ON THE PROCEDURE FOR THE ENTRY INTO EFFECT OF THE LAW OF THE USSR "ON THE TAXATION OF ENTERPRISES, ASSOCIATIONS AND ORGANIZATIONS"

Adopted by the USSR Supreme Soviet, 14 June 1990, No.1561

The Supreme Soviet of the USSR decrees [the following]:

1. To enter into effect the Law of the USSR "On the Taxation of Enterprises, Associations and Organizations" as from January 1, 1991, with the exception of the provisions set forth in paragraph 4 of the present Decree.

2. Henceforth, until the bringing of the Laws of the USSR, the Union and Autonomous Republics into conformity with the Law of the USSR "On the Taxation of Enterprises, Associations and Organizations", the current legislative acts of the USSR and the Union and Autonomous Republics shall be applied to the extent that they do not contradict this Law.

3. The Law of the USSR "On the Taxation of Enterprises, Associations and Organizations" shall be applied by enterprises, associations and organizations in their settlements with the State budget beginning with the results of their activity in 1991.

The provisions of the Law stipulated in sub-paragraph (a) of paragraph 6 of Article 6, shall be applied to joint ventures established in the territory of the USSR with the participation of Soviet legal entities and foreign legal entities and citizens and registered prior to January 1, 1991, regardless of the sphere of their activity.

4. To establish that the Law of the USSR "On the Taxation of Enterprises, Associations and Organizations" shall enter into effect as from July 1, 1990 with respect to :

income from casinos, video salons (video shows), the operation of slot machines with monetary prizes, as well as the holding of mass concert-spectator events;

the taxation of profits of centers for scientific-technical creativity of youth, and youth centers of Komsomol organizations;

the tax on exports and imports for foreign trade transactions not provided for in the State plan of economic and social development for 1990;

the turnover tax for joint ventures established in the territory of the USSR with the participation of Soviet legal entities and foreign legal entities and citizens;

the tax on profit for joint ventures established in the territory of the USSR with the participation of Soviet legal entities and foreign legal entities and citizens, if the share of the foreign participant in the authorized fund does not exceed 30%.

5. To establish that in 1991-1992 the tax regulating the expenditure of resources directed towards consumption shall be assessed at the following rates: for an excess over the non-taxable amount of resources of up to 1% inclusive – one ruble for each ruble of the excess, for an excess from 1-2% inclusive – 1.25 rubles, for an excess from 2-3% inclusive – 1.50 rubles and for an excess of over 3% – 2 rubles.

6. To establish that the defined level of profitability, taken into account in the application of tax rates for the tax on profit, shall be applied in twice the amount corresponding to the average level of the industry branch.

The Council of Ministers of the USSR, prior to August 1, 1990, shall determine the method of calculation of the profitability and the average level of each branch of the economy, taking into account the new wholesale, retail and estimated prices and tariffs to be introduced as from 1 January 1991.

7. To establish that in 1991, for the calculation of taxable profit, the fixed value of expenses for the payment of labor shall be determined by enterprises to the extent of the growth in the volume of products (work, services) or other indicators of their activity.

The Council of Ministers of the USSR, prior to August 1, 1990 shall establish coefficients for growth of expenses for the payment of labor by branches of the economy and industry (by types of basic activity).

As the base amount for the calculation of expenses for the payment of labor for 1991, the expenses for such purposes in 1990 shall be ap-