COMPETITIVE POSITION OF COMMUNES BASED ON PARTICIPATION OF BUDGET INCOMES IN THE TAX PROCEEDS.

Andrzej Sobczyk

Introduction

Finance as a main aspect in strategic process of commune management. Every taken decision whether current functioning or development has a financial measurement. Quality management together with financial possibilities of the commune as a base to earmark an overall wider objective of function and development\(^1\). Self-governing finances provide for needs of the local and regional community. Significant importance for the unit board is, diminish squander of public financial envelope allocated to task implementation. Fulfilment of the developing objectives depends on the budget which is based either on the community financial resources or local firms. That’s why sustainable monitoring of characteristic economic size of a local development has a potential and strengthening competitive position of the commune. The article shows meaning and mode of utilisation of information about the tax income size from individual person deliver on the commune’s area for the note needed for their competitive position.

Literary overview

Competitive position of a Region in monitoring system

Changes in the local economy, require creating of a functioning system in the constant way together with an appropriate frequency to particular dynamic process registering substantial parameters. In all phases of the strategic plan and implementation, elements of the monitoring system are substantial and have specific and distinct tasks. In order to understand a variation in environment, monitoring system aim at collecting and analysing indispensable information. The economic information serves as an inspection in socio-economic situation of the commune. In the time frame information comparison shows trend’s development of the local community and the local firms based on facts and working as a note possibilities of the future development. It is as well a description of the status, helping in a future strategic documents realization, following progress of the program implementation.

The socio-economic situation include particulars of:

- Demographic situation, sources and income size of the commune inhabitants

Rating of the job market:

- Competitiveness of the commune economy
- Competitiveness of the specific business line

Use of the right-formal and technological possibilities supposed to rich the initial sources storage key for development of towns and region’s public information resources, investigate potential and aspiration of the person entering a job market and the entrepreneurs, information from different sources in order to create synthetic analysis and prognosis. As a example use of the tax office data’s collection. This helps in monitoring on the level of the commune, poviat, sub-region and region’s substantial economic indicators, not registered on that level in the Main Statistic Office, incomes of the habitants from different sources, quantity jobs, and

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\(^1\) Cz. Rudzka-Lorentz, J. Sierak w: Zarządzanie gospodarką i finansami gminy
for companies – sales, incomes, taxes, employment, investments, export, wages, economic sectors and all size companies. This will create a basis for more effective monitoring system of the socio-economic situation in the local and regional dimension, helps as well integrating initial development management and implementation of the developing programme. Smooth monitoring system creates capital knowledge about commune town or region. Selection of indicators supposed to show relationship between incomes level, personal and company assets and potential development of self-government and change in the nature of a central towns and suburban area in creating metropolitan areas. Indicators supposed to be based on basic socio-economic situations for the time line identification of the key changes socio-economic parameters.

**Material and methods**

Fundamental problem for stability and financial liquidity is a form of complexity and external procedures supplying budget of the commune. Share in takings from the income tax establish substantial equivalent instrument of self-governing budget. The analysis aimed at introducing potential developing of a commune based on receipts from the income tax. Increase of the commune budget share incomes, is based on amount wages. Takings in share of tax on income from legal person depends on localization of the registered office and if seat of a firm is placed beyond the limit of administrative area of a commune, share of the commune is counted proportionally to an employment number in the sector of the business in relation to entire index of the employment in a company. Collected data from the tax office in Szczecin have been concerning quantity of the tax payers and a size of the impose tax and the Statistic Office’s data regarding demography, allow achieve economic appraisal of the local business and habitants from the town’s budget point of view.

**Table 1 - Quantity of the tax payer with and without business activities in Szczecin 2000-2006 (Quantity)**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax payer s without business activities</td>
<td>237 973</td>
<td>236 226</td>
<td>236 023</td>
<td>237 044</td>
<td>242 678</td>
<td>245 387</td>
<td>246 554</td>
</tr>
<tr>
<td>Tax payers with business activities</td>
<td>21 567</td>
<td>22 096</td>
<td>22 155</td>
<td>21 954</td>
<td>22 121</td>
<td>22 133</td>
<td>22 652</td>
</tr>
</tbody>
</table>

*Source: Study based on the Tax Office in Szczecin*

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2 Stowarzyszenie Rozwoju Gospodarczego Gmin. Instrumenty monitorowania sytuacji społeczno ekonomicznej i realizacji strategii (materiały nie publikowane). Szczecin, 2008r

3 E. Ruśkowski Finanse publiczne i prawo finansowe., Warszawa, Kik 2000r.
Table 2 - Size of the joint tax of the tax payers with and without business activities in Szczecin 2000-2006 (PLN)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax payers without business activities</th>
<th>Tax payers with business activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>337 969 081</td>
<td>99 130 890</td>
</tr>
<tr>
<td>2001</td>
<td>331 533 383</td>
<td>101 118 600</td>
</tr>
<tr>
<td>2002</td>
<td>333 938 308</td>
<td>100 466 191</td>
</tr>
<tr>
<td>2003</td>
<td>324 744 284</td>
<td>98 104 177</td>
</tr>
<tr>
<td>2004</td>
<td>363 546 729</td>
<td>125 320 349</td>
</tr>
<tr>
<td>2005</td>
<td>379 698 318</td>
<td>147 953 819</td>
</tr>
<tr>
<td>2006</td>
<td>463 010 996</td>
<td>2001 620 548</td>
</tr>
</tbody>
</table>

Source: Study based on the Tax Office in Szczecin

From the table 1 the quantity of the tax payers with and without business activities we see that in an analysing period in Szczecin the quantity of persons using declaration PIT-37 increased 8581, but the quantity persons with business activities stays on the same level, 1085 persons growth in 2006 in relation to 2000. Substantial increased in size of paid tax on income. Table 2 persons without business activities 37% increase , persons with business activities 204% increase. As we can see taxes growth influence the incomes of the town’s budget, what strengthen the competitive position.

Results

Current situation require monitoring system implementation programme and fit to dynamic changing environment and expectation of the entrepreneur and workers. Monitoring system of the socio-economic situation supposed to indicate actual competitive status of the local economic and the to job market, as well potential developing of habitants of every commune and poviat. Information concerning habitants quantity reaching incomes and paid taxes size is substantial from point of view expectation of the budget incomes by way of share in tax on income. Quantity of the local firms and information about place of business activity conduct is as well substantial from point of view of the commune budget incomes and by way of share in tax on income, and paid taxes on real estate.

Conclusions:

- Increase of the local business incomes, rearrange direct on increase of the commune budget incomes share by way of the tax on income.
- From point view of the budget incomes, substantial is localization of economic operator statement, based on tax on income from legal person. If business seat is within the administrative area of the commune, budget share in incomes by way of tax on income from legal persons equals full rate what is 6,71%. But if business seat is beyond area of the commune, budget incomes is proportional to size of the employment in firm.
- Data concerning the quantity of the tax payers together with income size and income on tax paid in advance in compilation with income’s source information and demographic data gives basis for expectation of the commune budget incomes by way of share in tax on income.
- Increase of paid wages affects income on tax paid in advance, what equals rise of the budget income share by way of income on tax from legal persons.
Title: Competitive position of communes based on participation of budget incomes in the tax proceeds

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Author/s: Andrzej Sobczyk

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Key words: local development, taxes, competitiveness

Klíčová slova: local development, taxes, competitiveness

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