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PROSPECTS FOR LEVERAGING TOURISM POTENTIAL TO INCREASE LOCAL BUDGET REVENUES

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Today, the effective use of regional economic potential plays an important role in ensuring sustainable socio-economic development of regions, expanding the revenue base of local budgets and improving the well-being of the population. In this process, the tourism sector occupies a special place with its multidisciplinary and highly multipliative nature. The development of tourism leads not only to an increase in the volume of direct tourist services, but also to the development of related sectors such as transport, public catering, trade, hotel management, handicrafts, culture and entertainment services. As a result, economic activity in the region will increase, and the sources of income of local budgets will expand.

The availability of a sufficient revenue base of local budgets is an important condition for the effective implementation of social and economic programs in the regions. Stability of budget revenues expands the opportunities for financing such areas as education, healthcare, utilities, landscaping, road and transport infrastructure. Therefore, the search for new and promising sources of increasing local budget revenues, including the effective use of tourism potential, is one of the urgent scientific and practical issues.

The tourism potential represents the natural, historical, cultural, architectural, recreational and other resources of the territory, as well as the opportunities for creating tourist products from them. Historical monuments, sacred landmarks, natural landscapes, national traditions, crafts and gastronomic opportunities are important factors that form the tourist attractiveness of the territory. Through the effective use of these resources, it is possible to increase the flow of domestic and



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foreign tourists to the territory, develop the services market and create new business entities.

The impact of tourism on local budget revenues is manifested in several directions. Firstly, the tax base will expand as a result of the increase in hotels, catering establishments, tourist companies, transport and other service entities operating in the tourism sector. Secondly, the creation of new jobs in the tourism sector will serve to increase employment and incomes of the population. Thirdly, the expenditures made by tourists in the region will give impetus to the development of trade, services and other types of economic activities. Thus, tourism will have a multiplier effect on the regional economy, creating a basis for an increase in local budget revenues.

Based on the scientific and theoretical analyses conducted, it can be concluded that the effective use of tourism potential is one of the promising and sustainable directions of increasing local budget revenues. As a result of the multisectoral impact of tourism on the regional economy, not only tourist services, but also trade, transport, catering, hospitality, handicrafts and other service sectors will develop. This process will increase economic activity in the regions and serve the formation of new sources of income and taxation.

The impact of tourism on local budget revenues is manifested, first of all, through the increase in the number of tourism-related business entities. As the activities of hotels, guest houses, restaurants, tourist companies, transport services, trading facilities and other service entities expand, the tax base will also increase. At the same time, the creation of new jobs in the tourism sector will increase employment, lead to an increase in income and consumer demand. This will provide a further boost of regional economic activity.

According to the results of the study, in order to effectively use the tourism potential, it is important to carry out a complete inventory of the existing natural,



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historical, cultural and recreational resources of the territories and combine them into a single tourist product. Comprehensive use of historical monuments, pilgrimages, natural sites, national crafts and gastronomic opportunities will allow the formation of attractive destinations for tourists. In this way, the duration and costs of tourists staying in the territory can increase, and revenues to the local economy can increase.

The development of tourism infrastructure is also an important condition for increasing local budget revenues. Improving transport and road infrastructure, increasing modern hotels and family guest houses, developing catering facilities and improving tourist information services will increase the attractiveness of the region for tourists. Attracting private investment in such projects will allow the formation of new sources of economic activity in the region while reducing state budget expenditures.

Support of small businesses and private entrepreneurship is of particular importance in the development of the tourism sector. The involvement of local residents in such activities as family guest houses, handicrafts, national dishes, giddy and transport services increases economic activity in the region. At the same time, the official activities of business entities serve the expansion of tax revenues that go to the local budget. Therefore, it is expedient to support entrepreneurship in the field of tourism financially, organizationally and informationally.

The widespread introduction of digital technologies in the tourism sector is also one of the promising areas. The use of e-booking, digital maps, online tourism platforms, mobile applications and virtual excursions will help to widely promote the tourist opportunities of the region. At the same time, keeping digital records of tourist services will increase the transparency of economic activities and make it possible to more accurately form the tax base.



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Based on the above, it is possible to determine the following priority directions for the use of tourism potential to increase local budget revenues: identification of tourist facilities and improvement of their infrastructure; attraction of private investment; development of small business and family entrepreneurship; digitalization of tourism services; formation of regional tourism brands; formalization of tourism-related business activities and improvement of the quality of tourist services.

In general, the effective use of tourism potential, along with increasing local budget revenues, serves to increase the economic activity and investment attractiveness of the regions, create new jobs and increase incomes of the population. Therefore, it is necessary to form tourism as an important component of the regional development strategy and to harmonize it with the policy of expanding the revenue base of local budgets. Such an integrated approach creates the necessary conditions for strengthening the financial stability of the regions and long-term socio-economic development.