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Conceptual Approaches to the State Fiscal Policy Formation in Developed Western Countries

This article analyzes the main approaches that exist in developed countries to the formation of fiscal policy. It is noted that in the world there are four main approaches to the formation of fiscal policy: the German model – focused on equalization of tax potential of the federal lands as a major factor of smoothing horizontal fiscal imbalances, the amount of land tax and of their share in the revenues of the federal taxes – from personal income and corporate (share of VAT revenues not included); the Canadian model, which is based on the use of equalization (unconditional) transfers and trust (determined) transfers. This is the most common model, which is implemented in Canada, Switzerland, Austria and some other countries; the American model, implemented in a highly decentralized budget system and based on a clear division of powers on income and on expenditures between levels of government, involving separation of tax sources (subjects with extensive financial independence and increased responsibility of local authorities to ensure the necessary population by the range of public services, the role of the federal government in a system of financial equalization is

determined mainly by implementation of federal programs of social development); The model of forming of fiscal policy, based on a system of financial equalization measures of areas and which is used in unitary states (Japan, Sweden, Denmark and others.) And is characterized by the use of equalization transfers, which are determined as the difference between the basic financial needs and the basic financial income that do not affect the actual execution of local budgets. It is determined that the design of fiscal policy in times of crisis, by what the current period of development of Ukraine is characterized, must determine, first of all, the goals and priorities of the state and put them in specific indicators of expenditure budget system, then set the share of public investment in the value of public spending and only then decide to decrease or increase the tax burden depending on whether the case will be more growth.

Keywords: fiscal policy, government revenue policy, the policy of government spending, taxes, investments.