

Regions May Get Right to Hike Property Tax Threefold

By [The Moscow Times](#)

September 22, 2014

The  Moscow Times

Regional authorities may get the right to raise property taxes on their territory to triple the national norm, when the tax system stops pegging rates to inventory values and switches to cadastral values, business daily Vedomosti reported.

The law tying the tax to the cadastral value of property, which is more market-oriented than often decades-old inventory prices, was meant to come into force last year. By fixing the tax levy at 0.1 percent of the cadastral price of residential real estate and garages, the shift would have increased the tax burden threefold for the average homeowner.

But because of prolonged discussion on the parameters of the tax between the federal and regional authorities, the plan's implementation was delayed.

One glitch has prompted a government rethink: The cadastral value of individual houses is lower than their inventory price, while with apartments the situation is reverse,

an unidentified government official was cited by Vedomosti as saying. For this reason, while apartment-heavy areas like Moscow would see tax revenues boom under the cadastral system, other regions would face drained budgets.

Andrei Vorobyov, governor of the Moscow region, which is well stocked with houses, said his region's tax base would actually decrease if the tax was set at 0.1 percent of cadastral values.

According to Vedomosti, at a meeting chaired by President Vladimir Putin last week regional authorities sought the right to adjust the amount of tax levy on their territory by as much as three times from the basic rate of 0.1 percent.

The tax is currently planned to be introduced next year.

Original url:

<https://www.themoscowtimes.com/2014/09/22/regions-may-get-right-to-hike-property-tax-threefold-a39656>