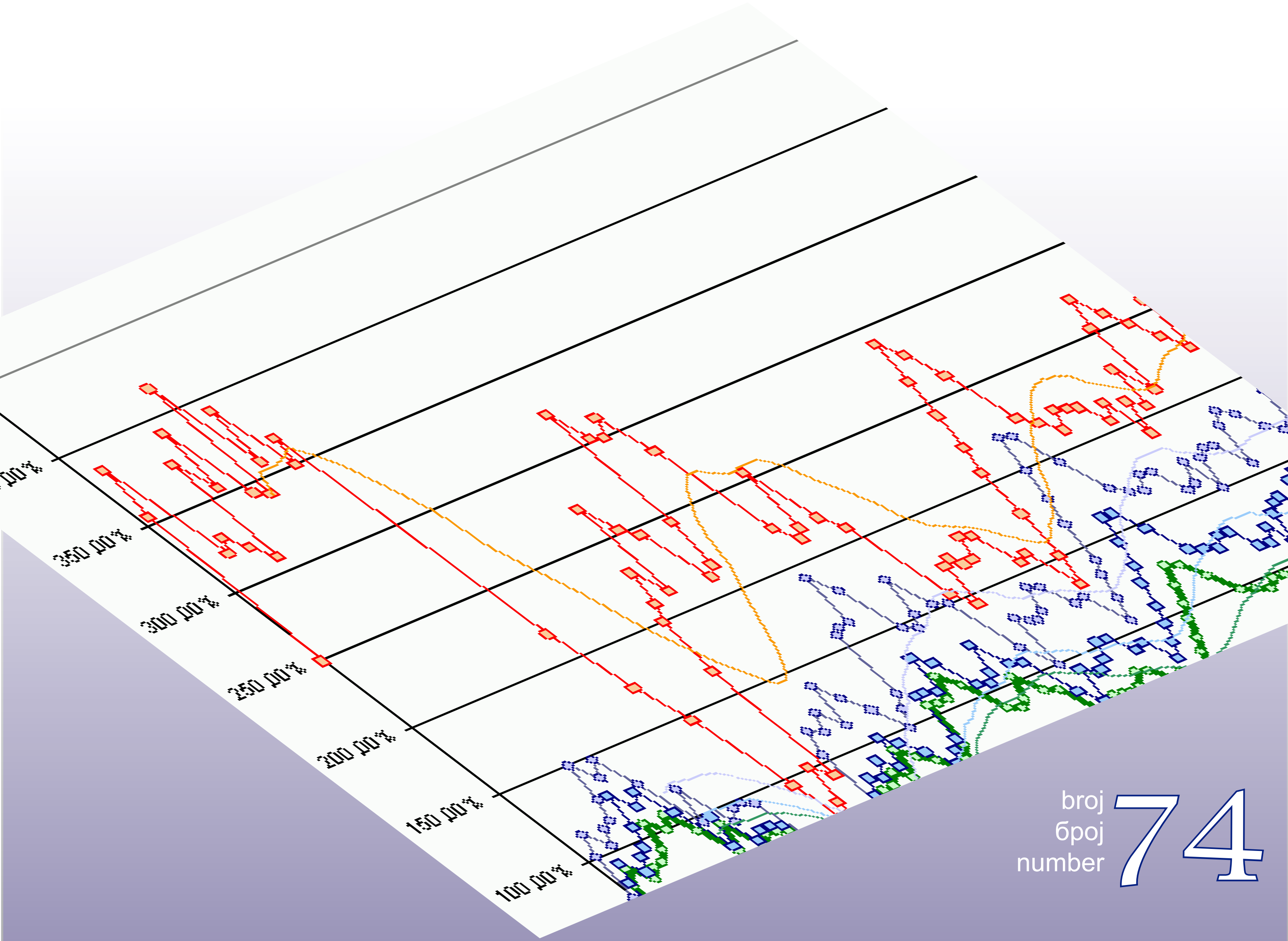
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-neizravno oporezivanje

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



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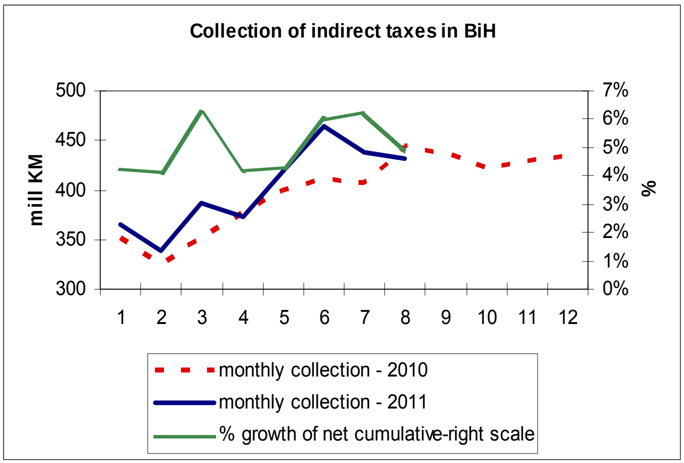
With this issue

Indirect tax revenue collection in the year of 2011 is subject to strong monthly fluctuations. After three months of strong growth, there was a decline in net monthly collection in August, which influenced the growth rate of net cumulative (see chart below). Worse results in August collection were recorded in all types of indirect taxes. Low gross VAT collection and increase the VAT refunds of 25% resulted in net revenue from VAT on the level of August of 2010. ITA recognized VAT refunds as a possible source of frauds, so it is expected that extensive activities of ITA in detecting frauds in the field of returns would stabilize VAT revenues. Revenue decline has been recorded in excises on almost all kinds of excise products, except for imported cigarettes and coffee. It is expected that the arrangement of technical issues related to implementation of exemption of road fee for mines, railways and power plants in B&H would reduce strong oscillations that are currently present in the collection of excises and road fee on domestic oil derivates.



Starting from this issue we will try to elaborate issues in the area of rules of fiscal aid in EU. Harmonization of this area of state intervention in the economy with EU rules is the priority task of domestic fiscal authorities, regarding the expired deadline required by Stabilization and Association Agreement with EU. Since the rules of state aid in EU are very strict and limited to only certain situations, it is necessary to introduce them to authorities on all levels, as well as companies which had been the beneficiaries until now, in order to adapt their business and strategic plans to the EU business environment.

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Latest trends in the development of taxation of cigarettes in the EU

(Author: Aleksandar Eskić, Macroeconimist in Unit)

Introduction

In last several years the taxation policy of cigarettes in the European Union has evolved considerably. Two main goals have been tried to be achieved. One of the goals is gradual convergence of cigarette taxation policies among the Member States and the other is the overall increase of excise duty on cigarettes. The reason is the extreme disparity of treatment of cigarettes speaking at the EU level, which is especially culminated with EU enlargement, which has happened twice in the past 7 years. Until then, the EU countered 15 Member States and now it has 27 member countries. From this we conclude that the EU itself has evolved considerably and its institutions.

Until recently the related directives and other legal acts were no longer to meet requirements by the decision makers in terms of their priorities so it was time for drafting of policies and harmonization of taxation of cigarettes, both at EU level and the level of individual member countries. Some conceptual solutions and supporting categories in the recent regulations were not able to adequately respond to contemporary needs of these societies, as well as it has to be innovated and replaced. Below we will look at a few selected documents that describe in detail the content itself, the previously set goals and the effects already visible today.

An agreement made at the end of 2009 finally

On November 10th 2009 the Council of the European Union has published press release in which was marked the achievement of political agreement on the reform of excise policy on cigarettes and other tobacco products. It is about agreed draft of directive updating rules on the structure of excise duties and the rate of excise duty on tobacco products. The intended goal is to ensure a higher level of health protection by raising the minimum excise duty on cigarettes with the gradual equalization of excise duties on fine-cut tobacco with those that apply on cigarettes.

The outcome of a fourth four-yearly review of tobacco taxation under directives 92/79/EEC, 92/80/EEC and 95/59/EC, it is aimed at modernizing and simplifying the rules and making them more transparent.

Agreement was made possible by a compromise with regard to:

– (cigarettes) The Council agreed to increase, by 1 January 2014, the monetary minimum excise rate to 90 EUR per 1000 cigarettes and the proportional minimum to 60% of the weighted average sales price, from 64 EUR per 1000 and 57% at present.

– (transitional period for cigarettes) The compromise allows for transitional arrangements until 1 January 2018 for member states that have not yet achieved, or only recently achieved, the current minimum rates, namely Bulgaria, Greece, Estonia, Latvia, Lithuania, Hungary, Poland and Romania.

– (quantitative restrictions for cigarettes) The compromise allows member states not benefiting from the transition to impose a quantitative limit of at least 300 cigarettes on the number of cigarettes that may be brought into their territory from member states applying transitional arrangements. It also allows member states applying those arrangements, once their rates have reached 77 EUR per 1000 cigarettes, to apply quantitative limits with regard to member states whose rates have not yet reached an equal monetary level.

Directive 2010/12/EU adopted at the beginning of 2010

The Council of the European Union adopted new Directive 2010/12/EU on February 16th 2010 which amending Directives 92/79/EEC, 92/80/EEC i 95/59/EC which refers on the structure and rates of excise duty applied on manufactured tobacco and Directive 2008/118/EC.

In amended article 2 stands that the overall excise duty (specific duty and *ad valorem* duty excluding VAT) on cigarettes shall represent at least 57 % of the weighted average retail selling price of cigarettes released for consumption. That excise duty shall not be less than EUR 64 per 1000 cigarettes irrespective of the weighted average retail selling price. However, Member States which levy an excise duty of at least EUR 101 per 1000 cigarettes on the basis of the weighted average retail selling price need not comply with the 57 % requirement set out in the first subparagraph.

From 1 January 2014, the overall excise duty on cigarettes shall represent at least 60 % of the weighted average retail selling price of cigarettes released for consumption. That excise duty shall not be less than EUR 90 per 1000 cigarettes irrespective of the weighted average retail selling price. From 1 January 2014, the overall excise duty on cigarettes shall represent at least 60 % of the weighted average retail selling price of cigarettes released for consumption. That excise duty shall not be less than EUR 90 per 1000 cigarettes irrespective of the weighted average retail selling price. From 1 January 2014, the overall excise duty on cigarettes shall represent at least 60 % of the weighted average retail selling price of cigarettes released for consumption. That excise duty shall not be less than EUR 90 per 1000 cigarettes irrespective of the weighted average retail selling price.

The weighted average retail selling price shall be calculated by reference to the total value of all cigarettes released for consumption, based on the retail selling price including all taxes, divided by the total quantity of cigarettes released for consumption. It shall be determined by March 1st at the latest of each year on the basis of data relating to all such releases for consumption made in the preceding calendar year.

The content of subparagraph 4 is very interesting and it says that member states should gradually increase excise duties in order to reach the requirements referred to in paragraph 2 on the dates set therein. It is known that BiH authorities decided to follow that path which was defined in the Law on excises of BiH.

In this Directive article 2a is also amended and it says that where a change in the weighted average retail selling price of cigarettes occurs in a member state, thereby bringing the overall excise duty below the levels specified in the paragraphs 1 and 2 of Article 2 respectively, the member state concerned may refrain from adjusting that duty until January 1st of the second year following that in which the change occurs.

Next section says where a member state increases the rate of value added tax on cigarettes, it may reduce the overall excise duty up to amount which, expressed as a percentage of the weighted average retail selling price, is equal to the increase in the rate of value added tax, also expressed as a percentage of the weighted average retail selling price, even if such an adjustment has the effect of reducing the overall excise duty to below the levels, expressed as a percentage of the weighted average retail selling price, laid down in the first sentences of paragraphs 1 and 2 of Article 2 respectively. However, the member state shall raise that duty again so as to reach at least those levels by January 1st of the second year after that in which the reduction took place.

In Article 4 stands that every 4 years, the Commission shall submit to the Council a report and, where appropriate, a proposal concerning the rates of excise duty laid down in this Directive and the structure of excise duty as defined by Article 16 of the Council Directive 95/59/EC. The report by the Commission shall take into account the proper functioning of the internal market, ***the real value of the rates of excise duty*** and wider objectives of the Treaty.

Effects in 2011

Guiding principles when creating the legal framework at the EU level and at the level of member states as well is to ensure the proper functioning of the internal market and, at the same time, a high level of health protection bearing in mind that serious harm to health can be caused by tobacco products.

As regards cigarettes, the arrangements should be simplified so as to create neutral conditions of competition for manufacturers, to reduce the partitioning of the tobacco markets and to underscore health objectives. To this end, the concept of the most popular price category should be replaced; the price related minimum requirement should refer to the weighted average retail selling price, whereas the monetary minimum should be applicable to all cigarettes. For the same reasons, the weighted average retail selling price should also serve as a reference for measuring the importance of specific excise duty within the total tax burden.

The changes of prices and excise levels have been analyzed, in particular, for cigarettes — by far the most important category of tobacco products — as well as for fine-cut tobacco intended for the rolling of cigarettes. The analysis shows that there are still considerable differences between Member States which may disturb the operation of the internal market. Greater convergence between the tax levels applied in the Member States would help reduce fraud and smuggling within the Union.

Further on we give an overview of collected revenues and volumes of cigarettes released for consumption for 4 selected countries[1]:

Revenues from taxation on consumption of cigarettes (in millions of EUR)

	2007	**2008**	**2009**	**2010**
BE	1559,46	1532,01	1529,51	1686,55
DK	913,91	912,05	935,91	1042,80
AT	1446,16	1424,49	1457,60	1502,00
SI	299,58	341,75	362,00	389,14

Cigarettes released for consumption (in thousands)

	2007	**2008**	**2009**	**2010**
BE	12 492 580	11.916.326	11.616.849	12.557.608
DK	7.937.867	7.902.799	7.867.506	7.701.904
AT	13.583.454	13.187.828	13.383.631	13.759.444
SI	4.663.247	5.009.949	5.138.870	4.924.472

Analyzing the data from above tables we see that revenues were more dynamic that volumes. It lead us to assume that relevant policies on taxation of cigarettes have changed in analyzed period.

[1] European Commission – Taxation and Customs Unit, July 2011

However, we may assume that we witness the spillover of the effects of individual policies on other countries, neighbouring countries especially, with emphasis on volumes of traded cigarettes.

In the table below we provide an overview of the structure of retail selling price i.e. tax burden on cigarettes.

	Specific (1000 cigarettes)		*Ad valorem*	*VAT*	*Total tax*
	EUR	**% WAP**	**% TIRSP**	**% TIRSP**	**% WAP**
BE	15,93	7,04	52,41	17,36	76,62
DK	90,58	38,99	21,65	20,00	80,64
AT	34,00	17,95	42,00	16,67	76,62
SI	20,40	15,45	45,15	16,67	77,28
BiH	11,50	18,00	42,00	14,53	74,53

Note:
WAP – Weighted Average Price
TIRSP – Tax inclusive retail sales price

We assumed that the weighted retail selling price of cigarettes in BiH for 2011 is 2.50 KM. Based on that we calculated the structure of tax burden in order to compare it with other 4 EU member countries. General conclusion is that the total portion of taxes in retail selling price is the lowest in BiH. This is primarily thanks to the lowest VAT rate. Also, we can see that BiH has the lowest specific excise duty in absolute terms whereas it is the second highest in relative terms. It leads us to a conclusion that retail selling prices are much higher in other analyzed countries. So the general conclusion that tobacco tax payers are struggling to survive on already very economically modest BiH market challenging their own business performance in the short run. In this situation, we can repeat once more that continuing monitoring and control of tobacco market is of extreme importance in order to secure equal treatment for all market players which should lead to accomplishing the set goals of fiscal and public health policies.

Regulation of the state aid under the law of the European communities with an overview of the crisis measures

(Prepared by: Mirela Kadić)

State aid means an action by national, regional or local authority, to favour certain undertakings. Under the law of European communities[2], ***'any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States, be incompatible with the common market'***[3]. Consequently, in order for something to be a subject of state aid control, there are four cumulative requirements, which are:

- State aid is a transfer granted by the State itself (all its levels), but also by private and public intermediate body appointed by the State (i.e. private bank is given responsibility to manage a state funded SME aid scheme)
- The aid should constitute an economic advantage that the undertaking would not have received in the normal course of the business
- Principle of selectivity is what differentiates state aid from general economic measures, and it means favouring certain undertakings or the production of certain goods
- Aid must have a potential effect on economic activity, where a beneficiary can even be a non-governmental organization. European Commission has taken the view that the aid that amounts to 200 000 Euros during the three fiscal years, i.e. 100 000 Euros when it comes to road transport sector, is too small to significantly influence the economic courses and it is called *de minimis aid.*

Whether from political, legal or economic perspective the inter-disciplinarity of the concept of state aid has led to a lack of general consensus about whether the aid is harmful or not. On the one hand, it is believed that the state aid and subsidies are generally harmful because:

- They hinder efficient functioning of market mechanisms of demand and supply
- They create artificial advantages which damage competition and competitiveness
- They generate a culture that promotes subsidies and in which businesses when faced with obstacles (even when starting up) expect support from the state
- They interfere with the system of comparative advantages upon which free international trade is based[4]
- A prerequisite for state intervention is that the government has the analytical ability to determine (better than the market) appropriate economic structure, to know how to choose the winning branch and also to stop the aid provision in a timely manner[5]

Due to many negative consequences of government intervention, Article 87 (1) of the EC Treaty that is Article 107 (1) of the EU Treaty says that state aid and the single market concept are not compatible. For reasons of possible misuse of a clear, automatic and strictly defined term, the Commission retained the discretionary right to determine what to include or not in state aid, therefore no article gives a strict definition of this term.

If the regulations of the countries would be based only on this one article, the member states would not have much room for intervention to help their economies which proved to be of

[2] Articles 87 to 89 EC Treaty, that is Articles 107 to 109 EU Treaty
[3] Article 87 EC Treaty, that is 107 EU Treaty
[4] Stuart E. Vuletić D. 'Introduction to the regulation of state aid under the law of the European communities, A Handbook for Bosnia and Herzegovina', Support for Competition and State Aid in Bosnia and Herzegovina, Sarajevo, page 7
[5] The complexity of certain governmental structures, their inertia, and the influence of lobbying interest groups keen in maintaining state aid even when it is no longer economically viable, is leading to the conclusion that the state is often not able to carry this out as effectively as the market.

strategic importance during the recession in recent years. For this reason, Article 87 (2) that is 107 (2) mentioned measures of assistance that may be considered admissible if they do not distort the single market. These are:

a. Aid having a social character, provided that such aid is granted without discrimination related to the national/regional origin
b. Aid to repair the damage caused by natural disasters or exceptional occurrences
c. Aid granted to those regions of Germany affected by the division of this country

Article 87(3) that is 107(3) further expands the space for intervention and provides the following aid that can also be regarded as compatible with the Single Market:

a. Aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underdevelopment
b. Aid to promote the execution of project of common European interest or to remedy a serious disturbance in the national economies
c. Aid to facilitate the development of certain economic activities or economic areas, where such aid does not adversely affect trading conditions among member countries
d. Aid to promote culture and heritage conservation
e. Such other categories of aid as may be specified by decision of the Council acting by a qualified majority

General Block Exemption Regulation GBER, which is applicable since 29. August 2008 represents another part of the reforms undertaken by the European Commission over the last few years in order to take an up-to-date approach to state aid control, to eliminate unnecessary bureaucracy and focus resources on achieving the targets set in the Lisbon Strategy, i.e. Agenda 2020. This regulation represents the automatic granting of state aid for the 26 categories that will be of real benefit to job creation and increase of European competitiveness. Therefore, the aid that is, for example, granted for research and development, small and medium-sized businesses (especially businesses driven by women), environmental protection, assistance for persons with disabilities, will not be a subject to rigorous and extensive control in accordance with given guidelines and frameworks but only a very short and simple notification to the Commission after the aid has already been approved.

The European Commission has formed a worldwide unified system of rules under which state aid is assessed and monitored. This framework is regularly reviewed in order to improve efficiency and to respond to the Council's request for 'less but better targeted state aid' that would support the European economy.

There are three main aid categories:

- **Regional aid**

Articles 107(3) (a) and 107(3) (c) of the Treaty both provide a basis for the acceptance of State aid measures aimed at tackling regional problems:

- Article 107(3)(a) applies to *'State aid to promote the development of areas where the standard of living is abnormally low or where there is serious underdevelopment'* precisely in NUTS 2[6] regions with GDP per capita 75% lower than the EU 25 average

[6] Determination of statistical territorial units according to EU classification (so called NUTS) is part of the acquis that the candidate country is obliged to adopt before accession. The current system divides the EU territory on five hierarchical levels: NUTS 1, NUTS 2, NUTS 3 and two additional levels LAU1 and LAU2 in accordance with the criterion of population. NUTS classification is used to determine the level and type of aid by which the EU finances its cohesion policy, in line with the strategic guidelines adopted by Regulation (EC) No. 1059/2003

- Article 107(3) (c) covers aid that enables member country to help region within its national boundaries which is poorer than the national average.

For this aid member state proposes and the Commission adopts a list of regions. The criteria used for the assessment of regional aid are brought together in the 'Guidelines on national regional aid for 2007-2013'[7].

- **Horizontal aid**

Cross-industry or horizontal aid is a special category of aid which is aimed at tackling problems which may arise in any industry and region. This group includes aid for climate change and environmental protection, aid for research, development and innovation, aid for rescue and restructuring of firms in difficulty, aid for small and medium-sized enterprises, to employment, training aid, aid for risk capital and aid for services of general economic interest.

- **Sectoral aid**

Over the years the European Commission has developed a set of rules that treat access to state aid to specific industries. So let us say that the general rule of state aid prohibition is never or to a very small extent applied in agriculture, forestry, fishery and aquaculture sector, while the Commission is fairly strict when it comes to transport sector, where even threshold for de minimis aid is reduced from general 200 000 € to 100 000.

The assessment of state aid is essentially a balancing of both **positive effects**, in terms of contributing to the achievement of a well-defined objective of common interest and **negative effects**, namely the resulting distortion of competition and trade.

Table 1. Graduation of the assessment of state aid

1.	No aid – De minimis
2.	General Block Exemption Regulation GBER
3.	Standard assessment
4.	Detailed assessment

So every category of aid does not pass an extensive and in-depth assessment of the Commission, but some sort of 'cost-benefit' analysis with elements such as: how well-defined are the objectives to be achieved by aid provided, which instruments and how much of the negative effects will it produce. State aid supervision in EU is based on a system of *'ex-ante notification'*, which means that **unless it has been both notified and authorised by the Commission any state aid granted is classified as unlawful aid.**

State aid and global economic crisis

Until 2008, or until the first signs of economic crisis, the EU has had a stable economic environment, with an average annual GDP growth of 1.5%. The level of state aid has decreased annually by 2% and at the end of 2007 amounted to 0.5%. In chart 1 we note the trends in the total expenditure for state aid expressed as a percentage of GDP since 2002. Blue curve shows the dynamics of state aid expenditure in the EU27 when excluding crisis measures. We note that starting with 2008 EU member countries (especially the EU15) rapidly increase spending on state aid, but also that new member states (EU12) retain almost the same level of aid as well as in pre-crisis years. Total state aid includes aid for manufacturing, services, coal, agriculture, fisheries and

[7]Available at:http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:054:0013:0044:EN:PDF

part of the transport sector and in 2009 it amounted to approximately 427.2 billion Euros, whereas in absolute terms the highest level is recorded in UK (124 billion Euros), followed by Germany (116.8 billion), France (42.3 billion), Belgium (34.3 billion) and Greece (14.3 billion). In relative terms, State aid in the EU27 was approximately 3.6% of GDP. It is very interesting fact that in 7 Member States the share of state aid in GDP ranges below 1% (Czech Republic, Estonia, Italy, Lithuania, Poland, Portugal, Romania), while as in 9 countries it orbits above the average (from Sweden with 3.8% to Belgium with even 10.2%).

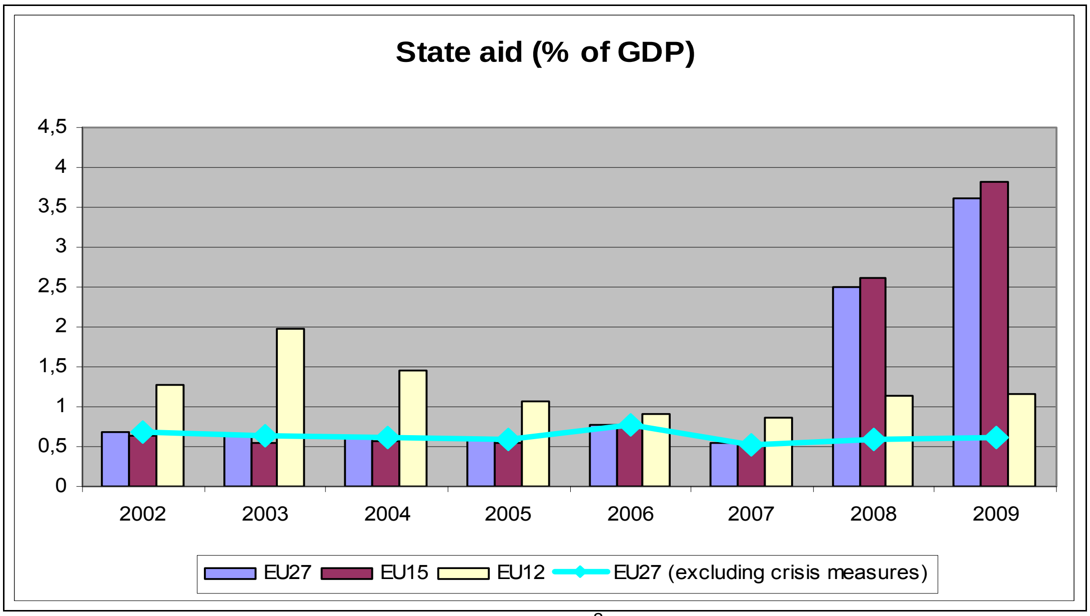

Chart 1 [8]

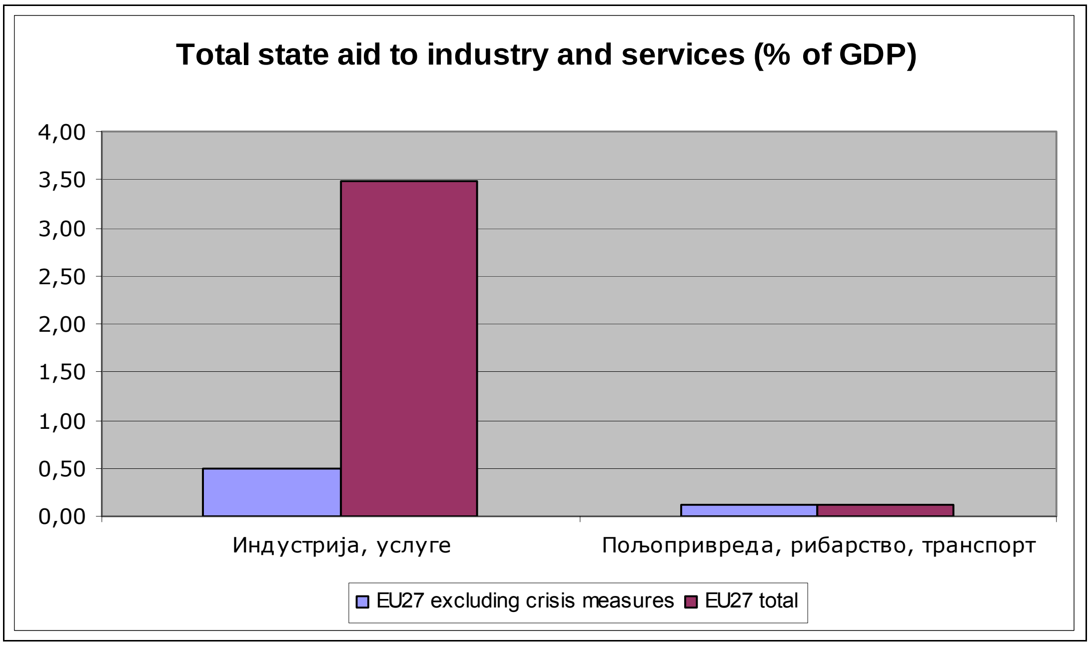

Chart 2

[8] Source: http://ec.europa.eu/competition/state_aid/studies_reports/ws2_2.xls

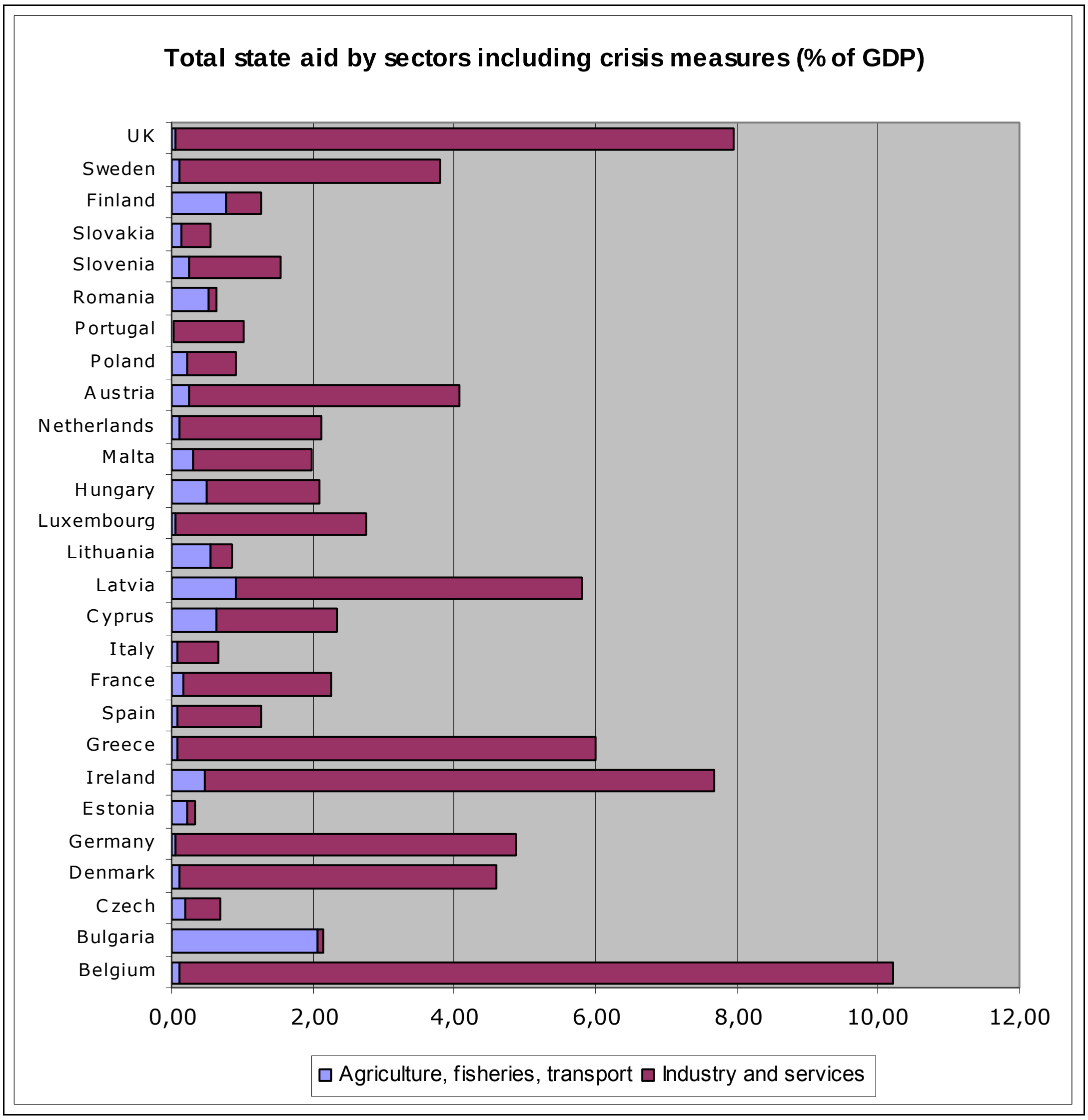

Chart 3

As seen in chart 2 share of state aid to agriculture, forestry and fisheries has remained untouched by the crisis, meaning that the crisis measures mainly refer to the help to industry and service. This primarily considers aid to financial institutions, given the fact that in 22 member countries most of the allocations went to this sector, while most countries in the EU12 group did not see the need to help its banking sector, and hence their level of support remained largely unchanged due to the crisis.

Chart 3 clearly shows the relationship between the share of aid for agriculture, fisheries, transport and the share of industry and services in EU countries, and confirms the previously mentioned fact that the aid directed to industry and service was mainly the measure conducted by EU 15 countries.

Large amounts of state aid have consequently caused the large fiscal deficits in most countries, but after a partial mitigation of the crisis it became a factor that lead to market distortions. For this reason, the WTO urged the EU to gradually exclude state aid to the private sector in order not to hinder long-term recovery. In its review of EU trade policies, WTO states that the outstanding amount of intervention granted by the EU were almost exclusively sectoral aid, focused on financial sector. The possibility of so-called 'Double-dip' crisis due to USA credit rating downgrades and the debt crisis in the EU would leave very little fiscal space for intervention to member states, at least judging by the data attached.

Bosnia and Herzegovina and state aid

According to Article 71 of the Interim Agreement on Stabilisation and Association of Bosnia and Herzegovina with the European Union relating to the competition, B&H is obliged to:

- Establish an **operationally independent public authority** (within two years from the date of entry into force of this Agreement) which will be entrusted with the powers necessary for prevention, restriction or distortion of competition, abuse of dominant position and a powers to authorise state aid

- Ensure **transparency in the area of state aid** by providing to the EU a regular annual report or other equivalent document, following the methodology and the presentation of the Community survey on state aid.

- Establish a **comprehensive inventory of aid schemes** instituted before the establishment of the independent public authority

- Any public aid granted by B&H during the first six years after the entry into force of this Agreement shall be assessed taking into account the fact that B&H shall be regarded as an area identical to those areas described in Article 87(3) that is 107(3) of EC Treaty

- By the end of the fifth year from the entry into force of this Agreement, B&H is obliged to submit to the European Commission its GDP per capita figures harmonised at NUTS 2 level.

Since Bosnia and Herzegovina has not fulfilled its obligations under Article 71 of the Interim Agreement in time, the possibility of obtaining candidate status is conditional upon, among other things, the fulfilment of these obligations. In addition, there is also a commitment of submitting regular and detailed reports on subsidies in the process of accession to the WTO.

Finally, in light of the principles of fiscal transparency, it is necessary to develop public awareness that the adoption of EU rules in the field of fiscal aid is not only necessary for B&H membership into the EU or the WTO, but that transparent reporting on state aid according to international standards must become a regular annual process for Bosnia and Herzegovina in the near future.

Consolidated reports

(Authors: Aleksandra Regoje and Mirela Kadić)

Table 1. (Consolidated report: B&H institutions, entities, SA)

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 and expenditures of the institutions of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska.

Tables 2.1-2.2. (Consolidated report: Cantons)

1. The consolidated report includes.
   - revenues and expenditures of the cantonal budgets,
   - revenues and expenditures of the budgets of related municipalities
2. Net financing = loans received – repayment of debt

Consolidated report: BiH, entities and SA, I-VII 2011

	I	II	III	IV	V	VI	VII	Total
Revenues	**409,08**	**387,68**	**484,90**	**460,33**	**478,88**	**537,87**	**527,10**	**3.285,85**
Taxes	383,37	362,10	440,30	412,95	450,96	503,08	468,37	3.021,12
Indirect taxes	366,06	338,50	387,26	372,98	419,32	464,94	438,77	2.787,84
VAT	237,73	222,07	230,16	247,61	249,48	275,87	261,87	1.724,80
VAT on imports	138,31	180,44	210,37	204,10	202,19	227,23	218,34	1.380,98
VAT from VAT returns	149,52	115,63	98,29	108,22	117,91	118,21	109,74	817,53
VAT from automatic assessment done by ITA	0,04	0,05	0,10	0,05	0,08	0,30	0,04	0,67
One-off VAT payments	0,28	0,16	0,31	0,06	0,06	0,03	0,08	1,00
Other	2,67	2,55	3,00	2,61	2,40	2,52	1,59	17,34
VAT refunds	-53,09	-76,77	-81,92	-67,43	-73,16	-72,41	-67,92	-492,70
Custom duties	15,51	20,88	26,49	23,89	24,09	24,89	25,10	160,85
Sales tax	0,00	0,04	0,01	0,02	0,00	0,00	0,00	0,09
Excises	93,18	76,42	107,81	79,24	118,01	138,23	124,12	737,02
on imports	60,59	54,08	70,68	52,26	80,23	92,85	74,43	485,12
on domestic production	32,60	22,34	37,13	26,98	37,79	45,38	49,69	251,90
Railroad tax	21,24	18,96	22,30	22,56	26,52	24,91	26,36	162,86
Other	1,48	1,27	1,43	1,59	2,16	2,02	1,79	11,75
Other refunds	-3,08	-1,15	-0,93	-1,94	-0,95	-0,99	-0,48	-9,52
Direct taxes	17,30	23,60	53,04	39,97	31,64	38,14	29,60	233,29
Profit tax revenues	8,66	10,70	35,13	23,57	13,54	20,00	12,35	123,96
Income tax revenues	8,08	12,10	16,87	15,50	17,20	17,20	16,25	103,20
Other direct taxes	0,56	0,80	1,04	0,90	0,90	0,93	1,00	6,13
Contributions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Non-tax revenues	23,84	24,29	40,99	46,48	27,48	33,23	33,55	229,87
Grants	1,87	1,29	3,61	0,86	0,44	1,56	0,18	9,81
Other revenues	0,00	0,00	0,00	0,04	0,00	0,00	25,00	25,04
Expenditures	**393,24**	**372,06**	**492,60**	**522,06**	**461,74**	**508,99**	**531,34**	**3.282,02**
Wages and compensations	118,15	118,79	150,30	130,52	131,42	131,18	142,39	922,74
Purchases of goods and services	9,89	14,11	19,20	23,24	26,26	31,22	22,29	146,20
Subsidies and transfers	89,19	83,70	142,84	182,80	105,86	113,51	138,17	856,06
Interests (domestic and foreign)	3,25	5,93	9,16	4,74	10,34	19,75	8,21	61,38
Interests on foreign debt	3,25	4,55	8,15	3,90	10,32	18,05	3,53	51,75
Interests on domestic debt	0,00	1,38	1,02	0,84	0,02	1,69	4,68	9,63
Other current expenditure	2,88	3,42	11,83	15,42	16,42	18,47	13,98	82,42
Capital expenditures	0,21	0,37	1,00	1,32	2,59	12,58	3,09	21,17
Other expenditures	4,21	2,74	6,81	8,00	7,46	10,11	6,00	45,33
SA transfers	166,92	144,46	164,97	160,08	173,86	187,76	198,90	1.196,95
o/w: FBiH/cantons, municipalities, Road Fund	127,52	110,26	127,86	123,08	133,32	142,79	150,98	915,82
o/w: RS/cities, municipalities, Road Fund	28,46	24,23	25,60	25,93	27,92	30,66	34,52	197,33
o/w: Brčko	10,93	9,98	11,50	11,07	12,62	14,31	13,40	83,81
Net lending and capital gains	-1,46	-1,46	-13,51	-4,06	-12,47	-15,58	-1,69	-50,23
Overall balance	**15,85**	**15,62**	**-7,70**	**-61,72**	**17,15**	**28,88**	**-4,24**	**3,83**
Financing	**-15,85**	**-15,62**	**7,70**	**61,72**	**-17,15**	**-28,88**	**4,24**	**-3,83**

Table 1.

Posavina Canton, I-VII 2011

		I	II	III	IV	V	VI	VII	Q1	Q2	Q3	I-VII 2011
1	**Revenues** (11+12+13+14)	**2.418.228**	**2.345.460**	**3.060.083**	**2.793.428**	**2.634.478**	**2.587.117**	**3.270.606**	**7.823.771**	**8.015.024**	**3.270.606**	**19.109.401**
11	**Tax revenues**	**1.968.419**	**1.781.395**	**2.407.635**	**2.101.183**	**2.165.674**	**2.170.462**	**2.482.458**	**6.157.450**	**6.437.318**	**2.482.458**	**15.077.226**
	Income and profit tax	277.172	283.313	668.178	411.946	284.236	290.837	342.939	1.228.663	987.018	342.939	2.558.620
	Property tax	42.007	27.496	38.594	52.805	29.657	37.298	26.633	108.097	119.760	26.633	254.489
	Indirect taxes	1.645.781	1.469.687	1.698.888	1.635.617	1.851.088	1.841.574	2.111.425	4.814.355	5.328.279	2.111.425	12.254.059
	Other taxes	3.459	900	1.976	815	693	754	1.462	6.335	2.261	1.462	10.058
12	**Non-tax revenues**	**423.076**	**492.210**	**452.867**	**670.958**	**447.517**	**372.667**	**438.715**	**1.368.153**	**1.491.142**	**438.715**	**3.298.010**
13	**Grants**	**26.733**	**71.855**	**199.581**	**21.288**	**21.288**	**43.989**	**349.433**	**298.168**	**86.564**	**349.433**	**734.165**
14	**Other revenues**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2	**Expenditures** (21+22)	**2.546.146**	**2.891.870**	**3.352.048**	**2.539.791**	**2.826.577**	**3.006.188**	**2.834.306**	**8.790.064**	**8.372.556**	**2.834.306**	**19.996.927**
21	**Current expenditures**	**2.546.146**	**2.891.870**	**3.352.048**	**2.539.791**	**2.826.577**	**3.006.188**	**2.834.306**	**8.790.064**	**8.372.556**	**2.834.306**	**19.996.927**
	Gross wages and compensations	1.689.347	1.702.412	1.738.132	1.684.304	1.713.396	1.669.583	1.557.853	5.129.891	5.067.283	1.557.853	11.755.027
	Purchases of goods and services	770.030	598.979	726.527	481.733	514.709	505.452	486.076	2.095.536	1.501.894	486.076	4.083.506
	Grants	73.515	589.781	886.671	373.013	561.834	819.793	789.729	1.549.966	1.754.640	789.729	4.094.335
	Interests	13.255	699	718	741	36.638	11.360	648	14.672	48.739	648	64.059
	Transfers to lower budget units	0	0	0	0	0	0	0	0	0	0	0
22	**Net lending***	0	0	0	0	0	0	0	0	0	0	0
3	**Net acquisition of nonfinancial assets**	**29.398**	**117.932**	**42.080**	**88.915**	**231.490**	**465.799**	**275.546**	**189.410**	**786.204**	**275.546**	**1.251.161**
4	**Government surplus/deficit** (1-2-3)	**-157.316**	**-664.343**	**-334.045**	**164.722**	**-423.589**	**-884.870**	**160.754**	**-1.155.704**	**-1.143.736**	**160.754**	**-2.138.686**
5	**Net financing ****	**-30.494**	**0**	**0**	**0**	**0**	**-28.191**	**0**	**-30.494**	**-28.191**	**0**	**-58.685**

Table 2.1.

Una-Sana Canton, I-V 2011

		I	II	III	IV	V	Q1	Q2	I-V 2011
1	**Revenues** (11+12+13+14)	**19.227.114**	**16.405.053**	**19.240.970**	**18.578.366**	**18.851.551**	**54.873.137**	**37.429.916**	**92.303.053**
11	**Tax revenues**	**15.185.987**	**13.341.201**	**15.322.108**	**14.875.171**	**15.536.856**	**43.849.296**	**30.412.028**	**74.261.323**
	Income and profit tax	1.481.240	1.423.380	2.263.603	2.461.237	1.637.749	5.168.222	4.098.987	9.267.209
	Property tax	625.346	609.199	629.053	351.378	407.572	1.863.598	758.950	2.622.548
	Indirect taxes	13.069.829	11.306.190	12.425.926	12.059.914	13.489.669	36.801.944	25.549.584	62.351.528
	Other taxes	9.573	2.432	3.526	2.641	1.866	15.531	4.507	20.038
12	**Non-tax revenues**	**3.167.182**	**2.533.691**	**3.376.067**	**3.272.591**	**3.230.101**	**9.076.940**	**6.502.692**	**15.579.632**
13	**Grants**	**814.937**	**396.366**	**352.243**	**430.603**	**84.250**	**1.563.546**	**514.853**	**2.078.399**
14	**Other revenues**	**59.007**	**133.795**	**190.552**	**0**	**343**	**383.355**	**343**	**383.698**
2	**Expenditures** (21+22)	**16.440.652**	**17.676.327**	**19.815.052**	**18.928.354**	**20.998.548**	**53.932.031**	**39.926.901**	**93.858.933**
21	**Current expenditures**	**16.440.652**	**17.676.327**	**19.416.625**	**18.928.354**	**20.998.548**	**53.533.604**	**39.926.901**	**93.460.506**
	Gross wages and compensations	13.619.010	11.934.914	12.816.769	13.564.743	11.648.672	38.370.692	25.213.415	63.584.108
	Purchases of goods and services	900.713	1.439.588	2.538.286	1.947.240	2.779.372	4.878.586	4.726.613	9.605.199
	Grants	1.380.994	3.890.567	2.779.259	2.906.299	6.194.097	8.050.820	9.100.396	17.151.216
	Interests	112.989	104.767	253.433	76.550	121.749	471.189	198.299	669.488
	Transfers to lower budget units	426.946	306.493	1.028.879	433.521	254.657	1.762.318	688.178	2.450.496
22	**Net lending***	0	0	398.427	0	0	398.427	0	398.427
3	**Net acquisition of nonfinancial assets**	**291.426**	**208.423**	**303.783**	**314.966**	**644.970**	**803.632**	**959.936**	**1.763.568**
4	**Government surplus/deficit** (1-2-3)	**2.495.035**	**-1.479.697**	**-877.865**	**-664.953**	**-2.791.968**	**137.474**	**-3.456.921**	**-3.319.447**
5	**Net financing ****	**-5.515**	**-105.378**	**192.203**	**-263.772**	**-66.212**	**81.311**	**-329.984**	**-248.673**

Table 2.2.