

MEMORANDUM

TO: Mr. Yegor Gaidar

FROM: Joel McDonald

CC: Mr. Michael Alexeev
Mr. Bob Conrad

DATE: 28 October 1997

RE: Tasks from Our Meeting Last Friday

I am writing to update you on our project's work on the tasks you assigned to Bob Conrad and me at our meeting last Friday.

Task 1: Prepare amendments to Law on Local Self-Government Finance, in particular regarding allocation of revenues to local budgets, and prepare revenue estimates to reflect tax code changes affecting cities.

Michael Alexeev spoke with Mr. Sinelnikov on Saturday and we are preparing the proposed amendments and revenue estimates. Our understanding is that our work must be completed by early November.

Task 2: Recalculate revenue estimates for 1998 assuming (1) the tax code comes into effect on 1 July 1998, and (2) the tax code comes into effect on 1 January 1999.

Michael Alexeev spoke with Mr. Sinelnikov on Saturday about this task, and we are preparing the revenue estimates. Our understanding is that our work must be completed by early November.

Task 3: Develop ideas for implementing Regional Funds for Support of the Cities.

We are preparing a document that analyses this issue. Our understand is that our proposals are due in mid-November.

Task 4: Prepare ideas for institutional reform of the tax administration.

We delivered a memorandum to you yesterday on this subject. We also delivered the memorandum to Mr. Maxim Boycko.

Task 5: Prepare short policy/background papers on important topics in the tax code.

We have developed an initial list of topics and have begun preparation of the papers.

If our understanding about any of the above tasks or deadlines is incorrect, then please let me know.

Lastly, I have enclosed a copy of the document on tax administration powers that we prepared for Mr. Ulikayev last week.

Thank you.

A handwritten signature in black ink, appearing to read "Joel McJannet", with a long horizontal flourish extending to the right.