

REVIEW OF THE MEETINGS OF THE GOVERNMENT OF THE RF IN FEBRUARY 2013

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At the meetings of the Presidium of the Government of the Russian Federation the following draft laws were approved: 1) a draft law which provides for liberalization of administrative responsibility for violation of rules of book-keeping and reporting; 2) a draft law which provides for higher amount of standard tax deductions for persons with child caring responsibilities.

On February 13, discussed at the meeting of the Government was draft federal law on Amendment of Article 15.11 of the Administrative Violations Code of the Russian Federation which provides for liberalization of administrative responsibility for violation of rules of book-keeping and reporting.

The wording of Article 15.11 of the Administrative Violations Code of the Russian Federation (AVC) which is currently in effect sets responsibility of officials for a gross violation of rules of book-keeping and reporting in the form of a fine. It is to be noted that deemed as a gross violation of rules of book-keeping and reporting is misstatement by at least 10% of both the amounts of accrued taxes and charges and any item (line) of the reporting form. At the same time, the Administrative Violations Code of the Russian Federation does not provide for any exemption from or mitigation of responsibility in case of correction of the errors made.

The draft law adds a provision to Article 15.11 of the Administrative Violations Code of the Russian Federation under which provision officials are exempted from responsibility for administrative violations provided for by the specified article in case of:

1. Correction of errors in accordance with the established procedure (including submission of the revised reporting) prior to approval of the accounting statements in accordance with the procedure set by the legislation of the Russian Federation;
2. Submission of the updated tax declaration and payment of deficient tax amount and relevant penalties subject to requirements provided for by Article 81 of the Tax Code of the Russian Federation.

It is to be reminded that provisions of the article in question envisage a number of terms of exemption from responsibility in case of submission of the updated tax declaration.

If the updated tax declaration has been submitted to tax authorities after the expiry of the deadline for submission of tax declarations, but prior to the deadline set for payment of taxes, the taxpayer will be exempted from responsibility provided that the updated tax declaration was submitted before the date when the taxpayer learnt about the fact that the tax authorities found the data which was not specified or partially specified in the tax declaration, as well as errors which result in understatement of the tax amount which is subject to payment or appointment of a field tax audit.

If the updated tax declaration is submitted to the tax authorities upon the expiry the deadline for submission of tax declarations and payment of taxes, the taxpayer is exempted from responsibility in case of:

- 1) submission of the updated tax declaration before the date when the taxpayer learnt about the fact that the tax authorities found the data which was not specified or was partially specified in the tax declaration, as well as errors which result in understatement of the tax amount which is subject to payment or appointment of the field tax audit in respect of that tax and that period provided that prior to submission of the updated tax declaration the taxpayer has paid the deficient tax amount and relevant penalties;
- 2) submission of the updated tax declaration after the field tax audit for the respective tax period was carried out and neither unspecified data or partially specified data in the tax declaration, nor errors resulting in understatement of the tax amount due were found.

The draft law was approved and submitted to the State Duma of the Russian Federation.

On February 18, discussed at the meeting of the Government of the Russian Federation was federal draft law on Amendment of Article 218 of Part Two of the Tax Code of the Russian Federation which provides for higher standard tax deduction for each month of the taxable period for parents, a spouse of the parent, an adoptive parent and a spouse of the adoptive parent caring after children and in the following amounts :

- Rb 2000 for the second child;
- Rb 4000 for the third and each subsequent child;
- Rb 12000 for each disabled child.

So, the amount of deductions has increased by Rb 600, Rb 1,000 and Rb 9,000, respectively.

In addition to the above, the taxpayer's marginal income which a tax deduction can be applied to has increased.

At present, in provision of a standard tax deduction the amount of such a deduction is limited by the taxpayer's marginal income in the amount of Rb250,000 from the beginning of the taxable period. Due to growth in monthly average pay and for the purpose to make it possible for a taxpayer to receive such a deduction throughout the entire taxable period, it is proposed in the draft law to increase the amount of marginal income to Rb 350,000.

The draft federal law On Amendment of Article 218 of Part Two of the Tax Code of the Russian Federation was approved for submission to the State Duma. ●