

# Shuvalov Reassures on Property Tax Breaks

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Igor Shuvalov **M. Stulov**

The government is trying to find a way to raise property taxes without incurring the wrath of its citizens by ensuring that a tax hike does not affect benefits and exemptions provided to certain groups of low-income citizens, Vedomosti reported.

The topic was addressed during a meeting chaired by First Deputy Prime Minister Igor Shuvalov last week. As part of ongoing efforts to fill state coffers, the government switching to a property tax based on cadastral value, which is closer to the actual market value of a property.

"If the property of tax exempt people — for example, veterans, pensioners, Chernobyl survivors — is not currently taxed, then after the introduction of taxes this should not change," Shuvalov said.

The introduction of property taxes had been impeded by defects in the cadastral register, federal officials said. This delayed any discussion on the issue of tax benefits, Deputy Finance Minister Sergei Shatalov said.

The week before the meeting, Shuvalov instructed the relevant ministries to determine the permissible tax rates for different categories of citizens, his spokesman said. Specifically, taxes should not increase for citizens currently living in low-income housing. Tax breaks will take the form of social deductions, which will be implemented at the federal level. Additional subsidies will be provided at the regional and municipal level.

The notion of adopting cadastral value for property taxation in 2014 was broached by President Vladimir Putin in 2012. Current property tax revenue is extremely low. In 2012 only 15.8 billion rubles were collected.

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