

# A New System For Monitoring of Para-Fiscal Levies Based ON Knowledge Bases and New Software Solutions

Ilija Susic<sup>1</sup>, Nikola Atlagic<sup>2</sup>, Mladen Radivojevic<sup>3</sup>

<sup>1</sup> University of Business Studies,  
Banja Luka, 78000 Bosnia and Herzegovina

<sup>2</sup> Visoka škola Dositej,  
Banja Luka, 78000 Bosnia and Herzegovina

<sup>3</sup> University of Business Studies,  
Banja Luka, 78000 Bosnia and Herzegovina

## Abstract

In this paper we consider how to reach a supportive business environment that would enable a more stable business, more foreign investments, development and higher employment rate in Bosnia and Herzegovina. One of the segments is certainly owning registries of all fiscal and para-fiscal levies. In this paper we propose the use of the knowledge base and new software solutions for recording and monitoring of para-fiscal levies. Here we present a different way of recording fiscal and para-fiscal levies with the use of new software tools based on ontologies and knowledge bases. We will use the iterative approach so we could be able to get to the updated knowledge base.

Keywords: *para-fiscal levies, new software solutions, ontologies and knowledge bases*

## 1. The tax system and fiscal levies

“Each country in order to be able to carry out its functions and tasks needs to have available a certain amount of money which will be expressed through a system of public revenues. Therefore, public revenues are funds that the state collects or obtains by a fiscal path, based on their fiscal sovereignty [1]“. The largest part of these revenues collected by the state is from taxes in the tax system.

In financial theory under the tax system implies the public revenues and expenditures or the system of financing public consumption in the broadest sense of the word. That system includes a collection of various forms of taxes, contributions, fees and other charges that exist in one country where, while maintaining the characteristics of each form of revenue it is provided their homogeneity, primarily in the objectives and effects for each of these forms of public revenues and as well as the tax system as a whole.

It is believed that the taxes in Bosnia and Herzegovina (B&H) are too high and that the system of collecting is rather expensive and irrational according to its level of development. Because of their amount fewer number of business and citizens pay them and even those who want

to pay give up when they encounter a very complicated tax bureaucracy. Very often the tax system is evaluated as “tax hell“. Everyone cautions that the taxes are too high and that the regulations governing them are so complicated that even tax officials themselves interpret them badly. Everyone agrees that this kind of a tax system is a big burden for businesses and citizens but nobody does anything to improve the situation. High taxes, frequent alterations in tax regulations and their often arbitrary interpretations are one of the reasons for the poor performance of their collection.

They all know it, but their reduction largely remains on the verbal support, but the practice shows a greater resistance.

In the region the charges are lower that in Bosnia and Herzegovina. For example, for the salary of 1000 euros in Macedonia employers pay taxes and contributions in the amount of 540 euros, in Serbia 670, in Montenegro 660 and in Slovenia 740 euros. In Bosnia and Herzegovina for the salary of 1000 euros is paid the sum of 800 euros.

We can cite the fact that according to the study of the World Bank in 2014 in which from 189 states B&H is on the 135th place according to the criteria for “simplicity of paying taxes“.

Of all EU Member States the biggest taxes on workers' salaries has France – 47%. In Germany amounts to about 45, in Austria, Italy, Hungary about 40%. Below 30% are levies on the wages of workers in the UK, Iceland and Switzerland, and between 30 and 35% are amounts in Netherlands, Norway, Poland and Bulgaria.

What is the situation in B&H and its entities?

The economic crisis in the world has led to a red-hot economic crisis in the B&H. We work and live in conditions of macroeconomic imbalance. There is no real

strategy for exiting the crisis. The social dialogue is missing. Necessary platforms are not implemented. Excessive budget spending. The decrease in export and increase in import. Laws exist but some of them are not applied adequately. The unemployment rate is close to 50% of the active population. The gray economy, corruption and increased demand for loans is constantly growing. Year after year there is a decline of the gross domestic product, there is no new investments and jobs are increasingly less.

Bosnia and Herzegovina needs successful business systems and those that are already on the market, but also those who are yet to appear. Such business systems are the main drivers of the economic growth, the increase of employment, the improvement of standard of living and the overall progress of the country.

One of the big problems of the efficient economy are certainly the para-fiscal levies which are addressed in this paper. In addition there are: inadequate legal framework, difficult access to financial resources, a large representation of the gray economy, high level of corruption, discrepancy between the educational system and labour market needs.

It is believed that the inadequate legal framework creates difficulties in the operation of the business systems. Necessary communication and contacting a large number of institutions, extensive documentation, payment of various fees and compensations, waiting for the “response” of the administration and similar make the procedures before the authorities and institutions of the public sector very complicated and expensive and it gives a picture of the unfavorable business environment. To avoid this it is necessary to include representatives of the real sector in the creation of the strategic documents, laws and subordinate-laws that treat business in order to establish a consistent legal system.

Unrelenting financial resources and aggravated timely collection of claims threaten liquidity and reduce the possibility of business systems to expand their operations, to invest in the development of the new products/services and the introduction of new technologies. To avoid this it must be created a stimulating credit policy that for business systems provides more favorable credit conditions and lower interest rates.

Inadequately implemented economic and social policies, the lack of appropriate legal and institutional frameworks, poor enforcement of regulations, lack of trust in the institutions, weakening of the economic growth, reducing liquidity and productivity are the most common causes of

the so-called “gray economy“. To avoid this it is necessary to increase flexibility of labour legislation, to reduce the number of administrative procedures, reduce costs for administrative procedures and the like.

The level of unemployment is about 45% and it is the biggest in Europe which can be a stimulus for creating new jobs but also a vast para-fiscal burdens that negatively affect the attraction of foreign investments. Some of the activities which are necessary to be implemented are: the creation of stimulating business environment, unburdening of the business system, combating the gray economy and improvement of liquidity.

The problem is that the business systems are burdened with a large number of taxes such as: administrative fees, utility fees, general fee for water, special water charges, tourist board membership fees, membership fees for the foreign trade chamber, fees for forest protection, fees for the use of the roads, the fee for the environmental protection and many other special fees and membership dues. With these fees (para-fiscal levies) we are dealing in this paper.

### 1.1. The Value Added Tax

The Value Added Tax (VAT) [2] is the most widespread system of taxation of goods and services in the world, and is applied in more than 120 countries worldwide. This tax is one of the indirect taxes and it is not collected directly from the person who is a taxpayer but by the persons that are considered to be final consumers. It allows countries a bigger public revenues, especially in the countries that are in the classical systems had many problems with tax collection. Its characteristic is that the burden of taxation is borne by the final consumer, and thus are affected poorer strata of the society.

VAT is levied on: goods and services which the tax payer within the performance of its activities carries out on the territory of Bosnia and Herzegovina with a fee and the import of goods into Bosnia and Herzegovina. The supply of goods involves the transfer of rights to dispose of the things to the person who may dispose of these goods as owner. Goods are considered water, electricity, gas, heat or the like and the supply of goods transfer of the right to dispose of the goods for a fee based on the decision of the state authorities, local government, or under the law, the delivery of goods under contract on the basis of which commission is paid for the sale or purchase of goods, the delivery of goods under a contract of hiring for a certain period, the transfer of rights to dispose of newly-built construction objects or economically divisible units within

these objects, transfer of business assets of a taxpayer by an authorized person, the use of goods of a taxpayer for non-business purposes and the exchange of goods for other goods or services.

Now there is a real chance for the reduction of tax benefits of economic entities on the basis of direct taxes (profit tax rate and income tax rate from 2008 is 10% and are one of the lowest in region). Customs rates are largely harmonized with the rates in the EU and a VAT rate of 17% is within the average rate in the EU (which has established that the standard rate of the VAT can not be less than 15%).

## 2. THE NOTION OF PARA-FISCAL LEVIES

Para-fiscal levies are legally installed financial obligations that are paid beside regular taxes and contributions and for the business systems are “noose around the neck” so their competitiveness is far below needed.

Under para-fiscal levies we consider all fees that the legal and natural persons (business entities and citizens) pay for the use of certain goods and services (water, forests, mineral resources, construction land and other resources). These are different types of fees which are imposed by the state (Bosnia and Herzegovina), entities (Federation of Bosnia and Herzegovina (FB&H) and the Republic of Srpska (RS)), cantons (which are only in the Federation of Bosnia and Herzegovina and there are 10 of them) and municipalities and cities. These are not taxes and they are not used for filling the budget, but in Bosnia and Herzegovina the largest part of the para-fiscal levies are used as a parallel budget revenue, as an income for the functioning of the costly administrative apparatus. They should have a specific purpose. For example, water compensation is paid to ensure the maintenance of watercourses and water network, and forest compensation is paid only because the forests exist and their purpose should be the maintenance of forests, prevention of erosion, landslides and the like. The floods that often occur in this area have shown that the money from these compensations is not used in the right way and to solve this and similar problems we have to look at differently.

Para-fiscal levies have come out from other laws and they do not relate to taxes. For an example we can observe: the new law is adopted on companies which are not subject to a payment of a tax. But, in order to adapt it to the business, a change of the court decision is needed. In order for the court decision to be changed a certain fees should be paid that make up the para-fiscal levies. Business system pays

fees and notaries, and to tax administrations and the Administration for indirect taxation of B&H a new solutions.

Researches show [3] that the following para-fiscal levies aggravate the work of the business systems: tourist board fee, fee for the general use of the function of forests, general water fee, verification of acts, membership in chambers, court fees, bank fees, administrative fees, prices of utility services, fees for customs clearance services of goods in import and export and the like. For the business systems to carry out their business smoothly it is necessary to comply with more than 20 laws related to the payment of various fiscal and para-fiscal charges and with about 30 laws to which if they don't comply will be subjected to penalties.

This issue is started to attach a particular attention as a part of the comprehensive measures which should improve the business environment by reducing administrative requirements.

Elimination or the reduction of levies has been very slow because it is hard to expect that whoever charges the levy would alone without any resistance reduce their source of income. In the next period it is expected a much stronger stance in challenging the para-fiscal levies, within the framework of implementation of the announced measures for improvement of business environment.

In reaching a good deal of para-fiscal levies doesn't pass the legal procedure, there are no public debates, and there is no way that the service users give their comments and opinions. The problem is that the majors of municipalities and cities can introduce new levies and they are entitled to it.

A large number of developed countries, because of their many shortcomings, the levies are replacing with taxes.

Business systems in one fiscal year have to provide more than 150 different applications and forms, and their work must adhere to about 20 laws related to the fiscal and para-fiscal levies and about 30 criminal laws if they don't adhere to them.

Characteristics of the para-fiscal revenues are:

- Do not arise from all holders of the tax liabilities.
- Are not regulated by the fiscal authorities.
- They have the character of the earmarked revenues.
- Represent secondary tax levy.
- Paid on the basis of laws and decisions or decisions of the competent authorities.
- Payable in the case of use “goods of common interest”.

- Represent granting the money.
- Not included in the budget.
- Represent the old form of the public revenues;
- Do not fall under direct regulation by government authorities.
- They do not have strict time durability.

### 3. PARA-FISCAL LEVIES IN B&H AND THE REGION

Bosnia and Herzegovina is a complex community in which there are three legal and economic systems, it is consisted of two entities, Federation of Bosnia and Herzegovina ( which has 10 cantons and 84 municipalities/city), Republic of Srpska ( which has 63 municipalities/city) and Brcko District. Accordingly, there are: State fees – fees at the state level, Entity fees – fees at the entity level, fees at the District level, Cantonal fees – fees at cantonal level, municipal/city fees – fees at the level of the municipality/city. Depending on the area in which they operate, business systems are exposed to a variety of fiscal and para-fiscal levies which are the biggest in Europe.

According to estimates, at all levels in B&H there are at least 400 para-fiscal levies, although entrepreneurs will tell you that there are close to 500. In this paper we want to create a knowledge base of fiscal and para-fiscal levies. Are we going to succeeded in identifying it all? It should be kept in mind that the knowledge base can and must be updated. Every day the new laws are passed, regulations, decisions and so on by which are introduced or abolished certain levies.

Estimates suggest that para-fiscal levies annually take between 500 millions and one billion euros. Regardless of that the state introduces a new load every day and in return gives very little, almost nothing. The problem is that for one earned Mark the state must be given 70 pfennig, plus an additional 10-20 pfennig through para-fiscal levies. The employer pays a lot and the worker receives little.

In Bosnia and Herzegovina the average business system pays 35 different fiscal and para-fiscal levies [3]! Such a big burden and economic crisis hut their effective operations. Business complicates the allocations of taxes and contributions on the salaries of the employees. Contributions by the gross earnings amounted to 33% plus the income tax of 10%. The ratio of the total expenses of employers for the employee according to the net earnings amounted to 1,66, which is more in comparing to the neighboring countries, Serbia where this ratio is -1,64 and in Croatia -1,52. This occurs due to the tax-free threshold

in Serbia (72 euros) and Croatia (243 euros), while from February 2011 there is no tax-free part of the income which was before 250KM (125 euros).

Association of employees in its work report [4] for 2011 is said that in the past period they made a considerable effort to reduce or completely abolish certain para-fiscal levies. It is in cooperation with the International Labour Organization (ILO) as well as domestic and foreign experts, prepared the “Analysis of the load of the economy in Bosnia and Herzegovina [3]“, which is supposed to be the basis for negotiations with the government related to the relief of the economy through a reduction of fiscal and para-fiscal levies. Proposed measures for the reduction of the load of the economy did not encounter the understanding from government representatives.

If we look at the “ Analysis of the load of the business systems in Bosnia and Herzegovina“ it can be seen that the court fees and the notary services are the largest para-fiscal items of every business system. These items, as well as utility taxes , government taxes, fees for fire protection, fees for forest protection, water fees, membership fees for Foreign Trade Chamber of B&H and the like need to be cut.

Countries in the region are already reducing the para-fiscal levies. Croatia is, for example reduced the para-fiscal levies of water and forest contributions by 50%. It abolished indirect monument annuity and reduced the fee for regulation of energy activities.

Serbia has also conducted an analysis of 2011 on loads of economy with fiscal and para-fiscal levies. In the analysis it is found the need for the abolition or reduction of some fiscal and para- fiscal levies in order to substantially improve business environment and the ambient to attract both domestic and foreign investments [5]. It was identified 370 non-tax levies, of which 179 are para-fiscal levies.

Croatia is, according to experts, high taxes burdened country. Although the share of taxes in the Croatian gross domestic product (GDP) in 2011 stood at 32,9 percent , which is 3,5 percentage less that the EU average, where the proportion of tax amounted to 36,4 percent.

The strategy of the tax policy of the EU entitled “ Tax policy in the European Union- priorities for the following years“ (COM(2001)0260) it was emphasized that the Member States comply with EU rules and each is free to choose the tax system it considers most appropriate.

The document (COM(2010)0769) on removing cross-border tax obstacles for EU citizens, describes the most



serious tax problems that EU citizens face in cross-border situations ( for example, discrimination, double taxation, difficulties in connection with seeking tax refunds and obtaining information on foreign tax legislation).

The problem in Bosnia and Herzegovina is that it does not keep the register of para-fiscal levies and that each level of government has the freedom to independently impose new levies ( the State of B&H, entities, cantons, municipalities/cities). We want to get a single registry of para-fiscal levies in Bosnia and Herzegovina because we are the only country in the region that does not have that registry. For this purpose we will use knowledge bases and new software solutions that all future users can provide the necessary knowledge about para-fiscal levies at any time when they need it. We also want to get to the priority list of these levies, which are ripe for abolition and change in the way to relieve the business of operating systems. Here we deal more with the new technological solutions rather than suggesting which of the levies should be abolished or reduced.

#### 4. ONTOLOGIES AND NEW SOFTWARE SOLUTIONS

Ontology presents a conceptual idea for expressing knowledge. Chi and Hsu [6] approach to the development of ontologies define it as a process, inclusion and acquiring knowledge, its storage, finding and use. It describes a particular area through the dictionary of fields, basic concepts, classification of these concepts, and connection of concepts with defining the rules that govern among them. This is a detailed description of the structure of an area of knowledge, with the formal definition of mutual relationships and connections between the different elements of the area [7]. It is used for knowledge representation, knowledge management, modelling and design of databases, search and download of the required knowledge.

“Ontology is formal, explicit specification of common conceptualization“ [8].

Boose and Gaines [9] describe ontology as a knowledge of a domain in a generic way and provides an understanding of that domain and presents a set of terms and relations between them, which describes a particular domain or area of knowledge. The domain can be any subject area, regardless of its level of generality.

One can ask the question: Why develop an ontology in the system of para-fiscal levies in Bosnia and Herzegovina? We do this because: of more efficient sharing of

information and knowledge, and better use and analysis of the domain of knowledge. The system of para-fiscal levies based on ontologies would provide: software agents to take advantage of the necessary information and knowledge to distil the necessary knowledge for more effective fiscal management, especially para-fiscal levies. Paulheim [10] defines three reasons for using ontology: better transparency, better interaction between the system and the user, unique knowledge base. Why these reasons wouldn't be able to be used in the monitoring system of the para-fiscal levies?

There is no unique methodology for developing ontology and in this paper we will use an iterative approach. Here are the basic knowledge of para-fiscal levies and then through certain revisions and improvements reach the basis for a new management system of para-fiscal levies. Knowledge base will be extensible and will be able to provide the necessary information and knowledge to business systems.

The model that we propose is based on a lot of research of Savvas [11] and Vassilakis [12] who had first introduced the method of modeling of ontology in the domain of e-Business. Those who work on the implementation of the new concept of serving use the ontological model in order to provide semantic interoperability in a multi-agent environment.

Ontologies allow to achieve a higher level of functionality through [13]: the increased precision in searching, linking information and knowledge on pages with their associated knowledge structures and inference rules, exchange of knowledge between people and software, providing structure for the transmission of information in the field of linked data and the possibility of upgrading and changing in accordance with the needs.

Here we present only the part of the necessary knowledge required to effectively use the ontology in the process of para-fiscal levies in Bosnia and Herzegovina.

There is a large number of languages and tools for describing ontologies. Among ontologic languages which is the most in use is OWL (Web Ontology Language ) and tool for editing ontology “ Protégé-OWL“. OWL is a development environment presented by the World Wide Web Consortium (W3C).

Protégé is an open-source platform that allows users to: read and store ontology, updating and defining the characteristics of logical classes, and performing the causes and update. Protégé allows users to display the meaning of terms and relationships among those terms. It

was developed in the Stanford Research Center of Biomedical Informatics at the Faculty of Medicine at Stanford University in California [14].

Here we have used Protégé platform for reading and storing ontology, for updating knowledge necessary to manage para-fiscal levies. To achieve this, we adhere to the W3C recommendations for a formal description of concepts, terms and relationships in the *Web Ontology Language (OWL)*.

In this paper we will present the basic knowledge of para-fiscal levies using Protégé platform. Although there is a large amount of knowledge, their presentation in this paper will be presented only through several screens.

## 5. KNOWLEDGE BASE OF PARA-FISCAL LEVIES

In the knowledge base we have put knowledge to the revenue allocation (Figure 1. Knowledge to the revenue allocation), and we differ:

- Fees and taxes levied at the level of Bosnia and Herzegovina
- Entity fees – income entities of the Federation of Bosnia and Herzegovina and the Republic of Srpska,
- Cantonal fees – income of cantons (only in the Federation of Bosnia and Herzegovina).
- The municipal/city fees and taxes (100% of revenues of municipalities/cities),
- Fees and taxes which are divided between Federation, cantons and municipalities/cities in accordance with special regulations,
- Fees and taxes which are divided between the Republic of Srpska and municipalities/cities, in accordance with special regulations.

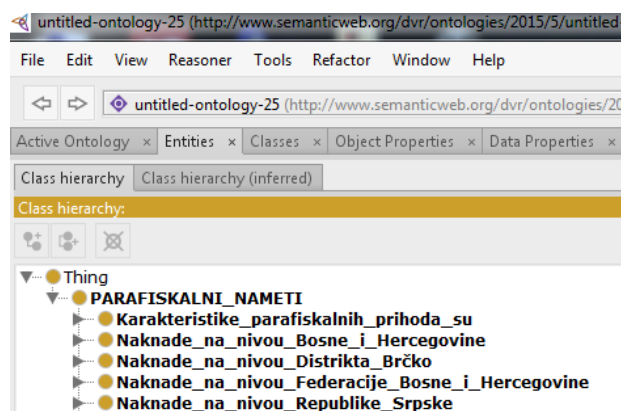


Figure 1. Knowledge to the revenue allocation

Common to all para-fiscal levies is:

- All are governed by separate regulations ( laws and bylaws),
- Include a large number of taxpayers for their payment,
- The most frequently are payed over the year in advance and in full by the final annual account,
- Their payment is regulated by the Rulebook on the method of payment of the public incomes,
- For not fulfilling the most of the fees, sanctions are prescribed for non-payment.

Fees at the level of Bosnia and Herzegovina (Figure 2.) are: Fees for the use of the frequency spectrum. Fees “State Regulatory Commission for electricity“. Fees for customs clearance of goods in import and export. Fees for issuing decisions and consent of state authorities. Membership fee to Foreign Trade Chamber of Bosnia and Herzegovina. Administrative fees and Court fees which are regulated by the Law on Communications [15], the Law on Transmission, Regulator and Electricity System Operator in Bosnia and Herzegovina [16] , the Law on Customs Policy of Bosnia and Herzegovina, the Law on Foreign Trade Chamber of B&H [17] and so on.

Fees at the level of Federation of Bosnia and Herzegovina (Figure 3.) are: The fee to water management. The fee for the use of forest functions. The fee for the protection against natural and other disasters. The fee for hiring people with disabilities. Membership fees for tourist boards. Membership fee of commercial and craft chambers and are regulated: the Law on Waters [18] , The Law on Forests [19], the Law on protection and rescue of people and material goods from the natural and other disasters [20], the Law on Vocational Rehabilitation, Training and Employment of Persons with Disabilities [21], the Law on Tourists Boards and promotion of Tourism in the Federation of B&H [22], the Law on Chambers of Commerce in the Federation of B&H [23], the Law on crafts and related activities (“Official Gazette in the Federation of B&H“, number 35/09), Rulebook on the amount, distribution, and the way of payment of membership fees of craftsman and persons performing similar activities (“Official Gazette in the Federation of B&H, number 52/10) [24].

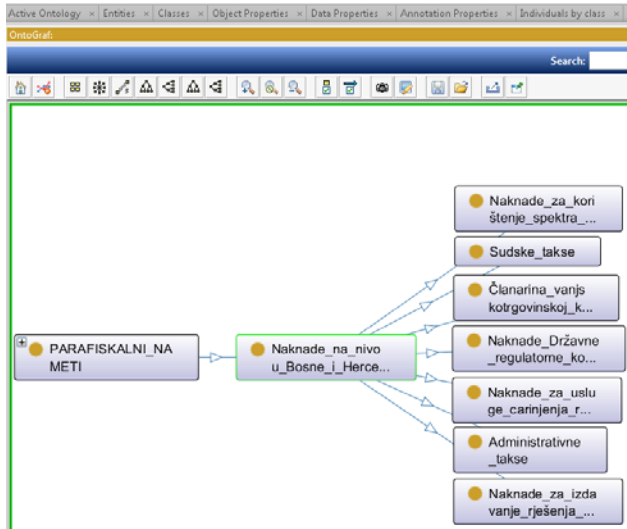


Figure 2. Fees at the level of B&H

In this work we will observe in more details para-fiscal levies at the level of the Republic of Srpska. Firstly, we will observe the knowledge necessary for republican taxes (Figure 4.) which are determined by the Law on special republican taxes [25]. The republican tax is paid by: legal entities of Republic of Srpska, business units in the Republic of Srpska that perform a registered activity of the legal entity which has its place of management and control outside the Republic of Srpska, representative offices of legal entities which have their headquarters outside the Republic of Srpska as well as the domestic and foreign natural persons that perform entrepreneurial activity.

Administrative, judicial and utility taxes are presented in Ontograf Figure 5. Administrative fees are regulated by the Law on Administrative fees [26]. This law shall also determine the administrative fees for documents and actions in proceedings before the republican administrative authorities, local government units and holders of public authority which is legally entrusted with administrative matters on certain rights and obligations.

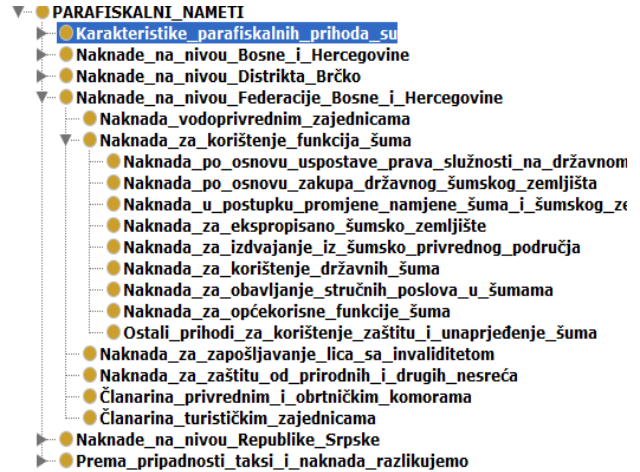


Figure 3. Fees at the level of the Federation of Bosnia and Herzegovina

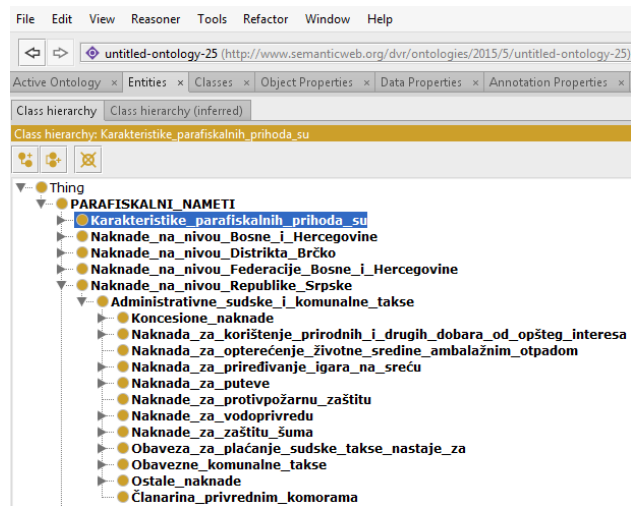


Figure 4. Republican taxes

Court fees are regulated by Law on Court Fees [27]. This law regulates the manner of payment of court fees, procedures and conditions of exemption from taxes, the method of determining the value of the litigation, the procedure for the collection of unpaid taxes and other issues related to taxes.

The utility fees are regulated by the Law on utility taxes [28]. This law establishes and regulates the basic elements of the utility taxes, the subject of tax obligation, payer of utility taxes, and exemption from paying utility taxes. The utility taxes in accordance with this law shall be determined by a special act of the town or a municipality (local government units) and these taxes are revenue of the budget of the local government units.

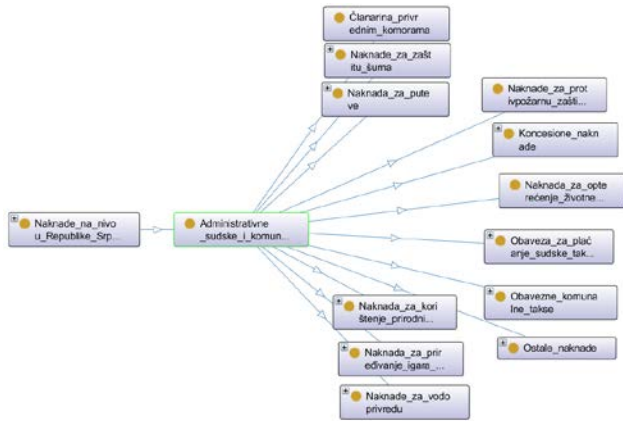


Figure 5. Administrative, judicial and utility taxes

Part of the fees at the level of the Republic of Srpska is presented in Figure 6 and necessary knowledge in the knowledge base refers to : Fees for water management, which are regulated by the Water Act [29] and by a Decision on rates of special water fees. Fees for forest protection which are regulated by the Law on Forests. Fees for fire protection and which are regulated by the Law on Fire Protection [30], Fee for pollution of environment with packaging waste is regulated by the Law on Fund and financing of environmental protection [31], Fees for roads which are regulated by the Law on Public Roads [32], Membership fees of Chambers of Commerce which are regulated by the Law on Chambers of Commerce [33], The fee for organizing of games of chance which are regulated by the Law on games of chance [34], Concessions are regulated by the Law on Concessions [35], the fee for the use of natural and other resources of common interest, and other fees.

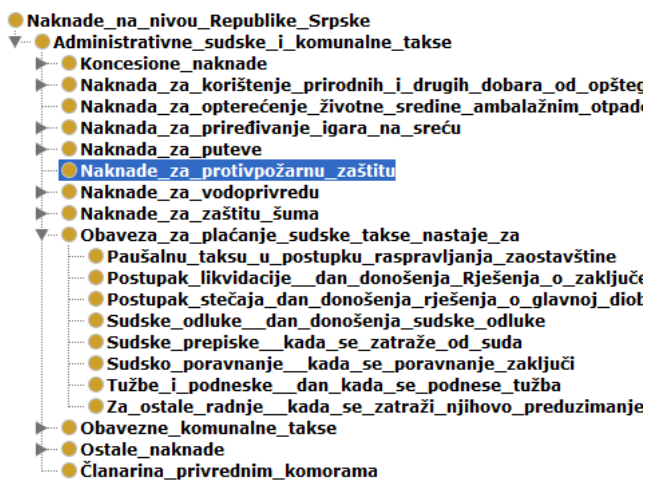


Figure 6. Part of the fees at the level of the Republic of Srpska

There are fees that are divided between entities and municipalities/cities. Some of these fees are: the fee for the use of mineral resources. The fee for the change of the use of the agricultural ground. Revenues from the lease of land owned by entities. Fees for drinking water in the public water supply. Fee for irrigation water and the like.

There are fees that are shared by entities, municipalities and cities and other users of public revenues, some of these fees are: The fee for main and regional roads. The fee for highways and fast roads. The fee for posting signs in the protective belt. The fee for joining the access road to the public road. The fee for special transport. The fee for hail protection. Special republican tax for oil derivatives. The funds for financing the special measures for fire protection. Tourist tax and the like.

There are fees that are only revenues of municipalities/cities, and some of them are: Utility taxes for holding animals. The utility fees for holding motor, road vehicles and trailers. Utility fees for the use of cases for displaying goods outside business premises. Utility fee for the use of billboards. Compensation for construction of land development. The fee for the use of the construction land. The fee for the use of roads and similar.

Here we didn't list all the necessary knowledge and all areas in which para-fiscal levies are paid. We have identified 386 para-fiscal levies at the level of the entity Republic of Srpska.

In the end we give some recommendations that may contribute to the reduction of para-fiscal levies: To eliminate double taxation. Align the amount of fee in proportion to the price of the service provided. Improve the supervision and transparency- the public revenue system must be strictly regulated and controlled. Reduce employment in the government institutions so that the administrative apparatus would spend less money. Coordinate policy within B&H. In order for a business system to operate normally fiscal policies and regulations must be harmonized. Eliminate agencies that are not necessary. Unburden economy of para-fiscal levies and paperwork and reduce taxes and contributions. To help business systems in order to increase production and export. Encourage business systems to work better and have free access to foreign markets. Eliminate para-fiscal levies for which it is not received any service. Amend legislation in order to ensure predictability and transparency of non-tax services. To carry out the integration of similar taxes and to equalize the amount of taxes for the same or similar types of administrative or other services. Undertake a comprehensive register of para-fiscal levies (which we have presented here).



## 1. Conclusion

In this paper we have presented some of the problems faced by business systems in their work with particular reference to the para-fiscal levies. We have proposed a different way of presenting the para-fiscal levies in Bosnia and Herzegovina, and in particular we have looked at the para-fiscal levies in the entity of the Republic of Srpska. We have created a knowledge base that should ensure more effective arrival to the necessary knowledge of business systems while working with para fiscal levies and their use. We think that with the use of the new software solutions based on ontologies and Protégé platform it can provide that.

Further work will be based on updating the knowledge base and all para-fiscal levies that exist at the level of municipalities/cities.

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