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Russia's Tax Climate Rated 56th in the World

By The Moscow Times

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Russia has risen eight points to rank 56th best country in the latest survey of taxation environment, which is part of the World Bank's Doing Business effort.

The improvement was thanks to a reduction of administrative red tape, but the survey of 189 countries found that it still cost Russian companies too much to pay taxes, Vedomosti reported Tuesday.

Consultant PwC completed the survey, titled Paying Taxes, using its own research and the World Bank's Doing Business findings.

A country scores points depending on the tax burden it puts on a small- or medium-sized business. The final count is calculated from the trio of total taxes paid; time spent paying; and the number of tax payments.

It has become easier to pay taxes in Russia because of government decisions that went into force last year, according to the survey. From 2011 to 2012, the country jumped 30 points in the ranking.

Companies now spend less time reporting their accounting to the Federal Tax Service, and a smaller number of payments is required of them, the survey concluded.

But the government levies too great a tax burden on businesses, taking 50.7 percent of profit, the survey said. On this parameter, Russia is placed 143rd in the rating, skimming off significantly more than the 43.1 percent global average share taken by the taxman.

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