

INFLUENCE OF LOCAL AND REGIONAL TAXES ON TOURISM

UDC 336.22:338.48(497.5)

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Received 1 March 2011
Revised 19 May 2011
5 September 2011

Abstract

Successful development of tourism requires substantial investments in construction and modernization of tourist destination. Countries with developed tourism must harmonize the tourism development strategy with the fiscal policy. Local and regional taxes play an important role in the development of economic activities. Precisely these two types of taxes are the main source for the local self-government's revenue. The government should use revenues from local and regional taxes to enrich tourist offer of a certain tourist destination. Positive fiscal policy measures affect more successful development of tourism. A large number of different fiscal incentives has different effect on the development of competitiveness. The process of the fiscal system decentralization should be further developed by higher tax revenues allotment.

Keywords Local taxes, Regional taxes, Fiscal policy, Tourism, Fiscal incentive