**DISTRIBUTION OF FEDERAL TRANSFERS BETWEEN THE REGIONS OF RUSSIA: THE POLITICAL AND ECONOMIC ASPECT**

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**Abstract.** The purpose of the study is to assess the influence of political and economic factors on the distribution of intergovernmental transfers in modern Russia. We analysed the influence of the following factors: the logarithm of own revenues of subfederal budgets per capita, the ratio of the unemployed and employed population in the region, investment in fixed assets per employed person and their average annual growth rate, population density, an indicator of sustainable development ESG, and the index of political loyalty of the region to the federal centre. The political loyalty index was calculated as the sum of the product of voter turnout and the results of voting for the current government in the elections of 2016 and 2018, as well as in the 2020 referendum. With the help of econometric modelling, we established a direct dependence of the share of federal transfers in the budget revenues of the constituent entities of the Russian Federation on the level of social burden on employees and investment activity, and its inverse dependence on the level of provision of the subfederal budget with its own revenues, indicator of sustainable development and population density in the region. Political loyalty has a positive effect on distributable transfers, but this effect is mediated by income levels in the region. The conducted research can be applicable for the authorities aimed at optimizing interbudgetary relations in the current political and economic conditions.

**Keywords:** region; revenues of subfederal budgets; federal transfers; distribution; political and economic factors