Though the Soviet tax system traditionally has been characterized by heavy reliance on indirect taxation — in particular, the turnover tax — there also exists an elaborate system of direct, personal taxation.

The direct taxation of individuals in the USSR takes five principal forms. The most important of these is the income tax on the population which is imposed on factory and office workers, other wage earners, the recipients of royalties, those who engage in private professional practice, and so forth, though it does not apply to the earnings collective farmers receive from their kolkhozes. A second personal income tax is the tax on bachelors, single citizens, and citizens with small families which takes the form of a surcharge on the income tax of childless men and women. The third principal form of direct taxation of individuals is the agricultural tax, but unlike the other two taxes the agricultural tax is not an income tax. It is a users’ charge levied on farmers and other individuals in rural areas to whom plots of land have been allocated for private use. The fourth form of direct taxation of individuals is a series of local taxes imposed by republican and other local governments, and the final form of direct personal taxation is the system of duties imposed for the performance of various notarial and other similar activities.

This pattern of direct personal taxation acquired its present form in the years from 1941 through 1953. Though all of these taxes had existed previously in some form, decrees adopted during this period cast them in their current pattern: the tax on bachelors, single citizens, and citizens with small families was initially adopted in 1941 and acquired its present form in 1944; decrees on local taxes and the state duty were adopted in 1942; and a decree on the income tax on the population was enacted the following year. The agricultural tax took its present form in the aftermath of Stalin’s death in 1953. Though there have been a number of changes in these decrees since they were originally adopted — exemptions have been added, tax-free minimum amounts of income have been increased and so forth — these decrees continue largely to follow the pattern set at the time of their adoption.

* This article is adapted in part from material contained in Michael Newcity, Taxation in the Soviet Union, April 1986.
The most recent and complete revision of the legislation governing personal taxation has occurred in the years since 1979, motivated in part by a desire to "improve finance legislation" and to codify tax legislation in connection with the publication of the Svod Zakonov SSSR. Towards this end new decrees regarding the state duty (1979), local taxes and dues (1981), the procedures for recovering overdue tax and non-tax payments (1981), the income tax on the population (1983), and the agricultural tax (1983) were adopted.

The one exception to this program of codifying and rationalizing tax legislation is the decrees relating to the bachelors' tax. These decrees have not been reenacted in up-to-date, fully integrated versions, though they appear in the Svod Zakonov SSSR as amended. Perhaps the explanation for the failure to promulgate a new bachelors' tax decree for inclusion in the Svod Zakonov SSSR is to be found in the fact that the bachelors' tax is the only Soviet personal tax that is not applicable to foreign individuals. In 1978 the Soviet Union adopted legislation requiring foreign individuals deriving income "from the performance within the territory of the USSR of activities that are authorized in the prescribed manner" to pay income tax in the USSR "in the manner and at the rates provided in the legislation of the USSR for the income taxation of the income of Soviet citizens". In addition, that decree provided that "foreign individuals shall be liable as well for