

June 9, 2020

**Total revenues of consolidated regional budgets may decrease by at least 12% in 2020.**

## Revenues hit by lockdown

### How the non-working period has affected regional budget revenues

Based on results from the consolidated budgets of Russian regions for four months in 2020, ACRA has compiled sample data for April and calculated the change in revenue for consolidated regional budgets as a result of the non-working month in comparison with April of the previous year. According to ACRA, the total internal revenues (tax and non-tax) of all regions and municipalities in April 2020 fell by 29% compared to April of last year (RUB -422 bln). Only four regions recorded revenue growth; the Leningrad region (+7%), Khanty-Mansiysk Autonomous Okrug - Ugra (+29%), Yakutia (+14%) and Chukotka (+86%). In the other regions, the decrease ranged from 6% to 62%.

Despite a difficult month for business, seventeen regions saw an increase in income tax revenues. However, the total collection for this tax fell by 28% (RUB -151 bln). SMEs have obviously been affected more than large businesses, with total tax revenues decreasing in all 85 regions, from 19% in Sakhalin to 71% in Ingushetia. Total collection for these types of taxes fell by 41% (RUB -60 bln).

Income from one of the most stable types of budget revenues, personal income tax, also decreased as expected. The decline occurred in 80 regions, from 1% in Tyva to 37% in Udmurtia. Total personal income tax collections decreased by 19% (RUB -66 bln).

Revenues from another once stable type, property tax, decreased by 44% overall (RUB -114 bln). The decline occurred in 81 regions.

Transfers in April 2020 increased in 80 regions; including by more than 20% in 70 of those regions compared to April of last year. Transfers decreased in only five regions: the Kaluga, Kursk, and Kaliningrad regions, as well as in Zabaykalye and slightly in Crimea.

Transfers from budgets of other levels increased by 36% (RUB +77 bln). This resulted in the total revenues of the consolidated regional budgets decreasing by only 21% compared to April 2019 (RUB -348 bln).

If we extrapolate this trend to the end of the year with some assumptions (for example, that small businesses will not be able to recover and revenues from them will decline even more), we can expect that the total revenues of the consolidated regional budgets will decrease by at least 12% this year, provided that the regions receive additional assistance from the federal budget.

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## Appendix. Changes in the revenues of consolidated regional budgets in April 2020 compared to April 2019

	Budget revenues	TNTR	Transfers from other budgets
All Russian regions	-21%	-29%	36%
Yamalo-Nenets Autonomous Okrug	-61%	-62%	65%
Komi Republic	-53%	-58%	67%
Perm Krai	-51%	-58%	53%
Astrakhan Region	-51%	-61%	40%
Krasnoyarsk Krai	-43%	-47%	25%
Vologda Region	-38%	-44%	16%
Sakhalin Region	-38%	-39%	18%
Republic of Tatarstan	-34%	-39%	38%
Murmansk Region	-33%	-40%	47%
Moscow	-33%	-33%	79%
Kemerovo Region - Kuzbass	-31%	-36%	13%
Zabaykalsky Krai	-30%	-22%	-39%
Moscow Region	-30%	-34%	84%
Kaliningrad Region	-30%	-33%	-27%
Kaluga Region	-28%	-28%	-13%
Saint Petersburg	-27%	-29%	65%
Krasnodar Krai	-26%	-37%	75%
Orenburg Region	-26%	-37%	59%
Republic of Bashkortostan	-21%	-35%	38%
Lipetsk Region	-21%	-33%	75%
Nenets Autonomous Okrug	-20%	-29%	52%
Kirov Region	-20%	-39%	25%
Arkhangelsk Region	-19%	-30%	19%
Yaroslavl Region	-19%	-27%	55%
Tomsk Region	-19%	-28%	31%
Sverdlovsk Region	-19%	-36%	280%
Udmurt Republic	-16%	-28%	24%
Tula Region	-16%	-22%	24%
Novgorod Region	-16%	-22%	31%
Republic of Karelia	-15%	-34%	36%
Primorsky Krai	-14%	-22%	28%
Nizhny Novgorod Region	-14%	-25%	77%
Republic of Kalmykia	-13%	-41%	25%
Ulyanovsk Region	-13%	-27%	80%
Penza Region	-12%	-31%	32%
Kursk Region	-12%	-14%	-3%
Kostroma Region	-12%	-31%	47%
Chelyabinsk Region	-12%	-22%	46%
Khabarovsk Krai	-12%	-34%	149%
Ryazan Region	-11%	-23%	49%
Stavropol Krai	-11%	-34%	42%
Republic of Crimea	-10%	-26%	-0,019%
Samara Region	-9%	-24%	268%
Kamchatka Krai	-9%	-34%	7%
Rostov Region	-9%	-19%	45%
Chuvash Republic	-9%	-28%	18%
Tyumen Region	-9%	-11%	212%
Republic of Khakassia	-8%	-26%	57%
Vladimir Region	-8%	-18%	32%
Novosibirsk Region	-8%	-26%	156%
Oryol Region	-8%	-16%	6%
Amur Region	-8%	-17%	51%

Ivanovo Region	-8%	-28%	20%
Belgorod Region	-8%	-10%	11%
Omsk Region	-8%	-16%	21%
Bryansk Region	-7%	-19%	1%
Tambov Region	-7%	-27%	20%
Mari El Republic	-6%	-21%	8%
Volgograd Region	-4%	-22%	53%
Tver Region	-2%	-6%	5%
Smolensk Region	-2%	-15%	59%
Irkutsk Region	0%	-6%	61%
Republic of Buryatia	0%	-28%	24%
Kurgan Region	1%	-16%	18%
Altai Republic	2%	-8%	5%
Pskov Region	2%	-9%	21%
Voronezh Region	3%	-7%	52%
Karachay-Cherkess Republic	4%	-12%	10%
Altai Krai	4%	-15%	32%
Republic of Adygea	6%	-34%	85%
Republic of Mordovia	6%	-18%	69%
Republic of Ingushetia	7%	-5%	8%
Magadan Region	7%	-8%	56%
Tyva Republic	9%	-47%	30%
Kabardino-Balkarian Republic	9%	-28%	32%
Republic of Sakha (Yakutia)	9%	14%	18%
Saratov Region	10%	-32%	207%
Sevastopol	12%	-15%	36%
Republic of Dagestan	12%	-24%	24%
Leningrad Region	15%	7%	169%
Republic of North Ossetia - Alania	27%	-22%	70%
Chechen Republic	27%	-7%	35%
Khanty-Mansiysk Autonomous Okrug-Ugra	29%	29%	38%
Jewish Autonomous Region	30%	-25%	170%
Chukotka Autonomous Okrug	58%	86%	26%

Sources: Federal Treasury, ACRA

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