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PROSPECTS FOR UTILIZING DIGITAL TECHNOLOGIES TO INCREASE LOCAL BUDGET REVENUES

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Abstract

Today, the rapid development of the digital economy has a significant impact on the processes of managing public finances, forming budget revenues and improving tax administration. The widespread introduction of information and communication technologies makes it possible to quickly monitor economic processes, process financial information and increase the efficiency of management decisions. In particular, the use of digital technologies in increasing local budget revenues plays an important role in determining the existing economic potential of the regions, expanding the tax base and forming modern mechanisms for managing budget revenues.

Local budgets are one of the main institutions in financing the socio-economic development of the regions. Financing of education, healthcare, communal infrastructure, landscaping, transport and other areas of local importance depends on the adequacy of budget resources. Therefore, expanding the revenue base of local budgets, effective use of existing sources of income and identifying new fiscal opportunities is one of the urgent tasks of regional financial policy.

Digital technologies are important in increasing local budget revenues, first of all, with the possibility of more complete accounting of economic activities. Through electronic invoices, online cash register systems, electronic payments, digital cadastre and automated reporting systems, it is possible to increase the transparency of economic transactions. As a result, more accurate information

about the real economic activity of taxpayers will be formed, and the efficiency of calculating taxes that should be received by the budget will increase.

Another important advantage of digitalization is related to the improvement of information exchange between various government agencies. By integrating information available in tax, cadastre, statistics, state registration and other systems, the possibility of full identification of taxation objects is expanded. For example, the interaction of information on land and property objects with the tax system creates an additional opportunity to increase local budget revenues. It is also possible to identify hidden economic activities and expand the tax base by using information on the activities of business entities.

The use of artificial intelligence, big data, and analytical platforms is also creating new prospects in the management of local budget revenues. By analyzing large amounts of economic data, it is possible to identify trends in changes in tax revenues, forecast revenues, and assess tax risks. And the development of risk-based control mechanisms will make it possible to direct control resources to the areas where there is the highest risk.

The development of digital technologies will also create convenience for taxpayers. Through electronic tax services, the processes of calculating taxes, filing returns, making payments, and obtaining the necessary information will be simplified. This will serve to reduce administrative costs and increase tax discipline. The expansion of digital communication channels between taxpayers and government agencies will increase transparency and strengthen mutual trust. At the same time, in the process of digitizing local budget revenues, attention should also be paid to the issues of information security, data confidentiality, technical stability of systems and digital literacy. The effectiveness of digital technologies depends not only on the availability of modern software tools, but also on the qualifications of the professionals who use them and the appropriate institutional environment.

In this regard, the main goal of this study is to study the economic significance of the use of digital technologies in increasing local budget revenues, identify existing opportunities and problems and develop scientific and practical proposals for improving modern digital mechanisms aimed at improving the efficiency of regional budget revenues.

Based on the scientific and theoretical analyses conducted, it can be concluded that the use of digital technologies is one of the modern and promising directions of increasing local budget revenues. Through digitalization, the possibilities of improving tax administration, more complete accounting of economic activities, expanding the tax base and forecasting budget revenues will significantly increase. Therefore, the introduction of digital technologies in the system of local budget revenue management should be considered as an important condition for strengthening the financial stability of the regions.

One of the main advantages of digital technologies is to increase the transparency of economic transactions. Through the use of electronic invoices, online cash register systems, electronic payments and automated reporting systems, the possibility of determining the real economic activity of business entities will expand. This will serve to increase tax revenues to the local budget, reducing the cases of concealment of income and evasion from taxation.

The integration of various state information systems is also important in increasing local budget revenues. Interconnection of tax, cadastre, statistics, state registration and other databases will allow for a more complete identification of taxation objects related to land, property and business activities. As a result, the necessary information will be formed for the effective use of the existing fiscal potential of the territories and the expansion of the taxation base.

Also, the use of artificial intelligence and big data technologies can improve the quality of forecasting local budget revenues. By analyzing the correlations between different economic indicators, it becomes possible to assess the future dynamics of tax revenues, identify possible risks to revenues, and formulate management decisions in advance. And the development of risk-based tax control will increase the effectiveness of control measures and contribute to the rational use of available resources.

The development of digital services will also simplify the relationship between taxpayers and the state. The convenience of identifying tax liabilities, submitting reports and making payments through electronic services will improve tax discipline. At the same time, the reduction in administrative costs will create a favorable environment for business entities and contribute to the development of economic activities in the formal sector.

Based on the results of the study, several priority areas for the use of digital technologies to increase local budget revenues can be identified. First, it is necessary to develop a unified digital monitoring system for local budget revenues. Second, it is necessary to strengthen the integration of tax and other relevant government databases. Thirdly, it is desirable to further expand electronic payments and digital reporting systems. Fourth, it is necessary to develop mechanisms for forecasting budget revenues based on big data and artificial intelligence, as well as tax risk detection.

In addition, in the process of digital transformation, it is important to increase the digital competencies of employees of regional financial and tax authorities. For the effective use of modern information systems, it is necessary to regularly develop the knowledge and skills of specialists in data analysis, digital monitoring and information security. At the same time, it is necessary to strengthen technical and organizational measures aimed at the uninterrupted operation of digital systems and data protection.

In general, the effective use of digital technologies creates a great opportunity to increase local budget revenues, improve tax administration and strengthen the financial independence of the regions. Through digitalization, it is possible not only to better control the existing sources of revenue, but also to identify new fiscal opportunities, reduce hidden economic activities and more accurately forecast budget revenues. Therefore, the consistent continuation of the digital transformation of local budget management is one of the important conditions for ensuring the long-term financial stability of the regions.