State – Local Authorities
Fiscal Relations

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CROWDFUNDING IN INVESTMENT ACTIVITIES OF LOCAL GOVERNMENT UNITS

DOI: 10.15611/pn.2017.485.01
JEL Classification: G2, H7, E22

Summary: The development of the financial services market creates additional opportunities and opportunities for local government units to raise cash outside the traditional financial system. New trends and behaviors of market participants make us see the dynamic development of the alternative finance market in recent years and the use of this form of financing by both real and public sectors. This is a relatively new and poorly distributed way of deriving external funding, with which certain benefits and risks are associated, and above all the risks that have so far been identified and investigated to date. In addition, in Polish legal reality, the issue of adapting legal regulations to conduct more flexible financial management by territorial self-government units (LAGs) is an important element. The study analyzed selected aspects and possibilities of using crowdfunding as a source of funding for investment activities of local government units in Poland. An important element of the article discussed is to indicate the possibility of using this source of funding by Polish local government units on the basis of international experience.

Keywords: crowdfunding, local government units, investment.
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WPŁYW CZĘŚCI WYRÓWNAWCZEJ
SUBWENCJI OGÓLNEJ NA ZRÓŻNICOWANIE
DOCHODÓW GMIN W POLSCE

THE IMPACT OF EQUALIZING PART OF GENERAL
SUBSIDY ON DISPERSION OF MUNICIPALITIES’
REVENUES IN POLAND

DOI: 10.15611/pn.2017.485.02
JEL Classification: H71, H77

Summary: The aim of this article is to investigate the effect of equalizing part of the general
subsidy on municipalities’ income dispersion in Poland. The research period covers the years
2007-2014. The article discusses the construction of the equalizing subsidy. It also presents its
share in own revenues and total revenues of all municipalities and municipalities – beneficiar-
ies. The empirical analysis of distributions of revenues per capita uses the following measures
of diversification and concentration: coefficient of variation, Gini coefficient and Theil index.
The results show that in the period under investigation vertical redistribution reduced per
capita municipal revenues’ variation. This effect turned out to be stronger with respect to own
revenues than total revenues. The equalizing part of the general subsidy contributed to the
decline of municipal revenues’ variation both within regions and between them.

Keywords: vertical redistribution, territorial self-government, measures of dispersion, me-
asures of concentration.
Summary: The aim of the article is to identify groups of own-source revenues that are used to diversify by large cities in Poland. Literature review allowed to define three trends in diversification: by changing the meaning of real estate tax; income tax and non-tax revenues. The quantitative analysis was conducted on the basis of defined own-source revenues groups, based on the division of the cities into two groups, based on the direction of the change in the HHI, between 2015 and 2004. It has been shown that there is a correlation between growth in operating own-source revenues per capita and an increase of the diversification of these revenues, which confirms the fact that cities maintain a certain performance in terms of revenue receipts, they increase the efficiency of those less efficient. At the same time it was pointed out that the revenues group which distinguishing two types of cities is operating revenues from property, and subsequently fees (levies) and other operating revenues.

Keywords: user charges, own revenues, local governments’ budgets.
ROZWÓJ PPP W POLSCE –
ANALIZA ZAANGAŻOWANIA
JEDNOSTEK SAMORZĄDU TERYTORIALNEGO

PPP DEVELOPMENT IN POLAND –
ANALYSIS OF LOCAL GOVERNMENT UNITS
INVOLVEMENT

DOI: 10.15611/pn.2017.485.04
JEL Classification: H54, H83, O18

Summary: Public-private partnership in Poland has been a subject of many disputes for many years, but its development is rather modest. In the beginning lack and further mismatch of law were treated as the main obstacles, afterwards a necessity to fulfill Maastricht criteria and Eurostat reporting requirements. Despite quite low development of PPP projects in Poland it seems that the analysis of local government units (LGUs) involvement into such projects should be undertaken. The analysis shows that LGUs have been more active, especially in the last 5 years. The biggest involvement was generated by poviat towns, and mainly with the status of metropolis. Other types of LGUs were also more active than in previous years. The biggest projects have related to IT, waste, and revitalization sectors. In smaller LGUs PPP projects were focused on low-energy investments, and also in water-sewage, sport and tourism, health, transport, and culture sectors.

Keywords: public-private partnership, Poland, local government unit.
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DYSPROPORCJE W DOCHODACH GMIN WIEJSKICH W POLSCE W LATACH 2002–2015  
THE DISPROPORTIONS OF RURAL GMINAS INCOME IN POLAND IN THE YEARS 2002–2015

DOI: 10.15611/pn.2017.485.05

Summary: The aim of the study was to evaluate the scale of contrasts in the group of rural gminas in Poland, due to their income situation. The Gini coefficient (Gt), the Dt and the quintile Kt are used to assess the level of disproportions. The source data come from the budgetary reports of the local government units, which are at the disposal of the National Regional Councils of the Accounting Chamber and the Ministry of Finance.

Keywords: income of gmina, Gini’s coefficient, disproportions.
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WPŁYW UNIJNEJ POLITYKI SPÓJNOŚCI
NA PROCES DECENTRALIZACJI ZARZĄDZANIA
FUNDUSZAMI POMOCOWYMI W POLSCE

INFLUENCE OF THE EU COHESION POLICY
ON THE PROCESS OF DECENTRALIZATION
OF THE AID FUNDS MANAGEMENT IN POLAND

DOI: 10.15611/pn.2017.485.06
JEL Classification: E62, E63, H30

Summary: The main objective is proving that Cohesion Policy conducted in Poland has an impact on the decentralization process of the management of the aid funds of the EU. Poland, after its accession to the EU, started the implementation of the Cohesion Policy and became eligible for assistance from Structural Funds and the Cohesion Fund. Funds allocated in the general budget of the EU are used to finance national and regional programs. From the research it follows that from 2007 to 2013 the spending on regional programs amounted to 24.7% of the total allocations for the Cohesion Policy, while in the period from 2014 to 2020 local governments are to spend 40.7% of the total allocations. Based on presented data, it can be concluded that since 2007 a process of decentralization of the management of the EU Cohesion Policy funds has progressed in Poland. Consequently, the process of increasing the independence of the regions in defining their development priorities has taken place, along with increasing the responsibility of the regions for their development policy.

Keywords: European Union, cohesion policy, Poland, aid funds, management decentralization.
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ASPEKTY SAMODZIELNOŚCI
SAMORZĄDU TERYTORIALNEGO
I PODLEGŁYCH SZKÓŁ GMINNYCH PO 2009 ROKU
W ŚWIETLE PRZEPISÓW PRAWNYCH

ASPECTS OF INDEPENDENCE
OF LOCAL COMMUNITY AND SUBORDINATED
LOCAL SCHOOLS AFTER 2009 IN THE LIGHT
OF LEGAL REGULATIONS

DOI: 10.15611/pn.2017.485.07
JEL Classification: H70, H75, I22

Summary: In the paper we look for the answer, what scope of independence the law provides for local authorities in the field of schools and what competencies school principals have. The research purpose is to indicate the most important, current empirical studies in this field. The analysis of legal acts shows that we need to investigate if the educational part of general subsidy reduces differences in fulfilling educational needs among local communities. In relation to principals the problem concerns the ways how their independence is limited by local authorities. It is necessary to find a system of school financing which encourages principals to use budgetary means effectively and search for extra financial means in multiyear perspectives.

Keywords: community, schools, educational part of general subsidy, budgetary unit.
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DYSFUNKCJE UDZIAŁÓW W PODATKACH PAŃSTWOWYCH W ASPEKCIE ZMNIEJSZAJĄCEJ SIĘ SAMODZIELNOŚCI DOCHODOWEJ SAMORZĄDU TERYTORIALNEGO W POLSCE

DYSFUNCTIONS OF SHARES IN STATE INCOME TAXES IN THE ASPECT OF DECREASING THE REVENUE AUTONOMY OF THE LOCAL GOVERNMENT IN POLAND

Summary: Shares of in state income taxes (PIT and CIT) in the Polish legal system are included in the category of local government income. At the same time, these are transfer income, not having the basic attributes of the so-called decentralized taxes, typical of this category of income. With regard to these sources of income, local government units have no elements of taxing power at their disposal. In a sense they are only their “dummy”. The aim of this article is to evaluate the local government tax system in Poland, with particular focus on the shares in state income taxes in the aspect of revenue autonomy of the local government. At the same time, the study is an attempt to answer the following question: Does the Polish system of local government taxes actually fulfil the postulates contained in the Constitution of the Republic of Poland and the European Charter of Local Self-Government? The text was prepared on the basis of literature studies and analysis of the data published by the Ministry of Finance and the Central Statistical Office.

Keywords: local government, local taxes, shares in state income taxes, taxing power.
CENTRALIZATION OF VAT SETTLEMENTS IN LOCAL GOVERNMENT UNITS – SELECTED ISSUES

DOI: 10.15611/pn.2017.485.09
JEL Classification: H250

Summary: The article concerns the character of functioning of VAT in local government units. The aim of the study is to identify principal problems related to interpretation and application of tax law provisions in the field of centralized VAT settlements in these units. The article points out the most vital consequences for the local government units arising from the change of VAT settlement system in relation to a landmark verdict by the Court of Justice of the European Union (case of commune of Wrocław). The method of literature study was employed alongside the analysis of legal regulations and the case study of judicial decisions of both domestic and European Union courts.

Keywords: VAT, centralization of VAT settlements in local government units, local government units.
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ZRÓŻNICOWANIE REGUŁ FISKALNYCH
DLA JEDNOSTEK SAMORZĄDU TERYTORIALNEGO
W KRAJACH UNII EUROPEJSKIEJ

DIFFERENCES IN FISCAL RULES ACROSS
LOCAL GOVERNMENTS IN THE EU COUNTRIES

DOI: 10.15611/pn.2017.485.10
JEL Classification: H72, H74, H77

Summary: This paper is devoted to the critical analysis of fiscal rules for self-government in the European Union. It provides theoretical justification for the application of fiscal rules at local level and comparison of solutions used in local government. The aim of the paper is to assess the experiences of local government units in the EU countries in application of different fiscal rules. In research data, apart from literature review, data concerning fiscal rules for the years 1990–2015 provided by the European Commission were used.

Keywords: local government finance, fiscal discipline, institutional arrangements.
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ZNACZENIE UDZIAŁÓW WE WPŁYWACH W PODATKACH DOCHODOWYCH STANOWIĄCYCH DOCHÓD BUDŻETU PAŃSTWA DLA JEDNOSTEK SAMORZĄDU TERYTORIALNEGO W POLSCE W LATACH 2010–2015

SIGNIFICANCE OF SHARES IN PROCEEDS IN INCOME TAXES BEING AN INCOME OF STATE BUDGET FOR TERRITORIAL SELF-GOVERNMENT UNITS IN POLAND IN 2010–2015

DOI: 10.15611/pn.2017.485.11
JEL Classification: H24

Summary: The article presents the problem of the shares in income in personal income tax and corporate income tax transferred from the central budget to individual budgets of local government units (gminas, poviats, voivodships). The article also includes different types of incentives used by local governments to increase revenues. The main part analyzes statistical data on the formation of shares in the influence for territorial self-government units by voivodship. The analysis covered a five-year period and comprised the years 2011 and 2015. Finally, conclusions were drawn from the analysis which among others stated that the most important in the income of local governments was the share of income tax from individuals. In addition, there were indications of potential changes that could contribute to a better transfer of shares in income taxes.

Keywords: shares in income taxes, CIT, PIT.
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REGIONALNE DYSPROPORCJE
W POLITYCE FISKALNEJ A ROZWÓJ SEKTORA MŚP
NA PRZYKŁADZIE WYBRANYCH PAŃSTW OECD

REGIONAL DISPROPORTIONS IN FISCAL POLICY
VS. SME SECTOR DEVELOPMENT ON THE EXAMPLE
OF CHOSEN OECD COUNTRIES

DOI: 10.15611/pn.2017.485.12

Summary: Small and medium-sized enterprises (SMEs) make up more than 95% of the companies, generating 60–70% of employment with a special job creation role in most OECD countries, while in Australia, France and Luxembourg their share is 75%. Big business players reduce employment by changing the existing employment contracts for outsourcing which makes potential for SMEs. The strategy of large companies, in a sense, forces a certain level of entrepreneurship and initiative among local societies, increasing the importance and the role of SMEs not only at the local level but ultimately in the whole economy. The aim of this article is to determine the effectiveness of regional fiscal policies, with particular emphasis on the specificity of tax burdens and public expenditure, which in many cases will be the motive force for the development or stimulation of entrepreneurship.

Keywords: fiscal policy, fiscal decentralization, fiscal attributes of location.
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TAK ZWANY BUDŻET OBYWATELSKI
JAKO INSTRUMENT ALOKACJI ŚRODKÓW
PUBLICZNYCH W JEDNOSTKACH SAMORZĄDU
TERYTORIALNEGO

THE SO-CALLED PARTICIPATORY BUDGET
AS AN INSTRUMENT OF PUBLIC FUNDS’
ALLOCATION IN THE LOCAL GOVERNMENT UNITS

DOI: 10.15611/pn.2017.485.13
JEL Classification: H70, H72, H76

Summary: The so-called participatory budget has recently become popular within local government units, with allocation being its main function. The aim of this article is to answer the questions: what should be the participatory budget main areas of financial funds’ allocation and how to measure efficiency and effectiveness of these allocations. This article shows that the participatory budget can be used for local government own tasks only. These tasks can be of obligatory or facultative nature. It is advisable to be of the project-type, as it contributes to the effectiveness and efficiency of public funds’ management. In addition, the article shows that the effectiveness of allocation can be considered in the context of potential fulfilment of citizens’ needs, measured by the number of votes related to the expenditures.

Keywords: participatory budget, local government budget, local finance, public funds’ allocation.
FINANCING HEALTH SERVICE IN POLAND
ON THE EXAMPLE OF INDEPENDENT PUBLIC
HEALTH CARE FACILITIES

DOI: 10.15611/pn.2017.485.14

Summary: Health protection is a significant element of policy of every country. It is also a considerable problem and a social, economic and political challenge. Finding a proper financing model in such an important area of life is extremely difficult. The article describes the system of the basic medical care which functions in Poland. Moreover, it presents the essence of financing basic medical services, as well as it contains the analysis of the essential financial data concerning financing and the debt of independent public health care facilities.

Keywords: health care, health protection, health service financing system, sources of financing.
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UWARUNKOWANIA I FINANSOWANIE DZIAŁALNOŚCI ROZWOJOWEJ JEDNOSTEK SAMORZĄDU TERYTORIALNEGO
CONDITIONS AND FINANCING DEVELOPMENT ACTIVITIES OF LOCAL GOVERNMENT UNITS

DOI: 10.15611/pn.2017.485.15
JEL Classification: H21

Summary: The paper presents the essence of municipal investment, the investment policy of local government units together with the review of basic sources of financing. The inspiration for the theme is the desire to establish what is the investment activity of self-governments and whether it consists in multiplying capital, what qualities distinguish these investments and which instruments they are co-financed by. The main purpose of the study is to identify the investments of local government units and to indicate the conditions and barriers to the development of self-governments and to indicate the main sources of their financing. The presented conclusions are based on a review of literature and analysis of applicable law. The value of job application will be the answer to the question: What factors determine the development of local government units?

Keywords: local government investment, infrastructure, expenses.
ZMIANA PRZEZNACZENIA NABYTEGO DOBRA INWESTYCYJNEGO A PRAWO GMINY DO ODLICZENIA PODATKU OD TOWARÓW I USŁUG

CHANGE OF THE DESTINATION OF THE PURCHASED CAPITAL GOODS VS. MUNICIPALITY RIGHT OF DEDUCTION THE TAX ON GOODS AND SERVICES

Summary: The municipality in Poland is a basic unit of local self-government and is a self-governing community which was primarily created to carry out public tasks. However, the municipality may also carry out commercial tasks. The performance of these tasks (both public and commercial) has its own tax consequences on the value added tax, which are different depending on the nature of the tasks performed. Consequently, the subject of this study is the possibility for the municipality to adjust the tax on goods and services due to a change in the destination of the purchased capital goods. The analysis of the case law of voivodship administrative courts indicates a consistent case law, while the lack of this uniformity occurs in the judgments of the Court of Justice of the European Union. Consequently, the author of this study has analyzed the case law, and has interpreted the provision of Art. 91 of The Goods and Services Tax Act.

Keywords: right of deduction, adjustment, municipality, tax on goods and services.
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W SPRAWIE FUNKCJI WYRÓWNAWCZEJ UDZIAŁÓW JEDNOSTEK SAMORZĄDU TERYTORIALNEGO W PODATKACH WSPÓLNYCH

AS FAR AS THE EQUALISING FUNCTION OF THE SHARES OF LOCAL SELF-GOVERNMENT UNITS IN THE COMMON TAXES IS CONCERNED

DOI: 10.15611/pn.2017.485.17
JEL Classification: H71, H73

Summary: Some characteristics of the shares in the common taxes indicate that they should be counted as local self-governments’ own incomes. The opponents of this idea, however, argue that it is in contradiction with the theory of fiscal federalism, inter alia, because these shares can perform an equalising and activating function, as well as finance the own tasks of local self-government units. Their income-stabilising functions in local self-government units may also be considered. Only some of these functions are attributed to typical own incomes. The article characterizes the share of municipalities in the common taxes and investigates whether they perform an equalising function. This study concerned all municipalities in Poland and its time span covered the years 2004-2014. This study consisted in determining the differences in tax revenues of municipalities and tax revenues minus the amounts of municipal capital shares in state taxes.

Keywords: local self-government units, sub-central tax-sharing, functions of public revenues.
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**ZAKAT W HETERODOKSYJNYM UJĘCIU PARTNERSTWA PUBLICZNO-PRYWATNEGO**

**ZAKAT IN PUBLIC PRIVATE PARTNERSHIP HETERODOX APPROACH**

DOI: 10.15611/pn.2017.485.18
JEL Classification: H20, H41, H23

**Summary:** The purpose of this article is to verify the hypothesis of the existence of the theoretical possibility of applying the Zakat levy in heterodox public finances, on the example of public-private partnership (PPP). PPP is a key tool for achieving the convergence process, understood as the penetration of selected elements of conventional finance and Islamic finance for the investment and delivery of public goods on the basis of a long-term PPP contract. The heterodox approach to public finance, based on the proposed pillars, leads to a consensus between the objectives of private investors, such as maximizing profitability and corporate social responsibility, and the objectives of public entities, such as providing adequate quantity and quality of public goods. Zakat on the commercial assets of a special purpose vehicle in PPP may be part of regional economic and social policy in the implementation of PPP projects, in conventional, islamic, political and economic conditions. At the same time, the proposed construction of Zakat is an important element of the heterodox approach to public finance. The main research method used in the research are broad literature studies.

**Keywords:** public private partnership, Zakat, heterodox approach, islamic finance, conventional finance.
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PODATEK KATASTRALNY W POLSCE – CZY SŁUSZNA KONCEPCJĄ?
CADAstral TAX IN POLAND – IS IT THE RIGHT CONCEPT?

DOI: 10.15611/pn.2017.485.19
JEL Classification: K34, K11, K30

Summary: There is no doubt that the implementation of the cadastral system and of the property tax based on it naturally requires a radical reform of the existing system of property taxation, that is, in the first place the abolition of the taxes of which the key feature is the technical parameter, i.e. the area. The realization of such an undertaking will only be possible if an integrated cadastral system is built whose creation requires the modernization of the current land and building registry, and the establishment of a uniform system of data contained in land and mortgage registers, tax registers, as well as land and building records. In order to determine the cadastral value, in the first place it is necessary to create a real property cadastre (which is mainly based on maps and appraisal tables), that is, the extended and improved current system of land and building registry which serves, among other things, to ensure that there is fair taxation in accordance with international standards. The real property cadastre would represent a collection of information on lands, buildings, structures and their owners that is uniform for the entire country, structured and updated. A number of countries which carried out tax reforms highlighted that since a variety of elements were not taken into account in a comprehensive way, the implication was that changes had to be carried out in the statutory law. Taking advantage of these experiences, the Polish legislator should make an attempt at a structured regulation.

Keywords: cadastre, real estates, cadastral maps, property register, building, tax base, property value, property area.
Summary: The decentralization of public administration, also involving the decentralization of public finances, has forced the creation of legal solutions for the distribution of public income. The state had to equip local self-government units with a revenue system that would enable them to carry out all publicly related tasks. The distribution of public revenues is made under conditions of limited availability, it is crucial to establish a boundary between those that constitute state revenue and those which are the income of a local government unit. The subject matter of the discussion is above all to determine whether the systemic rules of division of these incomes have been applied in the law.

Keywords: constitution, income authority income, taxes, fees.
NIESTABILNOŚCI WARUNKÓW FUNKCJONOWANIA SYSTEMU OŚWIATY W POLSCE

UNSTABLE CONDITIONS OF THE FUNCTIONING OF EDUCATIONAL SYSTEM IN POLAND

Summary: The author sheds light on the concept of unstable conditions, the functioning of the educational system. The research work further probes the general level of changes in the legal framework and its direction. An analysis of currently implemented policies and reforms with respect to the characteristics and policy direction of the educational system in Poland since 1991 have been studied and taken into account in this work. The paper indicates that the amount of modification and changes to the educational system and numerous amendments to the educational legal framework was not a result of implementing a long term coherent concept of educational development. The last part of the article indicates the main assumptions of new reform and its effects for local government units.

Keywords: unstability of education system, sreforms, amendment of legislation.
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Summary: The aim of the paper is to present and investigate expenditures from territorial self-government (LSG) unit budgets that aim at financing the service costs of their debt. LSG debt is financed both by outgoings and expenditures from the LSG budget. It is necessary therefore to explain the notions of both outgoings and expenditures, as well as to define relations between these legal and financial institutions with respect to the financing of LSG liabilities. In the second part of the paper the structure of LSG budget expenditures for financing the debt service costs has been determined, taking into account the data for the Lower Silesia Voivodeship. Investigations of binding legal regime in this subject has made possible not only to define the specificity of this kind of expenditures with reference to other kinds of current expenditures, but also their influence on the construction of debt service ratio.

Keywords: self-government, debt, expenditures, financing.
OPŁATA ZA WYDANIE ZEZWOLENIJA NA SPRZEDAŻ ALKOHOLU JAKO ŹRÓDŁO FINANSOWANIA PROFILAKTYKI ALKOHOLIZMU

THE FEE FOR ISSUING A PERMIT TO SELL ALCOHOL AS A SOURCE OF FUNDING FOR THE PREVENTION OF ALCOHOLISM

DOI: 10.15611/pn.2017.485.23
JEL Classification: H27, H71, I18

Summary: The article refers to current and relevant issues in the context of public funding of addiction prevention. The issue of upbringing in sobriety and alcoholism counteracting constitutes a vital task of local public administration in the social dimension. These actions require appropriate financing instruments, as well as level of funding relevant to the needs. The aim of the article is to define the role of the fee for issuing a permit to sell alcohol as the basic source of funding for the activities of local governments in the alcoholism counteracting and the assessment of the level of funding for these activities. The article analyses the fee for issuing a permit to sell alcohol as general revenue, indicating their different meanings depending on the level of local government (municipality – county town – voivodeship). The level of spending was also analyzed, with an indication of the main directions of this expenditure in the area of addiction prevention.

Keywords: fee for issuing a permit to sell alcohol, public task, prevention of alcoholism.
Summary: As set forth by the Act, municipal council is authorized to determine the tariffs for municipal waste management. Existing legislation, subject literature, and the judicial practice of courts and regional accounting chambers were analyzed with the use of legal dogmatic and empirical method. This allowed to confirm the hypothesis stating that the municipality’s power to collect levies is limited, as it is the case with the power to levy taxes and local duties. In principle the legislator did not execute the instruction contained in the provisions of the Constitution of the Republic of Poland. Municipal council is vested with such a power which is expressed in a legal form of an act that holds the status of an ordinance. In its efforts to determine the rates for waste management, the municipal council adjusts the burden of public levies to local conditions and needs stemming from the statutory obligation to manage municipal waste.

Słowa kluczowe: fees, tariffs, municipal waste, municipal council.
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OPŁATA EKSPLOATACYJNA
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MINING ROYALTIES AS A COMMON SOURCE
OF INCOME FOR THE STATE AND MUNICIPALITIES
(NORMATIVE ASPECTS)

Summary: Mining royalties are formally a source of municipalities’ own income, but only with regard to 60% of these proceeds, whereas the remaining portion constitutes income for counties, voivodeships, and the National Fund for Environmental Protection and Water Management. To determine the legal status of this particular public levy and its applicability existing legislation, judicial practice, and subject literature pertaining to this issue were reviewed with the use of legal dogmatic and empirical method. It has been ascertained that only the manner in which this income is distributed justifies the fact that it is referred to as the “municipality’s own source of revenue”. However, lack of attributes of the municipality’s power to levy royalties – in particular with regard to the rates and exemptions – allows one to conclude that in fact the mining royalties are a source of state income, from which a portion is allocated to municipalities. The redistribution mechanism is governed by the Geological and Mining Act.

Keywords: royalty, mining, municipality, municipality’s income.
PROBLEM OF EFFICIENCY OF ACQUIRED INCOMES FROM SELECTED TAXES IN RURAL COMMUNITIES

DOI: 10.15611/pn.2017.485.26
JEL Classification: H71, H77

Summary: The purpose of this paper is to review the hypothesis of the diminishing importance of tax revenue from taxes for which municipalities have no tax authority and only derive financial resources (tax card), civil law tax (PCC), inheritance tax (SPD) for budgets of rural communities. For the verification of the hypothesis, a statistical analysis of the data on the magnitude of the revenues from the above-mentioned taxes from the municipal budgets reports in the years 2013–2015 was carried out, followed by an analysis of the results obtained for 2015. At the same time, the assessment of the importance of these taxes to gminas in the spatial arrangement was carried out. The analysis was also aimed at answering the question of the appropriateness of the post-years needed to differentiate the municipal income system taking into account the municipality type (rural, urban and urban-rural), as well as assessing the occurrence and extent of spatial differentiation of the efficiency of these taxes. The researches indicated that since 2010, despite the growing share of own incomes in total incomes, both in the case of the communes and in the case of rural gminas, there is a decrease in the nominal incomes of the analyzed taxpayers, which results in a decrease of their share in total income. In the case of rural municipalities, there was a similar tendency outside of PCC, where rural communes recorded an annual increase in the nominal value of their income. The differentiation of rural municipalities in individual taxes shows that, compared to the other municipalities, the difference in the share of income from the above-mentioned personal income and the per capita income per capita is slightly different – with few significant deviations from the median value (especially for PCC). The analyzed territorial distribution of both the share of income and the per capita income survey yields the conclusion that the concentration of higher values of the indicators obtained is visible mainly around strong urban centers and in voivodships considered economically strong (Mazowieckie, Śląskie, Wielkopolskie, Dolnośląskie and Pomorskie). In summary, it should be pointed out that the studied sources of income play marginal importance in most the rural gminas due to the weak tax base in most of the examined rural communes.

Keywords: fiscal transfers, municipalities, taxes.
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KONTROWERSJE WOKÓŁ DOTACJI CELOWYCH  
DLA JEDNOSTEK SAMORZĄDU TERYTORIALNEGO  

CONTROVERSIES ON SPECIFIC GRANTS FROM THE STATE BUDGET FOR LOCAL GOVERNMENT UNITS  

DOI: 10.15611/pn.2017.485.27  
JEL Classification: H71, H72  
Summary: In the literature there are arguments for leaving the external system of financing of local governments units based on general subsidy and specific grants from the state budget. When referring to specific grants it is worth noting that on the one hand the use of specific grants means that the local government unit supplies it with additional funds, while on the other hand, the state is influencing the direction of the local financial policy through this transfer. Against this background, the article attempts to answer the question how much specific grants for local government units are a tool for the state’s influence on their activities  

Keywords: specific grants from the state budget for local government units, specific grants for own tasks, specific grants for government administration-related tasks.
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FUNKCJE DOTACJI PRZEKAZYWANYCH DO BUDŻETÓW SAMORZĄDÓW WOJEWÓDZTWP
FUNCTIONS OF GRANTS AWARDED TO THE BUDGETS OF VOIVODESHIPS SELF-GOVERNMENTS

DOI: 10.15611/pn.2017.485.28
JEL Classification: H71, H77

Summary: Redistribution of public measures in territorial dimension raises a lot of concern and discussions on the problems in the area of justice and territorial solidarity as well as in the area of rationality and efficiency of public finance. In relation to the differentiation of the level of socio-economic development in territorial division and consequently increased inequalities in the level of tax revenues of voivodeships self-governments budgets, expenditure instruments of vertical redistribution which include grants awarded to the budget of voivodeship self-government have to play important functions. Originally to a large extent they have to arise from the scope of activity of voivodeship self-government which, unlike communal and district authorities, was created not only to perform ongoing public tasks with voivodeship nature, but first of all to pursue intraregional policy. The aim of the article is to determine the scope and premises of using grants as expenditure instruments of vertical redistribution in the financial contribution of voivodeship self-government and to show in the cross-section of voivodeships the results of this form of redistribution of activity of central authorities.

Keywords: grants, fiscal vertical inequality.
Summary: Planning as a basic function of the management process is gradually becoming one of the main scopes of action of local government. Special importance of the financial management is the long term planning. Informed decision making about the number and scope of the tasks, specially investment tasks, and their execution, require providing adequate financial sources. A tool that makes it possible is a multiannual financial plan. The aim of the article is to present the factors determining affective long-term financial planning in local government, which can contribute to the better use of public funds.

Keywords: long-term financial planning, finance management.
Summary: This paper discusses guidelines for implementation of art. 107–109 of the Treaty on the Functioning of the European Union, from the point of view of state aid granted on the state and local level. Statistical analysis was carried out on state aid granted by EU Member States – from the perspective of its impact on the local government sector debt of these countries. This analysis was carried out based on the linear regression model. The response variable (dependent variable Y) is the size of the local government sector debt, and explanatory variable (independent variable X) is the expenditure on state aid. Local government debt has many functions: it stimulates development, it allows to make qualitative and quantitative changes in the scope of local government public tasks. However, existing budgetary rules also restrict development. This should lead to verify the thesis that the amount of state aid granted by EU member should negatively correlate with the size of local government sector debt.

Keywords: state aid, the European Union, competition policy, public debt, local government sector.
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RELACJE PAŃSTWO–SAMORZĄD TERYTORIALNY–PRZEDSIĘBIORCA NA TLE POSTULATÓW NOWEJ EKONOMII INSTYTUCJONALNEJ

STATE–LOCAL GOVERNMENT–ENTREPRENEUR RELATIONS AGAINST THE POSTULATES OF THE NEW INSTITUTIONAL ECONOMICS

DOI: 10.15611/pn.2017.485.31
JEL Classification: D23, H7, H77

Summary: The article is an attempt of using the achievements of the new institutional economy for the analysis of relations occurring between local government units (LGU) and their environment (state administration, other LGUs and private entities). The aforementioned relations were described in the context of three categories, i.e. institutions, public contracts concluded by LGUs and transaction costs. The theoretical purpose of the study is to make the institutional approach, in the context of analyses relating to the specifics of the public sector units, more familiar. The application purpose is to try to answer the question of how the postulates of the new institutional economics can be used to improve the relations between LGUs and other units, mainly in the aspect of institutional development of self-government administration, reduction of transaction costs and, as a result, provision of higher adaptive efficiency of Polish LGUs to the dynamically changing environment conditions.

Keywords: local government, new institutional economics, institutions, transaction costs.
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REZERWA SUBWENCJI OGÓLNEJ W SYSTEMIE FINANSOWANIA SAMORZĄDU TERYTORIALNEGO
GENERAL GRANT RESERVE IN LOCAL GOVERNMENT FINANCING SYSTEM

DOI: 10.15611/pn.2017.485.32
JEL Classification: H71, H81, H23

Summary: The article is devoted to the reserve of general grant. Its aim is to analyze its functioning in the subsidization system of local government in economically and partly in legal terms. The subject of the research are all levels of local government, ie. commune, county (poviat) and region (voivodeship) level. The study period covers the years 2008–2015, while the evolution of the reserve has been tracked since the reactivation of local government in Poland, ie. from 1991 till nowadays. The article uses methods: descriptive statistics and descriptive analysis. Among conclusions formulated in the work the most important are: the lack of proper construction of the “transportation and road” part of the reserve, which is of a specific grant character, not a general grant; significant differences in the number of beneficiary units and large fluctuations in sums allocated within the reserve.

Keywords: reserve, general grant, general grant reserve, external transfers, parts of general grant.
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WYBRANE PROBLEMY ZARZĄDZANIA RYZYKIEM W DZIAŁALNOŚCI JEDNOSTEK SAMORZĄDU TERYTORIALNEGO

SELECTED PROBLEMS OF RISK MANAGEMENT IN THE ACTIVITY OF LOCAL GOVERNMENT UNITS

DOI: 10.15611/pn.2017.485.33
JEL Classification: H72, M42

Summary: The main aim of this article is to attempt to approximate some aspects relating to the management of risk in local government units. Given that the issue of skillful management risk in local government was negatively evaluated by the Supreme Chamber of Control – an important premise of the author is also an indication of theoretical and practical solutions that can contribute to the effective implementation by public sector entities that postulate management control. Performing as adopted for the research required a secondary analysis of the scientific literature, in particular in the field of management risk, public finances and the functioning of local government. Also reviewed was the legislation, guidelines of government agencies. Useful turned out to be a rich experience of the author who is an internal auditor in public sector.

Keywords: local government, risk, risk management, standards of management control, internal audit.
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ADEKWATNOŚĆ DOCHODÓW JST
DO ZAKRESU REALIZOWANYCH ZADAŃ
A PROBLEM ICH SAMODZIELNOŚCI FINANSOWEJ
NA PRZYKŁADZIE GMIN ORAZ MIAST
NA PRAWACH POWIATU

THE ADEQUACY OF LOCAL GOVERNMENT’S
REVENUE ON REALIZED TASKS
AND THE PROBLEM OF THEIR FINANCIAL
AUTONOMY ON THE EXAMPLE OF MUNICIPALITIES
AND CITIES WITH THE RIGHTS OF DISTRICT

DOI: 10.15611/pn.2017.485.34
JEL Classification: H7

Summary: Local self-government (SGU) performing its tasks has guaranteed autonomy and is subject to judicial protection in this regard. An important element of SGU autonomy is financial autonomy. The concept of financial autonomy consists of income autonomy, i.e. the right of local self-government units to own and shape their own income as well as expenditure autonomy, i.e. independence in the scope of carrying out own tasks. The subject of this paper is to present issues relating to the financial autonomy of local self-government, in the field of shaping the basic sources of its financial supply in cash, enabling the performance of public tasks.

Keywords: local government units, financial autonomy, public tasks, municipalities, cities in the rights of districts.
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ŹRÓDŁA FINANSOWANIA BUDOWNICTWA MIESZKANIOWEGO W POLSCE

SOURCES OF HOUSING FINANCING IN POLAND

DOI: 10.15611/pn.2017.485.35
JEL Classification: R31, R38

Summary: Lack of sufficient financial resources as well as insufficient creditworthiness of citizens are currently the two biggest problems of financing housing construction in Poland. The main purpose of the article is to present selected sources of housing financing. The author, due to the volume of the article, focused his reflections exclusively on selected sources of housing construction financing in Poland, being aware that selected financial instruments do not exhaust the whole issue, but their importance is first of all the most often chosen instrument by citizens.

Keywords: housing, financial instruments, housing needs.
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ANALIZA INTERESARIUSZY JAKO NARZĘDZIE WSPOMAGAJĄCE PODEJMOWANIE DECYZJI W SYSTEMIE IOWISZ

STAKEHOLDER ANALYSIS AS A DECISION SUPPORT TOOL IN THE IOWISZ SYSTEM

DOI: 10.15611/pn.2017.485.36
JEL Classification: C22, H51, I18

Summary: August 30, 2016 the Act on Healthcare Services Financed from Public Funds was changed. It radically changed the situation of medical entities engaged in the activities in the field of hospital treatment and outpatient specialist services. After changing the law, the opinion on the purpose of setting up a new medical entity, or new units or organizational units of an enterprise performing medical activity, is issued by the competent voivode. The aim of this article is to present stakeholder analysis as a source of information in the process of evaluation of the purpose of implementing investment projects introduced in the health sector using the IOWISZ tool. The paper will present IOWISZ tool environment functioning in the context of capital expenditure of local government units on health care. Stakeholder theory and its role in making objective decisions about investment projects will be also discussed.

Keywords: stakeholders’ theory, capital expenditure, health care.

SUBWENCJA OGÓLNA JAKO INSTRUMENT WSPARCIA TRANSFEROWEGO SAMORZĄDU GMINNEGO

GENERAL SUBSIDY AS AN INSTRUMENT FOR TRANSFER SUPPORT OF LOCAL GOVERNMENT

DOI: 10.15611/pn.2017.485.37
JEL Classification: H71, H72

Summary: Income of local government units includes own revenue and transfers from the state budget in the form of general subsidies and targeted subsidies. Transfers are complementary income. A general subsidy unrelated to specific tasks carried out by the local government constitutes permanent support. This study contains an analysis of the essence and relevance, taking into account the current mechanism for determining the size of individual parts of the general subsidy for municipalities. Based on regulatory sources and published reports from the Ministry of Finance, the functioning of the subsidy instrument was reviewed in 2011–2016. The analysis of statistical data confirmed the key role of the educational component on the other hand, pointing to an ever smaller number of municipalities entitled to use the compensatory part and the balancing one.

Keywords: local government finance, intergovernmental financial transfers, general subsidy.
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SKŁONNOŚĆ DO KONKURENCJI PODATKOWEJ
A PROPENSITY TO TAX COMPETITION

Summary: The process of decentralization creates both the participation in tax revenues of local authorities and the competition among them for the fiscal-limited source of taxation. Taking into account the mobility of tax base, the economics of tax competition should investigate a capacity for competition, as well as a propensity to compete. The very aim of the paper is to identify determinants of ability of tax jurisdiction to compete for tax base. The drivers of propensity to tax competition is the subject of investigation. The paper provides original meaning of tax jurisdiction and mobility of tax base. The differentiation of tax jurisdiction defines the capacity for tax competition and its strength. The mobility of tax base pictures the propensity to compete for tax revenues. The range and depth of decentralisation influence the capacity for tax competition; but the costs to enter and exit tax jurisdiction, as well as the cost of transport tax base between tax jurisdiction are crucial for the propensity to compete.

Keywords: tax competition, mobility of tax base, decentralization, local public finance.
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PROBLEM „ROLOWANIA”
DŁUGU SAMORZĄDOWEGO I JEGO IMPLIKACJE DLA BEZPIECZEŃSTWA FINANSOWEGO JST

THE PROBLEM OF ROLLOVER OF SUB-CENTRAL GOVERNMENTS’ DEBTS AND ITS CONSEQUENCES FOR FINANCIAL SAFETY OF SUB-CENTRAL GOVERNMENT UNITS

DOI: 10.15611/pn.2017.485.39
JEL Classification: E62, G28, H74, H76, H81

Summary: The objective of the paper is to determine the scale of the phenomenon of “rollover” of sub-central governments’ debts in Poland and an indication of its possible consequences for the financial safety of local government units. The main conclusion is that the “rollover” of local debts has become common practice since 2010. This leads to excessive lengthening maturities and a significant increase in borrowing costs, which can destabilize municipal finances leading to the uncontrolled growth of debt in the future.

Keywords: public debt, financial safety, sub-central governments.