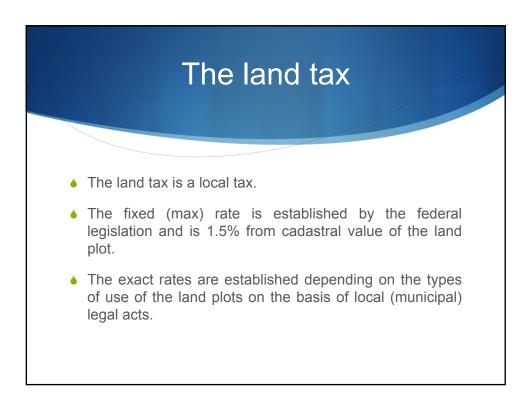




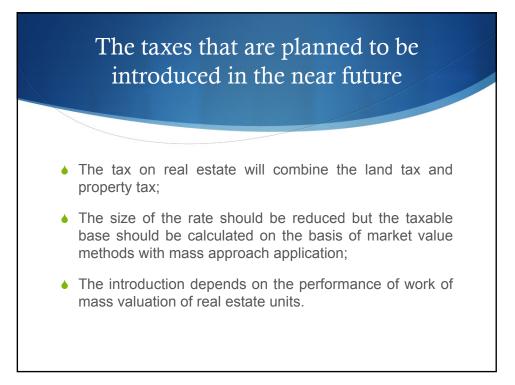
The types of taxes that are imposed on land and real estate in the Russian Federation (current situation)

- The land tax is established in relation to the land plots that are in ownership, the right of (permanent) unlimited use, the right of inherited estate for life;
- The property tax is established in relation to the property that individuals and entities have

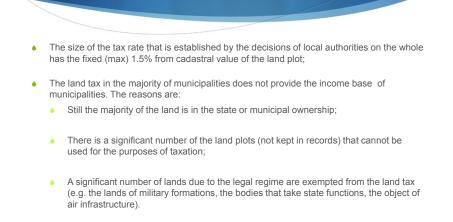


The tax on individuals' and entities' property

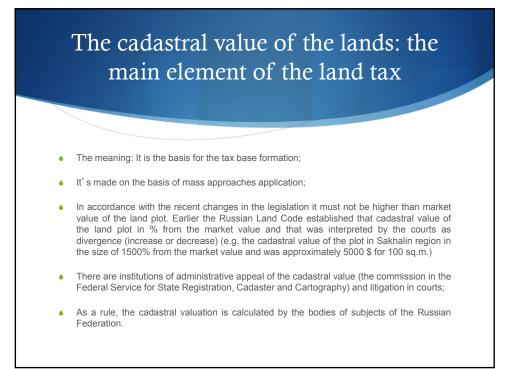
- Is a regional tax, the exact rate of the tax is established by the laws of the subjects of the Russian Federation;
- The fixed (max) rate of the tax on entities property is 2.2%. For the individuals it is not established but as a rule it's approximately 1%.
- The property that is in ownership and on the basis of other rights and that is used in the main activity;
- It's withheld in % from inventory value (for individuals) and depreciated value (for entities)



The main intermediate results of land tax application in the Russian Federation

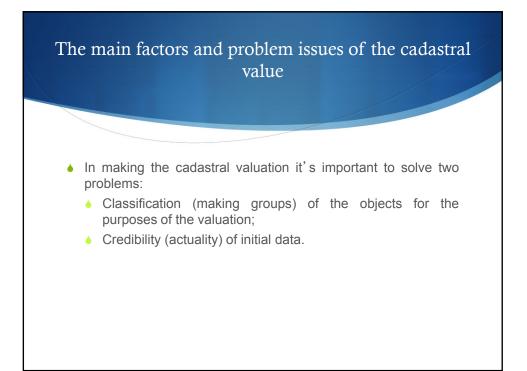


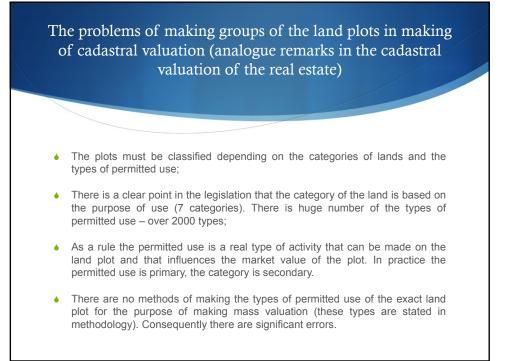
 On the whole the size of cadastral value of the land plot mostly influences the tax burden but not the tax rate does.

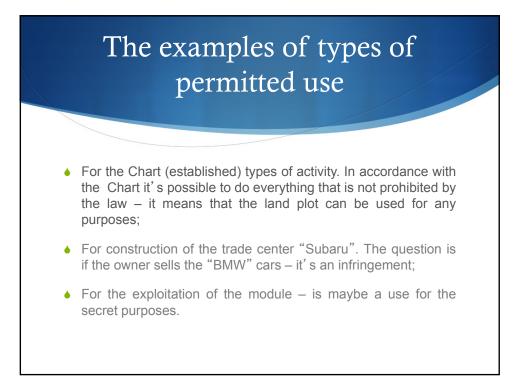


The example of the separate disbalance in the cadastral value







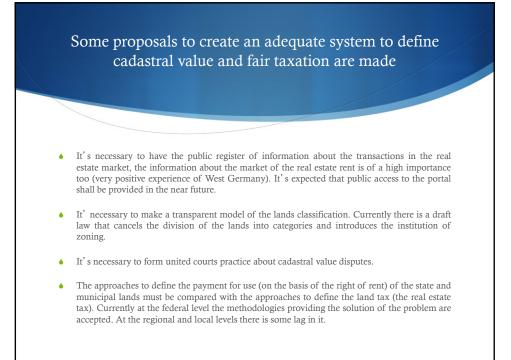


Actuality (credibility) of initial data

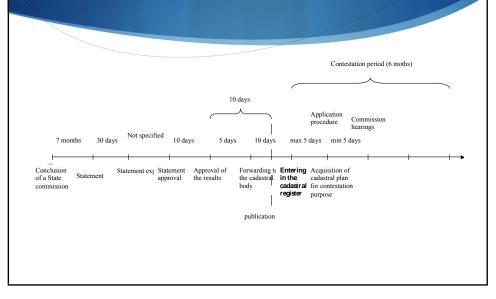
• Actual and legal information about the land plots and the real estate objects can be in:

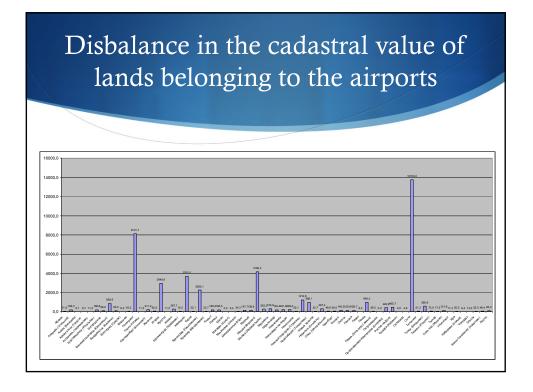
- Common register of rights;
- State cadaster of the real estate;
- The bodies of technical inventory;
- Forest register;
- Courts acts;
- Notary bodies;
- Other public registers.

The majority of information is approximate and not exact – that causes the problems in the making of the model of the valuation and classification.



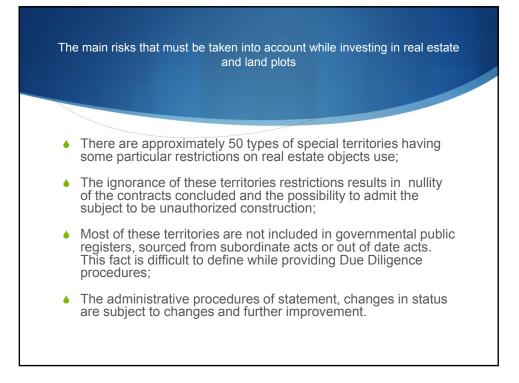
The terms of making the state cadastral valuation of the real estate







- Currently an evaluator while making cadastral valuation takes into consideration not only the standards of the public acts but also the acts of self-regulated organizations. There are 12 self-regulated organizations in the register now.
- During the settlement of disputes in connection with cadastral value the situation when attracted evaluator from the third organization has his own corporate standards different from those of opposite parties and influencing the results of valuation may appear.
- Self-regulation in the market of valuation does not abide corporate standards in full.
- Public recommendations for making valuation require correction in the part of classification of the valuation objects (e.g. the lands of sea ports, oil transportation and electrical energy in spite of different income from such activities are related and different rules of definition of tariffs are related to one group).
- Evaluation of zones with special conditions of objects use are not considered.





- Water Protection and Forest Protection areas restrictions connected with property law;
- Buffer areas;
- Areas of historical and culture objects restrictions concerning construction and reconstruction;
- Airport areas any actions connected with real estate and land objects use must be reconciled with civil airport's management;
- Areas of lands reserved for governmental needs the term of reservation is 7 years and any improvements of land plots and real estate objects are not reimbursed within this period.

