

A special correspondent reports from Moscow

Land Tax laws under the spotlight

THE LEGAL foundations for a revised Land Tax are being put in place by Russia's parliament, the State Duma.

Two working groups have been created to revise the draft laws on the Cadastral Survey and the valuation of land.

A member of both working groups is Mrs. Tatyana Roskoshnaya (pictured below), Executive Director of Land and Public Welfare Foundation, St. Petersburg.

She says: "It is important to create the correct legal foundations for collecting the full revenue from land. If it is not done correctly, a considerable part of rent will become the subject of speculation. So far land has been valued by so-called independent valuers who act on the orders of those interested in acquiring the land. So it is difficult to say that the valuations are objective".

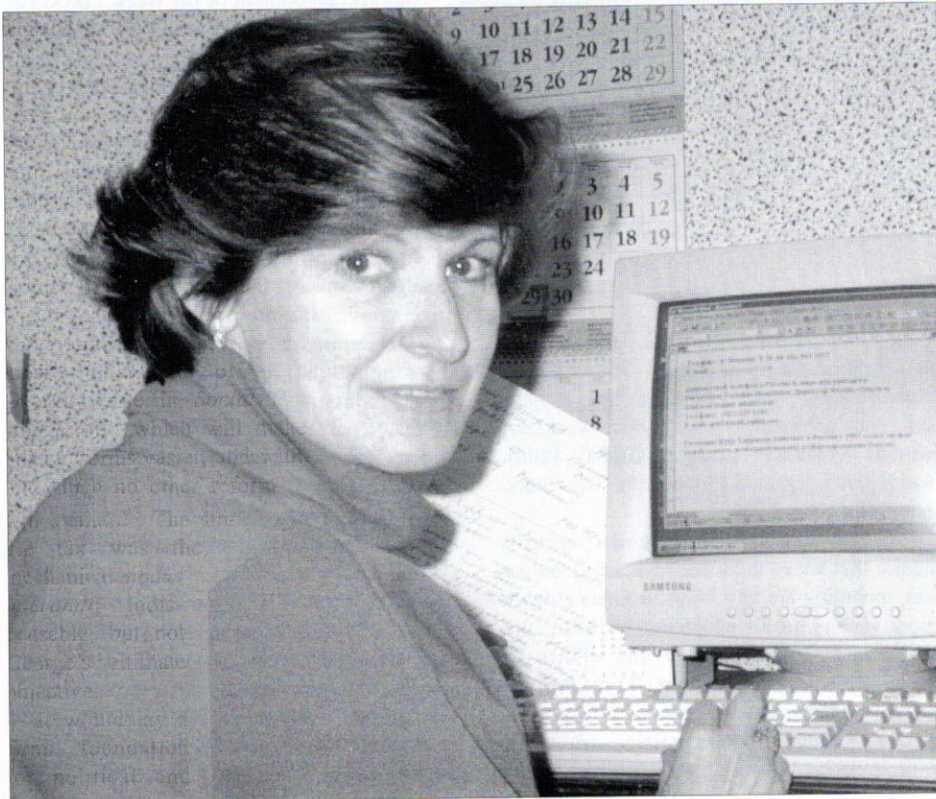
The law on the Cadastral Survey has received its first reading. The Yeltsin government is pushing the Duma to pass the law so that transactions driven by the market can begin. It has been held up by left-wing deputies who think that a Cadastral record would encourage land speculation.

The new Minister of the Land Committee, Sergei Say, told *Land & Liberty* that he wants the law that determines the Land Tax to be updated. Amendments to that law will have to wait until the new Duma convenes in January following the elections on Dec. 19.

Mrs. Roskoshnaya explained: "The Land Tax is not based on the real value of land, but on so-called normative prices which are much lower than market values. Mr. Say wants taxable values to be nearer to market values".

The key Land Code has not yet been passed despite pressure from President Yeltsin. "The law does not permit rent privatisation, so far," reports Mrs. Roskoshnaya. "Everything that has been done to try and privatise land has been on the basis of Presidential Decrees. But *de facto* land privatisation has started, with the help of clever advisors from the West."

◆ When the old Land Code was introduced in 1991, it included the provision that payments had to be made for the use of land. There was an immediate queue of people wanting to give up the sites which were surplus to their needs. The military, in particular, wanted to relinquish considerable holdings of land. But Yeltsin issued a Decree saying the military could not afford to pay and was therefore exempt.



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