508	289.913.137	345.433.949	3.931.277.594
11 Taxes	250.533.824	238.021.100	259.748.398	276.966.699	268.571.682	273.399.009	280.277.093	270.745.338	301.062.893	290.767.405	249.094.606	277.896.639	3.237.084.686
Income and profit tax	16.337.948	18.139.174	14.636.749	8.705.546	7.413.576	7.913.429	9.331.688	6.449.905	8.706.593	9.022.801	7.308.570	16.914.607	130.880.586
Taxes on personal income and self employment	16.748.155	23.695.836	19.023.405	25.073.947	21.320.496	21.755.143	23.651.196	21.398.779	23.377.917	22.337.833	20.369.572	45.714.807	284.467.087
Property tax	8.027.526	8.624.184	7.789.258	8.162.484	7.534.401	9.568.449	7.847.586	6.174.050	7.642.518	6.751.145	5.818.257	6.744.614	90.684.472
Indirect taxes*	208.102.582	185.860.451	213.162.992	233.280.569	230.860.628	232.480.046	237.508.859	235.085.761	259.272.881	250.796.512	214.034.490	206.266.373	2.706.712.144
Other taxes	1.317.613	1.701.455	5.135.995	1.744.152	1.442.581	1.681.943	1.937.763	1.636.842	2.062.984	1.859.114	1.563.716	2.256.238	24.340.396
12 Nontax revenues	57.754.366	47.566.262	47.984.009	45.302.462	40.328.286	65.429.380	73.302.271	74.476.705	47.731.841	52.597.294	38.215.350	57.159.706	647.847.933
13 Grants	636.130	1.618.581	1.394.728	1.205.138	4.254.413	2.590.860	3.809.694	4.726.848	3.251.106	3.381.598	1.947.436	9.554.229	38.370.763
14 Other revenues	394.688	877.485	505.810	457.895	198.441	1.239.960	931.120	544.272	540.213	805.210	655.745	823.374	7.974.212
2 Expenditures (21+22+23)	206.214.025	245.810.772	256.622.578	305.867.935	315.847.828	369.143.219	318.340.200	309.847.792	347.178.998	346.087.853	320.396.788	542.283.907	3.883.641.894
21 Current expenditures	204.038.782	242.563.702	251.519.720	303.128.571	312.388.089	362.146.485	315.580.892	306.127.328	345.766.364	342.704.058	316.974.694	527.063.515	3.830.002.200
Wages and compensations	93.689.121	98.999.815	99.479.630	109.450.285	109.591.783	139.200.398	96.976.297	106.955.764	115.829.661	112.609.454	108.437.295	148.927.505	1.340.147.009
Of which: gross wages	75.873.794	78.838.387	79.057.828	85.874.608	86.056.040	102.898.913	71.846.519	86.109.544	90.778.849	89.444.299	87.703.229	114.820.382	1.049.302.390
Of which: compensations	17.815.327	20.161.429	20.421.802	23.575.678	23.535.743	36.301.485	25.129.778	20.846.220	25.050.812	23.165.156	20.734.066	34.107.123	290.844.618
Other taxes and contributions	9.111.594	9.430.753	9.396.325	10.400.414	10.343.738	12.444.077	8.558.324	10.329.431	10.932.366	10.655.965	10.499.645	13.861.955	125.964.587
Purchases of goods and services	23.262.427	27.909.471	30.797.899	31.864.987	27.792.642	32.420.619	26.656.350	26.426.025	37.909.732	34.960.544	32.241.097	65.686.258	397.928.052
Grants	73.670.344	102.173.365	107.715.539	147.222.223	158.161.973	166.029.299	182.765.904	156.393.135	176.857.772	178.890.521	157.454.083	286.240.289	1.893.574.448
Interest payments	4.305.296	4.050.297	4.130.327	4.190.662	6.497.953	12.052.091	624.016	6.022.973	4.236.834	5.587.573	8.342.574	12.347.507	72.388.104
22 Other revenues	2.497.520	2.944.509	4.810.468	3.102.843	3.495.238	4.770.389	3.098.651	3.608.198	7.365.835	3.083.940	2.746.897	12.762.135	54.286.622
23 Net lending*	-322.278	302.562	292.390	-363.480	-35.498	2.226.345	-339.343	112.266	-5.953.201	299.855	675.197	2.458.257	-646.927
3 Net acquisition of nonfinancial assets	8.550.069	12.022.359	14.764.769	16.521.186	22.167.403	29.368.117	32.523.346	29.443.199	28.207.709	36.577.883	15.731.859	57.126.674	303.004.572
4 Gov. surplus /deficit (1-2-3)	94.554.914	30.250.298	38.245.598	1.543.074	-24.662.410	-55.852.126	7.456.631	11.202.172	-22.800.653	-35.114.228	-46.215.509	-253.976.631	-255.368.872
5 Net financing**	-12.734.125	-11.827.027	-12.498.608	-9.429.418	-5.554.631	-7.745.001	1.225.861	-12.528.321	-7.463.131	-9.773.082	-6.683.050	-39.613.247	-134.623.779

Table 3.

Sarajevo Canton, 2008

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Total revenues (11+12+13+14)	70.039.724	72.258.081	71.584.891	71.695.466	64.342.120	72.666.604	73.471.313	70.259.351	74.381.675	73.815.908	57.065.234	78.773.268	850.353.634
11 Taxes	54.369.070	56.703.791	55.831.442	60.427.255	54.735.805	56.308.998	61.331.452	52.849.911	60.205.807	61.187.590	48.124.974	66.594.761	688.670.856
Income and profit tax	6.047.944	7.440.639	3.173.372	3.687.758	3.513.144	2.329.481	3.535.729	2.302.059	2.176.296	3.399.877	2.934.163	7.453.952	47.994.415
Taxes on personal income and self-employment	5.566.816	10.711.212	6.360.538	9.905.526	7.908.859	7.594.735	8.871.737	7.582.676	8.599.513	8.245.928	7.140.829	17.552.140	106.040.510
Property tax	4.081.945	4.890.591	3.736.605	3.941.093	2.390.394	3.259.458	3.480.816	2.536.824	4.022.708	2.752.320	2.500.693	2.938.646	40.532.092
Sales tax (incl. excises) (according to Regulations until 31.12.2005)	1.208.967	1.059.302	407.413	1.386.370	897.714	809.101	604.172	323.251	566.316	402.559	688.695	272.651	8.626.511
Transfer from Single Account	37.076.445	31.987.579	38.128.912	40.934.167	39.552.529	41.776.536	44.320.250	39.559.750	44.273.448	45.840.456	34.351.775	37.830.510	475.632.358
Other taxes	386.952	614.467	4.024.602	572.341	473.165	539.687	518.748	545.351	567.526	546.450	508.818	546.862	9.844.970
12 Non-tax revenues	15.345.242	13.603.044	13.388.915	9.837.313	8.214.852	13.033.783	10.234.468	13.185.859	10.398.847	8.870.829	7.714.649	7.602.169	131.429.970
13 Grants	266.750	1.279.428	1.992.716	1.059.080	1.389.535	2.952.005	1.161.757	3.851.764	3.405.202	3.385.670	1.225.610	3.832.701	25.802.216
14 Other revenues	58.663	671.818	371.818	371.818	1.928	371.818	743.636	371.818	371.819	371.818	0	743.637	4.450.591
2 Total expenditures (21+22)	41.678.009	64.439.715	63.086.712	68.496.443	67.442.847	82.428.966	73.698.576	67.469.444	66.910.690	67.277.932	68.300.785	102.631.045	833.861.163
21 Current expenditures	42.348.126	64.484.502	63.156.192	68.906.820	67.511.601	82.468.122	74.135.480	67.364.102	72.810.764	67.078.529	67.734.482	102.071.712	840.070.431
Wages and compensations	20.854.429	22.684.064	22.934.820	22.788.066	21.718.776	30.997.638	20.426.183	20.829.539	22.974.987	22.832.948	21.605.558	26.728.764	277.375.770
Of which:: Gross wages	16.769.824	17.682.481	17.897.490	17.605.145	16.959.494	18.526.410	17.310.154	17.194.045	17.762.921	17.781.092	17.573.018	20.670.143	213.732.217
Of which: compensations	4.084.605	5.001.583	5.037.330	5.182.921	4.759.282	12.471.228	3.116.028	3.635.493	5.212.066	5.051.856	4.032.540	6.058.621	63.643.553
Other taxes and contributions	2.004.174	2.131.675	2.127.182	2.114.882	2.030.755	2.210.214	2.063.824	2.061.912	2.126.534	2.121.342	2.105.124	2.529.184	25.626.802
Purchases of goods and services	2.705.898	6.755.766	6.569.218	7.012.768	5.687.943	6.232.834	5.207.741	5.215.118	5.996.611	5.590.958	5.676.442	12.350.648	75.001.944
Grants	16.697.194	32.910.145	31.475.066	36.976.076	38.023.945	43.021.908	46.355.784	39.254.816	41.659.124	36.514.001	37.391.047	60.460.617	460.739.724
Interests payments	86.431	2.853	49.906	15.027	50.183	5.528	81.947	2.717	53.508	19.279	956.312	2.499	1.326.191
Transfers from lower spending units	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Net lending	-670.117	-44.788	-69.480	-410.376	-68.754	-39.156	-436.904	105.342	-5.900.074	199.403	566.303	559.333	-6.209.269
3 Net acquisition of non-financial assets	285.518	2.648.859	3.135.340	3.430.215	5.273.052	7.558.674	3.904.302	5.458.187	7.956.813	3.865.227	-1.904.816	14.072.711	55.684.082
4 Gov.surplus(+)/deficit(-) (1-2-3)	28.076.197	5.169.507	5.362.838	-231.193	-8.373.779	-17.321.036	-4.131.565	-2.668.279	-485.827	2.672.750	-9.330.735	-37.930.488	-39.191.610
5 Net financing**	-125.000	-9.722	-246.310	-16.843	-66.957	-9.722	-119.240	-9.722	-270.557	-30.384	-86.042	-9.722	-1.000.221

Table 4.1.

Tuzla Canton, 2008

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Total revenues (11+12+13+14)	43.927.475	29.792.534	36.820.720	38.573.492	35.550.234	40.788.529	39.832.389	37.354.699	40.327.701	41.675.963	33.082.922	44.012.171	461.738.830
11 Taxes	27.005.567	24.592.086	30.825.831	31.096.965	30.032.123	32.323.234	33.752.316	30.218.514	33.053.478	33.337.871	26.290.041	32.857.741	365.385.767
Income and profit tax	831.765	1.202.807	1.335.572	942.251	998.718	2.000.335	926.263	864.573	1.353.726	1.272.565	936.318	1.425.598	14.090.492
Taxes on personal income and self-employment	2.856.967	3.907.471	3.689.463	4.257.422	3.397.519	3.735.936	4.259.506	4.336.735	4.046.512	3.704.886	3.661.217	7.766.003	49.619.637
Property tax	920.287	961.563	1.215.671	1.273.355	1.724.567	1.248.088	963.731	909.050	988.652	1.123.737	983.922	1.049.559	13.362.182
Sales tax (incl. excises) (according to Regulations until 31.12.2005)	441.613	563.108	1.021.886	404.296	400.934	625.518	1.398.401	596.847	234.486	279.744	255.066	295.193	6.517.092
Transfer from Single Account	21.906.155	17.899.182	23.491.984	24.153.032	23.414.326	24.598.552	26.121.373	23.434.180	26.359.707	26.877.698	20.305.891	22.133.906	280.695.986
Other taxes	48.780	57.955	71.256	66.609	96.059	114.805	83.043	77.128	70.395	79.241	147.627	187.482	1.100.379
12 Non-tax revenues	16.540.886	4.967.154	5.449.731	6.617.673	5.132.191	7.365.903	5.038.058	4.955.056	4.988.937	7.096.627	5.830.719	9.697.147	83.680.082
13 Grants	340.784	190.812	512.199	856.055	342.540	1.036.891	1.024.569	2.168.060	2.284.067	879.300	447.082	1.453.363	11.535.721
14 Other revenues	40.239	42.481	32.959	2.800	43.380	62.501	17.446	13.070	1.218	362.165	515.080	3.920	1.137.260
2 Total expenditures (21+22)	24.056.316	28.558.593	33.017.012	37.003.737	33.404.495	37.152.980	45.499.643	35.671.828	42.081.690	41.794.112	41.765.703	57.389.162	457.395.269
21 Current expenditures	24.097.190	28.585.546	33.057.812	37.040.673	33.426.855	36.786.762	45.411.355	35.708.539	42.145.459	41.757.963	41.733.089	57.359.686	457.110.930
Wages and compensations	17.094.970	17.629.428	18.092.012	18.250.869	17.967.008	17.706.021	21.467.697	16.683.322	19.148.571	19.048.159	18.874.589	20.315.624	222.278.270
Of which:: Gross wages	14.247.866	14.654.264	14.725.286	14.692.836	14.780.544	14.513.483	14.990.329	14.470.303	15.393.587	15.507.761	15.698.917	16.032.149	179.707.324
Of which: compensations	2.847.104	2.975.165	3.366.726	3.558.033	3.186.463	3.192.538	6.477.368	2.213.020	3.754.985	3.540.398	3.175.672	4.283.475	42.570.947
Other taxes and contributions	1.697.269	1.740.387	1.803.805	1.690.720	1.753.061	1.733.684	1.781.503	1.739.374	1.838.375	1.798.393	1.867.304	1.906.151	21.350.026
Purchases of goods and services	4.069.730	4.099.370	5.211.482	6.452.175	4.859.582	6.503.046	5.241.916	4.608.741	7.200.422	7.180.331	5.613.064	15.650.400	76.690.258
Grants	959.405	4.880.840	7.666.492	10.075.226	8.437.562	10.536.142	16.517.484	12.324.490	13.668.350	12.783.781	15.052.032	19.119.417	132.021.222
Interests payments	14.086	11.278	10.220	324.171	71.444	48.327	11.597	9.991	9.612	690.932	81.332	8.566	1.291.557
Transfers from lower spending units	261.731	224.241	273.799	247.512	338.199	259.543	391.157	342.621	280.129	256.368	244.768	359.528	3.479.597
22 Net lending	-40.874	-26.953	-40.799	-36.936	-22.361	366.218	88.288	-36.712	-63.769	36.148	32.613	29.475	284.338
3 Net acquisition of non-financial assets	1.029.456	1.257.151	1.465.200	1.480.931	2.986.176	3.345.210	3.237.458	5.560.632	4.559.373	4.182.846	4.056.770	8.341.623	41.502.824
4 Gov.surplus(+)/deficit(-) (1-2-3)	18.841.704	-23.210	2.338.508	88.825	-840.438	290.339	-8.904.711	-3.877.761	-6.313.362	-4.300.994	-12.739.550	-21.718.613	-37.159.263
5 Net financing**	-207.382	-48.655	-44.641	-193.966	-100.868	-170.043	-122.922	-90.160	-81.557	-124.189	-105.949	-1.633.764	-2.924.094

Table 4.2.

Una-Sana Canton, 2008

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Total revenues (11+12+13+14)	20.067.566	17.881.682	20.574.663	22.341.100	21.664.612	20.812.626	22.765.558	21.880.935	23.621.900	23.293.795	18.138.777	16.115.231	249.158.446
11 Taxes	16.461.802	13.947.626	16.658.883	17.570.808	16.464.022	17.001.827	18.133.118	16.271.669	19.498.045	18.029.229	14.278.271	14.077.108	198.392.407
Income and profit tax	562.084	548.285	385.650	582.678	426.431	302.428	234.107	309.791	1.008.047	247.288	223.038	382.119	5.211.944
Taxes on personal income and self-employment	1.231.875	1.361.470	1.351.203	1.663.042	1.298.788	1.424.837	1.419.895	1.404.512	1.675.984	1.427.047	1.300.116	2.983.813	18.542.581
Property tax	536.647	680.350	561.504	505.949	421.649	707.418	777.698	322.266	359.994	551.838	416.516	448.243	6.290.071
Sales tax (incl. excises) (according to Regulations until 31.12.2005)	791.858	596.587	307.919	263.636	87.584	64.140	116.645	133.736	93.930	91.220	159.509	82.641	2.789.406
Transfer from Single Account	13.273.018	10.679.276	13.978.449	14.471.651	14.152.952	14.425.911	15.477.494	14.025.547	16.280.591	15.628.489	12.111.212	10.021.420	164.526.010
Other taxes	66.321	81.658	74.157	83.852	76.618	77.093	107.278	75.818	79.500	83.347	67.879	158.873	1.032.395
12 Non-tax revenues	3.596.764	3.873.251	3.379.649	4.165.886	4.893.470	3.504.600	3.496.308	4.570.517	3.358.361	4.425.350	2.791.184	1.313.779	43.369.119
13 Grants	9.000	60.805	536.131	604.405	307.120	306.199	1.136.133	1.038.748	765.495	839.217	1.069.323	724.344	7.396.920
14 Other revenues	0	0	0	0	0	0	0						
2 Total expenditures (21+22)	13.680.705	15.298.820	17.200.582	19.105.473	16.971.187	18.816.621	31.005.366	19.403.475	23.704.089	23.377.509	17.693.799	34.868.513	251.126.139
21 Current expenditures	13.680.705	15.310.710	17.188.039	19.105.473	16.971.187	18.802.321	31.009.654	19.426.576	23.692.968	23.393.478	17.694.742	35.076.053	251.351.906
Wages and compensations	8.685.481	8.978.123	9.467.693	9.784.173	9.751.742	10.226.231	12.926.381	9.497.874	10.867.030	10.682.875	10.503.365	11.637.674	123.008.642
Of which:: Gross wages	7.162.158	7.442.346	7.664.285	7.580.606	7.978.900	8.144.728	8.010.544	8.303.386	9.118.233	8.688.904	8.945.963	9.092.651	98.132.704
Of which: compensations	1.523.322	1.535.777	1.803.408	2.203.567	1.772.842	2.081.503	4.915.837	1.194.488	1.748.797	1.993.971	1.557.402	2.545.023	24.875.938
Other taxes and contributions	873.842	889.296	921.802	924.907	971.730	980.599	987.318	1.015.603	1.111.607	1.064.883	1.080.402	1.111.384	11.933.373
Purchases of goods and services	1.266.870	1.227.447	1.765.420	2.601.604	2.263.187	1.594.091	2.536.192	1.841.973	1.804.431	2.927.966	2.036.540	3.931.687	25.797.407
Grants	1.070.717	2.597.507	2.423.523	3.769.704	1.887.374	3.674.643	12.838.701	4.925.621	4.714.771	6.587.402	2.604.889	8.186.954	55.281.804
Interests payments	89.914	126.406	82.656	83.268	104.125	60.841	117.921	55.360	76.058	53.877	111.956	93.786	1.056.168
Transfers from lower spending units	1.693.881	1.491.932	2.526.945	1.941.817	1.993.029	2.265.917	1.603.140	2.090.144	5.119.070	2.076.476	1.357.591	10.114.569	34.274.511
22 Net lending	0	-11.890	12.543	0	0	14.300	-4.288	-23.101	11.121	-15.969	-943	-207.540	-225.767
3 Net acquisition of non-financial assets	760.113	507.648	1.161.961	2.194.712	2.465.069	2.465.918	3.603.632	3.416.542	1.211.244	2.458.521	2.676.621	4.059.237	26.981.220
4 Gov.surplus(+)/deficit(-) (1-2-3)	5.626.748	2.075.214	2.212.119	1.040.915	2.228.357	-469.914	-11.843.440	-939.082	-1.293.433	-2.542.235	-2.231.644	-22.812.519	-28.948.913
5 Net financing**	-1.673	-1.673	-38.782	-8.126	-8.107	-8.249	3.568.098	1.699.409	1.191.146	-9.025	334.463	6.483.377	13.200.858

Table 4.3.

Posavina Canton, 2008

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
1 Total revenues (11+12+13+14)	3.490.226	3.075.106	3.178.338	3.292.871	4.655.629	3.415.142	4.422.218	3.785.964	3.661.575	3.487.145	3.008.746	5.196.506	44.669.464
11 Taxes	2.599.548	2.249.073	2.767.081	2.724.153	2.678.273	2.826.659	2.958.490	2.711.092	3.050.216	2.987.387	2.418.365	3.450.504	33.420.841
Income and profit tax	117.870	145.482	103.275	38.614	46.127	22.584	27.568	41.832	24.270	71.074	57.556	80.532	776.785
Taxes on personal income and self-employment	223.105	266.557	239.037	266.458	256.950	261.103	263.378	234.808	256.136	260.977	257.934	950.541	3.736.986
Property tax	43.961	37.479	68.256	20.487	37.242	54.317	23.264	56.231	33.236	31.311	30.534	50.972	487.291
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	41.710	46.009	64.288	71.769	152.356	625.785
Transfer from Single Account	2.126.256	1.729.663	2.275.991	2.340.381	2.267.159	2.382.851	2.531.023	2.295.561	2.642.536	2.518.011	1.968.027	2.157.415	27.234.872
Other taxes	33.598	37.989	45.881	29.995	41.662	67.657	80.404	40.949	48.029	41.725	32.546	58.689	559.123
12 Non-tax revenues	705.479	768.601	346.753	509.014	385.627	413.905	578.954	460.456	446.015	393.069	422.137	486.310	5.916.321
13 Grants	95.722	1.000	60.143	57.875	1.590.770	173.619	882.139	608.000	144.204	106.120	165.485	1.258.884	5.143.961
14 Other revenues	89.476	56.432	4.360	1.828	959	958	2.635	6.417	21.140	569	2.759	808	188.341
2 Total expenditures (21+22)	2.414.443	2.524.208	3.358.613	3.186.124	3.513.385	4.081.026	3.103.652	3.426.233	4.761.238	3.508.084	3.015.989	4.712.457	41.605.451
21 Current expenditures	2.414.443	2.526.208	3.356.762	3.186.124	3.513.385	4.081.026	3.089.611	3.426.433	4.761.438	3.508.284	3.019.189	4.721.699	41.604.601
Wages and compensations	1.505.819	1.541.399	1.507.173	1.515.393	1.659.704	1.943.537	1.322.103	1.478.333	1.625.938	1.713.236	1.556.875	1.670.723	19.040.232
Of which:: Gross wages	1.155.484	1.194.786	1.179.583	1.106.774	1.337.547	1.183.574	1.059.435	1.154.285	1.206.932	1.251.185	1.214.874	1.244.756	14.289.216
Of which: compensations	350.334	346.613	327.590	408.618	322.157	759.963	262.668	324.048	419.006	462.051	342.000	425.968	4.751.016
Other taxes and contributions	139.408	141.599	140.170	139.221	163.146	145.754	128.373	134.754	140.924	147.323	145.109	149.771	1.715.552
Purchases of goods and services	867.075	562.916	881.824	722.391	600.499	693.717	501.018	551.734	874.460	599.732	734.795	853.821	8.443.980
Grants	-114.804	278.593	826.257	807.337	1.088.309	1.298.018	1.123.189	1.259.943	2.118.474	1.046.433	580.832	2.045.880	12.358.463
Interests payments	16.947	1.701	1.337	1.782	1.727	0	14.929	1.669	1.641	1.560	1.578	1.504	46.374
Transfers from lower spending units	0	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	-200	-200	-200	-3.200	-9.242	850
3 Net acquisition of non-financial assets	677	216.414	97.499	2.859	534.061	95.221	465.858	102.044	549.962	624.785	339.809	609.082	3.638.270
4 Gov.surplus(+)/deficit(-) (1-2-3)	1.075.106	334.484	-277.773	103.888	608.183	-761.105	852.709	257.687	-1.649.626	-645.724	-347.051	-125.033	-574.257
5 Net financing**	0	0	-3.943	-3.943	-3.973	0	-3.943	-3.943	-3.943	0	0	0	-23.688

Table 4.4.