



## UKRAINE - December 2017

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### UKRAINIAN PARLIAMENT CAN CHANGE LAND TAXATION ..... 1

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#### Ukrainian parliament can change land taxation

The Verkhovna Rada committee on agricultural policy and land relations has proposed amending the land legislation in terms of taxation so as to bring the land rent market out of the "shadows."

The committee's deputy head, Oleksandr Bakumenko, wrote this on his Facebook page, citing his speech at a meeting between President Petro Poroshenko and business representatives in Kyiv on December 1.

According to him, it is proposed to transfer the individual income tax from the lease of land to local budgets at the location of a land plot. This, according to Bakumenko, will help create an additional incentive for local communities to more effectively control the official registration of land lease.

In addition, the deputy said, the committee initiates the transfer to local government bodies of the right to determine persons who may have privileges on the payment of land tax.

Bakumenko also considers it expedient to move from fixed rates of the single tax of the fourth group to differentiated rates, depending on land tax rates set by local government bodies.

"It is also necessary to expand the fourth group of single tax payers by including in its composition the family farms that do not have the status of a legal entity," reads the report.

In his opinion, the adoption of such a decision will bring closer the tax burden on a unit of area of individuals and "shadow businesses," which will facilitate the conclusion of official lease contracts and reduce the area of illegally leased land plots. In addition, changes in taxation will lead to a reduction in the number of farms operating "in the shadows," through the formal registration of small family farms by private entrepreneurs and the provision of state support to them.

Bakumenko noted that proposals for land taxation had been discussed with a wide range of experts and also found support from agricultural associations, experts and people's deputies of the tax committee.