

TERRITORIAL FINANCE

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THE STATE OF THE VOLOGDA REGION REGIONAL BUDGET IN 2021–2025 AND BUDGET RISKS FOR 2026–2028



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Against the background of continued sanctions pressure, a slowdown in the growth of the territory's economy, a decrease in investment activity of enterprises, and a high key interest rate, the socio-economic development of regions continues to depend on their ability to adapt to new conditions, effectively use existing potential, and attract resources. At the same time, the constituent entities of the Russian Federation are obliged to fully fulfill their social obligations and ensure the achievement of the national goals. The main source of performing the functions assigned to public authorities is the budget, which is the leading link in the financial system and the largest fund of funds. According to the Budget Code of the Russian Federation, one of the principles of the budget system is its independence, which can be achieved if the relevant territory has its own sources of income. However, the key problem lies in the low share of own incomes in the budget structure of most constituent entities of the Russian Federation and their high dependence on inter-budget transfers from the federal center. In addition, many regions depend on a single industry (raw materials, agriculture, etc.), which makes their budgets

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vulnerable to price fluctuations and macroeconomic shocks. As a result, there is a high risk of inability to ensure the accuracy and reliability of budget planning due to the high volatility of macroeconomic parameters. These problems at the national level are the focus of attention not only of Russian scientists, but also of representatives of research organizations. However, at the regional level, these issues are studied fragmentarily and insufficiently systematically, due to limited research resources and the lack of specialized centers. In this regard, it is relevant to study the features and analyze the parameters of budget formation at the regional level, which determined the aim of this study. The scientific novelty consists in a comprehensive assessment of the new budget cycle of the regional budget (using the example of the Vologda Region) and comparing its parameters with the previous planning period of 2025–2027, as well as the impact of macro-economic factors on structure of income and expenses, debt burden and development prospects. It is proved that the systematic deviation of the actual budget indicators from the planned ones, the growth of budget risks and the decrease in the efficiency of spending funds are mainly related to the increasing macroeconomic uncertainty and the lag of the applied budget planning tools from modern challenges. The final part of the article reflects the key changes in the legislation on taxes and fees that entered into force in 2026, concerning VAT, tax rates, preferential tariffs, etc.

Budget, regional budget, main areas of budget policy, public debt, deficit/surplus, taxes, benefits, Vologda Region.

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Introduction

The financial mechanism, whose central link is the government budget, occupies an important place in the system of state economic and social regulation. Its key role lies in creating the financial foundation necessary for the effective functioning of federal and regional authorities, as well as local self-government, and for the fulfillment of the tasks assigned to them (Pechenskaya, 2014; Uskova, Galukhin, 2015; Salimova, Sharifyanova, 2016). The budget's most fundamental function is the redistribution of financial flows across territories, social groups, and sectors of the economy in order to optimize fiscal capacity. In the context of ongoing geopolitical transformations and

economic instability, there is a growing need to strengthen state regulation of financial resource redistribution to minimize budgetary risks. During the COVID-19 pandemic, for instance, budget spending aimed at supporting the Russian economy increased substantially. The Ministry of Finance estimated the total cost of anti-crisis measures at 9% of GDP (2020–2021). The funds were channeled into financing the healthcare system, supporting small and medium-sized enterprises (credit holidays, subsidies), making payments to families with children, and other purposes. This indicates that Russia was among the global leaders in anti-crisis economic support¹.

¹ Accounts Chamber assesses the amount of spending on the fight against the pandemic. Available at: <https://www.rbc.ru/economics/24/02/2021/6034d7659a7947b5e4403bdd>

The facts confirm that the essence of the government budget as an economic category, and the specific nature of its qualitative characteristics, find direct expression in the set of functions that this institution performs within the national economy (Shvetsov, 2012). Beyond redistributing national income, the budget fulfills a number of other critical tasks. In particular, state regulation of the economy through the normative-distributive function involves setting the rates of mandatory payments into the budget system (taxes, levies, duties, and other fiscal revenues). The allocation of funds for achieving national goals and implementing state programs and projects is carried out through budget financing, among other mechanisms.

By exercising these functions, the state, acting within its legally defined powers, is able to concentrate financial resources on priority areas of socio-economic development across its territories. This is essential for ensuring the resilience of the national economy and social stability, smoothing out regional disparities, and improving the well-being of the population.

However, one of the main problems of the Russian Federation's budget system is the low share of own revenues in the budget structure of most federal subjects and their significant dependence on intergovernmental transfers from the federal center. The situation is further complicated by the narrow industry specialization of a large number of regions, which makes regional budgets highly vulnerable to price fluctuations on commodity markets. The consequence of these factors is a high risk of reduced accuracy and reliability in budget planning. While specialized organizations conduct research and produce expert assessments at

the national level, corresponding issues are studied only fragmentarily and lack systemic coverage at the regional level, due in part to limited research resources and a shortage of specialized research centers.

In light of the above, studying the specific features of budget formation and execution at the regional level is highly relevant, and this determines the aim of the present study. A distinctive feature of this work is that it provides a comprehensive assessment of the new budget cycle of the Vologda Region's regional budget and compares its parameters with the previous planning period of 2025–2027. This has made it possible to draw conclusions about the influence of macroeconomic factors on its formation, its revenue and expenditure structure, its debt burden, and its development prospects.

Methods and materials

The theoretical and methodological basis of the study includes scholarly works and analytical materials devoted to the fundamental aspects of budget planning, the systematization and analysis of budget risks, and research on the impact of external macroeconomic conditions on the formation and execution of the government budget. The source of empirical data was official materials from the Ministry of Finance of the Russian Federation and the Federal Treasury of the Russian Federation, as well as official internet resources (the official internet portal of legal information of the Legislative Assembly of the Vologda Region). For the analytical part of the study, legislative acts were used as the information base, namely Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"², and Vologda Region

² On the Regional Budget for 2025 and the Planning Period of 2026 and 2027: Law of the Vologda Region 5789-OZ of December 19, 2024. Available at: <https://www.vologdazso.ru/actions/npa/laws/search.php?docid=TkRZM016QTRPVUwVFc>

Law 6046-OZ of December 16, 2025, “On the Regional Budget for 2026 and the Planning Period of 2027 and 2028”³.

The study employed a set of scientific methods. At the stage of reviewing the literature on the problem under study, the method of theoretical generalization was applied. To analyze the current situation in the Russian economy and budget risks, methods of systematization and structural analysis were used. Synthesis and comparison made it possible to summarize the data obtained.

Fundamentals of budget planning

The government budget, as the central element of the financial system, legally formalizes the monetary relations that develop between the state, represented by authorized government bodies, and other economic agents (enterprises and organizations of various forms of ownership, and individuals as taxpayers and recipients of budget funds). Through its execution, a stable resource base is formed, enabling public authorities to exercise their powers in the sphere of strategic territorial development management, including the allocation of budget funds and the implementation and coordination of programs and projects.

In accordance with the provisions of the Budget Code of the Russian Federation, the budget process includes several stages: drafting the budget, reviewing and approving it, executing it, and compiling and approving the execution report (Pechenskaya, 2014). These stages are characterized by a strict temporal sequence and functional interconnectedness. The approved budget operates within the budget period established by the legislation of the Russian Federation: from January 1 to December 31 (12 months).

At the same time, the legislation provides for medium-term budget planning over a three-year horizon. At present, Federal Law 426-FZ of November 28, 2025, “On the Federal Budget for 2026 and the Planning Period of 2027 and 2028”, has been approved at the federal level. At the regional level, budgets for the upcoming budget cycle have also been approved; in the Vologda Region, in particular, deputies of the Legislative Assembly passed the law “On the Regional Budget for 2026 and the Planning Period of 2027 and 2028” in its final reading on December 10, 2025.

The quality of budget planning directly determines the effectiveness of subsequent budget execution. However, the parameters of this process in any country are significantly influenced by macroeconomic indicators, external threats, and challenges (Olayungbo, Olayemi, 2018; Shevlin et al., 2019). As noted in leading Russian and international studies, the modern economy is subject to the substantial negative impact of financial and economic instability, which is characterized by considerable fluctuations in key macroeconomic indicators (often driven by cyclicity) that create heightened risks for businesses, investors, and the public (Fedosov, 2024; Novskaya, 2025). Other research emphasizes that, under the conditions of striving for technological leadership, a transition to a “budget breakthrough” strategy becomes necessary (Afanas’ev, Shash, 2025). At the same time, as M.E. Kosov points out, the contemporary budget system is experiencing the impact of a set of interrelated structural challenges (Kosov, 2025). On the one hand, unprecedented sanctions pressure and geopolitical tensions necessitate a large-scale reallocation of budget spending in favor of items related to defense and security.

³ On the Regional Budget for 2026 and the Planning Period of 2027 and 2028: Law of the Vologda Region 6046-OZ of December 16, 2025. Available at: <https://www.vologdazso.ru/actions/npa/laws/search.php?docid=TIRBM016VXhOa0UwVFc>

Simultaneously, these factors restrict access to traditional sources of financing the budget deficit and create permanent risks for export revenues. The impact of sanctions restrictions and inflation on the budget system is confirmed by the work of other authors: declining investment activity shrinks the tax base, while rising prices for imported goods increase expenditures on the procurement of equipment and medicines (Borodulin, Malyshev, 2025).

Contemporary foreign studies also analyze the resilience of the Russian Federation's budget system under large-scale sanctions. For instance, E. Rasoulinezhad notes that the long-term risks for regional budgets lie primarily in reduced investment in non-resource sectors (Rasoulinezhad, Akhavan, 2024). A team of other authors points to the increasing dependence of regional budgets on domestic sources of financing (Demertzis et al., 2022). S.H. Allen writes that the sustainability of budgets for achieving strategic goals remains uncertain (Allen, 2022).

Against this backdrop, the execution of regional budgets in the Russian Federation shows a tendency for actual indicators to deviate from the originally approved parameters (Klimanov et al., 2025). Statistical data indicate the existence of substantial discrepancies between planned and actual values, both when a surplus is recorded and when a deficit is formed. However, these changes are not reflected in official reporting, since adjustments are made either by adopting amendments to the normative legal act or by reallocating budget appropriations without changing the total volume of expenditures (in the consolidated budget schedule).

These factors give rise to a high degree of complexity in budget planning, which is

predetermined by the presence of risks within the budget system⁴.

The study of budget risks and their classification has been addressed in numerous works (Dvas, 1999; Galukhin, Uskova, 2016; Schick, 2002; Sprinkle et al., 2018; Romer, Romer, 2010; Baksha et al., 2001), which served as the foundation for the gradual deepening and broadening of the research field in the area of budget risks. Subsequently, V.V. Gamukin continued investigating this issue and formulated three groups of risks: external environment budget risks (environmental risks), system budget risks, and contingency budget risks (Gamukin, 2015).

At the same time, as N.E. Tereshkina and O.A. Khalturina note, the budget planning and forecasting process is fragmented due to the untimely introduction of adjustments that are necessary because of the influence of endogenous and exogenous factors (Tereshkina, Khalturina, 2026).

The works of foreign authors also highlight problems in implementing performance-based budgeting (Curristine, 2005). Among the key difficulties mentioned are the quality of indicators, the time lag, and the need to create and fine-tune a mechanism for collecting and verifying data for an objective assessment of the achievement of planned targets.

Assessing the budget risks of imbalance between revenues and expenditures at various levels of the Russian Federation's financial system is one of the important forecasting tasks. Ensuring the predictability of cash flow movements is the main condition for fulfilling the key objectives within the management of this system (identifying and forecasting trends in the volume and structure of revenues/expenditures; evaluating debt policy parameters; redistributing financial resources

⁴ Sudakova A.E., Agarkov G.A., Tarasyev A.A. (2019). Budget Planning and Forecasting: A Textbook. Yekaterinburg: Ural University Press. 308 p.

among the levels of the budget system). The results obtained form a well-founded basis for developing a set of measures to optimize the functioning of the budget system, aimed at strengthening the role of the budget as an instrument for achieving the strategic goals of the state's socio-economic development⁵ (Blanchard, Perotti, 2002).

Currently, however, the economic situation in Russia remains extremely tense. As researchers from the Research Association of Plekhanov Russian University of Economics note, preliminary GDP estimates for 2025 point to a sharp slowdown in the Russian economy (Lykova, Bukina, 2026). GDP grew by only 1.0% (compared to 4.9% in 2024), and industrial production by 1.3% relative to 2024. The impact of foreign trade and financial sanctions continues to have a negative effect on freight turnover, which has been declining year on year. Investment activity by organizations has practically ground to a halt.

Within the framework of strategic planning of fiscal policy for 2025, restoring the structural balance of the federal budget was declared a priority task. However, as a study by the Center for Macroeconomic Analysis and Short-Term Forecasting (CMASF) showed, the actual budget execution and the scenario plans for 2026 significantly diverged from the original parameters: a deficit of 1.6% of GDP was forecast⁶. This is due to the slowdown in economic growth relative to forecast estimates; the growth of expenditure commitments driven by the need to finance anti-crisis and social programs; the increase in the Central Bank's key interest rate; and other factors.

According to the Ministry of Economic Development, GDP in January 2026 contracted by 2.1% year-on-year, after growing by 1.9% in December⁷. In this connection, as I.S.Bukina notes, the macroeconomic effect of fiscal policy should be expected to weaken in 2026. Against the backdrop of the need for tightening, the forced restructuring of the federal budget's revenue side is continuing (Bukina, 2025). Analytical materials dealing with trends in Russia's fiscal sphere state the fact of a decline in mineral extraction tax (MET) revenues on hydrocarbon raw materials against the backdrop of falling oil prices amid the ruble's strengthening against the US dollar (Lykova, Bukina, 2026). This led to a colossal drop in revenues from taxes, levies, and payments for the use of natural resources to the consolidated budget of the Russian Federation in 2025. The decline in oil and gas revenues was planned to be offset by "non-oil-and-gas" revenues through raising the tax burden on profits, the standard VAT rate, and so on. In reality, however, corporate profit tax revenues fell. The most significant losses occurred in the Komi Republic (49.5% of the 2024 revenue level), the Orenburg Region (59.7%), and the Yamal-Nenets Autonomous Area (60.6%). At the same time, it is important to note that in 17 constituent entities of the Russian Federation where corporate profit tax revenue losses exceeded 20%, the increase in personal income tax revenues did not compensate for them (Lykova, Bukina, 2026). This situation, against the backdrop of slowing economic growth and declining entrepreneurial activity, creates additional risks.

⁵ Sudakova A.E., Agarkov G.A., Tarasyev A.A. (2019). Budget Planning and Forecasting: A Textbook. Yekaterinburg: Ural University Press. 308 p.

⁶ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

⁷ Gadzhieva M. (2026). Stagnation on the doorstep: Russia's economy finds itself one step away from stagflation. Available at: <https://iz.ru/2054885/milana-gadzhieva/zastoi-na-poroge-ekonomika-rf-okazalas-v-odnom-shage-ot-stagfliatcii>

According to CMASF, the implementation of a tight financial policy accompanied by tax changes and high interest rates may increase the risk of prolonged stagnation⁸. At the same time, the strengthening of the ruble helps to curb inflation but simultaneously weakens incentives for investment and limits the economy's long-term growth potential.

The Central Bank considers the stagflation scenario unlikely: the economy will grow, with GDP possibly increasing by 0.5–1.5% in 2026, and by 1.5–2.5% annually in 2027 and beyond. Meanwhile, sustainable inflation, according to the Bank of Russia's estimate, will settle at around 4% as early as the second half of 2026⁹.

The state of the regional budget system depends to a large extent on corporate profit tax revenues, including those from manufacturing enterprises. At the same time, this sector is dependent on global market conditions. The Vologda Region is one of the subjects where fluctuations in the profits of metallurgical and chemical corporations are substantially reflected in the state of regional finances. The region, as one of the single-industry territories where ferrous metallurgy and the chemical industry account for up to 70% of industrial production and, correspondingly, their share in tax revenues reaches up to 70% of the budget's revenue side, demonstrates vulnerability to external shocks. In 2020, tax revenues fell to 73.6 billion rubles due to the pandemic, while by 2021 they had sharply risen to 120.3 billion rubles thanks to the temporary recovery of the metallurgical and chemical industries (Borodulin, Malyshev, 2025). By 2024, however, growth rates had slowed to 6.5%, indicating the exhaustion of short-term stimuli and the intensification of structural imbalances.

The structural vulnerability of the Vologda Region's economy is manifested in the dominance of raw material sectors (on average over 2020–2023, ferrous metallurgy accounted for up to 51.2% of industrial output, and the chemical industry for up to 20.7%), whose dynamics directly depend on fluctuations in world prices and logistical constraints (Borodulin, Malyshev, 2025). In addition, as noted in a CMASF report, the Vologda Region was the only region to experience a decline in personal income tax (PIT) revenues in 2025¹⁰.

These circumstances have a significant impact on budget execution and its planning for 2026–2028. Under economic crises, the functional capabilities of the budget system at all levels (federal, regional, and municipal) are substantially constrained. This translates into a shrinking revenue base, widening deficits, forced cuts in social spending, and a reduced capacity to implement strategic objectives for the socio-economic development of territories.

In this context, it is pertinent to analyze the current state of the regional budget and the parameters being set for the upcoming period.

Key parameters of the current state of the regional budget

Within economic theory, government budget revenues are viewed as the financial basis for fulfilling the state's tasks. From an institutional perspective, they represent the result of distributive economic relations that arise between the state, on the one hand, and enterprises, organizations of various forms of ownership, public-sector institutions, and individuals as taxpayers and payers of other mandatory charges, on the other¹¹.

⁸ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analytics/Ablaev/bud20262028.pdf

⁹ Russia's economy one step away from stagflation. Finmarket. March 10, 2026. Available at: <https://www.finmarket.ru/main/article/6575386> (accessed: 24.03.2026).

¹⁰ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analytics/Ablaev/bud20262028.pdf

¹¹ Polyak G.B., Pilipenko O.I., Eriashvili N.D. (2017). Finance: A Textbook for University Students Studying Economics, Specializing in "Finance and Credit". Moscow: UNITY-DANA. 735 p.

The increasingly complex situation in the national economy could not but affect the execution of the budgets of Russia's constituent entities in 2025. At the same time, as S.I. Shabelnikova noted, the parameters for balancing regional budgets over the upcoming three-year period have been determined by taking into account the growth of the territories' own revenues and the continued provision of financial support from the federal budget for fulfilling the tasks of achieving national development goals (Shabelnikova, 2025).

However, as of 2025, the total revenues of the Vologda Region's budget amounted to 129.8 billion rubles (*Tab. 1*), representing a 9.4% decline in total receipts compared to 2024, while the budget's own revenues fell by 10.7% relative to the 2024 level. One of the main reasons for this situation was the economic slowdown. As a result, corporate profit levels were low, leading to a decline in corporate profit tax receipts¹².

It is also worth noting that, at the end of 2025, the initially planned targets for own-revenue receipts, as set out in Vologda

Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"¹³, were not achieved. The budget version for 2025–2027 had projected 138.5 billion rubles, which is 6.7% above the actually achieved level (129.8 billion rubles; *Fig. 1*). The decline in budget revenues was driven by significant losses in corporate profit tax receipts, which were mainly linked to falling revenues at metallurgical enterprises. In addition, as mentioned earlier, there was a slight decline in PIT revenues.

The expenditure side of the budget reflects the capacity of territories to foster economic and social development, maintain national security, deliver public services, and meet the needs of society. In economic theory, expenditures are understood as a system of institutionally established economic relations that take shape as the state's budget system functions – encompassing the accumulation, distribution, and targeted use of financial resources¹⁴. Up to 2025, budget spending had been trending upward year after year, driving an increase in

Table 1. Key parameters of the current state of the Vologda Region's budget, billion rubles

Parameter	2021	2022	2023	2024	2025	2025 to 2021, %	2025 to 2024, %
Total revenues	142.6	132.0	145.0	142.7	129.8	91.0	91.0
including tax and non-tax revenues	111.2	102.8	121.8	123.3	110.1	99.0	89.3
gratuitous receipts	31.4	29.2	23.2	19.4	19.7	62.7	101.5
Expenditures	109.4	123.2	137.3	173.4	168.3	153.8	97.1
Deficit (-) / Surplus (+)	33.2	8.8	7.7	-30.7	-38.5	+71.7 billion rubles	+7.8 billion rubles

Compiled from: Federal Treasury of Russia. Available at: <https://roskazna.gov.ru/ispolnenie-byudzheto/konsolidirovannye-byudzhety-subektov/>

¹² Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

¹³ Official internet portal of legal information of the Legislative Assembly of the Vologda Region. Available at: <https://www.vologdazso.ru/actions/npa/laws/search.php?docid=TkrZM016QTRPVUwVFc>

¹⁴ Polyak G.B., Pilipenko O.I., Eriashvili N.D. (2017). Finance: A Textbook for University Students Studying Economics, Specializing in "Finance and Credit". Moscow: UNITY-DANA. 735 p.

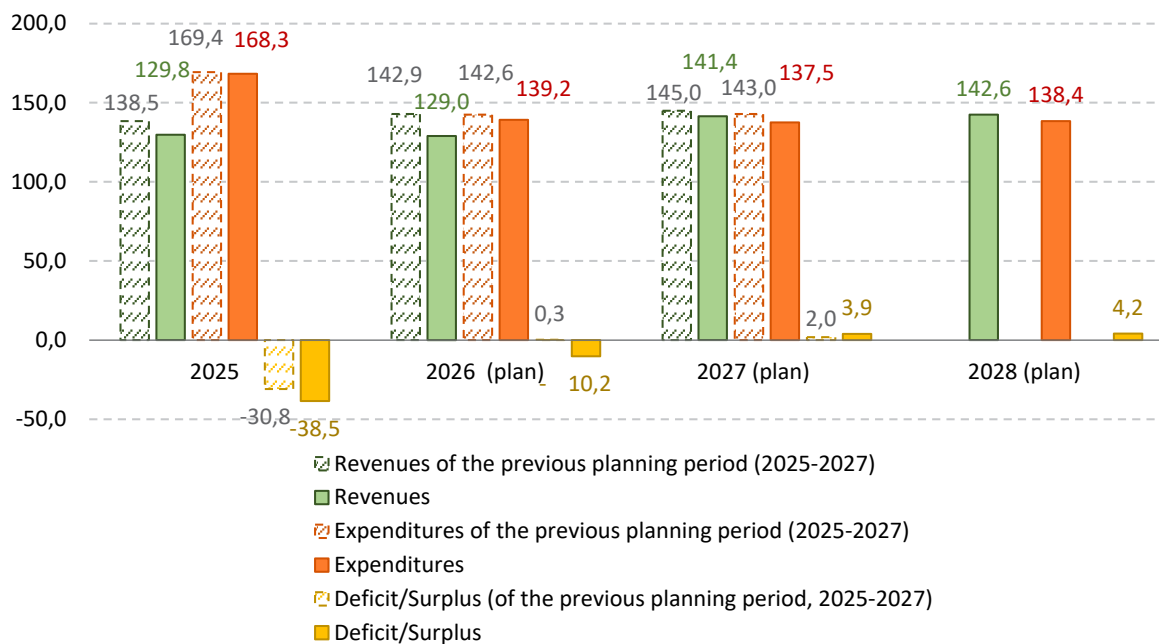


Figure 1. Key parameters of the Vologda Region's budget and their deviation from the previous year's parameters (2025–2027)

Note: revenues, expenditures, and deficit/surplus for 2025 represent actual budget execution.

Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".

government borrowing. By the end of 2025, however, actual expenditures amounted to 168.3 billion rubles, which was 1.1 billion rubles below the level planned in the previous budget cycle and 2.9% lower than in 2024.

The budget deficit at the end of 2025 reached 38.5 billion rubles, whereas the deficit originally planned in the Vologda Region's budget for 2025 had been 30.8 billion rubles, further underscoring the persistence of the negative trend and the risks that accompany it.

Planned indicators of the Vologda Region's budget for 2026–2028

Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028", was drafted taking into account the following normative legal documents:

- Budget Code of the Russian Federation;
- Main Directions of Budgetary, Tax, and Customs-Tariff Policy of the Russian Federation;
- Main Directions of Budgetary, Tax, and Debt Policy of the Vologda Region;
- Agreements with the Ministry of Finance of the Russian Federation and the Federal Treasury on the provision of budget loans;
- Federal Law "On the Federal Budget for 2026 and the Planning Period of 2027 and 2028", and others.

In essence, the budget serves as the key source of financing for the measures set out in the Strategy for the Socio-Economic Development of the Vologda Region for the Period up to 2036¹⁵, as well as for the region's state programs and national and regional projects. The 2026–2028 regional budget, which is built around a program-based expenditure

¹⁵ On the Strategy for the Socio-Economic Development of the Vologda Region for the Period up to 2036: Resolution 194 of the Vologda Region Government of February 20, 2026. Available at: <http://publication.pravo.gov.ru/document/3500202602200002>

structure, envisages a transition to a new system for managing state programs – one designed to improve the goal-setting mechanism and align it more closely with the achievement of national development goals.

The budget parameters for 2026 and the 2027–2028 planning period rest on the baseline scenario of the region’s socio-economic development forecast, which projects economic growth of 2.3% in 2026, 1.9% in 2027, and 2.7% in 2028¹⁶.

The economy, however, is operating in an environment of unstable market conditions, escalating geopolitical tensions, sanctions pressure from Western countries, a high key interest rate set by the Central Bank of the Russian Federation, and persistent inflation. As a result, budget revenues are declining over the planning period under review. Specifically, total budget revenues for 2026 are projected at 129 billion rubles, while expenditures are expected to reach 139 billion rubles. The budget is planned to run a deficit.

At the same time, several positive trends in the upcoming budget cycle can be identified.

1. Maintaining the status of a region that does not receive equalization grants.

In the upcoming three-year period, just as in 2023–2025, no equalization grants for fiscal

capacity are planned, which provides additional room for maneuver in implementing budget policy.

2. Efforts to ensure budget balance.

The Vologda Region Government has set a serious goal of reducing the budget deficit from 38.5 billion rubles in 2025 to 10.2 billion rubles in 2026, with a subsequent move into surplus in 2027–2028 (3.9 and 4.2 billion rubles, respectively; *Tab. 2*).

However, due to the deterioration of macroeconomic conditions, the initial trajectory of surplus budget execution (as set out in the 2024 version of the regional budget law) of 343.7 thousand rubles in 2026 was revised toward a deficit.

3. Strengthening the social orientation of the regional budget.

In the upcoming budget cycle, it is planned not only to maintain but also to reinforce the expenditure structure that has been in place for many years, with a dominant social orientation (60% of expenditures annually; *Tab. 3*).

In 2026, the following expenditures remain priorities in terms of budget financing: social policy (26.9%), education (22.7%), and the national economy (18.9%). These areas are consistent with the key socio-economic

Table 2. Changes in the budget balance envisaged in the Vologda Region's Budget for 2026–2028, relative to the planned indicators in 2025, billion rubles

Deficit (-) / Surplus (+)	2025	2026	2027	2028
Previous planning period (2025–2027)	-30.8	0.3	2.0	-
Current planning period (2026–2028)	-	-10.2	3.9	4.2
Deviation	+7.7* ▼	+10.5 ▼	+1.9 ▼	-

* In 2025, the budget was executed with a deficit of 38.5 billion rubles.
 Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".

¹⁶ On the Forecast of the Socio-Economic Development of Vologda Region for the Medium-Term Period of 2026–2028: Resolution 1484 of the Vologda Region Government of October 31, 2025. Available at: <http://publication.pravo.gov.ru/document/3500202510310002>

Table 3. Structure of regional budget expenditures, %

Expenditure category	2021	2022	2023	2024	2025	Plan		
						2026	2027	2028
Social sphere, including:	61.4	60.0	55.8	52.2	57.9	60.6	60.4	60.0
social policy	27.0	26.1	23.4	20.2	24.0	26.9	26.8	27.8
education	19.8	20.3	20.5	20.5	20.2	22.7	22.7	20.2
healthcare	11.7	9.6	8.7	8.3	9.7	7.3	8.0	8.0
culture, cinematography	1.3	1.6	1.6	1.7	2.3	2.8	2.6	3.7
physical education and sport	1.7	2.4	1.6	1.6	1.7	0.9	0.4	0.4
National economy	25.1	25.5	27.3	27.1	21.9	18.9	21.7	20.2
Intergovernmental transfers	5.2	5.9	6.3	7.2	2.1	7.0	3.5	2.6
General government issues	3.6	3.4	3.5	8.5	3.9	5.8	5.6	5.3
Housing and utilities	2.8	3.2	5.1	4.1	7.1	4.6	4.8	5.6

Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".

development priorities of the region, as set out in the Strategy for the Socio-Economic Development of the Vologda Region for the Period up to 2036¹⁷.

At the same time, the decline in spending across key areas of the regional budget has been driven by falling revenues at both the federal and regional levels against a backdrop of difficult macroeconomic conditions. As specialists from CMASF note in their analytical review of the parameters and priorities of budget policy for 2026–2028, “given the transformation of both the economy and the budget system, accompanied by a drop in resource revenues, restructuring the budget revenue base has become an objective necessity”¹⁸.

The planned volume of budget expenditures has also shifted somewhat compared to the previous period (*Tab. 4*). Overall, total spending

in the Vologda Region’s budget system has been scaled back slightly relative to earlier plans. The deepest cuts are in social policy, education, healthcare, and intergovernmental transfers to municipalities. Meanwhile, expenditures on housing and utilities, the national economy, general government functions, culture, and cinematography have been raised significantly.

It is planned to reduce intergovernmental transfers within the expenditure structure. This is undoubtedly linked to the ongoing municipal reform and the decrease in the number of municipal entities. The emerging situation can be assessed positively, on the one hand, because the concentration of limited financial resources allows them to be spent more optimally. On the other hand, however, it leads to a diminished role for local self-government in addressing the concerns of the local population.

¹⁷ On the Strategy for the Socio-Economic Development of Vologda Region for the Period up to 2036: Resolution 194 of the Vologda Region Government of February 20, 2026.

¹⁸ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

Table 4. Changes in the structure of regional budget expenditures envisaged in the budget for 2026–2028, compared with the previous parameters for 2025–2027, %**

Expenditure category	2025	2026	2027	2028
Social sphere, including: <i>Deviation from the previous planning period</i>	57.9 -0.6	60.6 -3.5	60.4 -3.2	60.0 -
social policy <i>Deviation from the previous planning period</i>	24.0 -0.9	26.9 -2.7	26.8 -3.5	27.8 -
education <i>Deviation from the previous planning period</i>	20.2 -0.7	22.7 -0.5	22.7 -0.3	20.2 -
healthcare <i>Deviation from the previous planning period</i>	9.7 -0.2	7.3 -1.4	8.0 -0.5	8.0 -
culture, cinematography <i>Deviation from the previous planning period</i>	2.3 +0.4	2.8 +1.2	2.6 +1.7	3.7 -
physical culture and sports <i>Deviation from the previous planning period</i>	1.7 +0.4	0.9 0.0	0.4 -0.5	0.4 -
National economy <i>Deviation from the previous planning period</i>	21.9 0.0	18.9 +2.9	21.7 +5.5	20.2 -
Intergovernmental transfers <i>Deviation from the previous planning period</i>	2.1 -5.1	7.0 -0.7	3.5 -4.1	2.6 -
General government issues <i>Deviation from the previous planning period</i>	3.9 -0.9	5.8 +0.4	5.6 +0.1	5.3 -
Housing and utilities <i>Deviation from the previous planning period</i>	7.1 +1.4	4.6 +1.9	4.8 +4.1	5.6 -
Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".				

4. Increasing the coverage of expenditure commitments from own revenue sources.

According to Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028", the growth in the volume of expenditures in 2027–2028 will be supported by the region's own revenue sources. Whereas in 2025 own revenues covered 65.4% of budget expenditures, in 2026 this indicator is projected to rise to 78.5%, with further growth to 91.0% by 2028 (Fig. 2).

Covering expenditure commitments from own revenue sources depends not only on achieving planned revenue targets but also on the availability of mechanisms for maintaining socio-economic stability¹⁹. It is worth noting that no substantial changes in the volume of current budget expenditures, in contrast to what was built into Vologda Region Law 5789-

OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027", are envisaged. However, the budget's own revenues have been reduced relative to the previous figures: 109.4 billion rubles against the initially planned 120.9 billion rubles in 2026, and 119.9 against 126.3 billion rubles in 2027. Accordingly, a slight decline is observed in the degree to which the Vologda Region's expenditure commitments are covered from its own revenue sources, along with a deviation from the previous year's parameters. Should these parameters be achieved under favorable external conditions, the level of covering expenditure commitments with own revenues (88.7%) will match the 2023 level, but will not reach the full coverage of expenditure commitments from own revenue sources observed in 2021 (101.6%).

¹⁹ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

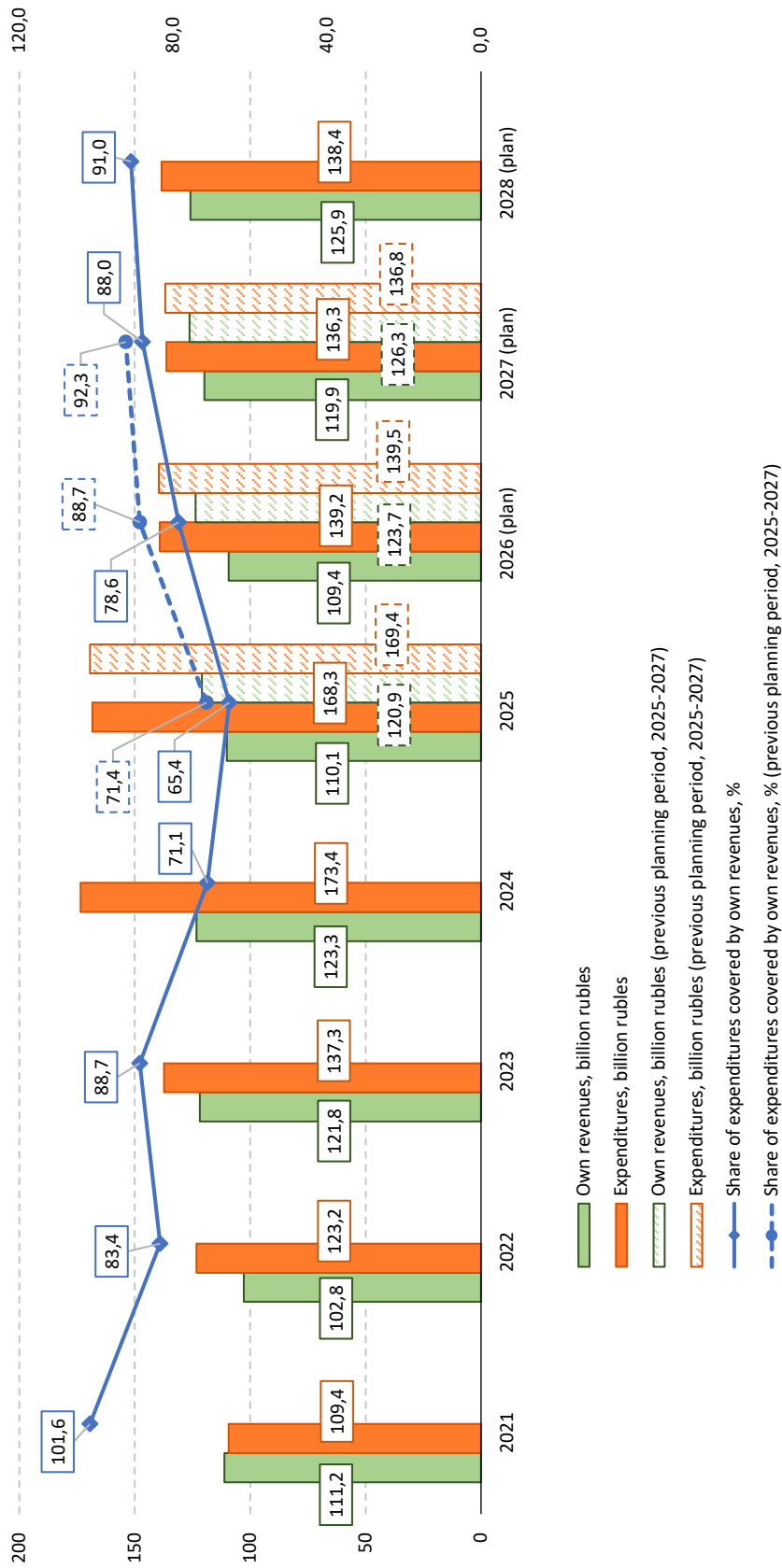


Figure 2. Degree of coverage of expenditure commitments from the Vologda Region's own revenue sources and deviation from the previous year's parameters (2025-2027)

Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".

Despite the planned improvement in balance, the region’s budget system remains vulnerable, which mirrors the situation in the country as a whole. Thus, given the challenges facing the country, and the need to combine budget consolidation with the continued financing of key national projects, a gap persists between the revenue base and the commitments that have been undertaken²⁰.

Thus, the reviewed Regional Budget Law for 2026–2028 is associated with a number of negative aspects and risks.

1. Decline in the regional budget’s own revenues.

The drop in the Vologda Region’s own budget revenues by 10.8 billion rubles in 2025 (from the originally planned 120.9 billion rubles to

110.1 billion rubles) is linked, first and foremost, to falling profits in the metallurgical sector due to unfavorable macroeconomic conditions and low prices on the global metals market. In 2026, a further decline in own revenues to 109.4 billion rubles is projected, and, as a consequence, a budget deficit (-10.2 billion rubles).

2. Cuts in financing of key areas of the Vologda Region’s socio-economic development from the regional budget.

The deteriorating economic situation and the budget deficit that has formed entail a reduction in spending not only on the economy but also on the social sphere. In particular, spending on education in 2026 will amount to only 92.9% of the 2025 estimate; on healthcare – 62.8%; and on physical education and sport – 48.3% (Tab. 5).

Table 5. Changes in the volume of financing of key areas of Vologda Region's socio-economic development from the regional budget, % of the previous year

Expenditure category	2022	2023	2024	2025	Plan		
					2026	2027	2028
Social policy	109.1	100.0	105.4	115.4	92.3	98.1	105.5
<i>Deviation from the previous planning period</i>					-10.7	-2.5	-
Education	115.5	112.2	126.3	95.8	92.9	97.8	90.6
<i>Deviation from the previous planning period</i>					+1.8	-0.9	-
Healthcare	92.4	100.9	121.0	113.1	62.8	105.8	100.9
<i>Deviation from the previous planning period</i>					-9.6	+10.1	-
Culture, cinematography	140.6	114.0	59.2	126.7	97.4	97.4	145.9
<i>Deviation from the previous planning period</i>					+28.3	+39.8	-
Physical culture and sports	161.2	74.0	77.8	103.6	48.3	35.7	100.0
<i>Deviation from the previous planning period</i>					-6.0	-28.7	-
National economy	114.2	119.2	113.8	78.3	73.9	112.5	94.1
<i>Deviation from the previous planning period</i>					+0.4	+12.3	-
General government issues	107.1	112.9	68.9	91.5	110.8	72.2	130.8
<i>Deviation from the previous planning period</i>					+18.5	-27.5	-
Housing and utilities	128.0	181.8	121.6	96.0	76.5	68.1	59.7
<i>Deviation from the previous planning period</i>					+37.4	-29.5	-
Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law No. 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028."*							

²⁰ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

It is worth noting that, in contrast to the initially planned reduction in spending on these items in the previous period (Vologda Region Law 5789-OZ of December 19, 2024), in the upcoming budget cycle the pace of their decline is even more substantial. The change in the situation regarding the financing of physical education and sport, general government issues, and the housing and utilities sector in 2027, compared with the previously planned figures, is especially critical. At the same time, higher growth rates are observed in 2026–2027 in the volume of financing for culture and cinematography, and the national economy, in contrast to what was built into Vologda Region Law 5789-OZ of December 19, 2024, “On the Regional Budget for 2025 and the Planning Period of 2026 and 2027”.

We should note the negative trend being built into expenditures on economic development: spending on the national economy in 2026 will amount to only 73.9% of 2025 spending; and on housing and utilities – 76.5%.

The reduction in spending on the national economy is especially acute in the agro-industrial complex: in 2027–2028, no support is envisaged for meat production, marketable fish, elite seed production, or selective breeding activities in pedigree livestock farming (Tab. 6). At the same time, it is important to note that financing for these activities had previously been built into the budget for 2027, in accordance with Vologda Region Law 5789-OZ of December 19, 2024, “On the Regional Budget for 2025 and the Planning Period of 2026 and 2027”.

Table 6. Changes in the volume of financing of selected regional projects in the agro-industrial complex of the Vologda Region

Project name, selected expenditure items	2026		2027		2028 Current plan
	Current plan	<i>Previous plan</i>	Current plan	<i>Previous plan</i>	
Regional project "Development of Sectors and Technical Modernization of the Agro-Industrial Complex," million rubles, including:	3107.2	2 584.1	742.0	2 505.6	912.7
– support for meat production	111.3	256.5	0	256.5	0
– support for protected-ground production	50.5	45.3	0	45.3	0
– support for marketable fish production	17.4	15.9	0	15.9	0
– support for elite seed production	4.2	4.9	0	5.4	0
– support for selective breeding activities in pedigree livestock farming	135.0	203.2	0	222.3	0
– support for milk production	1488.5	552.2	105.4	604.0	35.0
Regional project "Improvement of Rural Areas," million rubles, including:	12.5	0.0	0	0.0	0
– implementation of measures for the improvement of rural areas	12.5	0.0	0	0.0	0
Regional project "Modern Image of Rural Areas"	341.5	555.1	40.8	434.9	24.6
– ensuring the integrated development of rural areas (agglomerations), excluding construction or reconstruction projects	49.0	555.1	0	434.9	0
Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".					

A similar situation is developing with regard to the regional project “Modern Image of Rural Areas”: the total amount of its support has been cut more than tenfold. Expenditures on ensuring the integrated development of rural areas (agglomerations), excluding construction or reconstruction projects, are not provided for at all. In addition, starting from 2027, the financing of the regional project “Improvement of Rural Areas” is set to be halted entirely.

3. Growth of the state debt.

The region’s state debt in 2025 amounted to 19.0 billion rubles. At the same time, the volume of borrowing decreased by 2.5 billion rubles compared to 2024 and consisted exclusively of budget loans. The draft regional budget for 2026–2028 envisages an increase in the volume of state debt from 19.0 billion rubles in 2025 to 22.1 billion rubles in 2026, which corresponds to 20.2% of the regional budget’s tax and non-tax revenues. In 2026, the debt burden will increase from 14.2 to 20.2%, or by 6 p.p. (Fig. 3). Although the value of this parameter is considered moderate under the fiscal rule, should the state debt increase further, this will threaten the region’s financial stability.

It is worth noting that there are substantial changes in the volume of state debt in the adopted budget, in contrast to what was built into Vologda Region Law 5789-OZ of December

19, 2024, “On the Regional Budget for 2025 and the Planning Period of 2026 and 2027”. Its volume increased to 22.1 billion rubles, against the originally planned 17.7 billion rubles in 2026, and to 19.9 against 16.4 billion rubles in 2027. Moreover, the planned figure of 22.1 billion rubles is the highest in the last five years.

We should point out that the Vologda Region’s budget adopted for the upcoming period has also radically changed the composition of the state debt. Thus, budget loans will now constitute only a portion of the total volume of debt obligations: 48.4%, or 10.7 billion rubles, in 2026; 58.3%, or 11.6 billion rubles, in 2027; and 70.3%, or 11.8 billion rubles, in 2028 (prior to 2026, the state debt had consisted exclusively of budget loans).

4. Use of commercial credit and, as a consequence, growth of the debt burden and debt service obligations.

The main aspects of the Vologda Region’s budget policy with respect to the formation of state debt have long been based on the principle of refraining from using expensive debt instruments. Budget loans, which the region coordinated with the Ministry of Finance of the Russian Federation, were employed predominantly. However, the draft regional budget for 2026–2028 envisages the use of

Table 7. Parameters of the volume and composition of the state debt envisaged in the Vologda Region's budget for 2026–2028

Parameter	2026	2027	2028
State debt, billion rubles	22.1	19.9	16.8
including:			
commercial credit, billion rubles	10.9	7.9	4.9
treasury bonds, billion rubles	0.5	0.4	0.1
budget loans, billion rubles	10.7	11.6	11.8
State debt net of commercial credit, billion rubles	11.2	12	11.9
Projected average annual key interest rate, %	13.0–15.0	7.5–8.5	7.5–8.5
Compiled from: Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028"; Key Parameters of the Bank of Russia's Forecast under the Baseline Scenario. Available at: https://www.consultant.ru/document/cons_doc_LAW_517388/2b8d32b009eba7feba6045274900cd2cc7ef082d/			

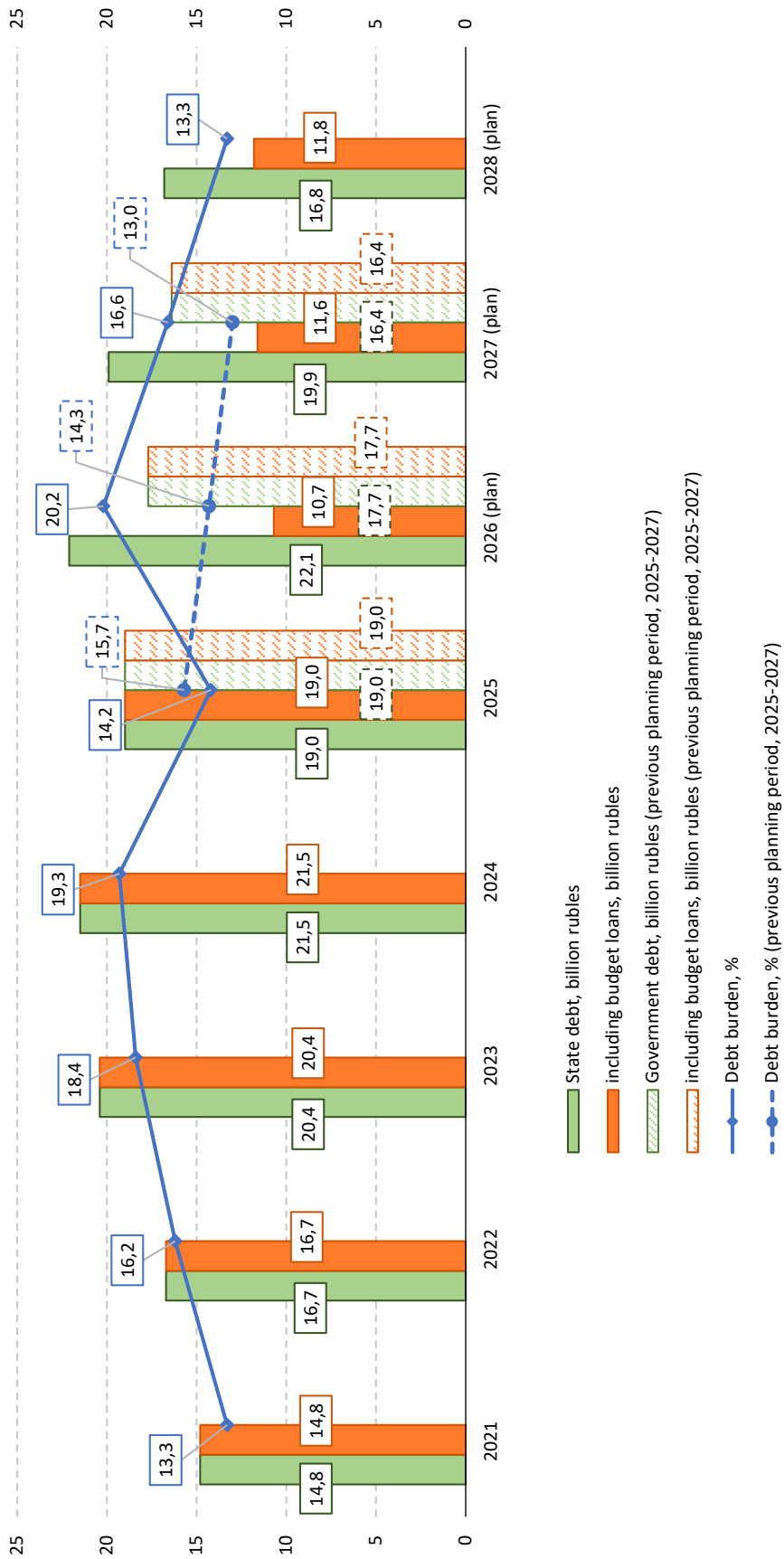


Figure 3. Volume of the state debt in the Vologda Region and deviation from the previous year's parameters (2025–2027)

Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 5789-OZ of December 19, 2024, "On the Regional Budget for 2025 and the Planning Period of 2026 and 2027"; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".

commercial credit, whose share in the total volume of debt obligations is substantial: in 2026, commercial credit of 10.9 billion rubles is planned; in 2027, a decrease of 3.0 billion rubles, i.e., to 7.9 billion rubles; in 2028, a further decrease of 3.0 billion rubles is also planned, i.e., to 4.9 billion rubles (*Tab. 7*).

The draft regional law justifies that these measures are necessary to cover cash gaps. However, this raises serious concerns, given the fact that the key interest rate projected by the Central Bank of the Russian Federation for 2026 will stand at 13–15%.

5. Withdrawal of financing from research and development (R&D) work.

Achieving technological leadership is currently one of the strategic national goals of the Russian Federation. According to research, countries with high R&D spending demonstrate higher rates of economic growth and better resilience to crises. In this connection, R&D funding in Russia is planned to be increased to 3% of GDP (at present, these expenditures do not exceed 1% of GDP). The share of domestic spending on research and development in the Vologda Region in 2023 was only 0.12% of GRP, which is one of the lowest values of this indicator among the subjects of the Northwestern Federal District.

The Development Strategy of the Vologda Region to 2030 had envisaged an increase in the growth rate of domestic spending on research and development from 2.98% in 2015 to 6.0% in 2030²¹. The new Strategy for the Socio-Economic Development of the Vologda Region for the Period up to 2036²² plans to

increase domestic spending on research and development from 0.11% of the gross regional product in 2023 to 0.2% of the gross regional product by 2030.

At the same time, the budget for 2026–2028 includes no support for performing R&D work. In 2025, however, expenditures on supporting R&D activities amounted to 24.2 million rubles. In the upcoming budget cycle, only support for laureates of the State Prizes and the State Youth Prize of the Vologda Region in Science and Technology is envisaged, in the amount of 730.0 thousand rubles annually (*Tab. 8*). It is worth noting that, overall, a yearly reduction in funding for the program “Investment Attractiveness, Industry, and Science” is planned, from 897 million rubles in 2026 to 827 million rubles in 2028, or by 7.8%. This is substantially below the level of spending on its implementation in 2025, when 1,428 million rubles were channeled into the program, which is 531 million rubles, or 37.2%, less than the planned volume in 2026 (897 million rubles).

This creates a risk that the targets for introducing advanced technologies, enhancing the innovativeness of the economy, and attracting young people to the research and development sphere will not be met. It should be noted that the index of scientific and technological potential of the Vologda Region²³, calculated by VolRC RAS staff, stands at an extremely low level. The region is experiencing a significant reduction in the number of researchers, including graduate and doctoral students.

²¹ On the Strategy for the Socio-Economic Development of Vologda Region for the Period up to 2030: Resolution of the Government of the Vologda Region on Amendments to Resolution of the Regional Government No. 920 of October 17, 2016, No. 1223 of October 30, 2023. Available at: <http://publication.pravo.gov.ru/document/3500202311010018>

²² On the Strategy for the Socio-Economic Development of the Vologda Region for the Period up to 2036: Resolution 194 of the Vologda Region Government of February 20, 2026. Available at: <http://publication.pravo.gov.ru/document/3500202602200002>

²³ Scientific and Technological Potential of the Regions of the Russian Federation. 2010–2023: Status, Dynamics, Problems (2025). Information-Analytical Bulletin, Issue 1. Team of authors under the scientific supervision of V.A. Ilyin and T.V. Uskova. Vologda: VolRC RAS. 90 p.

Table 8. Volume of financial support for the program "Investment Attractiveness, Industry, and Science" and its structural components, thousand rubles

Name of the program's structural component	2026	2027	2028
Total, including	897459.4*	891396.4	827396.4
support for performing R&D work	0.0**	0.0	0.0
support for laureates of the State Prizes of the Vologda Region in Science and Technology and the State Youth Prize of the Vologda Region in Science and Technology	730.0	730.0	730.0
provision for the creation of infrastructure facilities for the special economic zone	817833.9	817833.9	817833.9
implementation of measures to provide financial support to industrial enterprises	41213.7	0.0	0.0
support for entities in the industrial sector to cover part of the initial payment (advance) costs when signing equipment leasing agreements with Russian leasing organizations	8242.6	0.0	0.0
support for entities in the industrial sector for the acquisition of new equipment	20606.7	0.0	0.0
Compiled from: Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".			

6. Declining role of corporate profit tax as the main source of regional budget financing.

Starting in 2026, the personal income tax (PIT) becomes the key source of financing for the regional budget (35.3% of own revenues; *Tab. 9*). In particular, PIT revenues are projected at 38.8 billion rubles (35.5% of own revenues) in 2026, 41.5 billion rubles (34.6% of own revenues) in 2027, and 44.3 billion rubles (35.2% of own revenues) in 2028. On the one hand, this points

to a rise in household income levels. On the other hand, however, the decline in corporate profit tax revenues indicates that negative trends in the economy are becoming more entrenched.

Similar trends in the changing structure of the budget's revenue items are also observed at the Russian level. In particular, specialists from the Center for Macroeconomic Analysis and Short-Term Forecasting note that the transformation processes taking place in the budget system

Table 9. Changes in the volume of personal income tax (PIT) and corporate profit tax revenues to the regional budget for 2026–2028, compared with the previous parameters

Parameter	2023	2024	2025	Project		
				2026	2027	2028
PIT revenues, billion rubles	24.1	37.0	35.1	38.8	41.5	44.3
<i>Deviation from the previous planning period</i>				+4.3	+4.3	–
% of own revenues	19.8	30.0	31.9	35.5	34.6	35.2
<i>Deviation from the previous planning period</i>				+7.5	+5.2	–
Corporate profit tax revenues, billion rubles	53.5	36.4	29.6	28.1	34.3	35.5
<i>Deviation from the previous planning period</i>				-16.6	-10.2	–
% of own revenues	44.0	29.5	26.9	25.7	28.6	28.2
<i>Deviation from the previous planning period</i>				-2.8	-0.8	–
Compiled from: data of the Federal Treasury of Russia; Vologda Region Law 6046-OZ of December 16, 2025, "On the Regional Budget for 2026 and the Planning Period of 2027 and 2028".						

have been prompted by an objective necessity due to the decline in resource revenues²⁴. In this connection, the main instrument of fiscal policy in 2026–2028 will be aimed at increasing the tax burden on small and midsize enterprises, individual entrepreneurs, and households. However, this could serve as a factor for some enterprises to move into the shadow market or to cease operations. Therefore, ensuring budget sustainability depends not only on achieving planned revenue targets but also on maintaining conditions conducive to stimulating economic development, which forms the basis for the long-term balance of the budget system.

Conclusion

The conducted study has made it possible to substantiate that the systematic deviations of actual budget indicators from planned values, the growth of budget risks, and the decline in the efficiency of spending are predominantly determined by increasing macroeconomic uncertainty and the lag of the budget planning tools being employed behind the current challenges of the contemporary economic environment.

In this connection, within the framework of the prevailing macroeconomic conditions, the following main risks exist for the execution of the Vologda Region's budget in 2026. First, the slowing of global economic activity and the intensification of sanctions pressure, which will lead to a decline in demand for Russian exports and a reduction in imports. Second, the persistence of tight monetary policy will act as a factor reducing consumer and investment activity. Third, the shortage of qualified personnel may be a cause of the slowdown in the socio-economic, as well as scientific and technological, development of territories.

It has been established that Vologda Region Law "On the Regional Budget for 2026 and the

Planning Period of 2027 and 2028" envisages the following trends:

- the maintenance of the status of a region that does not receive equalization grants and the social orientation of the budget;
- a planned improvement in budget sustainability (a projected move to a surplus budget execution in the amount of 3.9–4.2 billion rubles in 2027–2028);
- a reduction in the planned expenditures of the regional budget in 2026 by 29.1 billion rubles (from 173.4 to 139.2 billion rubles), in particular a decline in the budget's own spending on education, healthcare, and the national economy;
- an increase in the volume of state debt by 16.0% (from 19.0 billion rubles in 2025 to 22.1 billion rubles in 2026) and the inclusion of commercial credit as a form of ensuring budget balance against the backdrop of tight monetary policy;
- the absence of support for scientific research and experimental development work in the medium term against the backdrop of the region's low scientific and technological potential.

The comparison of the budget parameters planned for 2026–2028 with the previous period (2025–2027) has made it possible to demonstrate the substantial influence of the macroeconomic environment, sanctions restrictions, the decline in oil and gas revenues, and other factors. At the same time, despite the existing risks associated with the difficult economic situation, the strategic development objectives of the region must be fulfilled.

According to S.I. Shabelnikova, in order to achieve the planned parameters and the resilience of territorial economies under the conditions of economic recession and an increased burden on budgets, it is necessary to enhance the transparency and ensure real control over the spending of budget funds, in particular by making more active use of digital technologies in exercising the control function;

²⁴ Ablaev E.Yu. (2025). On the draft federal budget for 2026–2028. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_Archive/analitics/Ablaev/bud20262028.pdf

to improve the quality of planning indicators for the implementation of state programs, taking into account the previous year's results; to prioritize expenditures and eliminate unnecessary and ineffective spending, among other measures (Shabelnikova, 2025).

In the current year, budget risks will intensify against the backdrop of an increase in the VAT rate from 20 to 22%; the expansion of its tax base by lowering the income threshold for taxpayers of the single tax under the Simplified Taxation System (STS); the indexation of excise tax rates; and the elimination of some tax exemptions. In particular, the procedure for applying preferential rates of mandatory social insurance contributions has been tightened for IT companies; in the small and medium-sized business sector, reduced rates can now be used only by those entities that operate in priority sectors and meet certain conditions. Another change is associated with an increase in rates on a number of excisable goods: tobacco, alcohol, and alcohol-containing products, as well as sugar-sweetened beverages,

automobiles, and motor gasoline (Lykova et al., 2026). In addition, starting from 2026, the tax on gambling business becomes a federal tax (previously it was classified as a regional tax). Its legal regulation has been transferred to Chapter 25.5 "Tax on Gambling Business" of the Tax Code of the Russian Federation, in connection with which Chapter 29 of the Tax Code of the Russian Federation has been repealed. Its structure has also changed: not only gaming tables and machines are subject to taxation, but also the revenues from gambling of bookmakers' offices and totalizators. Serious changes await organizations and individual entrepreneurs who apply the Simplified Taxation System (STS): the income threshold at which taxpayers are exempted from paying VAT is being gradually lowered: in 2026 – to 20 million rubles, in 2027 – to 15 million rubles, and from 2028 – to 10 million rubles.

An assessment of the positive and negative aspects of these changes will become possible in the process of budget execution, which will allow for the empirical verification of their effectiveness.

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СОСТОЯНИЕ РЕГИОНАЛЬНОГО БЮДЖЕТА ВОЛОГОДСКОЙ ОБЛАСТИ В 2021–2025 ГГ. И БЮДЖЕТНЫЕ РИСКИ НА 2026–2028 ГГ.

На фоне сохраняющегося санкционного давления, замедления темпов роста экономики территорий, снижения инвестиционной активности предприятий, высокой ключевой ставки социально-экономическое развитие регионов продолжает зависеть от их способности адаптироваться к новым условиям, эффективно использовать имеющийся потенциал и привлекать ресурсы. При этом субъекты РФ обязаны в полном объеме выполнять социальные обязательства и обеспечивать достижение национальных целей. Главным источником выполнения функций, возложенных на органы государственной власти, выступает бюджет, являющийся ведущим звеном финансовой системы и крупнейшим фондом денежных средств. Согласно Бюджетному кодексу РФ, одним из принципов бюджетной системы является его самостоятельность, которая может быть достигнута при наличии у соответствующей территории собственных источников доходов. Однако проблема заключается в низкой доле собственных доходов в структуре бюджетов большинства субъектов РФ и их высокой зависимости от межбюджетных трансфертов из федерального центра. Кроме этого, многие регионы зависят от одной отрасли (сырьевой, аграрной и т.д.), что делает их бюджеты уязвимыми к колебаниям цен и макроэкономическим шокам. В результате существует высокий риск невозможности обеспечить точность и надежность бюджетного планирования из-за высокой волатильности макроэкономических параметров. Данные проблемы на национальном уровне находятся в фокусе внимания не только ученых, но и представителей исследовательских организаций. Однако на региональном уровне эти вопросы изучаются фрагментарно и недостаточно системно, что обусловлено ограниченностью исследовательских ресурсов и отсутствием специализированных центров. В связи с этим актуальным представляется изучение особенностей формирования и реализации бюджета на региональном уровне, что и определило цель исследования. Научная новизна заключается в комплексной оценке нового бюджетного цикла регионального бюджета (на примере Вологодской области) и сопоставлении его параметров с предыдущим плановым периодом 2025–2027 гг., а также определении влияния макроэкономических факторов на структуру доходов и расходов, долговую нагрузку и перспективы развития. Обосновано, что систематическое отклонение фактических бюджетных показателей от плановых, рост

бюджетных рисков и снижение эффективности расходования средств связаны с нарастающей макроэкономической неопределенностью и отставанием применяемых инструментов бюджетного планирования от современных вызовов. В заключительной части статьи отражены изменения в законодательстве о налогах и сборах, вступившие в силу в 2026 году, касающиеся НДС, УСН, льготных тарифов и др.

Бюджет, областной бюджет, основные направления бюджетной политики, государственный долг, дефицит/профицит, налоги, льготы, Вологодская область.

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