

Large Moscow Properties Learn to Dodge Taxes

By [The Moscow Times](#)

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Large commercial properties and offices in Moscow have dodged up to 3 billion rubles (\$86 million) in taxes this year by utilizing a variety of loopholes, said Maxim Reshetnikov, director of the city's economic development department.

Businesses with premises larger than 5,000 square meters should have paid up to 17 billion rubles in taxes but will pay at most 15 billion rubles, according to Reshetnikov. The final figure will be clearer by May after companies hand in their annual declarations, Kommersant reported.

Tax avoiders use a variety of measures to reduce or even eliminate their taxes. Some owners will transfer their businesses to a tax-exempt small business or break up their firms into portions of up to 300 square meters in size, the largest size still eligible for a tax exemption.

Other businesses have been transferred to pensioners, who are free from paying property taxes. Some actively used buildings are registered as unfinished construction projects or as put up for sale, and consequently do not pay taxes.

"Very large real estate locations do not exist at all from a tax point of view," Reshetnikov said.

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