

Billionaire Politician Lambasts Putin's Tax Investigation Bill, Launches Petition

By [The Moscow Times](#)

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Billionaire politician Mikhail Prokhorov has joined a chorus of protest over Kremlin-backed plans to change rules on tax investigations that entrepreneurs say will hamper business and foster corruption.

Under proposals drawn up by the powerful Investigative Committee, tax investigations may in future be able to go ahead without a sanction from the Federal Tax Service.

That would mark a reversal of 2011 reforms aimed at curbing alleged instances of law enforcement agencies fabricating tax cases to extort money from businesses.

Prokhorov, a tycoon with an estimated \$13 billion fortune, slammed the proposed reform as "poorly thought-out and dangerous" in a statement accompanying a petition drive launched Wednesday on the website of his Civil Platform political party.

The tax investigations reform drive has exposed an unusually public rift between President Vladimir Putin and Prime Minister Dmitry Medvedev, who ushered in the reform in 2011 while he was serving as president.

Medvedev last week spoke against the rollback of his reform. Putin shortly afterward dismissed criticism of the Investigative Committee proposal and said members of the government should consider leaving their post if they disagree with president-backed initiatives.

Vedomosti reported Wednesday, however, that the Cabinet has proposed changes to the bill to curb investigator powers in pursuing tax cases.

The draft bill on changing tax investigation rules was formally submitted in October by the Kremlin to the State Duma, Russia's lower house of parliament, which is now set to consider it.

The Kremlin and lawmakers had yet to comment on Prokhorov's petition drive or government amendments as of Wednesday.

Entrepreneurs cite harassment from officials as a major impediment to their activities and hailed Medvedev's efforts to reduce arbitrary tax inspections.

More than 14,000 alleged tax crimes were recorded in 2010. That number dropped to 8,600 in 2011, and again to 5,800 last year.

But with state coffers set to take a battering amid a slowing economy, authorities are seeking ways of boosting revenues by reverting to a stricter tax regime.

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