

Putin Signs Law Switching Property Taxes to Cadastral Values

By [The Moscow Times](#)

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President Vladimir Putin on Monday signed a law switching the base used to calculate property tax rates from inventory values to cadastral values, heralding significant tax rises for many Russian homeowners.

Two decades of breakneck capitalism in Russia have long since severed the connection between inventory real estate prices and market values. Cadastral values are an annually renewed government-set valuation that better reflects real market property prices.

The law sets the basic tax rate at 0.1 percent of the cadastral value of the property. Local authorities will have authority to raise this rate to as high as 0.3 percent or to lower it to zero, the government said in an online statement.

Though 20 times lower than the current rate of tax, property owners will on average pay three times more under the 0.1 cadastral rate.

The extra tax revenues will be a boon to authorities struggling with a sharp economic slowdown and Western sanctions over Ukraine.

Commercial real estate owners — and owners of property worth over 300 million rubles (\$7.5 million) will pay tax at 2 percent of cadastral property values.

Regional authorities will be able to introduce the new system from next year. By 2020, all regions must make the switch.

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