

City Investing in Technology to Catch Tax-Dodging Landlords

By [The Moscow Times](#)

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City Hall is ready to pay 40 million rubles (\$1.3 million) for an information technology system that will help it collect up to 5 billion rubles in lost tax revenue from apartment landlords.

The mayor's office announced that it is taking bids for an information exchange system for the police departments responsible for public order, including beat cops and volunteer policemen. The winner of the tender will be announced Oct. 25. The goal of the system is to automate the process of identifying apartment owners who are renting out their premises and not paying the 13 percent income tax on the proceeds, according to the technical design specification for the project.

The system will also help the city administration gather information about the rental market.

Police will collect information about apartments being rented out by questioning residents, concierges and employees of management companies. The data will be passed along to the

Moscow tax inspectorate and its district branches, which will then try to contact the owners who are not paying taxes.

This project serves only one purpose, a source at City Hall said: to raise tax revenues.

Maxim Reshetnikov, head of the city's economic policy and development department, said at least 100,000 apartments are rented out in Moscow, with an average monthly rental price of 30,000 rubles. The amount of tax revenue the city loses on this is 5 billion rubles per year, he said. According to Inkom Real Estate, there are a total of 4.5 million apartments in Moscow, of which 47,300 are being rented out. About 7,800 rooms are also rented.

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