

Development of taxation system for oil production companies in Russia

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Abstract

© Published under licence by IOP Publishing Ltd. The present article is devoted to the taxation system for oil production companies in Russia. The role of oil production companies in the realization of the fiscal function of the state is shown. Tax and due receipts at the consolidated budget of the Russian Federation from major economic sectors in the years 2013-2015 are presented and analysed. An investigation of oil production taxation peculiarities is carried out. In particular, mineral extraction tax analysis is made, the said tax being one of the basic taxes paid by oil production companies. The authors come to a conclusion that mineral extraction tax in Russia needs reforming. Based on the investigation realized possible ways of taxation system development in respect of oil production companies in Russia are proposed. Thus, taking into account the fact that oil industry is very important for budget revenue formation, initially it is planned to test the new taxation system principles in a limited number of deposits, so called 'pilot projects'. For highly profitable minefield deposits it is planned to introduce progressive and regressive index, varying depending on oil prices. Within the framework of the investigation the authors come to a conclusion that it is necessary to introduce gradually the taxation system based on the definition of surplus profit depending on the cost effectiveness and taking into account oil prices.

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