

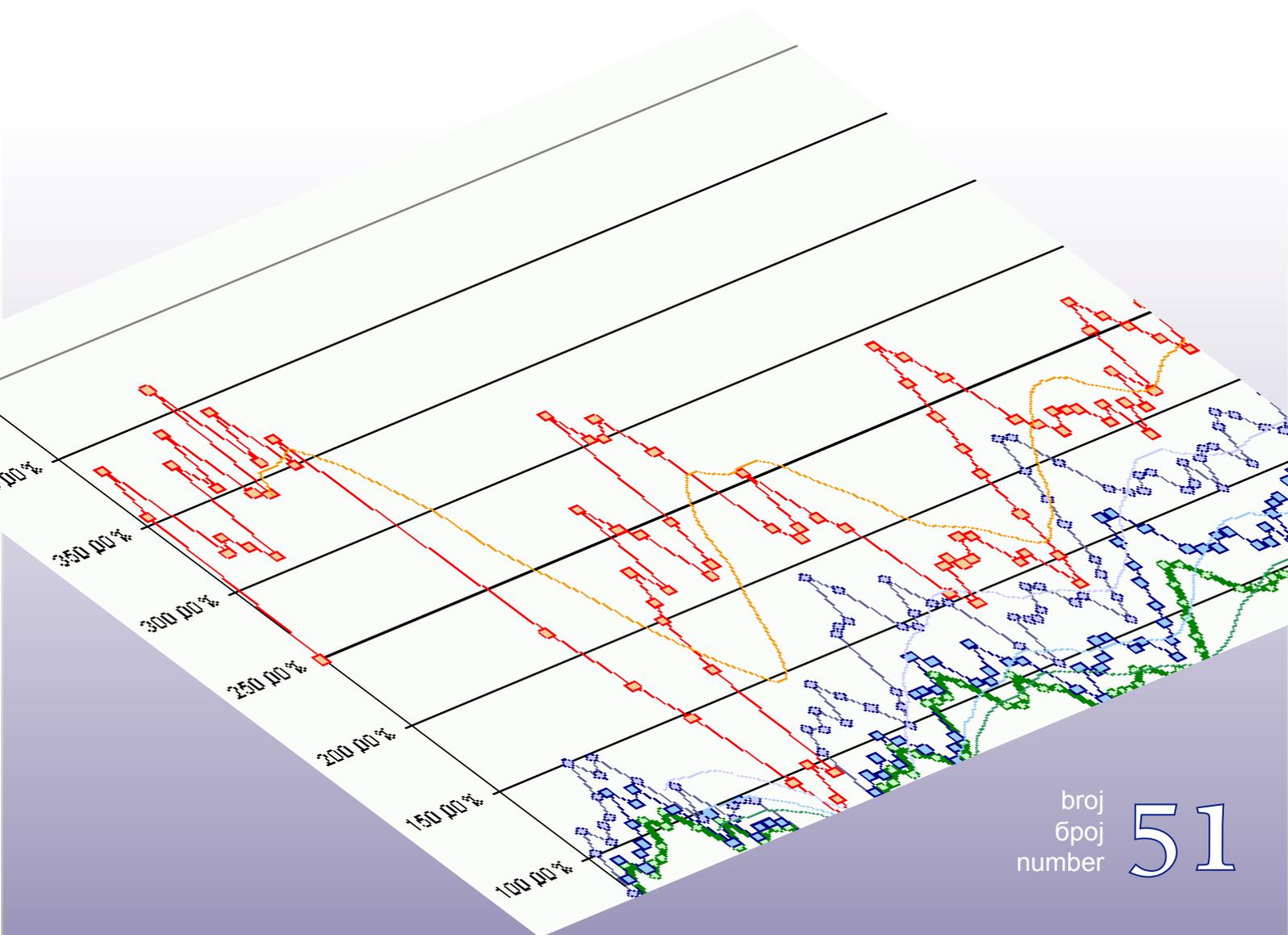
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



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



broj
број
number **51**

• Oktobar 2009 • Listopad 2009 • Октобар 2009 • October 2009 •

With this issue

In the last issue we announced the introduction of instruments that are available to fiscal authorities in Bosnia and Herzegovina in the domain of VAT policy, and by which they could directly or indirectly affect aggregate consumption, the company's liquidity and the fiscal balance. Measures and instruments in the system of VAT which the EU Member States has undertaken and other countries in the region must be viewed in light of the tax structure and overall importance of revenues from VAT for fiscal stability. Before accepting the VAT policy measures which are adopted by other countries, it is necessary to analyze the importance of revenues from VAT in the tax system in B&H and compare each segment of the system of VAT with the appropriate one in EU. Before the introduction of the VAT, tax burden of sales tax ranged within the limits of most EU Member States. After the introduction of VAT in 2006, it can be noticed a significant increase in tax burden. It is the cumulative result of several factors: higher rates of revenue neutral, spreading tax base, combating the grey economy and tax evasion, higher efficiency of ITA in terms of collection. In relation to the EU, B&H has the highest tax burden as % of GDP, but it is significant that the burden is in slow decline though. On the other hand, for decentralized fiscal system, and the low share of direct tax rates which is a result of low level of economic development, all governmental levels in B&H are highly sensitive to fluctuations in revenue from VAT. This disproportion in sense of VAT burden in the EU and B&H shows the sensitivity of all levels of government in B&H to sudden changes in the collection of revenues from VAT. It requires more cautious policy of VAT than is the case in most EU Member States. Bearing all this in mind each of the measures proposed in the policy segment of the VAT should be seen in light of the overall benefits that brings, but the total costs (on the side of the state, taxpayers) to measure overall effects.

In the past several issues we have analyzed the effects of the implementation of the new Law on Excise Taxes in B&H in the segment of the taxation of cigarettes, petroleum products, alcohol and alcoholic beverages and coffee. In this issue we continue with a series of articles that are related to the excise products, focusing on import/sales and taxation of non-alcoholic beverages in B&H, with regard to EU practice.

Dinka Antić, Phd
Head of Unit

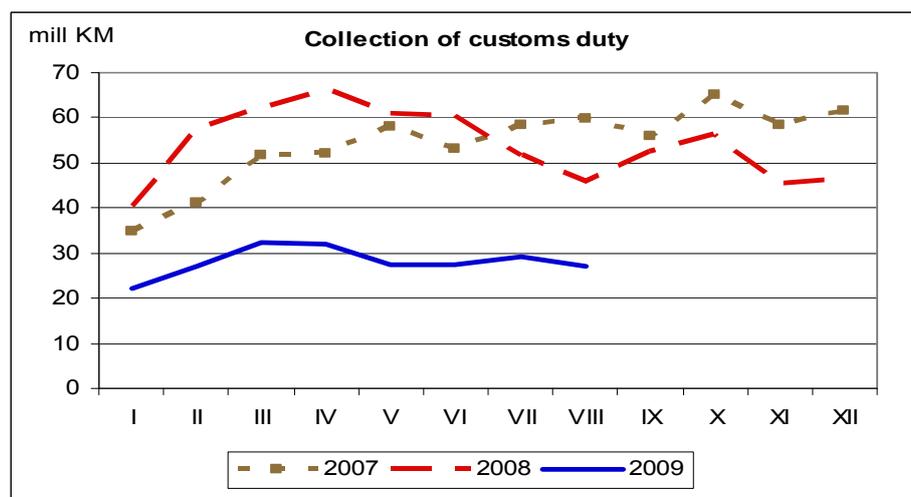
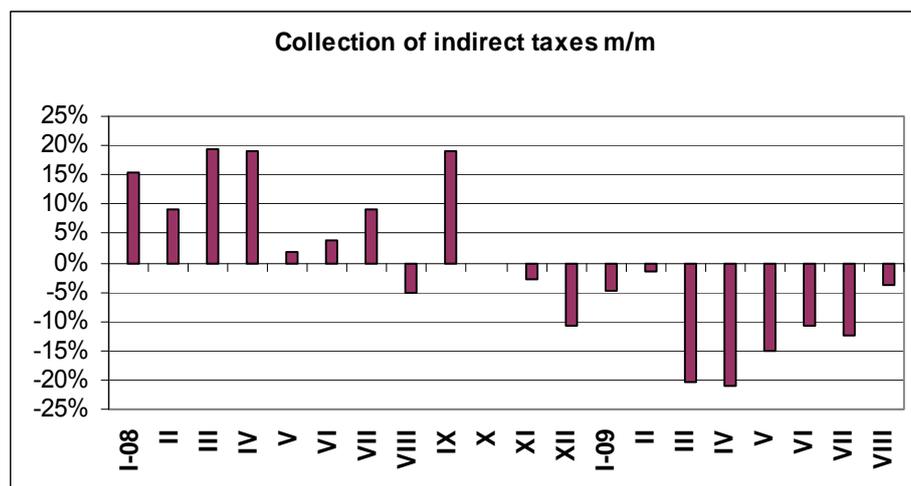
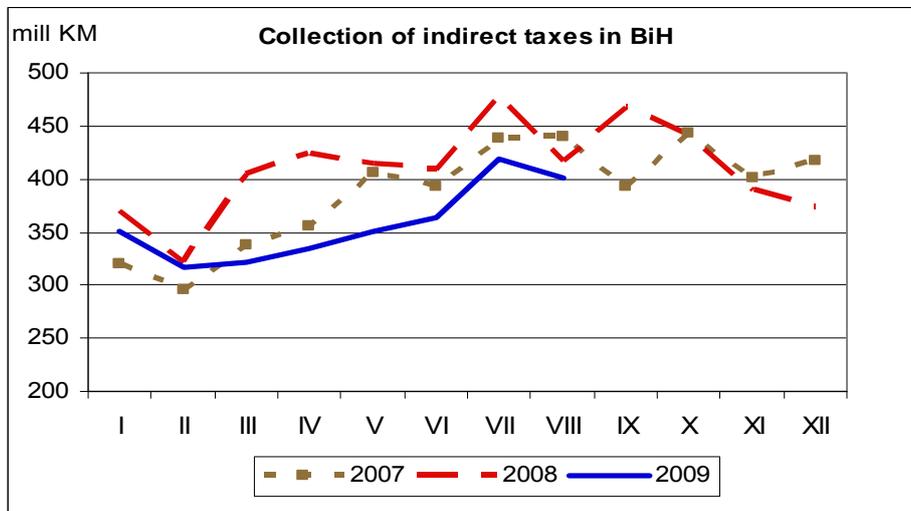
Table of contents:

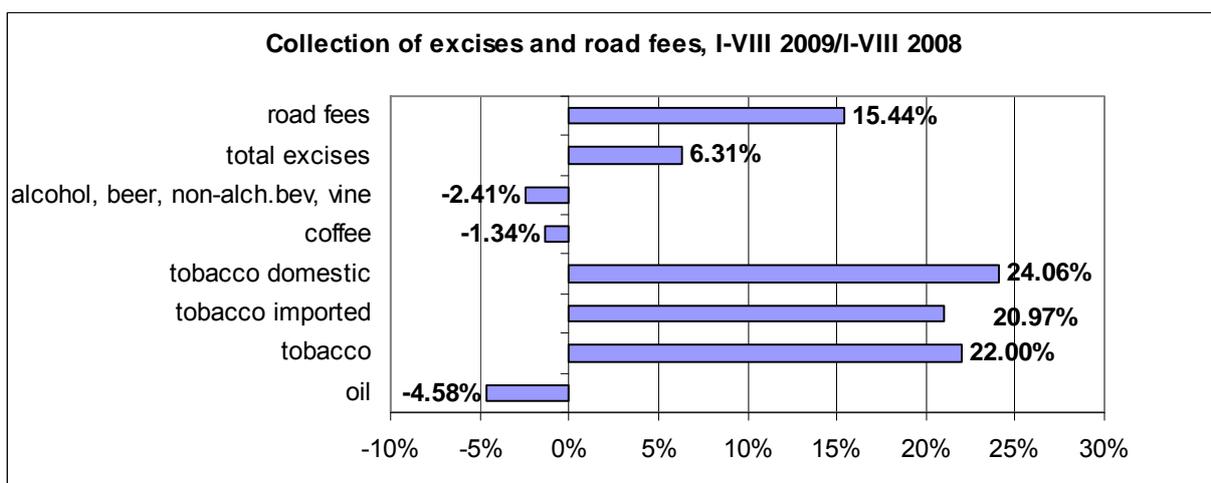
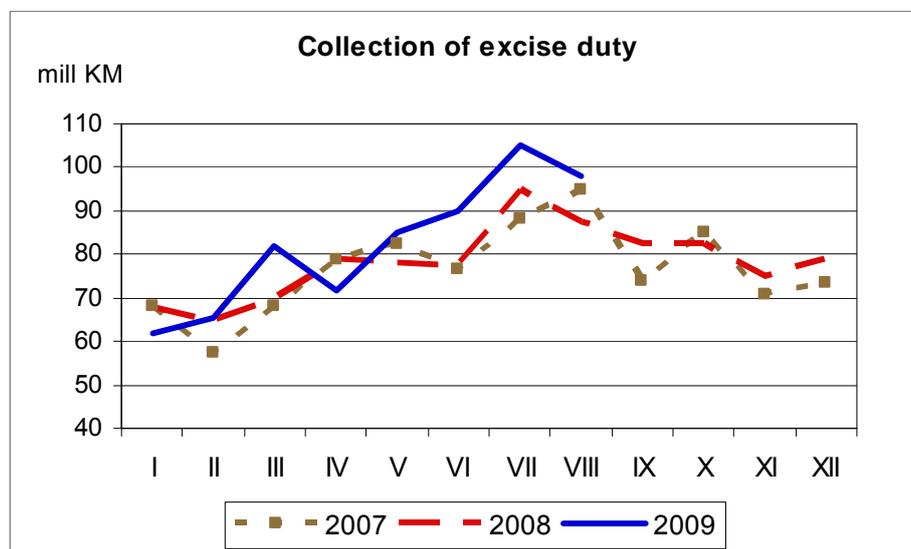
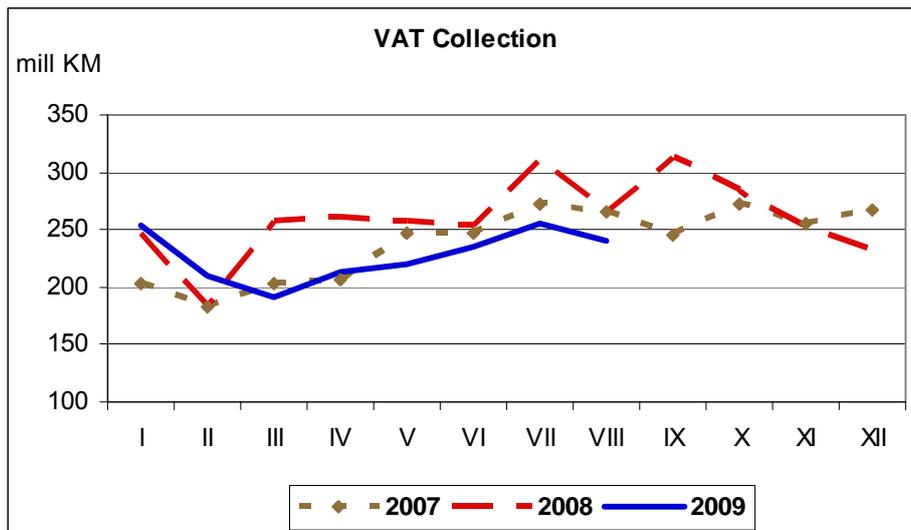
Highlights: Collection of indirect taxes in the period January – August 2009	2
Anticrisis measures in the policy of VAT in BiH: the implications of reducing the threshold for VAT registration	4
VAT policy in conditions of global economic crisis	8
Consolidated reports: Single Account, entities, I-VIII 2009	14
Consolidated reports: BiH, Brčko, entities, cantons, I-VII 2009	15
Consolidated reports: Cantons	17

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

Highlights: Collection of indirect taxes in the period January – August 2009

(prepared by: Dinka Antić)





Anticrisis measures in the policy of VAT in BiH: the implications of reducing the threshold for VAT registration

(Author: PhD Dinka Antic)

In the past few issues we analyzed the effects of the global economic crisis and anticrisis measures taken by EU Member States and other countries in the taxation system of VAT. Even at the time before VAT is implemented, political community in BiH speculated on the introduction of zero rate or reduced rates for basic living supplies, books, etc. In addition, some proposals go for reducing the threshold for taxation, and that VAT refund claims deadlines should shorten and to help exporters and others who have investments.

Being `above` or `below` the treshold for registration?

Registering for VAT produces certain economic and fiscal implications of the position of business entities and the state budget. The introduction of the threshold for registration of VAT taxpayers produces the same effect on the economic position of the companies above and below the threshold as well as VAT-exempted activities. Doing business outside the VAT system (ie, "below the threshold") produces:

- (1) decreasing the profit of small businesses, unless it is able to transfer the amount of input VAT to the buyer of their services or goods, or
- (2) increasing the sales prices, if the entity is able to transfer the amount of input VAT to the buyer of their services or goods. Transferring to the buyer may occur for several reasons:
 - If the relationship between supply and demand on a particular market segment enables that (lack of supply of certain goods or services, especially if they are "local" goods),
 - If demand for certain goods or services is price-inelastic (eg, basic living supplies or utilities) or
 - If the entity has a monopoly position on the market.

Due to the reasons outlined above a number of countries have established threshold for taxation, providing opportunity for small companies at the same time to voluntarily register for VAT if they consider that option would bring them economic effects. To prevent small firms included in VAT system to exploit it for tax fraud, countries determine certain requirements for small companies for voluntary registration, most commonly prescribing the amount of time over which they must be a part of VAT system¹.

The introduction of the threshold for registration of VAT taxpayers produces both positive and negative implications for both sides - the state (tax administration) and the taxpayer, and the economic system as a whole. Negative effects are reflected in the following:

- State gives up from revenues from VAT to be collected on the taxable turnover of companies and entrepreneurs, whose turnover is below the threshold for registration,
- Taxpayers give up from the positive effects on profit by doing business within the system of VAT, considering that doing business outside the VAT system disables to include input VAT ie it increases costs which consequently reduces profits,
- Cascade effect of the VAT hidden in input costs is transferred into the next phases of trade-cycle in many cases, and through double taxation with VAT included if customers are registered VAT taxpayers. This all leads to chain growth in selling prices, which adversely affects the general price level, the competitiveness of companies and social status of the consumer-end customers.

¹ Law on VAT in BiH requires from small companies to stay within the VAT system for minimum 5 years from the moment of registration for VAT.

However, when determining the threshold for taxation governments are very often led by fiscal effects, with the aim to increase revenues, ignoring the higher total costs for tax administration related to administering increased number of tax payers. Due to minor fiscal effects, developing countries often ignored IMF recommendations concerning the threshold level of taxation in the past, which proved disastrous for the revenues in years after. Nevertheless, increased number of registered VAT taxpayers requires additional resources for tax administration, human, material, financial, in order to be able to maintain basic functions (registration and communication with taxpayers, processing of applications, control and inspection). Usually increased number of taxpayers could not be accompanied by adequate funding of tax administration due to economic underdevelopment, fiscal deficit and indebtedness, which led to a loss of focus in the activities. Instead of directing resources towards the taxpayers who pay most of the revenues, reality could be described as irrational use of resources related to small taxpayers who contribute a little for overall fiscal effects. This has created space for the weakening financial discipline with large taxpayers, as well as space for tax fraud with small taxpayers who can withdraw the input VAT and that in due time "disappear", knowing that the tax administration has no resources for the control of the taxpayers. The end result is a threat to the state budget revenues.

The IMF studies and researches in developing countries showed that a large portion of the revenues from VAT are paid by a small percentage of taxpayers, typically 90% of revenues from VAT are paid by 10% of taxpayers. The same rule applies to developed countries. Further, despite the higher threshold for taxation, 76% of all taxpayers in the UK pay only 7% of revenues. Similar research before the introduction of VAT has been conducted in BiH by the EU CAFAO. Estimates of the threshold level of taxation have been made, among others on the basis of data of the number of taxpayers in the sales tax system in 2003 and its turnover. Taxpayers are grouped based on the turnover. The obtained results are very interesting even for evaluation the present proposal about reducing the threshold for VAT registration. According to these studies 11% of taxpayers with turnover over 50.000 KM pay 90% of revenues from sales tax (Chart 1), whereas only 1% of taxpayers pay 30% of the revenue from sales tax. We should not ignore the fact that the survey was limited to a single-phase tax, and that 1% of these companies have a huge significance for fiscal revenues, which are the responsibility of the ITA as they are large importers and large excise taxpayers.

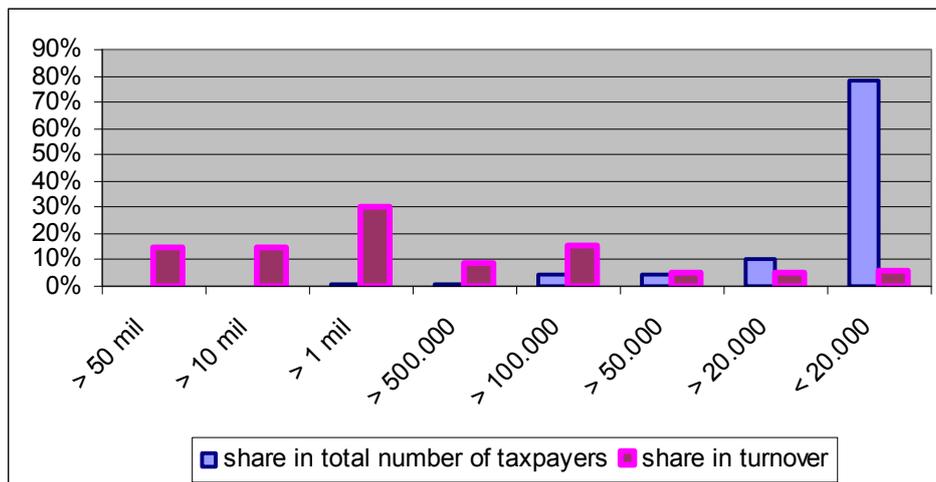


Chart 1: Distribution of turnover of sales tax taxpayers in BiH
(Source: CAFAO, 2004)

It is often unjustly considered that defining the threshold for taxation is the only interest of the state. So when the government considers the costs and benefits in connection with the decision on the level of the threshold for VAT registration, it considers only the costs of administering the additional taxpayers on the side of the state, neglecting the costs on the taxpayers' side. Costs

for taxpayers caused by the compliance with regulations in the sphere of VAT taxation understands wasting for the overall economy due to the redistribution of rare resource - capital outside of profitable sales or additional investment. The costs of small taxpayers, especially if there are a large number, can have significant economic implications for the company's operations, investments and income from taxes on profits or income. For this reason, the calculation of the optimal threshold for registration requires consideration of total costs, regardless of who is supposed to bear them.

VAT threshold for registration in BiH and analogy with EU

Comparing the threshold for registration for VAT in BiH with other EU Member States, following conclusion can be made that BiH has a threshold for VAT registration is little higher than the EU average (Chart 2), but slightly lower than the average of twelve New Member States.

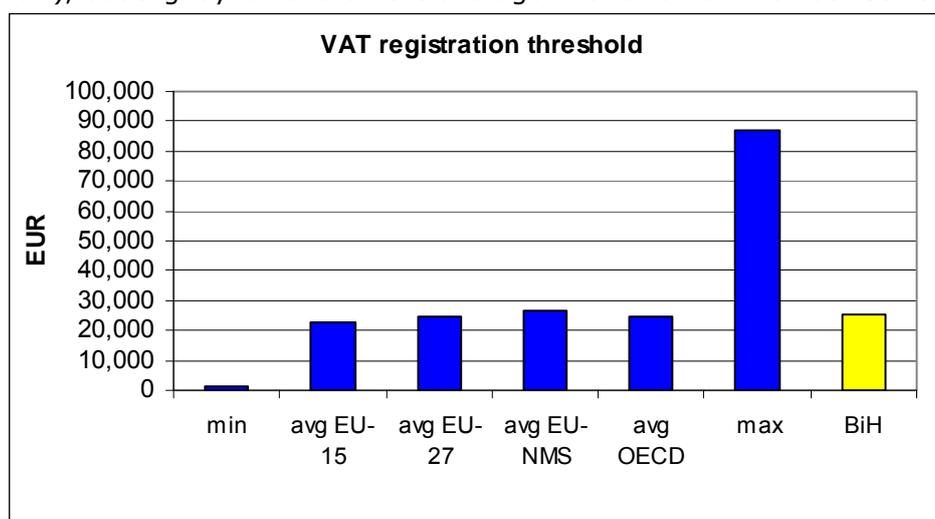


Chart 2: VAT registration threshold in EU, OECD, BiH

(Source: own calculations, OECD, 2006; International VAT Monitor, IBFD, Amsterdam)

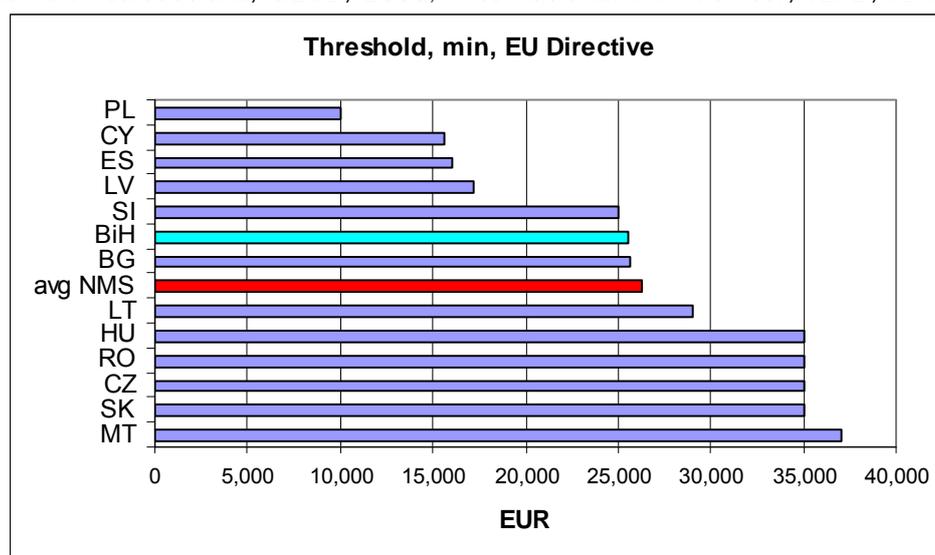


Chart 3: Minimum threshold for VAT registration in EU

(Source: own calculations, EU Directive 2006/112/EC)

At the EU level common minimum threshold is not prescribed for VAT registration since there are different definitions of a small enterprise. EU Directive prescribes minimum threshold allowed for 18 member states that joined the EU in the later stages (Chart 3). Comparing the average minimum threshold of 12 new member states with threshold in BiH, it can be concluded that the threshold in Bosnia is near the average.

We should not oversee that the threshold of KM 50.000 BiH has established in 2005, and that it has been several years since then, some of which, like in 2006 and in 2008, were marked by a significant rate of inflation. Because the law does not incorporate indexation, an obvious conclusion is that the threshold for registration is deteriorated in real terms (Chart 4, right scale).

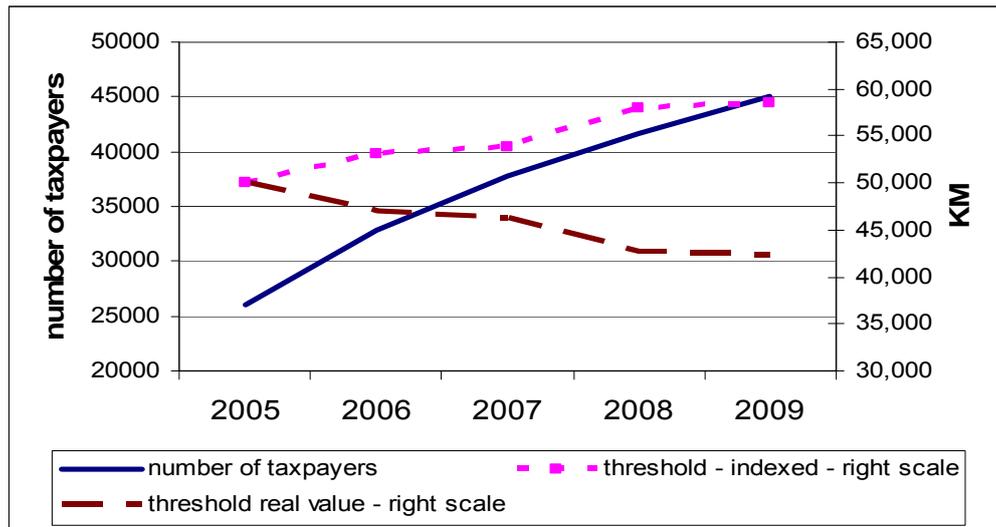


Chart 4: Registration threshold in BiH

(Source: own calculations, taxpayers' data - ITA, CPI – Directorate for Economic Planning)

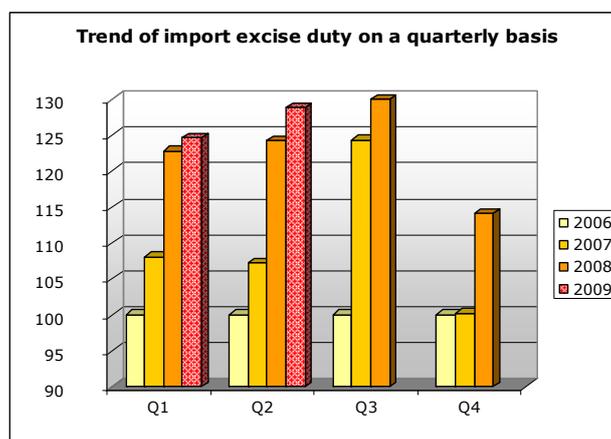
Price increase of inputs, businesses often transferred it on customers, through increasing sales prices of goods and services. From this statement following conclusion could be made that a large number of taxpayers that had a turnover below 50.000 KM in 2005 even without increasing the threshold officially, through nominal growth of income over the past years, became obliged to register for VAT. This very strong statement supports a constant increase in the number of taxpayers, which grew from initial 32.000 on 45.000 (Graph 4, left scale). Over time, unless there the threshold increases, more and more taxpayers will meet the minimum requirements for registration for VAT and will become a part of the VAT system even without changes of VAT related legislation. If the number of taxpayers do not increase as one may expect, it is necessary to take administrative measures to ensure that these taxpayers become registered for VAT. Due to the decentralized structure of the country, the ITA has no jurisdiction over the collection of direct taxes in BiH, it is necessary to establish a system for data exchange between the ITA and entities tax administrations including one in District whose coverage is more comprehensive than the one in ITA, and who have an insight into the amount of trade of businesses. Appropriate control of the process of fiscalization may be one of the sources of information about taxpayers who are not registered for VAT but whose annual taxable turnover exceeds the threshold for VAT registration. In the above text it is concluded that the benefits of inclusion of small companies may be negligible, while the costs of compliance with VAT regulations can be extremely high for these taxpayers in relation to turnover. During tough times as we witness it in the form of economic crisis, any additional tax burden could jeopardize operations of small companies, which can be harmful to the entire economy. For this reason, some countries such as Poland, have decided to increase the threshold for taxation for companies whose turnover is near the registration threshold in order to lower costs of tax compliance regulation.

Dynamics of import and revenue from excise duty on non-alcoholic beverages with brief overview of related legal framework in country and EU

(Author: Aleksandar Eskic, Macroeconomist in MAU)

Introduction

In the text that follows we analyze the characteristics of the revenues from excise taxes on non-alcoholic beverages; domestic and import excise and existing legal framework related to this area. Basically we used the quantity and the value, and the average price of imported non-alcoholic beverages as well. This tells us about the size of disposable income for this purpose in Bosnia and Herzegovina. Also, we show the size and dynamics of revenues from excise duties on these products by components; import and domestic excise taxes as well as quarterly data where we tried to show the seasonal influence on consumption of these products and consequently the revenues of this kind. Here we remind that the size of excise duties is calculated based on the size of traded non-alcoholic drinks. That's why we have matching curves which reflect the trend of quantity of these products and excise duties. In the second part we present the basic contours of domestic legislation related to excise duty on these products.



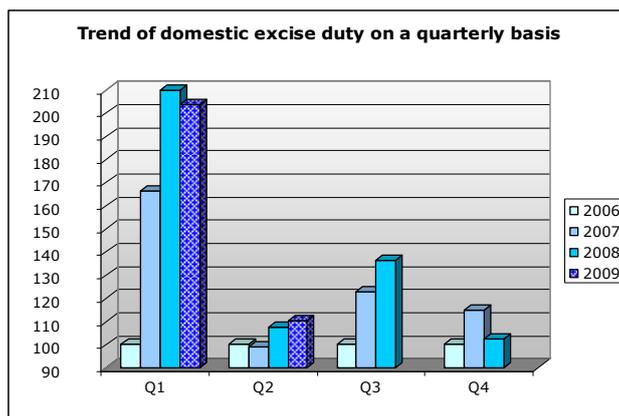
<i>Import excise</i>	Q1	Q2	Q3	Q4
2006	100	100	100	100
2007	108	107	124	100
2008	123	124	135	114
2009	125	129	115	

As it could be seen on the top chart, import excise on non-alcoholic beverages was above the level from the base year 2006. Likewise, it is noticeable that the import excise behaves differently if analyze its tendency quarterly. Here we exclusively analyzed the dynamic and direction of import excise. Therefore, analyzing data on a quarterly basis, import excise on non-alcoholic beverages recorded a constant growth in the first and second quarters of the observed period 2006 - 2009. At the same time, we conclude that the growth is slowing, so we have the growth index of import excise in the first quarter of 2008 in relation to the same period of the base year 2006 reached 123 whereas this index for the first quarter of 2009 is 125. The second quarter is characterized by the same direction with some prominent dynamics so that the index of growth on import excise on non-alcoholic beverages for 2008 was 124 while in 2009 peaked 129.

The third quarter, as the single most important in terms of consumption of non-alcoholic beverages, is characterized by significant volatility index changes of import excise. The value of this index for 2008 is 135, which is the maximum for the observed period, while the value of this

index for 2009 fell on 115 which represents a significant reduction compared to the previous year and the year before (2007). The fourth quarter has some of its specifics, so it has unchanged growth dynamic as in 2007, and then the index grew and stopped on 114 for 2008.

If we try to correlate the dynamic of domestic consumption in B&H in 2009 and projections for the next year 2010, the tendency of imports by the end of this year and projections for the next year, obvious reduction of net financing in the sector of households, we can assume that the value of the index of import growth will not go up, but will rather move between its values achieved in 2007 and 2008.



<i>Domestic excise</i>	Q1	Q2	Q3	Q4
2006	100	100	100	100
2007	166	99	123	115
2008	226	107	136	102
2009	204	110	124	

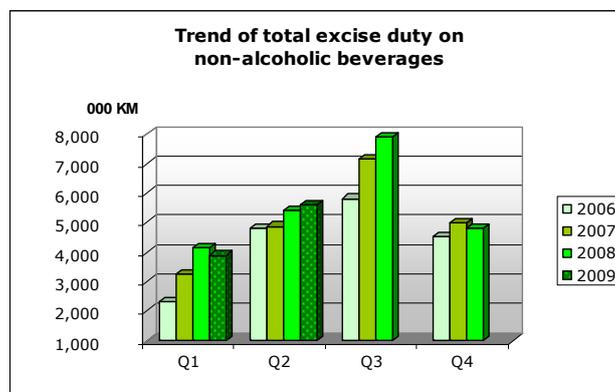
Looking at the intensity and dynamics of movement of domestic excise tax on non-alcoholic beverages, the first quarter is characterized by the fact that there is the strongest increase of this type of excise tax, although its participation is very modest in the overall excise in absolute terms. The index growth in 2008 is 226 compared to the base year 2006, and then we have drop of this index on 204 for 2009. In the second quarter the index ranges +/- 10% in the period compared to the base year.

In the third quarter have very strong growth of this index concluding with 2008 where the index value reached 136, followed by the fall in 2009 to the value of 124 which is approximately the level from 2007. The fourth quarter is characterized by certain oscillation so that, after strong growth in 2007, we have this index reach 102 for 2008.

Following qualitative analysis in previous section when we talked about the import excise, we can relate the trend of domestic excise duties to the trend of employment/unemployment, average wages, and structure of individual/family budget available to meet these needs, as a consequence of adverse economic developments that began in fourth quarter of last year and lasts until today.

If we try to forecast the trend of this kind of excise in the period to come, we must take into account the expected trends of key macroeconomic and microeconomic parameters and perception of the public/consumers about the certainty of such projections. The starting hypothesis for future analysis can be that domestic non-alcoholic beverages are consumed mainly by consumers with modest income, and they just were most exposed to unfavorable developments in the economic arena, as well as not very optimistic estimates regarding future

developments, and finally were forced to perform a comprehensive restructuring of its expenditures.



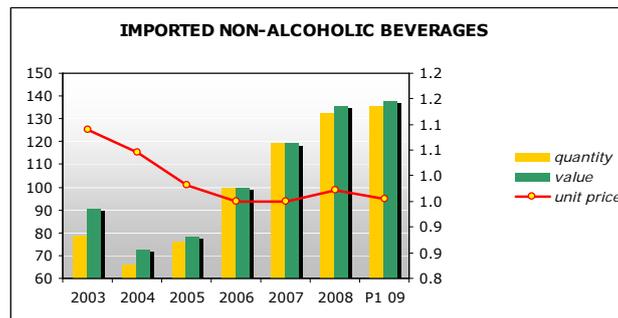
<i>Total excise</i>	Q1	Q2	Q3	Q4
2006	2,320,901	4,788,662	5,811,392	4,529,649
2007	3,244,807	4,876,619	7,169,861	4,992,261
2008	4,161,766	5,423,537	7,892,234	4,805,657
2009	3,892,391	5,596,237	7,025,515	

Presenting the table above and belonging chart on the trend of total excise tax on non-alcoholic beverages on a quarterly basis, we want to show the seasonal nature of consumption of these products and the total excise tax that is calculated on that basis. The amount of this type of excise tax is the lowest in the first quarter, while its maximum is reached in the third quarter. Regarding the quarterly dynamics of total excise tax, we see that the total amount of excise is characterized with rise until the fourth quarter of 2008 and then began to decline in comparison with the previous periods with the exception of the second quarter of this year. Many factors are contributing to this; some of them we have previously stated, but certainly the most important among them are generally reduced purchasing power of consumers and reduced portions of the individual/family budget for this purpose. Therefore we can expect a modest contribution to this type of excise tax in the total income, i.e. revenues from indirect taxes in the period that is ahead of us.

Overview of dynamic of imported quantity and value of non-alcoholic beverages²

We can clearly see on the chart that the quantity and value of imported non-alcoholic beverages almost doubled in the period `04 - P1 `09. In comparison to the base year the value grew slightly faster during the period `06 - P1 `09. During previous periods we notice that the quantity grew faster than value.

² *Methodology:* In the analysis we used data that are related to the period from 2003 - to P1 in 2009 (first six months). Also, we decided to use the index with base year 2006 in order to better highlight the direction and intensity of trends of the observed phenomenon. Also, it is necessary to highlight that comparisons were made with the values of the same period of previous year (2008 with 2007 and P1 of 2009 with P1 of 2008).



	2003	2004	2005	2006	2007	2008	P1 09
quantity	78.8	66.2	75.8	100.0	119.3	132.5	135.7
value	90.3	72.8	78.3	100.0	119.2	135.4	138.0
unit price	1.1	1.0	1.0	1.0	1.0	1.0	1.0

On the right scale we track unit price of imported non-alcoholic beverages represented by a red line. The price goes down, moving the level of 1.1 KM/kg to 1.0 KM/kg. In other words, unit price has been decreased by approximately 10%.

Certainly that this chart which represents the size of imported non-alcoholic beverages and its value corresponds to the previous chart which represents the import excise on non-alcoholic beverages since the excise duty is calculated solely based on quantity. At the same time, we note that we had data on the quantity and value of imported non-alcoholic beverages for the first 6 months while we had data on the excise on imported products for the first 9 months. Based on collected excise in the third quarter of this year and the assessment for the fourth quarter, we can conclude that the data on imports will differ from the existing related to the first 6 months, i.e. that the quantity and value will be at the level (or below) from the last year.

Overview of domestic legislation

New Law on Excise Tax, which has been into force from July 1st, 2009, defines non-alcoholic beverages that are subject to excise duties as well as soft drinks that do not fall into this category. So we have a definition of non-alcoholic beverages that are subject to taxation under this law as a refreshing, non-alcoholic beverages made from fruit juice, fruit bases, vegetable extracts, grains and whey, artificial refreshing soft drinks and low-energy refreshing soft drinks. Excluded from this law are:

- Natural mineral water, carbonated and non-carbonated water, spring water of domestic and imported stone and water;
- 100% natural juices made from fruits and vegetables and their mixture;
- Juices of fruits and vegetables, and mixtures thereof, with or without addition of water, with or without added sugar, with or without added preservatives, with or without CO₂, with or without artificial colors, with or without artificial flavors and other artificial additives, with the real and the declared 50% stake and more fruit and / or vegetables in the dry matter;
- Syrups, and pastilles intended for the preparation of soft drinks dilution in water.

The size of excise duty on non-alcoholic beverage that are subject of taxation is 0.10 KM/l and has not changed compared to the previous legal solution.

On November 5th, 2008, the Regulation on fruit juices, fruit nectar and similar products (Official Gazette 87/08) entered into force. Until the above date, the Regulation on product quality of fruit, vegetables and mushrooms and pectin products (Official Gazette of the SFRY 1/79, 20/89, 39/89 and 74/90) had been applied.

By comparing the definitions of certain terms-definitions that refer to the products of fruit (fruit juices) in these Regulations, it can be concluded that there was a significant change. Hereinafter new definitions are given of fruit juice and fruit nectar – a product made from fruits that is tax exempted by new Regulation as a separate category.

How to differ fruit juices and fruit nectar from other non-alcoholic drinks?

Fruit juice is a product of mechanical processing of one or more types of healthy, technologically mature, fresh or frozen fruit or that is not fermented. Color, aroma, taste and smell of fruit juice should be characteristic of the fruit from which juice is produced. Aroma and particles of fruit pulp tissue that were separated during processing may be returned to the same juice.

According to the Regulations on product quality of fruit, vegetables and mushrooms and pectin preparations obtained by mechanical processing a product of a healthy, technologically mature fruit, which is not fermented, bore the name of `home` fruit juice. Clear, Blurred and mushy fruit juices that are diluted with water or sweetened, could be declared as a "natural fruit juice` .

Fruit nectar is a product with the addition of water and sugar and/or honey (in quantities up to 20% of the total weight of the finished product) fruit juice, fruit juice from concentrate, concentrated fruit juice, dehydrated or powdered fruit juice, or mixtures of these products.

The minimum share of fruit juice in fruit nectar can vary from 25% to 50% depending on the type of fruit. Thus, for example, black currant nectar should have a minimum 25% share of fruit juice, black currant, sour cherry nectar at least 35% fruit juice, sour cherry, raspberry nectar minimum 40% fruit juice, raspberry, and apple nectar, orange, etc and should have at least 50% fruit juice, fruit rated.

Fruit nectar is not a fruit juice but the product with a high share of fruit juice. Regulation for quality fruit, vegetables and mushrooms and pectin preparations did not know the term `fruit nectar` and this kind of fruit products were defined as `fruit juice` .

Special rules for classifying fruit juice and fruit nectar, and how to differ them:

- If the product comes from only one type of fruit, the word `fruit` or `fruity` shall be replaced by the name or the name of fruit accompanied by a description that does not contain the word `fruity` (e.g. orange juice or concentrated juice made from oranges).
- Except the product name, fruit juices to which is added sugar in sweetening purposes, must carry a description of `sweetened` or `added sugar/sugars` behind which states the maximum amount of added sugar, calculated as dry matter and expressed in g/l of the finished product.
- For fruit nectars the declaration should specify a minimum share of fruit juice, fruit puree or a mixture of these ingredients, the words `share of the fruits: at least ...%` . This data must be in the same sight as the product name.

Conclusion

Regarding the implications of consuming this kind of products on revenues from indirect taxes, not only excise taxes, we can conclude that revenue from customs duties will further deteriorate under the contractual obligations with the European Union (Interim Agreement - the Stabilization and Association Agreement) and the Contract on Free Trade with the CEFTA countries. Further, the reduction in unit prices could affect the reduced revenue from the VAT. Therefore, reduction of the quantity of consumption of these products causes a multiple loss of revenues from indirect taxes, not just revenue from excise duties.

It is logical that with reduction of household consumption, reduced individual/family budget comes to reducing consumption of these types of products. We should not ignore that due to this development sector of catering and tourism suffers too. The question is what government can do to protect their position? The most recent solution of this problem in the European Union go toward exposing these sectors to a special regime of reduced VAT rates which are contained in Directive 2009/47/EC which amends Directive 2006/112/EC that regulates the area of reduced VAT rates. This fact has its value not only in terms of response of the government on new circumstances, but also that the authorities recognize and analyze this problem, create solution with prior detailed analysis and assessed the overall effects of such policy. The economy of Bosnia and Herzegovina, together with its citizens, that is faced with the problems occurred, among others, due to economic imbalances at the global level; patiently wait for an adequate answer in order to improve its position. Assumptions for this are the responsible authorities at all levels who are ready to, with joint efforts, deliver new solutions for a better tomorrow.

Consolidated reports

(prepared by: Mirela Kadić, Research Assistant)

Table 1. (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 2. (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

Table 3.1, 3.2. and 3.3. (Consolidated report: Cantons)

1. Consolidated report includes:

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

BiH: entities and SA, I-VIII, 2009.

		I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Ukupno
1	Current revenues	384,6	359,4	402,3	417,5	426,9	445,6	499,0	449,4	1146,3	1290,0	948,3	3384,6
11	Taxes	367,0	337,2	370,4	392,8	380,0	387,7	441,6	422,0	1074,6	1160,5	863,6	3098,7
111	Indirect taxes	351,7	316,9	322,8	335,6	355,0	365,1	420,0	397,7	991,4	1055,7	817,8	2864,9
	VAT	254,3	209,2	191,4	213,1	222,7	235,1	255,8	239,8	654,9	670,9	495,7	1821,5
	VAT on imports	126,3	151,9	174,9	177,3	161,5	178,3	182,6	165,6	453,0	517,1	348,2	1318,3
	VAT from VAT returns	168,1	109,4	106,1	100,2	117,5	116,8	124,4	136,5	383,6	334,6	260,8	979,0
	VAT from automatic assessment done by ITA	0,0	0,0		0,0	0,1	0,0	0,1	0,1	0,1	0,1	0,1	0,3
	One-off VAT payments	0,1	0,4	0,1	0,2	0,1	0,1	0,1	0,1	0,6	0,4	0,3	1,2
	Other	2,6	1,9	2,3	1,6	1,7	1,8	2,4	1,7	6,9	5,2	4,1	16,1
	VAT refunds	-42,8	-54,4	-92,0	-66,3	-58,2	-61,9	-53,7	-64,1	-189,2	-186,3	-117,8	-493,3
	Custom duties	22,3	27,7	33,2	32,4	27,9	28,5	29,7	27,6	83,2	88,8	57,3	229,2
	Sales tax	0,4	0,7	0,6	1,0	0,6	0,5	0,7	0,5	1,7	2,1	1,2	5,0
	Excises	61,7	65,4	81,8	71,5	84,9	89,7	104,9	98,2	209,0	246,0	203,1	658,1
	on imports	49,1	44,2	55,9	45,4	53,4	57,6	74,0	62,4	149,2	156,3	136,4	441,9
	on domestic production	12,6	21,2	25,9	26,1	31,5	32,1	30,9	35,7	59,8	89,7	66,7	216,2
	Railroad tax	12,0	13,3	15,4	16,7	17,9	10,7	27,5	30,3	40,7	45,4	57,7	143,8
	Other	1,0	1,1	1,3	1,4	1,5	1,4	1,8	1,8	3,4	4,2	3,6	11,3
	Other refunds	-0,2	-0,5	-0,8	-0,4	-0,5	-0,9	-0,4	-0,4	-1,5	-1,8	-0,8	-4,0
112	Direct taxes	15,3	20,3	47,5	57,2	25,0	22,6	21,6	24,3	83,1	104,8	45,9	233,8
	Income taxes	14,2	18,6	45,7	56,0	24,0	21,6	20,4	23,1	78,5	101,6	43,5	223,6
	Other tax revenues	1,1	1,7	1,8	1,1	1,0	1,1	1,2	1,2	4,6	3,2	2,4	10,2
12	Non-tax income	16,0	21,9	31,5	24,5	46,8	57,2	56,8	27,2	69,4	128,4	84,1	281,9
13	Other revenues	0,0	0,1	0,1	0,1	0,0	0,5	0,1	0,0	0,2	0,6	0,2	0,9
14	Grants	0,7		0,2	0,1	0,0	0,0	0,0	0,0	0,9	0,0	0,0	1,0
15	Transfers from other level of government	0,8	0,2	0,2	0,1	0,1	0,3	0,4	0,1	1,2	0,5	0,5	2,2

		I	II	III	IV	V	VI	VII	VIII	Q1	Q2	Q3	Ukupno
2	Current expenditures	311,6	374,2	396,9	437,7	419,7	468,3	468,4	426,2	1082,7	1325,6	894,6	3302,9
21	Consumption expenditures	56,3	80,3	82,0	88,0	86,3	107,0	65,4	81,5	218,6	281,3	146,9	646,8
211	Wages and compensations	53,0	72,7	72,4	72,9	73,2	91,8	50,4	69,8	198,1	238,0	120,2	556,3
212	Purchases of goods and services	3,4	7,6	9,6	15,1	13,1	15,2	14,9	11,7	20,5	43,3	26,6	90,5
22	Grants, transfers, subsidies	17,4	55,4	69,6	86,9	81,6	74,6	106,7	66,0	142,4	243,1	172,7	558,2
23	Interest payments	0,7	9,1	13,1	2,2	20,2	23,5	3,0	14,0	22,8	45,9	16,9	85,6
24	Other expenditure/transfers	1,0	20,6	21,6	24,4	21,8	28,3	27,0	21,1	43,2	74,5	48,1	165,8
25	Transfers from Single Account	216,8	200,8	176,8	210,9	188,0	213,1	243,1	224,8	594,4	612,0	468,0	1674,4
	o/w : BiH Budget	52,3	60,7	62,2	62,2	56,5	62,2	65,0	59,3	175,2	180,8	124,3	480,3
	o/w: FBiH / Cantons, Municipalities, Road Fund	124,0	110,9	84,1	115,4	99,0	113,6	138,2	126,6	319,0	328,0	264,8	911,8
	o/w: RS / Municipalities, Road Fund	29,8	20,0	21,3	23,5	22,2	26,5	28,1	27,2	71,1	72,2	55,3	198,6
	o/w: Brcko	10,6	9,2	9,2	9,8	10,3	10,9	11,9	11,7	29,1	31,0	23,5	83,6
27	Transfers to lower levels of government	18,7	7,5	33,6	22,7	22,6	21,8	22,6	18,5	59,8	67,1	41,2	168,0
28	Net lending*	0,7	0,5	0,2	2,6	-0,7	-0,1	0,5	0,4	1,4	1,8	0,9	4,1
3	Net acquisition of nonfinancial assets	0,3	9,7	10,8	5,7	5,6	7,8	5,2	6,1	20,9	19,0	11,3	51,2
4	Government surplus (+)/ deficit(-) (1-2-3)	72,6	-24,5	-5,4	-25,8	1,6	-30,4	25,4	17,0	42,7	-54,6	42,5	30,5
5	Net financing**	-0,63	-0,40	15,96	97,48	154,84	-19,36	372,96	163,71	14,9	233,0	209,3	457,1

Table 1.

BiH: BiH, entities, BD, cantons, I-VII, 2009.

	I	II	III	IV	V	VI	VII	Total
1 Revenues (11+12+13+14)	361.428.773	384.787.981	439.503.843	577.438.561	450.466.367	493.422.184	488.214.997	3.195.262.706
11 Tax revenue	319.298.953	340.213.980	383.291.493	401.195.094	378.019.476	371.096.110	401.741.508	2.594.856.615
Income and profit tax	23.185.593	39.045.333	76.485.845	103.317.370	53.990.200	43.046.132	46.990.253	386.060.727
Property tax	2.616.954	2.550.559	1.618.842	1.547.039	1.591.952	1.682.943	1.797.932	13.406.221
Indirect taxes	292.781.079	297.423.279	304.253.151	294.137.097	319.854.295	324.343.011	351.992.402	2.184.784.313
Other taxes	715.327	1.194.809	933.655	2.193.589	2.583.030	2.024.024	960.921	10.605.355
12 Nontax revenues	37.355.275	42.477.553	55.144.550	173.230.120	70.476.578	109.853.520	83.006.132	571.543.728
13 Grants	4.750.762	1.956.955	1.013.242	2.949.876	1.958.317	11.988.811	3.331.858	27.949.821
14 Other revenues	23.784	139.492	54.558	63.471	11.996	483.742	135.498	912.541
2 Expenditures (21+22+23)	313.091.145	361.506.797	442.653.419	454.477.816	454.295.806	518.706.508	448.056.191	2.992.787.682
21 Current expenditures	311.226.693	356.941.573	438.580.864	445.529.991	448.643.558	512.384.611	440.198.256	2.953.505.545
Gross wages and compensations	195.666.838	221.839.913	222.760.579	220.823.658	223.361.047	280.372.442	181.915.288	1.546.739.764
Purchases of goods and services	23.118.824	33.176.712	38.223.804	44.617.742	42.118.488	70.350.795	39.629.858	291.236.223
Grants	91.022.478	92.749.996	164.423.265	177.818.537	162.916.572	137.345.945	215.378.500	1.041.655.294
Interest payments	1.418.553	9.174.952	13.173.216	2.270.053	20.247.451	24.315.429	3.274.609	73.874.265
22 Other expenditures	1.280.520	4.127.522	4.129.946	6.541.133	6.544.775	6.528.415	6.806.797	35.959.109
23 Net lending	583.932	437.702	-57.391	2.406.692	-892.527	-206.518	1.051.138	3.323.028
3 Net acquisition of nonfinancial assets	7.432.265	9.851.371	14.850.461	11.093.544	16.892.610	31.615.981	14.945.365	106.681.597
4 Gov. surplus/deficit (1-2-3)	40.905.364	13.429.813	-18.000.038	111.867.201	-20.722.048	-56.900.305	25.213.441	95.793.427
5 Net financing	-1.284.777	-640.935	15.568.201	100.858.810	154.684.991	-24.366.718	373.000.897	617.820.469

Table 2.

Bosnia-Podrinje Canton, I-VI, 2009. g.

		I	II	III	IV	V	VI	Q1	Q2	I-VI 2009	I-VI 2008
1	Revenues (11+12+13+14)	2.516.509	2.478.733	2.231.419	3.298.174	3.666.737	2.602.777	7.226.661	9.567.688	16.794.349	21.590.401
11	Tax revenue	2.141.951	1.973.848	1.900.398	2.680.304	2.175.842	2.244.316	6.016.198	7.100.462	13.116.659	15.850.561
	Income and profit tax	165.920	98.254	64.954	694.777	231.349	253.069	329.128	1.179.194	1.508.322	1.767.363
	Property tax	30.880	23.956	11.004	22.316	14.880	20.703	65.841	57.899	123.740	341.880
	Indirect taxes	1.942.462	1.851.298	1.823.950	1.963.076	1.929.482	1.970.398	5.617.709	5.862.956	11.480.666	13.672.951
	Other taxes	2.689	341	490	135	131	146	3.520	412	3.932	68.367
12	Nontax revenues	296.728	248.296	252.575	498.658	545.462	256.576	797.599	1.300.696	2.098.295	2.017.123
13	Grants	76.252	254.423	76.491	112.147	940.932	96.422	407.166	1.149.501	1.556.667	3.665.997
14	Other revenues	1.578	2.165	1.955	7.065	4.502	5.463	5.698	17.029	22.727	56.720
2	Expenditures (21+22+23)	2.932.191	2.961.305	3.288.815	3.069.889	3.797.848	3.286.887	9.182.312	10.154.624	19.336.936	18.950.758
21	Current expenditures	2.933.057	2.961.626	3.289.178	3.070.531	3.797.848	3.287.208	9.183.862	10.155.587	19.339.448	18.953.159
	Gross wages and compensations	1.656.581	2.077.436	1.825.636	1.872.409	1.787.438	1.815.646	5.559.653	5.475.493	11.035.146	10.632.431
	Purchases of goods and services	339.204	360.786	485.728	326.598	371.758	325.792	1.185.719	1.024.149	2.209.868	2.498.118
	Grants	875.438	522.065	976.499	868.381	1.637.258	1.144.709	2.374.002	3.650.348	6.024.350	5.806.367
	Interest payments	61.834	1.339	1.315	3.143	1.394	1.060	64.488	5.597	70.085	8.047
	Other expenditures	0	0	0	0	0	0	0	0	0	8.196
22	Net lending	-866	-321	-363	-642	0	-321	-1.550	-963	-2.512	-2.401
3	Net acquisition of nonfinancial assets	42.336	29.056	108.165	129.331	45.605	283.427	179.558	458.363	637.920	791.267
4	Gov. surplus/deficit (1-2-3)	-458.019	-511.629	-1.165.561	98.953	-176.715	-967.537	-2.135.209	-1.045.299	-3.180.508	1.848.376
5	Net financing	-180.889	0	-14.968	-14.279	-15.274	-13.632	-195.858	-43.185	-239.043	-191.581

Table 3.1.

Posavina Canton, I-VIII 2009.

		I	II	III	IV	V	VI	VII	VIII	I-VIII 2009	I-VIII 2008
1	Revenues (11+12+13+14)	2.910.075	2.046.434	2.669.607	3.072.257	4.071.836	2.525.487	3.155.825	2.781.812	23.233.333	29.315.494
11	Tax revenue	2.136.462	1.681.150	2.059.492	2.541.017	2.073.835	2.078.148	2.607.767	2.298.482	17.476.352	21.514.371
	Income and profit tax	146.828	136.598	379.781	742.126	305.884	277.011	260.996	171.451	2.420.673	2.554.751
	Property tax	50.711	33.473	24.064	34.033	29.860	57.063	60.253	44.315	333.771	341.238
	Indirect taxes	1.921.038	1.494.251	1.639.368	1.759.756	1.734.110	1.741.539	2.282.614	2.076.824	14.649.499	18.240.247
	Other taxes	17.885	16.828	16.280	5.103	3.982	2.535	3.905	5.891	72.409	378.135
12	Nontax revenues	551.256	365.285	585.424	390.720	439.441	397.806	523.750	458.330	3.712.011	4.168.790
13	Grants	222.356	0	24.691	140.520	1.558.561	49.534	24.308	25.000	2.044.970	3.469.268
14	Other revenues	0	0	0	0	0	0	0	0	0	163.065
2	Expenditures (21+22+23)	2.693.811	3.377.412	2.679.307	2.613.759	3.016.844	2.855.696	2.732.498	2.657.880	22.627.208	25.607.682
21	Current expenditures	2.693.811	3.377.412	2.679.307	2.613.759	3.020.344	2.855.696	2.732.498	2.657.880	22.630.708	25.593.990
	Gross wages and compensations	1.701.767	1.734.507	1.740.624	1.733.790	1.727.073	1.706.055	1.462.629	1.873.295	13.679.740	13.605.884
	Purchases of goods and services	652.702	690.032	687.617	527.883	543.039	632.312	405.513	484.975	4.624.073	5.381.172
	Grants	322.860	951.680	248.399	352.086	750.233	517.328	849.497	298.283	4.290.366	6.566.843
	Interest payments	16.483	1.193	2.668	0	0	0	14.858	1.327	36.529	40.091
	Other expenditures	0	0	0	0	0	0	0	0	0	
22	Net lending	0	0	0	0	-3.500	0	0	0	-3.500	13.692
3	Net acquisition of nonfinancial assets	348.928	293.344	92.342	64.917	294.477	120.261	212.388	70.420	1.497.077	1.514.632
4	Gov. surplus/deficit (1-2-3)	-132.665	-1.624.322	-102.043	393.581	760.515	-450.469	210.939	53.512	-890.952	2.193.180
5	Net financing	0	0	0	0	0	0	0	0	0	-19.745

Table 3.2.

Tuzla Canton, I-VI 2009.

		I	II	III	IV	V	VI	I-VI 2009	I-VI 2008
1	Revenues (11+12+13+14)	26.181.664	24.772.742	28.867.113	41.860.769	35.087.990	35.229.092	191.999.370	225.452.985
11	Tax revenue	21.759.201	20.805.668	22.558.358	34.291.310	24.650.860	24.359.619	148.425.016	175.875.806
	Income and profit tax	1.444.682	2.226.880	3.760.370	12.338.923	4.761.029	4.197.703	28.729.587	29.156.226
	Property tax	752.170	1.160.215	1.164.019	1.297.507	921.223	1.008.288	6.303.423	7.343.531
	Indirect taxes	19.557.328	17.390.979	17.619.219	20.632.177	18.951.407	19.119.277	113.270.387	138.920.585
	Other taxes	5.020	27.593	14.751	22.703	17.200	34.352	121.619	455.464
12	Nontax revenues	3.903.281	3.579.106	5.465.610	7.010.695	6.836.416	10.345.742	37.140.850	46.073.538
13	Grants	518.246	356.111	739.738	539.574	3.538.954	518.131	6.210.754	3.279.280
14	Other revenues	937	31.857	103.407	19.190	61.760	5.600	222.751	224.361
2	Expenditures (21+22+23)	27.214.898	28.487.519	32.108.662	32.621.311	32.590.262	37.366.377	190.389.028	193.193.134
21	Current expenditures	27.249.515	28.529.026	32.160.856	32.651.859	32.646.444	37.417.787	190.655.486	192.994.839
	Gross wages and compensations	20.171.141	20.997.188	21.459.390	21.127.564	20.672.013	20.778.301	125.205.598	117.159.234
	Purchases of goods and services	3.712.549	3.213.200	5.647.816	5.316.712	4.964.416	6.724.413	29.579.105	31.195.385
	Grants	2.820.618	4.134.321	4.740.102	6.095.322	6.774.265	9.061.733	33.626.360	42.555.667
	Interest payments	363.922	8.579	7.292	9.792	70.888	687.053	1.147.526	479.527
	Other expenditures	181.286	175.737	306.256	102.469	164.862	166.287	1.096.897	1.605.026
22	Net lending	-34.617	-41.507	-52.194	-30.548	-56.182	-51.410	-266.457	198.295
3	Net acquisition of nonfinancial assets	989.569	915.631	1.068.883	2.128.265	1.626.378	1.547.360	8.276.086	11.564.123
4	Gov. surplus/deficit (1-2-3)	-2.022.803	-4.630.408	-4.310.432	7.111.194	871.350	-3.684.645	-6.665.744	20.695.728
5	Net financing	-207.723	-103.876	-146.593	-153.499	-173.282	-1.730.962	-2.515.935	-765.554

Table 3.3.