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Russia's Richest Regions to Face New 'Robin Hood' Tax

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Russia’s Finance Ministry is to start relocating tax revenues from Russia’s wealthiest regions to help develop the nation’s poorer districts, the RBC news outlet reported.

One percent of tax received from Russia’s richer areas will be given to those regions which are more in need, said Finance Minister Anton Siluanov.

Under the current system, of the 20 percent income tax which each Russian district collects from local businesses, 2 percent is given to the federal budget while 18 percent stays within the regional budget. The 'Robin Hood' style of tax would see 1 percent of that income go to a less well-off region: although which areas would be forced to contribute money is yet to be decided.

Speaking at the Moscow Financial Forum, Siluanov said that while the move may be unpopular in high-income areas such as Moscow and St. Petersburg, Russia’s resources had to be spread more evenly.

"We believe that in order to better reallocate resources, we have to demand more from the regions which are better-off," he said.

Moscow's current mayor, Sergei Sobyanin, has already condemned the plans, saying that the move would be akin to "flogging a dead horse."

"If these regions continue to spend in the way that they do, then 100 billion rubles will be swallowed without anybody noticing. Spending must be drastically cut, and revenues must be raised," he said.

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