Municipal Tax Policy as a Tool of Local Development

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Abstract

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1. Introduction

2. Data and Methodology

$$C_i = t^a . B_i$$

$$\text{Potential income} = \text{Real income} + \text{Tax loss}$$

$$\text{Real income} = (NTb * BR) + \sum (NTi * Ri)$$

$$\text{Tax loss} = (\sum (NTi * (BR - Ri)) + (NTe * BR))$$

$$\text{Real income} = (Ab * BR) + \sum (Ai * Ri)$$

$$\text{Tax loss} = (\sum (Ai * (BR - Ri)) + (Ae * BR))$$

* (1) residential buildings, (2) recreational and gardening cottages, (3) detached garages, (4) other buildings and (5) multipurpose buildings.

$$\textit{social/stabilising function} = \frac{\textit{Loss of specified components of real estate tax}}{\textit{Potential income of real estate tax}}$$

3. Results and Discussion

Table 1. The Most Frequented Ways of Social and Stabilizing Functions of Local Taxes Implementation in Slovakia

Tax	Subject to tax	Social function implementation	Stabilizing function implementation
Real estate tax			
Dog licence tax			
Tax for use of public space			

Tax for accommodation

Tax for vending machines

Tax for non-winning
gaming machines

Tax for the entry and
remaining of the vehicle
in historical part of town

Tax for the nuclear device

Table 2. Correlation Matrix – Social Function/Current Deficits

Deficit 2008	Deficit 2009	Deficit 2010	Deficit 2011	Deficit 2012	Deficit 2013
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Table 3. Correlation Matrix – Stabilizing Function/Current Deficits

	Deficit 2008	Deficit 2009	Deficit 2010	Deficit 2011	Deficit 2012	Deficit 2013

4. Conclusion

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