

Amendments to the Russian Tax Code in autumn 2025: calculating and paying taxes

FAO companies' executives, finance directors, chief accountants and tax managers

Pepeliaev Group advises that the Government's Draft Law No. 1026190-8 amending the Russian Tax Code has been put before the State Duma. In addition to the widely known measures such as increasing the VAT rate to 22%, it also provides for other important changes. The first reading of the draft law is expected within the next few days. Less than a month may remain for further amendments.

Let us consider the proposed new developments in the general rules for calculating and paying the full range of taxes.

1. It will be prohibited to carry forward expenses to a period when the tax rate has increased

The current tax legislation allows taxpayers to correct errors leading to an overpayment of tax in the period in which they are discovered (article 54(1)(3) of the Russian Tax Code). This mainly concerns the opportunity carry expenses forward to a later period in which it is discovered that they have not been recorded.

Judicial practice allows for expenses to be booked later within the three-year deadline allotted for filing an adjusted tax return for the period in which the expense could originally have been reflected (the appropriate period)¹.

There is already an exception to this approach: expenses being booked later should not lead to the 50 percent limitation being circumvented on the amount of a loss carried forward². If booking an expense in the appropriate period creates a loss that

¹ Article 11.3(1)(7) of the Russian Tax Code; and the Ruling of the Judicial Chamber for Economic Disputes of the Russian Supreme Court dated 19 January 2018 in case No. A41-17865/2016 (LLC FC Puls).

² Article 283(2.1) of the Russian Tax Code. In the Ruling of the Judicial Chamber for Economic Disputes of the Russian Supreme Court dated 12 April 2021 in case No. A72-18565/2019 (LLC Evroizol), it was stated that: "The Inspectorate... did not contest the company's compliance with the provisions... limiting the maximum amount of losses carried forward... The case file contains no evidence allowing the assertion that the mentioned provision was violated owing to the inclusion in the tax base... of expenses erroneously not accounted for in previous tax periods." From this, it may be concluded that the tax authorities may advance such arguments and prove them.

cannot be carried forward owing to this restriction, then booking the expense in the current period entails a significant risk.

In conditions where the profit tax rate is increasing from 2025, carrying forward expenses makes it possible to reduce the profit taxable at the higher rate. Thus, in contrast to the usual situation, the state budget loses from such transfers of expenses.

At the same time, the formal condition is satisfied for expenses to be booked later, namely an overpayment for the period when the expense was not recorded.

The Russian Ministry of Finance is inclined to reject such transfers, citing that information about the transactions is distorted³.

The draft law proposes to prohibit the correction of errors in the period in which they are discovered if the tax rate has increased. The amendment is proposed to apply to legal relationships arising from the beginning of 2025.

Pepeliaev Group's comment

At present, the law expressly allows expenses to be carried forward when tax has been overpaid; such an action is not considered a distortion. When there is no evidence that the expense was deliberately booked later for the purpose of obtaining a tax benefit (article 54.1(2) of the Russian Tax Code), rather than owing to an error or objective reasons, the current law does not provide direct grounds to interpret and apply it in the same way as the forthcoming amendment. Therefore, the new law worsens the position of taxpayers. The proposed change is logical, but can hardly be permitted to have retroactive effect.

The state budget may not only lose revenue from expenses being carried forward when the tax rate rises. To avoid the need for further amendments after this one is adopted, it would be advisable to establish a more general rule: errors may be corrected in the period in which they are discovered, provided that, when compared with a correction in the original period, the total tax for both periods would not be lower.

2. Communications and notifications: is there a difference?

The draft law proposes to introduce, from 2027, the payment of property-related taxes by organisations based on communications sent by the tax authorities. Organisations will no longer need to calculate these taxes independently. This will mean that the distinction between a communication about the amount of tax

³ Letter No. 03-03-06/1/47786 of the Russian Ministry of Finance dated 15 May 2025.

calculated and a tax notification sent to individuals will disappear. The sense for retaining two different terms for the same instrument will therefore be lost.

Since 2023, in the conditions where the unified tax account is in effect, taxpayers have been submitting to the tax authorities a document with a similar name: a notification of the amount of tax calculated (article 58(9) of the Russian Tax Code). In essence, such a notification is a preliminary tax return, meaning that its purpose differs.

Pepeliaev Group's comment

It is desirable to eliminate the similar designation of documents that differ in substance.

3. If the deadline for paying tax falls on a non-working day, payment will have to be made earlier, not later

The draft law proposes introducing a rule whereby, if the deadline for paying tax falls on a day recognised as a weekend, a non-working public holiday or a non-working day in accordance with the law or an instrument of the Russian President, the deadline is brought forward to the preceding working day. The explanatory note names the objective of this new development as improving the liquidity of the public purse and reducing the risk of cash gaps caused by increasing end-of-month expenditures.

The deadline for paying almost all taxes falls on the 28th day of the relevant month. The risk in question typically arises in February, which has 28 or 29 days, as well as in April and December, when non-working days may be shifted to the final days of these months, as a result of which both the 28th and the remaining days become non-working days. In other months, tax will reach the state budgets no later than the 30th day.

Pepeliaev Group's comment

The problem of cash gaps could have been solved by introducing the new rule only for situations in which there are no working days from the 28th day onwards in a given month. However, the draft law is unlikely to be softened in this respect.

Personal income tax (PIT) calculated under a tax return must be paid by 15 July. Here, there is no issue of a cash gap caused by non-working days at the end of a month; however, it is also proposed to bring this deadline forward. This will create situations where a tax debt arises and a penalty for a single day accrues, unnecessarily increasing the level of conflict in levying taxes.

To comply with the new rule, it is important to know in advance that the tax payment deadline will fall on a non-working day. Legislative instruments on taxation that worsen the position of taxpayers come into force no earlier than one month after they are officially published (article 5(1) of the Russian Tax Code). Non-working days, however, are introduced outside the scope of tax legislation, yet, when this is done, legal guarantees must not be diminished⁴. During the COVID-19 pandemic, non-working days were introduced with less than one month's notice. In the future, non-working days (for example, ceremonial ones) could be announced even on the evening of the previous day, when it would be impossible to pay tax, although the Russian Government is authorised to postpone deadlines for paying tax until the end of 2028 (article 4(3) of the Russian Tax Code).

Pepeliaev Group's comment

If a non-working day on which a deadline for paying tax falls is announced less than one month in advance, it would be better to introduce an exception in the law from the rule that accelerates the payment.

4. Transfer to another person of a positive balance of the unified tax account

The draft law proposes refusing to offset the positive balance of a unified tax account (UTA) against another person's tax liability if there is no such liability (an amendment to article 78(2) of the Russian Tax Code), and to prohibit a refund if such an offset has been carried out (an amendment to article 79(1) of the Russian Tax Code).

It is unclear how an offset that is not permitted can be carried out. It is possible that what are meant are offsets completed earlier. However, it is then unclear why the funds cannot be refunded. Court disputes are known in which tax authorities have refused to refund a positive balance, citing doubts about the sources of it and the purposes for which it was formed⁵. It is likely that the draft law implies that such risks will be eliminated by the strictest possible means.

Pepeliaev Group's comment

Legalising the practice of monetary funds being "frozen" indefinitely based on suspicions rather than proven violations is hardly acceptable. More precise criteria for restrictions are needed, as is a procedure for lifting them.

⁴ Resolution No. 17-P of the Russian Constitutional Court dated 2 July 2013.

⁵ See: Sergey V. Savseris, *Disputes concerning refusals to refund the balance of a single tax account: the shadow of unlearned lessons* // *Nalogoved*, 2025, No. 3, pp. 43–49.

What to think about and what to do

The proposed amendments will require taxpayers to reset their procedures for calculating and paying taxes.

Before the second reading, further amendments to the draft law may still be introduced, including at the initiative of business associations.

Help from your adviser

We are ready to advise you on any practical matters relating to the proposed amendments to the Russian Tax Code. We have extensive experience in developing and supporting legislative initiatives, including during the stage when draft laws are being finalised.

Contact details



Petr Popov

Counsel

Tel: +7 (495) 767 00 07

p.popov@pgplaw.ru