

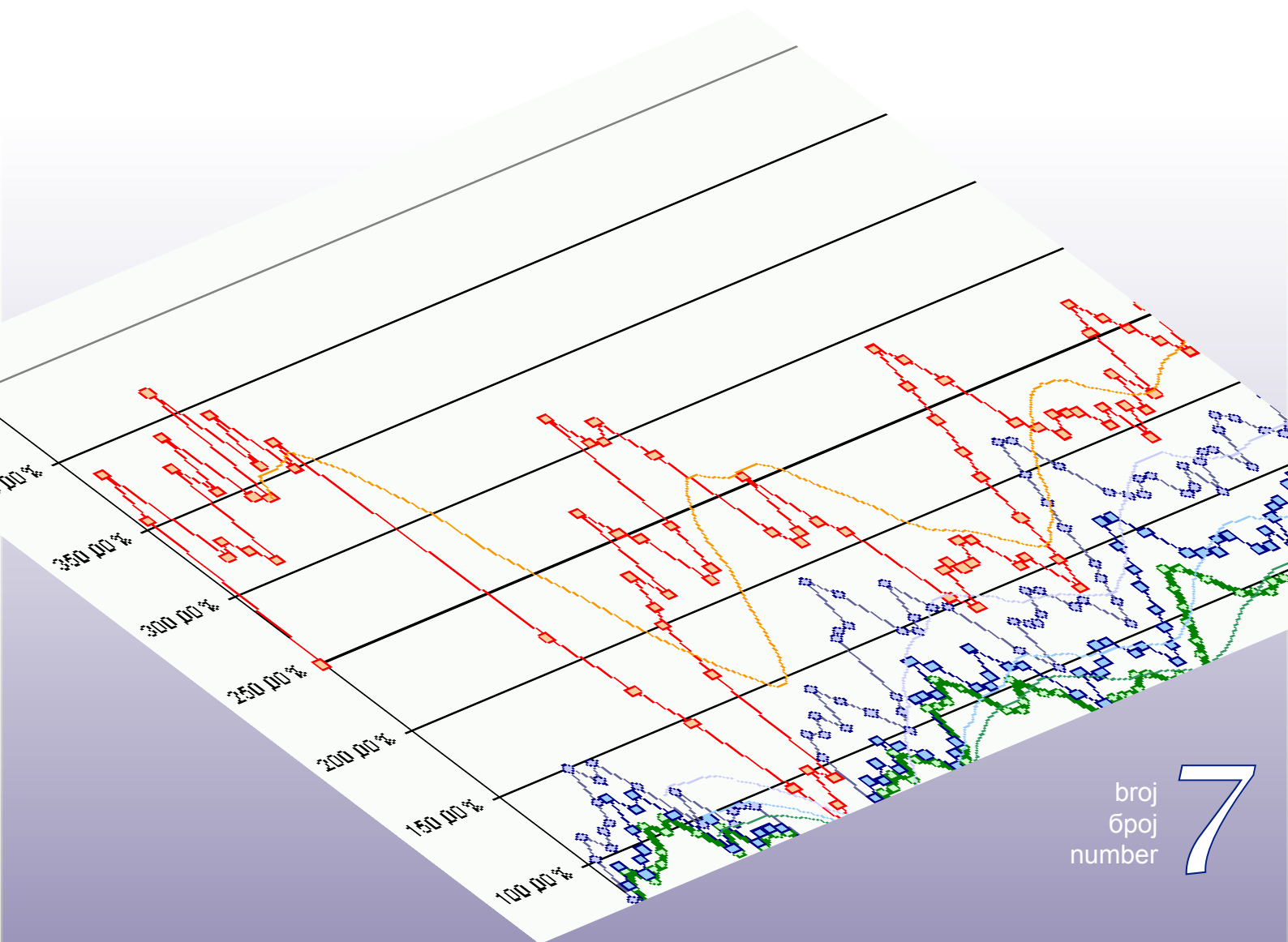
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



Босна и Херцеговина
Одјељење за макроекономску анализу
Управног одбора Управе за индиректно
опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



broj
број
number

7

• Februar 2006 • Veljača 2006 • Фебруар 2006 • February 2006 •

With this issue...

The system of monthly reporting for all levels of the administration is functioning! Reporting units are sending data to the Unit every day and many of them are entering data directly into the Unit's database through the internet. In the letter of support that's published in this issue, key representatives of the international community in BiH and international financial organizations are inviting all levels of the administration, especially cantons, municipalities and funds, to deliver monthly data to the Macroeconomic Analysis Unit.

Introduction of VAT requires new approach to fiscal reporting. Elimination of the sales tax and introduction of the VAT causes structural break in series of data on indirect taxes, making it difficult to prepare comparative reports. In this issue, you can learn more about causes of data incompatibility and problems in reporting during the first phase of VAT implementation.

The last fiscal year was in light of the ITA single account establishment. The single account system for collection of indirect taxes is based on complex IT architecture. From the contribution made by EU-CAFAO¹ team that cooperates with ITA on establishing the single account, we can see complexity of the single account system and links with other modules of the integral ITA IT system.

In this issue, we present you analysis of tax burden on BiH economy from the aspect of indirect taxes collected to the ITA single account in 2005. We also present you brief analysis on collection of indirect taxes for January 2006. Until we reach conditions for publishing monthly consolidated reports for all levels of the administration, we will continue publishing monthly consolidated reports according to the same system as in 2005. We provide you with the consolidated report that includes fiscal operations of entities and ITA single account for January 2006. We also publish reports for 2005 for the Federation and Republic of Srpska, including fiscal operations of each entity and total revenues collected at the entity level.

mr.sc. Dinka Antić
Head of Unit – supervisor

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¹ European Union - Customs and Fiscal Assistance Office to Bosnia and Herzegovina - Ured za carinske i fiskalne poslove Evropske unije (EU-CAFAO) u Bosni i Hercegovini

News: Support of international community to the Unit's activities



The World Bank

Ministry of Finance and Treasury of Bosnia and Herzegovina
 Ministry of Finance of Federation of Bosnia and Herzegovina
 Ministry of Finance of Republika Srpska
 Head of Budget and Finance Unit of Brcko District

All Cantons, Municipalities and extra budgetary funds

Letter of Support to Macroeconomic Analysis Unit of the ITA Governing Board

Over the last three years, significant progress has been made in the fiscal policy arena within BiH. Most notably, the legal establishment of the Indirect Tax Authority (ITA), its Governing Board (GB) including Ministers of Finance from the BiH and Entity levels, the transfer of indirect tax policy and legislation to the State Level and the introduction of Value Added Tax (VAT).

Part of this reform process saw the establishment of the Macroeconomic Analysis Unit (MAU). The MAU was created with the aim to provide technical support to the ITA Governing Board and the BiH Fiscal Council, in order to monitor fiscal developments and produce analysis to facilitate the development of coordinated fiscal sustainability at all government levels and the macroeconomic stability of the country as a whole.

The logical first step in the implementation of this task is to establish a system of revenue and expenditure data collection at all government levels (State, Entities, Brcko District, Cantons, Municipalities and Funds) on a monthly basis, and produce monthly consolidated reports for the State as a whole. The fiscal operations of the State, Entities, Brcko District and ITA Single Account were included in the monthly consolidated reporting system in the course of 2005.

As of 2006, with the full consent of the Governing Board and Fiscal Council and our full support, it is requested all Cantons, Municipalities and Funds (Health, Employment, Pension) in BiH should be included within the system.

We, as key Representatives of the International Community and the lead agencies in coordinating and provision of economic advisory assistance to BiH strongly welcome the establishment of the MAU and this vital widening of its functions. We encourage all government levels, particularly Cantons, Municipalities and the Funds to submit their monthly reports on revenues and expenditures, to the Macroeconomic Analysis Unit within 30 days from the end of reporting month in the form prepared by the MAU on a regular basis from 1 January 2006.

We wish to emphasise that regular monitoring of budget execution at all levels of government is a cornerstone of sound fiscal management, a key goal of World Bank and IMF supported reforms."

We are confident that the required expansion of the MAU's functions in 2006 will be a success and look forward to reviewing MAU's expanded data and analysis as the year moves on.

Sarajevo, February 23, 2006

Renzo Daviddi
 Head of Economic/ Political Department,
 Delegation of the EC to BiH

Ambassador Lawrence Butler
 Principal Deputy High Representative, OHR

John Norregaard
 Resident Representative of the IMF

Dirk Reinermann
 Country Manager of the World Bank to BiH

Announcement to reporting units

We would like to ask reporting units (cantons, municipalities) that have not delivered data on revenues and expenditures for January 2006 to deliver it **as soon as possible**. This is to harmonize reporting for February and following months with deadlines supported by the Ministries of Finance and representatives of the International Community in BiH.

The reporting units can deliver reports to Ms. Aleksandra Regoje by fax (No. 033 279 625) or Internet.

Persons authorized to input data through the Internet should talk directly with Sulejman Hasanovic (Tel. 033 279 533) in order to get passwords for entering data through the Internet.

Instructions for entering data through the Internet as well as the Bulletin no. 5 which provides detailed description of monthly reporting and template for entering data (adapted to budget classifications) can be found on the Unit's web site: www.oma.uino.gov.ba or we can provide it to you on your request.

The first year of VAT: Complexity of reporting on collection of indirect taxes

(prepared by: mr.sc. Dinka Antić)

By the establishment of the Indirect Taxation Authority, competences for collection of indirect taxes were transferred from the entities and Brcko District to the state level. The transfer of competencies was made gradually. In the first phase covering 2005, ITA took over competencies in the field of collection of customs duties, excise, sales tax on excisable products and road tolls on price of oil derivatives. With the introduction of VAT in January 2006, ITA took over competencies in collection of all indirect taxes: customs duties, excise, VAT on imports and VAT in the country, and road tolls on price of oil derivatives.

Changes in competencies for the collection of indirect taxes in 2006 compared to the situation in 2005 and impact of collection share of ITA and entities/District in indirect taxes can be seen from the following table:

2005		2006	
ITA (62%)	ENTITIES / BD (38%)	ITA (96%)	ENTITIES / BD (4%)
Customs	Sales tax on other products	Customs	Lagging sales tax on products and services
Excise		Excise	
Sales tax on excisable products	Sales tax on services	VAT	
		Imports	
Road tolls		by VAT declaration	
		Road tolls	

Problems in making comparative reports in 2006

Changes in competencies for the collection of indirect taxes have an impact on reporting on collection of indirect taxes in terms of complexity for comparative reports in relation to previous years. In 2005, at the time of split competencies, partial reporting was possible: ITA and entity tax administrations were able to report on revenues under their jurisdiction. Reports on collection of individual types of revenues in 2005 were comparable with the reporting system from 2004, through revenue codes that remained unchanged or were reclassified for the purpose of reporting. However, since VAT was

introduced, it's not possible to make comparative reports on partial basis. As of January 2006, ITA can report on collection for single month and compare it with the collection plan for 2006. Entity tax administrations will be in charge for the collection of lagging sales tax on products and services (according to sales tax declarations from the last week of 2005 and final sales tax declarations for 2005) and for finalizing enforced collection procedures.

First year of the VAT and monthly collection analyses

In addition to impact on making comparative reports, the introduction of VAT has an impact on monthly analysis for the collection of indirect taxes due to non harmonization in collection trends of indirect taxes with regards to standard scheme of monthly dynamics in collection from previous years. What are the causes for this?

Characteristics of value added tax as form of taxation:

Multistage collection of VAT

Value added tax is multistage sales tax that is collected in every stage of sale from imports, production to retail, as opposed to the one stage sales tax that is collected on most of goods (except excisable ones) and services in the last stage of sale. Dynamics in collection of VAT system should be more regular during the year for goods or services that go through more stages of sale before they reach final consumers. Since it's expected for VAT to count for 50% of total collection for indirect taxes, more regular collection of VAT can affect dynamics in total collection of indirect taxes, leading to change in standard collection scheme.

VAT refunds and tax credit

In the VAT system, it's necessary to calculate net VAT which represents difference between gross VAT collection and VAT refunds stated in VAT declaration. Dynamics in collection of revenues from VAT also depend on amount of tax credit stated by taxpayer in VAT declaration for one month, using tax credit for paying VAT liabilities in next month.² Difference between refund and tax credit from the aspect of cash flow on the ITA single account is that refunds represent outflow from the account and tax credit reflects through decrease in collection of VAT in next month. Having in mind provisions of the Law on VAT in BiH according to which taxpayers who are not exporters do not have right to refunds for at least six months in 2006, it's likely that there will be accumulation of "unused" tax credit of taxpayers who had high investments in the beginning of 2006, and taxpayers who have production cycles with long periods of purchasing or cycles that are subject to seasons.

Specifics of VAT in the first year:

11 VAT monthly declarations

The first VAT declaration is to be filed by February 10th, 2006, which means that total collection for January 2006 will include only VAT paid on imports. VAT liabilities will be paid in February within deadlines for filing declaration following balancing for January (input VAT on imports and purchases and output VAT from invoices issued to buyers in January). However, if we compare it with previous year, in January last year we already had collection of sales tax on all goods (excisable ones at import and goods and services for final consumption within the country).

10 months of VAT refunds

Since the first VAT declaration is filed in February and refunds are realized in March 2006 in the first year of VAT, refunds will have impact on dynamics of collection in other ten months of 2006.

² Declaration for January is to be filed by February 10th, and tax credit stated in that declaration will be used to cover VAT liabilities stated in declaration for February.

Legal provisions regulating transfer from sales tax system to VAT system:

Collection of VAT on goods in stock for retail on December 31st, 2005, by persons who are not VAT payers in 2006

According to the provisions of the Law on VAT, persons who are not VAT payers are obliged to calculate VAT on goods in stock for retail on December 31st, 2005, and pay total amount of tax until February 28th, 2006. So, VAT based on this will show up only in February 2006.

Collection of lagging sales tax in invoiced sales

According to the provisions of the Law on VAT, sales tax contained in unpaid invoiced sales, will be paid by taxpayers upon payment for sales or until June 30th, 2006, at the latest. This means that, in the second part of 2006, we can expect occasional payments of lagging sales tax from enforced collection procedures.

From above mentioned analysis, we can make the following conclusions:

- Introduction of VAT and abolishing of sales tax caused structural break in time series of data on collection of indirect taxes in BiH
- January and February 2006 can not be typical months for comparison of revenues from indirect taxes with the ones from previous years. They can also not be typical ones for comparison with the same months in 2007
- Introduction of VAT will change standard scheme of monthly collection for indirect taxes, and it's not going to be possible to compare dynamics in collection of indirect taxes by months in 2006 with the monthly dynamics of collection in previous years
- Making comparative reports in 2006 is possible only at the level of total collection of indirect taxes in the country
- Only in 2007, it will be possible to establish time series that will be a base for monthly comparative reports in 2008

Role of the Macroeconomic Analysis Unit

One of the priorities in the work of Macroeconomic Analysis Unit is actually the collection of monthly data on revenues and expenditures for all levels of administration, including indirect taxes collected by ITA, entities and Brcko District. In every issue of the bulletin, the Unit publishes consolidated monthly reports according to the dynamics in delivery of data from ITA and entities. Having in mind the position of the Unit in the system of monthly reporting from levels of administration and above mentioned limitations present in the first year of VAT, on the basis of monthly consolidated reports of ITA, entities and Brcko District, the Unit is able to monitor execution of indirect taxes projection adopted by the Fiscal Council³. On the basis of the monthly consolidated reports on collection of total indirect taxes in 2005, the Unit will be able to monitor collection of indirect taxes in 2006, and record deviations from standard scheme. Of course, it's possible to have partial reports and analysis by certain types of revenues. The Unit will try to establish comparable time series in 2006 upon eliminating specifics of the first year of VAT. In this way, 2006 will become standard scheme and base for making projections and later on for comparison and reporting in the next year.

In the end, it's important to say that the above mentioned **problems are not only specifics of BiH – every country that shifted to VAT system faced with similar problems in reporting and monitoring collection of revenues.**

³ The Fiscal Council adopted these projections at the proposal of the Macroeconomic Analysis Unit of the ITA Governing Board. More on projection can be found in the Bulletin no. 3

The functioning of the Single Account System

(prepared by: Bent Thorkild Rasmussen, CAFAO Senior Advisor, in co-operation with the CAFAO Team for the Single Account)

The name Single Account indicates that there is only one account into which taxpayers can pay indirect taxes. But in fact, the Law on Payments into the Single Account and Distribution of Revenues (BiH OG 55/04) is saying that the Indirect Taxation Authority (ITA) on behalf and for the State, Entities and Brcko District shall open and keep the Single Account incorporating accounts from one or several commercial banks for collection of indirect taxes and it also includes accounts in the Central Bank. Based on a decision of the Governing Board the ITA has opened 60 accounts in 12 commercial banks and two accounts in the Central Bank.

At the end of a working day the commercial banks transfer the collected revenues to the Central bank. On the following day, the ITA transfers the collected revenue to the State, Entities and Brcko District in accordance with the rules adopted by the Governing Board. The ITA also transfers necessary funds to a special account for fulfilling obligations related to indirect taxes.

According to the Law the ITA shall ensure that the paid amounts reconcile the assessed liabilities of the taxpayers not later than the first working day after the ITA has received information about the payment. Only in cases where the amount cannot temporarily be reconciled owing to errors, missing information etc. the ITA is allowed to transfer the amount to an Interim Account. However, the ITA has an obligation to clear all amounts on the interim account as soon as possible.

Annually, the ITA receives around 800,000 payments per year or in average 3,200 per day and normally the ITA is able to reconcile most of the payments on the **same day** as they are received. Few payments (2%) cannot be reconciled due to wrong information in the payment transaction or missing information from the taxpayer. All the work in this field is done by only 18 peoples full year's work for the entire country.

The Single Account System is built on the rules that are in force in the EU. Therefore, the Law also states that the ITA shall produce reports on collected revenues divided into types of revenue, reports on outstanding debts as well as reports on cases of frauds, irregularities and evasions of indirect taxes. An overview of the Single Account System is shown in Fig. 1.

Handling of payments into the Single Account

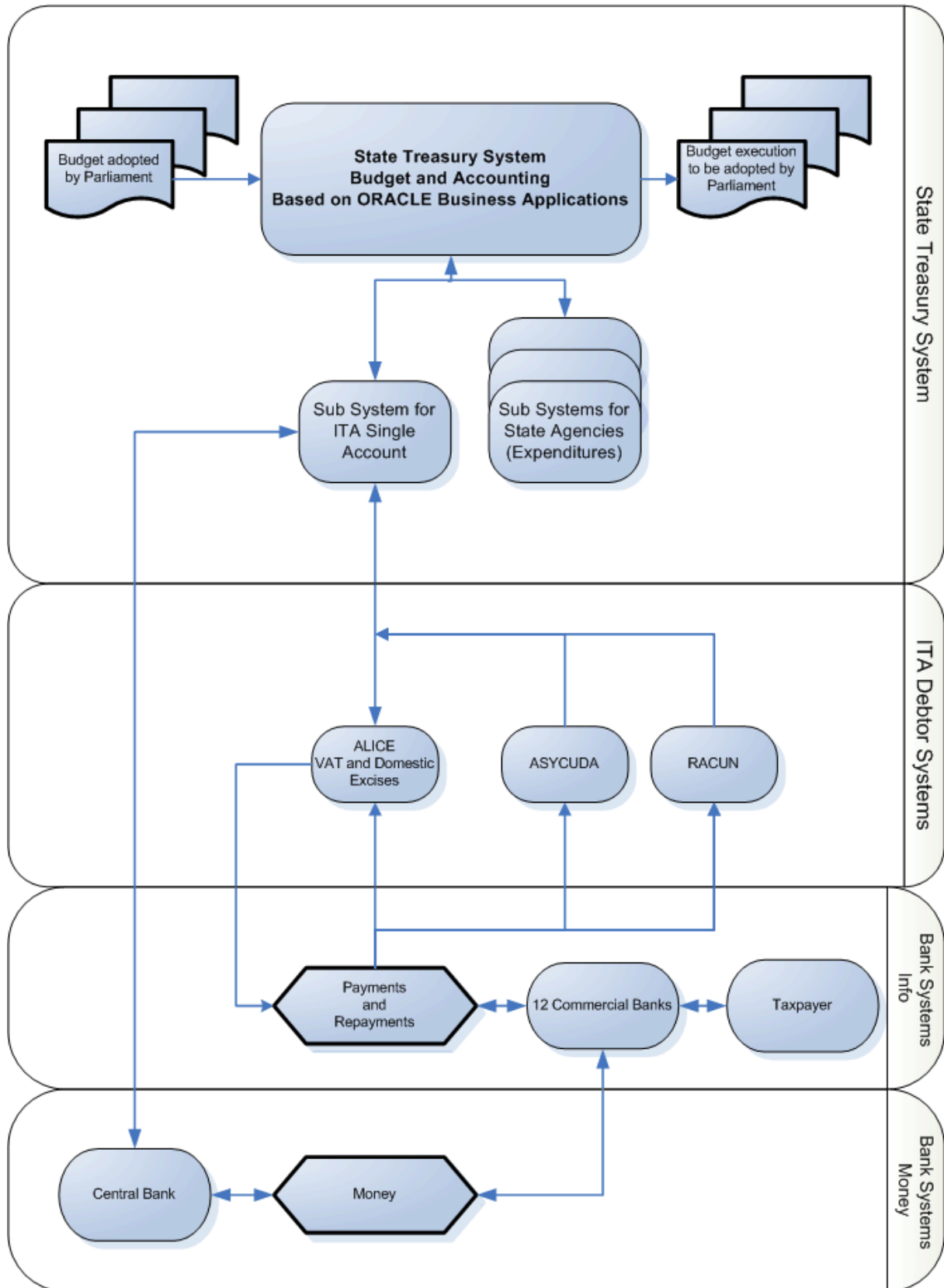
Every day the ITA receives 36 payment files from 12 commercial banks. The files are received by using File Transfer Procedure (FTP) facilities and each of them is destined for a specific ITA debtor system. The first step in the procedure is a technical quality check of the files, i.e. if they are in accordance with the agreed format or if the sum of the individual payments corresponds to the transferred amount into the Central Bank.

Only accepted files are uploaded in the State Accounting and Treasury System (SATS) as well as in the respective debtor system (ASYCUDA, RACUN and ALICE).

In SATS, the files will automatically update the account for the deposit account in the Central Bank. When the ITA manually has reserved the amount for fulfilment of obligations related to indirect taxes, SATS will automatically do the accounting necessary for allocation of revenues to the State, Entities and Brcko District as well as allocation of revenues for foreign debt servicing. A report is printed and on that base the ITA issues an order to the Central Bank about transfer of revenues to the revenue beneficiaries. The ITA also issues a report to the revenue beneficiaries about the collected revenue, reservation of funds for fulfilment of obligations and the allocation to each of the revenue beneficiaries.

State treasury system and ITA debtor systems
Payments and Repayments

Fig 1.



The automatic allocation of revenues is possible because the ITA in special tables has "told" the system about the amounts that shall be allocated for financing the institutions of BiH and foreign debt servicing as well as the valid calculated coefficient for each Entity and Brcko District. All parameters needed for the allocation can be changed dynamically.

When the files have been uploaded in a debtor system the system will reconcile the assessed liabilities of the taxpayers, except in cases of errors or missing information and produce a reconciliation file. The file will state the result of each payment received on the respective day as well as reconciliations that have been carried out based on payments from earlier days. The file will also contain information about the total amount that has not yet been reconciled but transferred to the interim account of the respective system.

The reconciliation files will be uploaded in SATS and the files will initiate an automatic accounting procedure. The procedure will for each debtor system contains a comparison between the reported reconciliations and the transfer to and from the interim account and the payment files that earlier have been uploaded in SATS. Each day SATS will balance the reconciliations in the debtor systems and the interim accounts. If the balance differs SATS will automatically stop the automatic accounting and ask for manual instructions. If there are no discrepancies SATS will continue with the update of the accounts for types of revenue.

Normally only three working days are used from the day the taxpayer is paying an amount and until all accounting has been carried out. Only in few cases manual accounting is needed but of course the system needs to be supervised all the time. The accounting procedures for payments are shown in Fig. 2.

Handling of repayments from the Single Account

Repayment of customs duties etc. is carried out manually whilst repayment of VAT is carried out automatically. This description only includes the automatic procedure.

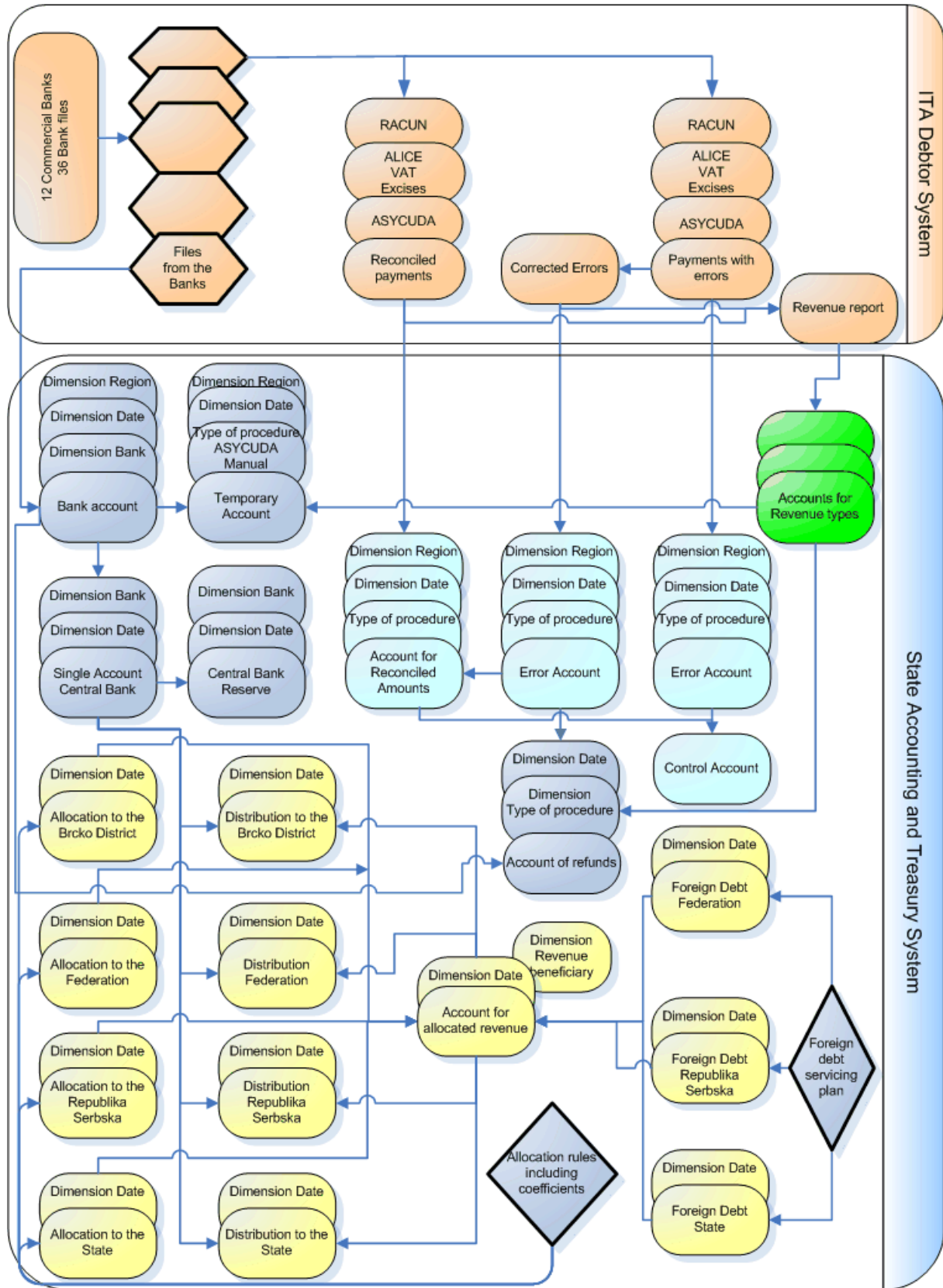
When a taxpayer has submitted a VAT return with a claim of refund a tax officer has to approve the amount that can be repaid. Based on the approved amounts ALICE will produce a file containing the amounts that for each taxpayer has been approved. The file will be uploaded in SATS and automatically initiate the accounting. When the day of repayment arises ALICE will produce a set-off file and a repayment file. In cases where the taxpayer has a debt in the ITA, the set-off file will be produced and the eventual surplus will be transferred into the repayment file together with the amounts from taxpayers that did not have a debt.

The Set-off file and the Repayment file will be uploaded in SATS and initiate an automatic accounting procedure. The procedure will automatically balance the set-off and repaid amounts with the amounts that have been put available according to the approved claims for repayment. The accounts for types of revenue will also be updated. At the same time the ITA will transfer the needed funds for the repayments into the respective commercial bank and transfer the repayment file by using the FTP facility.

After having carried out the requests for repayment the bank sends a file to the ITA containing the result of the repayments. For each of the repayments it is stated whether the repayment has been carried out successfully or not. The file is uploaded in SATS and the accounting and balancing are carried out automatically in accordance with the result of each repayment. The file is also uploaded in ALICE and if the repayment for some reasons has been rejected a new repayment will be created and the whole procedure will start up again. The accounting procedure for repayments is shown in Fig. 3.

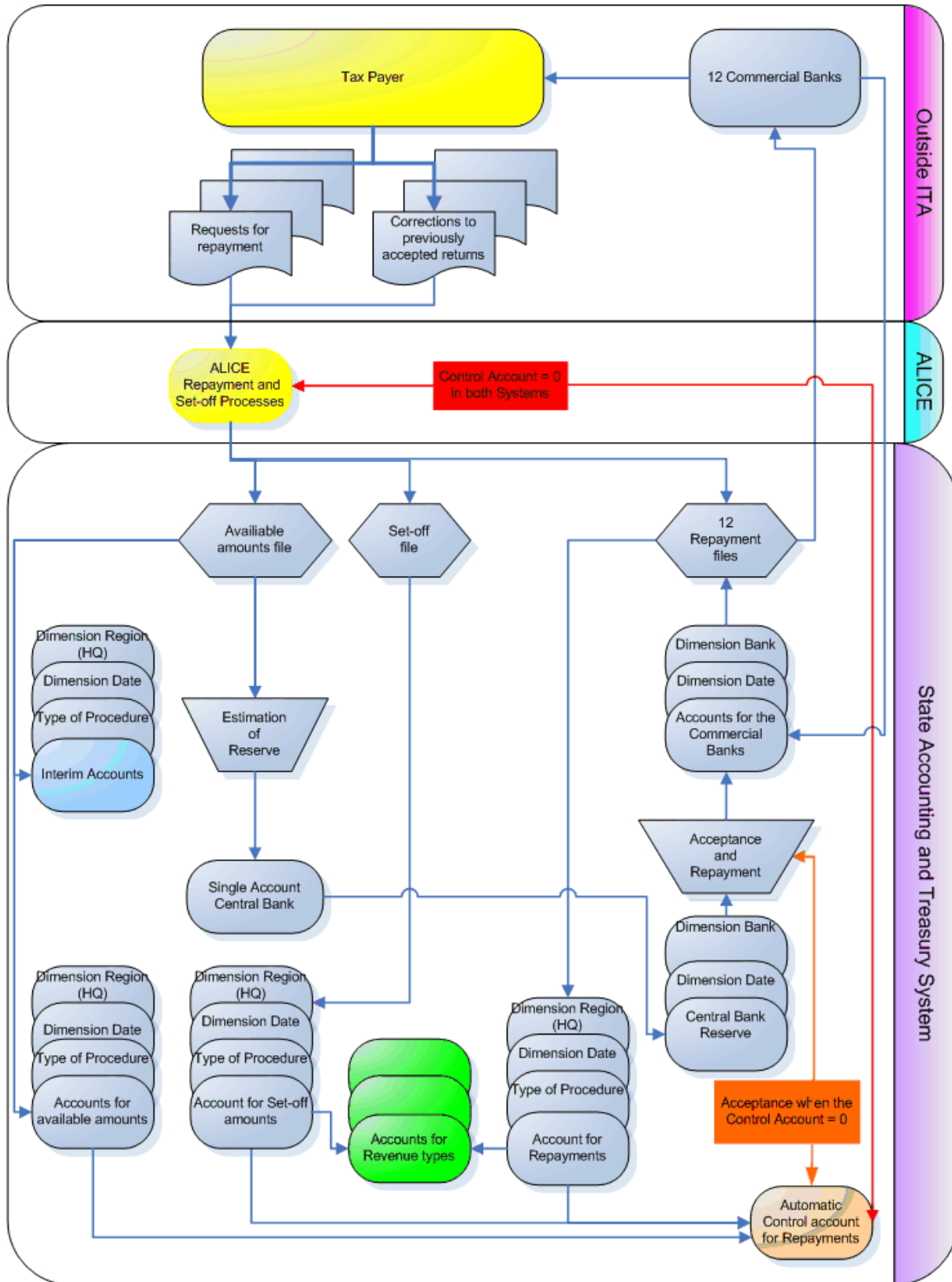
The implemented procedures for handling the activities around the Single Account are rather complicated but robust. Despite the complexity the procedures have a very high standard that can be measured against best practices in most European countries. The system has been developed by CAFAO in cooperation with the ITA. The European Union has sponsored some of the developments in SATS.

Accounting of payments into the Single Account and distribution of revenues Fig 2.



Process for refunds of VAT

Fig 3.



ITA Single account in 2005 and tax burden on the BH economy

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

Total revenues

Total amount revenues paid into the Single Account in 2005 is 2.106.445.459 KM which represents the increase of 10% compared to the same revenues from the last year. Monthly trend of these revenues is shown in the chart 1 which shows emphasized trend following the pattern from 2004.

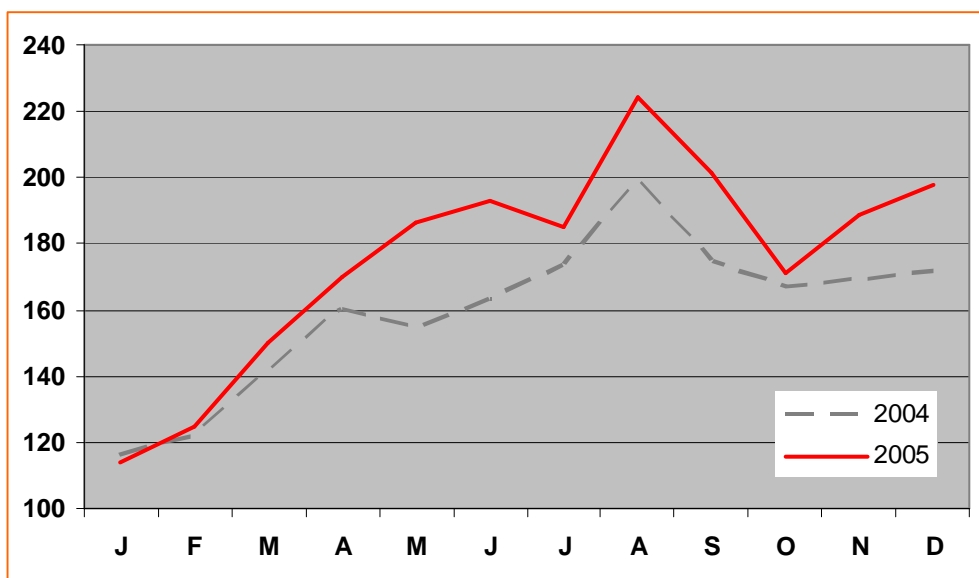


Chart 1. Total revenues in the Single Account (monthly in KM mil.)

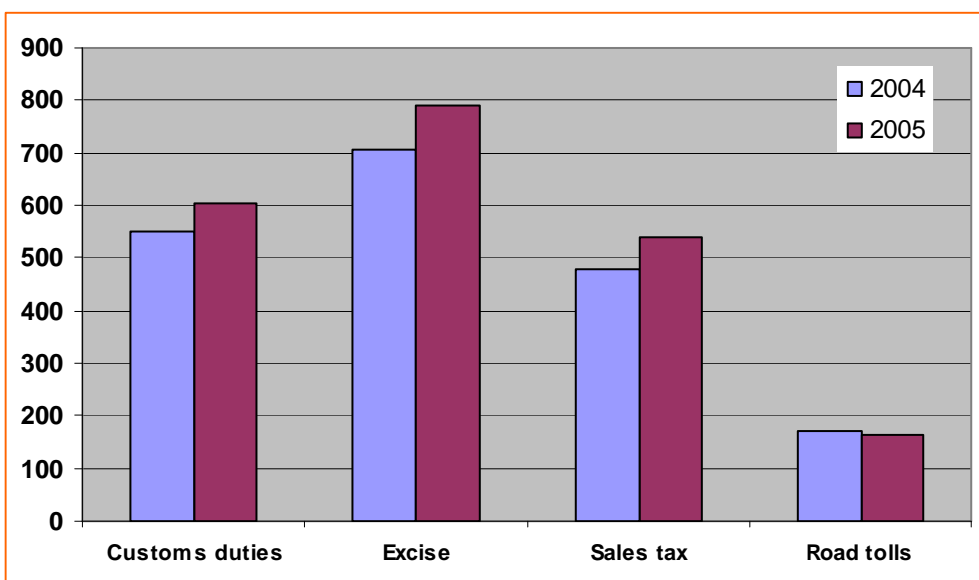


Chart 2. Main groups of revenues in the Single Account (2005. i 2004. g. u KM mil.)

Structure of the revenues from excise and sales tax in 2005 is shown in the charts 3 and 4:

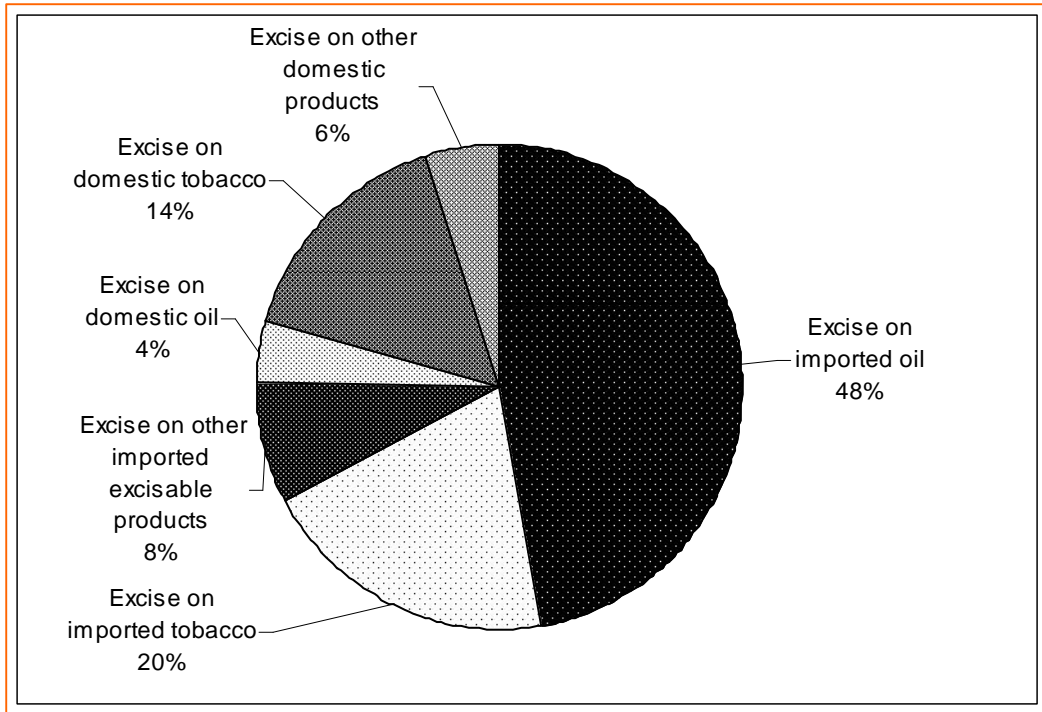


Chart 3. Structure of revenues from excise in the Single Account in 2005

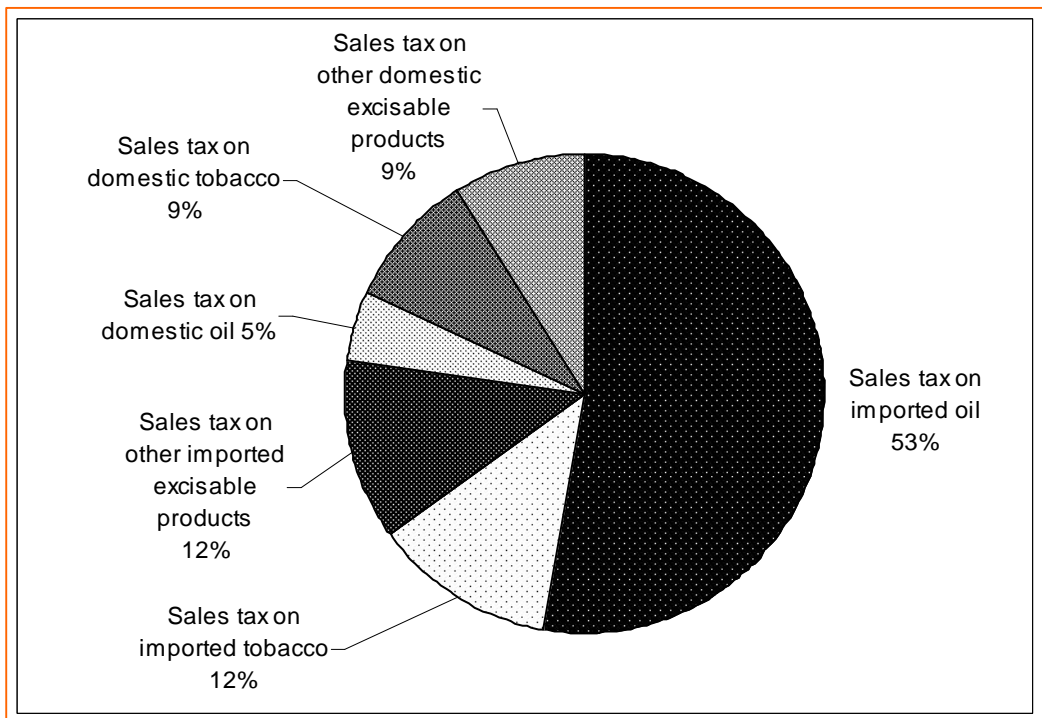


Chart 4. Structure of revenues from sales in the Single Account in 2005

The total increase of revenues in comparison with 2004 amounts to 191,8 mil. KM. Table 1. shows increases for the main groups of revenues:

Type of revenue	Change in KM	Change in %
Excise	+83,4 mil.	+11,78 %
Sales tax	+60,5 mil.	+12,65%
Customs	+55,1 mil.	+10,00%
Road tolls	- 5,8 mil.	- 3,41 %
Other revenues	- 1.4 mil.	- 18,4%

Table 1. Change in revenues by main groups of revenues in comparison with 2004

Burden on the economy

In order to identify the level of increase or decrease of the burden on economy in BiH, we will correct data on revenues from the Single Account in relation to the last year as follows:

1. To the revenues collected to the Single Account in 2005 we add the revenues paid into the accounts of entities and Brčko District based on the same revenues in 2005 – so called residuals e (RS 12,7 mil., Federation 23,9 mil., Brčko 2,6 mil.). We are doing this to be able to compare it with data from 2004 that also included residuals from 2003.

2. The total sum of these revenues is reduced by the estimate of nominal GDP growth of 6.5% in 2005.

After making corrections mentioned above we can say these corrected data from 2005 are 4.8% higher than in 2004. The conclusion is that BiH economy in 2005 was more burdened with this group of revenue by 4.8%, so from the same (comparable) level of GDP there was 4.8% increase in the collection of this group of indirect taxes.

ITA Single Account – January 2006

As of 2006, the ITA is authorized to collect all indirect taxes in BiH except lagging sales tax on products and services that under the jurisdiction of the entity tax administration until the end of 2005. Having in mind all of the restrictions and specifics of the reporting on collection of indirect taxes in the first year of VAT, the Unit based comparative analysis on the set of data on the total collection of indirect taxes. The total collection of indirect taxes includes the collection of indirect taxes in the ITA Single Account and the collection of sales tax in the accounts of entities and Brcko District⁴.

Analysis have shown the following:

1. In January 2006, the total amount of indirect taxes collected in BiH was 270 mil KM , representing 7% of the annual collection plan and 17% increase compared to the same month in 2005. From the institutional point of view, the ITA Single Account represents 65%. Trends in the collection of indirect taxes from January 2005 to January 2006 is shown in the chart 5:

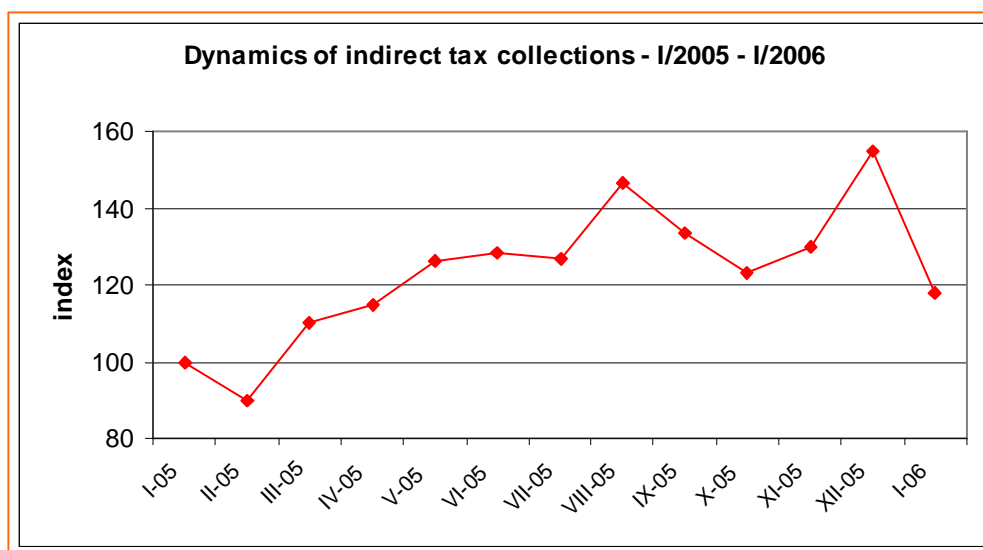


Chart 5.

2. Customs and customs duties: 4% increase, excise: 13% increase compared to the revenues in January 2005.
3. In order to compare the collection of VAT, it's necessary to include the collection of lagging sales tax for January 2006 from the entity accounts. Comparing with the total collection of sales tax in BiH for January 2005, we can come to the conclusion that collection increase in January 2006 is 26%. From the institutional point of view, the collection of sales tax from entities represents 58%. The reasons for such high share lie in the fact that ITA collected VAT only on imports of goods in January 2006, and tax administrations of entities carried out the collection of lagging sales tax from December 2005. In December 2005, there was enormous increase in imports to BiH of all types of products.
4. It's too early to withdraw conclusions on success in collection of indirect taxes since January and February can not be typical months for comparison. It will be possible to have a real situation in March, after VAT refunds and reduction of indirect taxes collection due to tax credits stated in VAT declarations for January 2006.

⁴ Monthly data for 2005 are published in the Unit's bulletins.

Monthly Consolidated Report January 2006

Prepared by: Aleksandra Regoje, research assistant

	mill. KM	January
Current Revenue		217,7
<i>Taxes</i>		204,5
<i>Indirect taxes</i>		190,5
VAT		57,3
VAT on imports		56,5
Customs duties		33,3
Sales tax		36,0
Excises		51,5
Railroad tax		11,9
<i>Direct taxes</i>		14,0
Corporate and personal income tax		14,0
Corporate income		6,7
Personal income tax		7,3
<i>Other tax revenues</i>		1,5
<i>Non-tax income</i>		13,3
Current expenditures		248,1
<i>Current expenditures</i>		40,4
Consumption expenditures		31,7
Purchases of goods and services		8,7
<i>Grants</i>		50,9
Transfers to households		32,7
Transfers to institutions/organisations		12,1
Subsidies		6,0
<i>Interest payments</i>		0,4
<i>Other outlays</i>		4,9
<i>Transfers from Single Account</i>		139,8
BiH Budget		41,1
FBiH / Cantons, Road Fund		67,6
RS / Cities, Municipalities, Road Fund		10,4
Brčko Distrikt		4,5
Reserve		16,2
<i>Amortization of debt</i>		10,8
of which: foreign debt		10,8
<i>Transfers to Municipalities</i>		0,9
Government Savings (1-2)		-30,3
<i>Capital outlays</i>		2,4
Government deficit (3-4)		-32,7

Table 2. Monthly Consolidated Report January 2006

Notes table 2:

- 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.
- Figures on revenues and expenditures of the Federation of Bosnia and Herzegovina and the Republika Srpska are not fully reconciled due to different accounting methods.

Notes table 3:

The report includes:

- Revenues of the Federation of BiH transferred from the ITA Single Account and the revenues collected by the Treasury of the F BiH
- Expenditures of the budget of the Federation of BiH
- Transfers to lower levels (cantons, municipalities, Road Directorate, etc.), which are distributed on lower levels in accordance with entity legislation, including the transfers from the ITA Single Account and transfers of other revenues collected at the level of the entity.

Notes table 4:

The report includes:

- Revenues of the Republika Srpska transferred from the ITA Single Account and the revenues collected by the Treasury of the RS
- Expenditures of the budget of the Republika Srpska
- Transfers to lower levels (municipalities, cities, Road Directorates, etc.), which are distributed on lower levels in accordance with entity legislation, including the transfers from the ITA Single Account and transfers of other revenues collected at the level of the entity.

FBIH Monthly Consolidated Report January - December 2005

Prepared by: Aleksandra Regoje, research assistant

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	total
Current Revenue	266,4	329,8	339,9	333,9	333,3	481,3	403,1	397,5	377,2	366,5	372,5	473,5	936,1	1148,5	1177,7	1212,5	4474,8
<i>Taxes</i>	148,1	138,1	176,3	176,8	176,2	198,5	199,7	219,8	203,7	192,5	194,8	255,2	462,4	551,5	623,2	642,5	2279,6
<i>Indirect taxes</i>	123,3	109,5	142,5	150,2	150,8	171,9	169,4	192,7	175,6	163,4	161,4	204,9	375,3	472,8	537,7	529,6	1915,5
Customs duties	7,5	0,0	0,0	0,0	0,1	0,0	0,2	0,3	0,8	0,0	0,1		7,5	0,1	1,4	0,1	9,1
Sales tax	65,4	54,1	63,1	61,5	63,6	67,5	67,5	71,7	67,8	72,2	69,9	100,5	182,6	192,6	207,0	242,6	824,8
Excises	0,7	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,7	0,0	0,0	0,0	0,7
Railroad tax	2,9	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,1	0,1	2,9	0,0	0,1	0,2	3,2
Transfers from Single Account	46,7	55,4	79,4	88,7	87,1	104,3	101,6	120,7	106,9	91,2	91,3	104,3	181,6	280,1	329,2	286,8	1077,7
<i>Direct taxes</i>	24,8	28,6	33,7	26,6	25,4	26,6	30,4	27,0	28,1	29,1	33,4	50,4	87,2	78,6	85,5	112,9	364,1
Income taxes	24,8	28,6	33,7	26,6	25,4	26,6	30,4	27,0	28,1	29,1	33,4	50,4	87,2	78,6	85,5	112,9	364,1
<i>Non-tax income</i>	12,5	61,9	14,3	11,6	21,8	132,7	50,0	19,0	16,6	20,3	32,0	18,0	88,7	166,0	85,6	70,3	410,5
<i>Social security contributions</i>	91,7	110,2	127,9	125,0	117,5	130,2	132,3	136,8	136,7	135,2	127,0	175,1	329,9	372,6	405,8	437,3	1545,6
<i>Other income</i>	14,2	19,5	21,4	20,6	17,8	20,0	21,0	21,9	20,2	18,6	18,7	25,2	55,1	58,4	63,1	62,5	239,1
Current expenditures	219,0	335,5	334,6	333,0	327,8	412,7	349,5	374,0	360,1	362,9	374,6	528,3	889,1	1073,5	1083,6	1265,8	4311,9
<i>Current expenditures</i>	2,8	23,6	25,9	26,6	26,1	54,8	5,3	26,8	26,5	28,9	28,4	64,6	52,3	107,5	58,6	121,9	340,4
<i>Consumption expenditures</i>	1,9	21,0	23,2	23,5	23,3	51,5	2,9	24,0	23,8	25,5	25,2	57,7	46,0	98,3	50,6	108,4	303,4
<i>Purchases of goods and services</i>	1,0	2,6	2,7	3,1	2,8	3,3	2,4	2,9	2,7	3,4	3,2	6,9	6,3	9,2	8,0	13,5	37,0
<i>Grants</i>	94,0	143,0	160,1	158,0	149,7	205,1	169,7	168,4	173,3	168,3	180,5	235,9	397,1	512,9	511,4	584,7	2006,1
Transfers to households	0,0	27,2	25,0	28,6	26,6	67,6	28,6	25,9	30,3	26,9	46,7	51,4	52,3	122,8	84,8	125,0	384,9
Transfers to institutions/organisations	0,4	2,8	3,9	0,9	3,9	3,0	3,1	1,8	3,0	3,5	3,1	2,8	7,0	7,7	7,9	9,3	32,0
Transfers to funds bases on social security contributions	92,0	110,9	128,5	123,4	117,5	130,2	132,3	136,8	136,7	135,2	127,0	175,1	331,5	371,0	405,8	437,3	1545,6
Subsidies	1,6	2,1	2,6	5,2	1,8	4,3	5,7	3,9	3,3	2,8	3,6	6,7	6,3	11,4	12,9	13,0	43,6
<i>Interest payments</i>	0,1	0,1	0,0	0,1	0,0	0,0	0,0	0,1	0,1	0,3	0,5	0,1	0,1	0,1	0,2	0,8	1,3
<i>Other outlays</i>	0,5	1,1	4,8	5,3	3,3	2,3	4,9	5,6	4,6	3,6	4,6	18,5	6,4	10,9	15,1	26,7	59,2
<i>Amortization of debt</i>	6,8	14,5	8,2	10,3	20,2	8,1	8,0	12,6	10,6	8,5	22,3	10,1	29,5	38,7	31,2	40,9	140,2
Transfers to cantons, cities and municipalities	121,6	167,7	143,8	143,0	148,6	150,5	169,5	173,1	155,6	161,8	160,6	209,1	433,2	442,1	498,2	531,6	1905,0
Government Savings (1-2)	47,4	-5,8	5,3	0,9	5,5	68,6	53,6	23,4	17,1	3,6	-2,1	-54,8	47,0	75,1	94,1	-53,3	162,9
<i>Capital outlays</i>	0,1	0,6	0,5	0,7	0,3	31,5	13,5	1,4	1,1	0,7	0,5	8,3	1,1	32,5	16,0	9,6	59,2
Government deficit (3-4)	47,3	-6,3	4,8	0,2	5,2	37,1	40,1	22,1	16,0	2,9	-2,7	-63,1	45,8	42,5	78,2	-62,8	103,7

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Table 3. FBIH Monthly Consolidated Report January – December 2005

RS Monthly Consolidated Report January - December 2006

Prepared by: Aleksandra Regoje, research assistant

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	total
Current Revenue	116,2	105,2	160,1	134,2	139,1	154,3	157,7	162,9	154,0	151,5	147,6	195,2	381,5	427,6	474,6	494,3	1.778,1
<i>Taxes</i>	66,4	60,0	95,2	83,2	86,6	92,9	95,6	102,5	96,3	91,9	88,0	116,3	221,7	262,8	294,4	296,3	1.075,1
<i>Indirect taxes</i>	56,7	46,3	71,2	68,5	70,3	77,8	80,4	87,6	80,9	76,1	72,7	95,4	174,2	216,6	248,9	244,2	883,8
Customs duties	1,1		0,0			0,1		0,0	0,0		0,0	0,0	1,2	0,1	0,0	0,0	1,3
Sales tax	31,0	23,9	33,9	28,4	34,9	29,7	34,1	35,5	31,8	35,0	34,6	47,6	88,9	92,9	101,4	117,1	400,3
Excises	2,4	0,1	0,7	0,1	0,0	0,1	0,0	0,0	0,2	0,0	0,4	0,2	3,3	0,2	0,3	0,6	4,3
Railroad tax	0,9	0,1	0,4	0,1	0,1	0,0	0,0	0,1	0,0	0,0	0,0	0,0	1,4	0,3	0,2	0,1	1,9
Transfers from Single Account	21,2	22,1	36,2	40,0	35,3	47,9	46,2	52,0	48,8	41,1	37,7	47,6	79,5	123,1	147,0	126,4	476,0
<i>Direct taxes</i>	9,7	13,7	24,0	14,7	16,4	15,2	15,2	15,0	15,4	15,8	15,3	21,0	47,5	46,2	45,5	52,1	191,3
Income taxes	9,7	13,7	24,0	14,7	16,4	15,2	15,2	15,0	15,4	15,8	15,3	21,0	47,5	46,2	45,5	52,1	191,3
<i>Non-tax income</i>	4,7	10,0	14,8	9,0	9,6	14,4	13,8	15,8	11,4	10,4	14,6	12,0	29,6	33,1	41,1	37,1	140,7
<i>Social security contributions</i>	44,9	35,0	49,9	41,8	42,7	46,8	48,2	44,4	46,1	49,1	44,9	66,7	129,8	131,3	138,7	160,7	560,5
<i>Other income</i>	0,1	0,2	0,1	0,2	0,1	0,2	0,1	0,1	0,2	0,1	0,1	0,1	0,5	0,4	0,5	0,3	1,7
Current expenditures	122,2	117,8	149,8	127,5	133,7	140,1	136,2	131,8	133,9	143,4	141,7	195,0	389,9	401,4	401,9	480,0	1.673,2
<i>Current expenditures</i>	28,1	31,2	45,8	37,4	36,1	40,1	35,8	32,5	34,4	38,9	35,1	47,1	105,1	113,6	102,7	121,1	442,5
<i>Consumption expenditures</i>	23,3	24,6	39,2	30,4	30,1	33,7	29,7	28,1	28,8	31,1	28,0	35,0	87,1	94,2	86,6	94,1	362,0
<i>Purchases of goods and services</i>	4,8	6,6	6,6	7,0	6,0	6,4	6,1	4,4	5,6	7,8	7,1	12,1	18,0	19,4	16,1	27,0	80,5
<i>Grants</i>	75,7	63,3	78,5	69,4	70,4	75,0	76,9	73,5	75,4	79,4	74,3	109,0	217,5	214,8	225,8	262,7	920,8
Transfers to households	8,8	10,6	10,7	10,3	9,9	10,7	10,9	11,5	11,5	11,2	11,5	13,4	30,1	30,9	33,9	36,1	131,0
Transfers to institutions/organisations	19,4	12,7	15,1	13,2	12,9	13,1	11,3	11,3	11,3	12,8	12,5	14,8	47,2	39,2	33,9	40,1	160,4
Transfers to funds bases on social security contributions	44,9	35,0	49,9	41,8	42,7	46,8	48,2	44,4	46,1	49,1	44,9	66,7					
Subsidies	2,6	5,0	2,8	4,1	4,9	4,4	6,5	6,3	6,5	6,3	5,4	14,1	10,4	13,4	19,3	25,8	68,9
<i>Interest payments</i>	0,3	2,9	2,0	1,3	5,1	4,4	0,4	4,2	2,1	1,5	5,2	3,8	5,2	10,8	6,7	10,5	33,2
<i>Other outlays</i>	5,0	8,1	5,8	4,3	4,7	4,4	5,4	2,9	5,1	5,2	9,7	10,3	18,9	13,4	13,4	25,2	70,9
<i>Amortization of debt</i>	3,7	10,3	4,5	6,0	14,5	4,3	4,7	9,8	5,7	5,2	15,0	5,5	18,4	24,7	20,2	25,6	89,0
Transfers to cantons, cities and municipalities	13,1	12,4	17,6	15,1	17,4	16,3	17,8	18,7	16,9	18,4	17,4	24,7	43,1	48,8	53,3	60,5	205,8
Government Savings (1-2)	-6,1	-12,6	10,3	6,6	5,4	14,2	21,4	31,1	20,2	8,1	5,9	0,3	-8,3	26,2	72,7	14,3	104,9
<i>Capital outlays</i>	1,5	2,9	1,4	1,0	2,1	1,8	1,8	1,9	0,8	1,9	1,7	8,5	5,8	4,9	4,5	12,1	27,3
Government deficit (3-4)	-7,6	-15,5	8,9	5,6	3,3	12,4	19,6	29,2	19,4	6,2	4,2	-8,2	-14,1	21,3	68,2	2,2	77,6

Table 4. RS Monthly Consolidated Report January – December 2005

Frequently asked questions about monthly reporting to the Unit

(prepared by: Aleksandra Regoje)

As it was announced for long time, we started with the system of monthly reporting from cantons, municipalities and cities. Taking into consideration the fact that a number of reporting units address to us with certain doubts, we decided to publish the list of frequently asked questions. The questions are usually about the way of entering items for reporting units that are not on the data input template. We hope that these information will be helpful to all of you to keep sending reports to the Unit in your further work. Please do not hesitate to contact the Unit should you have any doubts.

We also noticed that a number of municipalities delivered report on revenues and expenditures on OMA-1 form. This form was presented to municipal representatives at the initial meeting that took place in December last year. In the meantime, we amended the original form in order to put in accordance with the existing budget classification and make it easier to input data. We informed the reporting units about this through our web site (Instructions for users) and our Bulletin no. 5. We would like to ask all units that have not received new form to contact us by tel. 033/279-553 in order to get it by fax. The new form can be also found at http://www.oma.uino.gov.ba/bos/III_upute.html

List of Frequently Asked Questions (FAQ):

1.Question: Why does the sum of revenues/expenditures entered in the Unit's template does not correspond to the sum according to data of the reporting units?

Answer: This problem occurs with the reporting units that do not input data in all items and there is an option to enter it. Data from certain items are automatically summed up (i.e. 711- profit tax of individuals and companies) if the whole structure is shown. If there is structure of revenues/expenditures under the item only for revenues that unit is interested for (i.e. 614,615 etc.) and there are other types of revenues/expenditures that are not in the Form but belong to the same line, the item will not be automatically summed up and you need to input total amount. **It's necessary to input data in all available fields (available meaning that the system allows input into that field) if there are values in these items..**

2.Question: When inputting data into the form on the Unit's web site, why do entered figures "disappear" and there is only few first numbers left in some items?

Answer: This problem occurs when reporting units separate thousands by using full points when entering figures. For example, if you enter 184.485,68 the report will show only the amount up to the first full point that you entered 184,48. As it's explained in the Instruction for entering data (it's on the Unit's web site) only decimal numbers should be separated. So, for our example, the correct way of entering it would be 184485,69.

3.Question: Where should I enter the item Grants/transfers abroad?

Answer: There is an option to enter total amount of Grants (economic code 614) and below that you can find certain types of grants that the Unit needs for data consolidation. So, in the item 614, you should enter the total amount of grants including grants to abroad. The structure of revenues below the mentioned item should contain grants that come up in the reports of budget users.

4.Question: Where do I enter certain types of non tax revenues such as administrative fees etc. that are not in the Unit's form?

Answer: If there is certain type of non tax revenues in the Form, it should be entered in the corresponding item, and total amount of non tax revenues should go in the item 72-Non tax revenues.