Large-scale military actions on Ukraine’s territory have led to extraordinary challenges for budget policy. This study aims to evaluate the budget policy of Ukraine and substantiate its strategic priorities in martial law. The paper used economic and statistical methods to assess the ultimate budget indicators. It was determined that budget revenues decreased due to the economic recession, and expenditures, primarily for defense and security, increased. In 2022, compared to 2021 (the full-scale war against Ukraine began on February 24, 2022), tax revenues decreased by 7.6%. In contrast, the study observed an increase in budget expenditures by 65.0%, in the budget deficit by 4.5 times (financed mainly by external borrowings and military bonds bought by the National Bank of Ukraine), and in state and guaranteed state debt by 52.4%. In the context of military operations, the budget policy aims to ensure a balance between financing the most critical items of the budget and stimulating the economy’s recovery. At the same time, the institutional capacity of state authorities allows controlling how a country survives in this challenging period. In order to restore the economy, the Ukrainian government must implement a prudent budget policy, assess fiscal risks associated with changes in the macroeconomic environment, and increase the efficiency of budget expenditures.

Keywords
budget, regulation, policy, financing, income, expenditure, deficit

JEL Classification
G38, H21, H30, H50, H60

INTRODUCTION
Rational management of public finances and the validity of budget policy in the conditions of martial law ensure the country’s financial and budgetary security. To increase the validity of decision-making regarding the use of budgetary instruments, a systematic approach is necessary, taking into account the importance of the development and adoption of mutually agreed decisions of financial and budgetary institutions in connection with the strengthening of military actions on the territory of Ukraine. At the same time, a high-quality budget policy is a vital prerequisite for democratic governance. This highlights the necessity for the governments to coordinate the components of budget policy (its economic and socio-political processes) and directions for ensuring dynamic budget balance (its institutional principles that affect the budget regulation mechanism).

The state administration of Ukraine faces the duality of the tasks set in martial law conditions. The justification of the vectors of the budget policy requires a balanced approach: ensuring the appropriate level of budget expenditures and creating fundamental conditions for supporting the domestic economy to maintain the appropriate level of financial security of the state. Therefore, there is a need to develop the budget policy toolkit to increase the effectiveness of budget programs to restore the economy and advance the adaptability of budget policy to economic and socio-political processes.
1. LITERATURE REVIEW

The definition of “budget policy” includes a synergistic meaning of two concepts: policy and budget. Titmuss (1974) defined policy as “principles that guide actions aimed at achieving certain goals.” Weiss (1972) and Wholey et al. (2010) considered it as an “institutionalized proposal or set of institutional elements that solve conceptual problems based on the social development strategy.” Peters (2018) viewed it as “the totality of direct and indirect activities of public administration bodies.” Kilpatrick (2020) noted “directions of regulatory measures, laws and funding priorities determined by state authorities.” Finally, Peters (2018) defined policy as “a dynamic component and interactive system by which social problems are solved.”

Policy development and implementation is part of an ongoing process that only sometimes has a clear beginning and end; decisions about who will bear the burden and who will benefit from the policy are constantly revised and reassessed (Center for Civic Education, 2022). According to Makohon et al. (2020) the quality level of the policy depends on its adaptability to socio-economic processes, activation of policy opportunities requires a more rational use of its tools. Isaac et al. (2015) revealed that the budget is “an instrument of public administration.” Brown and Howard (2002) considered it a predetermined management tool during a specific period, which allows for comparing tasks with achieved results. Lysiak et al. (2021a) found that budget policy comprises “financial goals and tasks related to the mobilization of funds into the budget, the choice of directions for the use of funds, and management of finances in the budget field.” Alikseev et al. (1998) determined it is “a set of state measures regarding the organization and use of finances to ensure economic and social development.” According to Fedosov et al. (2004), the budget policy includes “purposeful activity of state bodies regarding the regulation of the budget process, management of budget indicators, and the use of the budget mechanism to implement socio-economic tasks.”

According to the Commercial Code of Ukraine, budgetary policy aims to optimize and rationalize the generation of income and the use of state financial resources, increasing the efficiency of state investments in the economy, coordinating national and local interests in inter-budgetary relations, regulating the state debt, and ensuring social justice in the redistribution of national income (Verkhovna Rada of Ukraine, 2003).

The essence of budget policy is determined by the social relations, which affects the shift of emphasis from fiscal to regulatory functions in dialectical unity in the conceptual certainty of the vectors of its dynamic modernization (Yu et al., 2023). According to Buchanan (1954), the political aspect of budget policy (that is, the choice and adoption of certain decisions and directions of development) depends on the implementation of public choice.

Public authorities are actively seeking ways to improve the mechanism of tax administration
and the application of fiscal rules in implementing budget policy (Verkhovna Rada of Ukraine, 2020a, 2020b). The dependence of fiscal rules on budget indicators and the level of its transparency is determined; fiscal rules do not improve the state budget balance in case of low budget transparency and are effective when budget transparency is sufficiently high; the main expediency of the synergy of financial and budgetary instruments in the process of implementing the budget policy, taking into account changes in the exogenous and endogenous socio-economic and socio-political environment (Gootjes & Haan, 2022; Azzimonti et al., 2016; Ulloa-Suarez & Valencia, 2022).

Mahambare et al. (2022) determined the importance of maintaining an appropriate level of capital expenditure while complying with fiscal rules. Lin and Zhu (2019) claimed that a well-balanced structure of public expenditures could accelerate economic growth. According to EC (2012) and Ricco et al. (2016), the productivity of public investments depends on the nature of investment projects. Hu and Zarazaga (2018) found that the reasonableness of capital expenditures could eliminate structural fiscal imbalances. Olanubi et al. (2020) concluded that a practical budget toolkit could stabilize macroeconomic processes. At the same time, the uncertainty of the budget policy, both in terms of expenditure planning and revenue generation, harms the economic balance (López et al., 2011; Kim, 2019).

The budgetary policy is a multifaceted concept. The most common approach is the disclosure of budget policy as a tool of state administration. At the same time, in martial law conditions, the government should view budget policy as an adaptive tool to the economic and socio-political restoration. Therefore, activating budget policy opportunities requires a more rational use of its financial and budgetary tools. Accordingly, this study aims to assess the expediency of the financial and budgetary tools synergy in the prudential budget policy, considering changes in the exogenous and endogenous socio-economic and socio-political environment. Moreover, this paper evaluates the budget policy of Ukraine and substantiates its strategic priorities in martial law conditions. This testifies to the relevance of this analysis.

2. METHODS

This study uses economic and statistical methods to analyze the main indicators of the budget of Ukraine for 2020–2022. The analysis disclosed the dynamics of receipts from the European Union, foreign governments, international organizations, and donor institutions to the consolidated budget of Ukraine, the volume of the state and guaranteed state debt of Ukraine, and the consumer price index for 2012–2022. This allowed for an objective assessment of the processes in the budgetary sphere of Ukraine under martial law sphere and their comparison with previous periods. Using specification and generalization of theoretical and practical material, the study evaluated the peculiarities of Ukraine’s budget policy in martial law conditions, mainly the revenue and expenditure parts of the budget.

This paper adopts the neo-institutionalism approach (North, 1990) to reveal the impact of budget policy on the country’s socio-economic development. This methodology for assessing the impact of the budget policy highlights that changes in the institutional environment of state regulation occur in stages, considering each country’s unique economic and socio-political condition. This makes it possible to ensure the adaptability of budget policy to internal and external changes in the economic environment, which will contribute to economic recovery.

3. RESULTS

Various scientific schools pay attention to the need to increase the reasonableness of budget policy to promote the process of balanced macroeconomic stabilization and sustainable economic development. Furthermore, the validity of state management decisions in budget policy implementation allows authorities to harmonize financial and budgetary tools, orienting the budget process participants to achieve specific results based on changes in the vectors of socio-economic development.

In martial law conditions, structural changes should coincide with strategic public management of budget policy. At present, Ukraine needs to justify ways of restoring the disturbed econom-
ic balance and ensuring financial and budgetary stabilization of the economy. This has intensified the development and implementation of an adaptive toolkit of budget policy for economic and socio-political processes. The budget policy should reflect specific directions and ways of restoring economic balance. An important goal is to strengthen financial and budgetary discipline by ensuring control over the use of budget funds and increasing the predictability of state revenues and expenditures and mutual coordination of the actions of the budget participants.

Countries with developed economies implement financial and economic strategies to ensure competitiveness and strengthen the potential for sustainable economic growth. These strategies aim to ensure budgetary sustainability by developing long-term forecasts of public expenditures, which are essential for determining the medium-term goal of budgetary policy and the basis of a comprehensive assessment of the long-term sustainability of the public finance system. In current conditions, the specificity of the European model of budget policy is determined by the significant role of deep integration processes in ensuring its effectiveness and efficiency. In addition, proper fiscal rules contribute to adequate financial and budgetary tools. However, institutional limitations of budget indicators are carried out under macroeconomic conditions and changes in vectors of strategic socio-economic tasks.

Large-scale military actions have significantly influenced budgetary stability and sustainability in Ukraine, increased the budget deficit and public debt, and financing of social support measures for the population and critical infrastructure objects, defense needs, and protection of the population’s safety. As a result, several critical issues in the financial sphere require an urgent solution.

The system of primary financial monitoring in Ukraine remains bank-centered, which in recent years provided more than 99% of all information about financial organizations subject to financial monitoring. Therefore, authorities must ensure the system’s effective functioning to prevent the use of the banking system of Ukraine for suspicious financial transactions; this can improve measures of state and primary financial monitoring.

There is a need to develop the conceptual foundations of budget policy regarding the formation of the revenue part of the budget, which ensures an increase in tax revenues and minimizes the risks of expansion of the shadow sector of the economy. In 2022, the total amount of revenues of the Consolidated Budget of Ukraine amounted to UAH 2,196.3 billion compared to UAH 1,662.3 billion in 2021, i.e., revenues increased by 32.1%. The growth of official transfers from the European Union, foreign governments, and international and donor institutions yields this value. Moreover, the budget obtained revenues from value-added tax on goods (works, services) produced in Ukraine, including budget compensation; tax and personal income tax; part of the net profit (income) of state or communal unitary enterprises and dividends accrued on shares of economic companies, the authorized capital of which includes state or communal property (Table 1).

In 2022, revenues from the European Union, foreign governments, international organizations, and donor institutions amounted to UAH 481.3 billion. Therefore, they became an essential source of growth in the revenue part of the budget in the conditions of martial law, or 21.9% of Consolidated Budget revenues (the full-scale war against Ukraine began on February 24, 2022). Over the past ten years, the annual receipts of these revenues were at most UAH 5.4 billion (no more than 1.2% of total revenues) (Figure 1).

Tax revenues are the primary source of revenues of the consolidated budget of Ukraine, which decreased to UAH 1,343.2 billion compared with UAH 1,453.8 billion in 2021 (by 7.6%). The total amount of indirect taxes in 2022 decreased by UAH 148.9 billion to the previous year, and their share was 27.2% of Consolidated Budget revenues and 44.5% of tax revenues, while the corresponding indicators were 44.9% and 51.4% in 2021, and 42% in 2020, 0% and 50.8%.

Expenditures of the Consolidated Budget of Ukraine for 2022 increased to UAH 3,043.5 billion compared with UAH 1,844.4 billion for 2021, i.e., by 65.0%. In the first half of 2022, their growth was almost eight times higher than the increase in the total amount of its revenues. However, the fall in tax revenues led to a decrease in their role in financing budget expenditures. Tax revenues in
Table 1. Indicators of the Consolidated Budget of Ukraine, million UAH

Source: Based on the data from the Ministry of Finance of Ukraine (2022).

<table>
<thead>
<tr>
<th>Incomes</th>
<th>2020</th>
<th>2021</th>
<th>% 2021 compared to 2020</th>
<th>2022</th>
<th>% 2022 compared to 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td>1,376,673.8</td>
<td>1,662,333.6</td>
<td>120.7</td>
<td>2,196,273.3</td>
<td>132.1</td>
</tr>
<tr>
<td>Tax revenues</td>
<td>1,136,687.2</td>
<td>1,453,804.1</td>
<td>127.9</td>
<td>1,343,225.0</td>
<td>92.4</td>
</tr>
<tr>
<td>Value-added tax on goods (works, services) produced in Ukraine, including budget compensation</td>
<td>126,486.6</td>
<td>155,774.8</td>
<td>123.2</td>
<td>213,947.9</td>
<td>137.3</td>
</tr>
<tr>
<td>Value-added tax on imported goods</td>
<td>274,113.5</td>
<td>380,714.4</td>
<td>138.9</td>
<td>253,052.9</td>
<td>66.4</td>
</tr>
<tr>
<td>Personal income tax and levy</td>
<td>295,107.3</td>
<td>349,785.5</td>
<td>118.5</td>
<td>420,672.6</td>
<td>120.3</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>118,471.8</td>
<td>163,844.5</td>
<td>138.3</td>
<td>130,561.8</td>
<td>79.7</td>
</tr>
<tr>
<td>Rent and fees for the use of other natural resources</td>
<td>57,112.6</td>
<td>89,318.5</td>
<td>156.4</td>
<td>94,105.9</td>
<td>105.3</td>
</tr>
<tr>
<td>Excise tax</td>
<td>146,681.4</td>
<td>172,064.1</td>
<td>117.3</td>
<td>105,215.2</td>
<td>61.1</td>
</tr>
<tr>
<td>Toll</td>
<td>30,460.5</td>
<td>38,177.2</td>
<td>125.3</td>
<td>25,647.1</td>
<td>67.2</td>
</tr>
<tr>
<td>Non-tax revenues</td>
<td>234,421.6</td>
<td>202,541.0</td>
<td>86.4</td>
<td>368,368.9</td>
<td>181.9</td>
</tr>
<tr>
<td>Part of the net profit (income) of state or communal unitary enterprises and dividends accrued on shares of economic companies, the authorized capital of which includes state or communal property</td>
<td>70,859.5</td>
<td>28,722.7</td>
<td>40.5</td>
<td>47,113.9</td>
<td>164.0</td>
</tr>
<tr>
<td>Official transfers from the European Union, foreign governments, international organizations, and donor institutions</td>
<td>1,76.0</td>
<td>1,325.9</td>
<td>112.7</td>
<td>481,313.9</td>
<td>36,300</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>1,595,395.9</td>
<td>1,844,377.7</td>
<td>115.6</td>
<td>3,043,499.1</td>
<td>165.0</td>
</tr>
<tr>
<td>State functions</td>
<td>204,819.6</td>
<td>252,605.9</td>
<td>123.3</td>
<td>248,468.1</td>
<td>98.4</td>
</tr>
<tr>
<td>Defense</td>
<td>120,374.1</td>
<td>127,527.3</td>
<td>105.9</td>
<td>1,142,872.4</td>
<td>896.2</td>
</tr>
<tr>
<td>Public order, security, and judiciary</td>
<td>159,509.6</td>
<td>176,149.3</td>
<td>110.4</td>
<td>453,431.5</td>
<td>257.4</td>
</tr>
<tr>
<td>Economic activity</td>
<td>262,916.6</td>
<td>293,350.1</td>
<td>111.6</td>
<td>156,434.3</td>
<td>53.3</td>
</tr>
<tr>
<td>Protection of the natural environment</td>
<td>9,056.6</td>
<td>10,620.6</td>
<td>117.3</td>
<td>5,226.7</td>
<td>49.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>32,214.5</td>
<td>56,894.5</td>
<td>176.6</td>
<td>41,160.1</td>
<td>72.3</td>
</tr>
<tr>
<td>Healthcare</td>
<td>175,789.7</td>
<td>203,610.4</td>
<td>115.8</td>
<td>215,275.9</td>
<td>105.7</td>
</tr>
<tr>
<td>Spiritual and physical development</td>
<td>31,710.9</td>
<td>43,358.4</td>
<td>136.7</td>
<td>33,636.0</td>
<td>77.6</td>
</tr>
<tr>
<td>Education</td>
<td>252,283.7</td>
<td>312,914.6</td>
<td>124.0</td>
<td>290,758.5</td>
<td>92.9</td>
</tr>
<tr>
<td>Social protection and social security</td>
<td>346,720.5</td>
<td>367,346.6</td>
<td>105.9</td>
<td>455,186.2</td>
<td>123.9</td>
</tr>
<tr>
<td>DEFICIT</td>
<td>–224,458.8</td>
<td>–186,908.3</td>
<td>83.3</td>
<td>–844,827.9</td>
<td>452.0</td>
</tr>
<tr>
<td>in % of GDP</td>
<td>5.3</td>
<td>3.5</td>
<td>–</td>
<td>17.5</td>
<td>–</td>
</tr>
</tbody>
</table>

Figure 1. Official transfers from the European Union, foreign governments, and international and donor institutions

http://dx.doi.org/10.21511/pmf.12(1).2023.01
Funding for defense, public order, security, and the judiciary has become an essential strategic task of Ukraine’s budgetary policy under martial law. Compared to 2021, these expenditures have increased five times, constituting 52.4% of Consolidated Budget expenditures. In addition, spending on social protection and social security (23.9%) and healthcare (5.7%) also increased. At the same time, budget funding for economic activity (by 46.7%) and education (by 7.1%) decreased. As a result, the deficit of the Consolidated Budget of Ukraine in 2022 increased to UAH 844.8 billion compared to UAH 186.9 billion in 2021 because of a significant increase in expenditures and a simultaneous decrease in tax revenues.

The increase in budget expenditures coincides with a decrease in tax revenues (the primary budget-filling sources) and a corresponding increase in the budget deficit, which is financed mainly by external borrowings (loans granted by the governing bodies of foreign states and international financial organizations) and military bonds, which the National Bank of Ukraine purchases. This causes rapid growth in: inflation – 26.6%; state and state-guaranteed debt of UAH 4,071.6 billion, the repayment and servicing of which diverts and will divert significant financial resources needed for the post-war reconstruction of Ukraine in 2022 (Table 2).

The predictability of changes in the financial and budgetary sphere is the main prerequisite for strengthening the fiscal potential of taxes, which determines the importance of assessing fiscal risks. It depends both on the qualitative level of Ukraine’s tax system and the tax administration conditions. These conditions are determined by taxes that minimally distort the economic decisions of economic entities; a single corporate income tax rate at a level corresponding to the maximum personal income tax rate; a broad tax base for basic taxes and the absence of unjustified benefits; tax audit activities based on guidelines and transparent criteria for risk assessment and selection of taxpayers for control. An effective revenue mobilization mechanism is paramount for increasing budget revenues and restoring economic balance in the country.

Budgetary policy in income should contribute to the recovery and long-term development of the country’s economy. Therefore, in the conditions of martial law and post-war reform of the budgetary and tax system, the government should not only ensure an effective mechanism of revenue mobilization but also follow fairness of taxation related to the rational redistribution of the level of the tax burden between taxpayers and the population with different income levels.

The priority tasks of the budgetary policy regarding the expenditure part of the budget in martial law conditions are financing expenditures on defense, critical infrastructure, and social support. According to the World Bank estimates in 2022, the share of the population with incomes below the present subsistence minimum may reach 70%. Accordingly, the decrease in population income will increase the volume and diversification of the directions of state support. At the same time, to optimize state and local budget expenditures, authorities must reduce the expenditures that have the most negligible impact on basic types of budget services. In addition, budget programs for the reconstruction of the national economy should consider public priorities, including the damage and losses caused to Ukraine due to the armed aggression of the Russian Federation.

The budgetary policy of the post-war development of Ukraine’s public finances will require the transformation of approaches to financing education and healthcare. In the conditions of war, the train-
ing of specialists should correspond to the needs of the real economy, strengthening the connection between the financing of education and the strategic plans for the country's socio-economic development.

The governmental bodies should allocate appropriate state funding to the healthcare system, facilitating a quick response to urgent problems. In the medium term, authorities must optimize public spending on healthcare as a whole, but the level of funding for crucial programs should be sufficient. A return to pre-war healthcare financing trends is possible in the long term.

At the same time, the health care system in Ukraine during the war faced an objective increase in the burden due to the increase in disability. Accordingly, in addition to the state and local budgets, sources of funding can be the funds of international organizations; global public-private partnership; international financial institutions, etc.

To intensify the budgetary policy in expenditures in the conditions of martial law, authorities must ensure effective mechanisms for state support of business entities. This is a significant prerequisite for the post-war development of the domestic economy. In particular, in the conditions of martial law in the budgetary and tax sphere, the following measures have been introduced:

- for individuals, entrepreneurs, and single taxpayers of groups 1-2 – the possibility of voluntary payment of the single tax;
- for individuals, entrepreneurs, and single taxpayers of group 3 – a reduction in the interest rate of the single tax;
- for business entities of any organizational and legal form – the right to switch to simplified taxation, accounting, and reporting (with exemption from paying corporate income tax, value added tax).

In addition, Ukraine put into force the Laws:

- “On Amendments to Clause 4 of Chapter XXI “Final and Transitional Provisions” of the Customs Code of Ukraine regarding the exemption from import duty taxation of new equipment (equipment) and accessories for it, which are imported for the implementation of an investment project with significant investments for the implementation of a special investment contract” (Verkhovna Rada of Ukraine, 2021b).

Preferential conditions for taxation of economic entities affected the decrease of budget revenues and the increase of budget deficit, which demands additional sources of financing budget expenditures. After all, the financing of the state budget in the conditions of martial law is carried out mainly at the expense of an increase in the volume of foreign aid, particularly grants and loans on preferential terms, and the involvement of the National Bank of Ukraine in purchasing the state securities.

At the same time in the conditions of large-scale military operations on the territory of Ukraine, it is necessary to find additional internal sources of financing budget expenditures, which actualizes extraordinary fiscal instruments to increase budget revenues. Based on the generalization and systematization of experience in this field, such tools include property taxes and forced loans.

In particular in the conditions of post-war recovery, in 1952, to stimulate capital investments in the development of priority industries, Germany adopted the “Law on Investment Assistance to Industrial Economy.” All enterprises (except for coal, metallurgical and electric power businesses) had to make a one-time contribution, which depended on the enterprises’ turnover, depreciation deductions, and profit. Capitalizing these resources allowed for the uninterrupted operation of industries with high added value (GTAI, n.d.).

During the First World War, in 1917, the USA adopted “The War Revenue Act of 1917.” Under this Act, federal income tax rates have been increased. The most significant growth occurred in income, which amounted to more than 2 million US dollars. This increased revenues from this tax by four times; these revenues generally covered 30% of US military expenditures (Blakey, 1917).
Therefore, additional internal financing sources of Ukraine’s state budget in the conditions of martial law can be revenue from the tax on property (other than land plots at an increased rate) and an increase in the personal income tax rate (in particular, for incomes that exceed 15 times the minimum monthly wage).

4. DISCUSSION

The study concludes that budgetary policy is inextricably linked with public administration. The development of social relations fills this concept with a new meaning. This leads to various approaches to form, implement, and assess the impact of budget policy on the country’s socio-economic development. These approaches show the ambiguity of the cause-and-effect relationships between the qualitative level of budget policy implementation and economic growth in different countries. The issue of the effectiveness of the budget toolkit based on economic cyclical remains debatable.

At the state level, authorities are aware of the importance of assessing the budget deficit indicator when making management decisions. However, this indicator only sometimes correctly and fully reflects the quality level of budget policy, budget stability, and stability during various phases of the economic cycle. In addition, various temporary exogenous and endogenous factors influence it. Accordingly, there are different concepts of ensuring budget balance and approaches to assessing the mutual influence of budget policy and economic development (Staver, 2019; Steinmo, 2003; Rogers & Kollewe, 2013; EC, 1997). The most controversial issues remain the definition of the list of temporary exogenous and endogenous factors. Based on the economic and socio-political characteristics, each country must independently approach the criteria according to which the influence of exogenous and endogenous factors can be considered temporary.

The study offers suggestions for future research. This paper used an institutional approach to forming and implementing budget policy. Accordingly, it substantiated the directions of Ukraine’s budgetary policy in martial law conditions, based on the need for its adaptation to the dynamically changing conditions of the country’s economic and socio-political development. Taking into account the complexity of the internal and external environment in martial law conditions, further studies may consider other scientific approaches to raising the quality level of budget policy.

CONCLUSION

The study proposes to consider the budget policy as a multifaceted tool for regulating socio-economic processes, which in the conditions of martial law faces obstacles that significantly reduce the effectiveness of the financial and budget toolkit: the increase in the level of economic and socio-political uncertainty and the expansion of the shadow sector economy. This weakens the ability to mobilize appropriate tax revenues as a significant factor of financial sovereignty and the country’s readiness to finance the needs of the armed forces and protect the population and critical infrastructure facilities. It also causes the search and attraction of additional resources by increasing state borrowing, which leads to a substantial increase in the state budget deficit and state debt, putting a significant burden on the state budget when servicing and repaying debt obligations. The results of the calculations confirmed the proposed hypothesis that the country can verifiably survive a difficult crisis period, using the synergy of financial and budgetary instruments and implementing a prudent budgetary policy.

The study determined the following critical strategic priorities of the budget policy of Ukraine in the conditions of martial law: ensuring the stability of the budget system; strengthening the strategic approach to budget planning; ensuring the adaptability of budget policy to economic and socio-political processes; and attraction of additional budget resources and more rational, efficient, and effective management of budget funds. At the same time, achieving the set priorities requires finding and substantiating new approaches that would ensure their implementation. All this will be researched in the future.
AUTHOR CONTRIBUTIONS

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Formal analysis: Mykhailo Titarchuk.
Funding acquisition: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Tetiana Krykun.
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Methodology: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Tetiana Krykun.
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Supervision: Igor Chugunov, Tetiana Krykun.
Validation: Mykhailo Titarchuk, Tetiana Krykun.
Visualization: Mykhailo Titarchuk, Tetiana Krykun.
Writing – original draft: Igor Chugunov, Valentyna Makohon, Mykhailo Titarchuk, Tetiana Krykun.
Writing – review & editing: Igor Chugunov, Valentyna Makohon.

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