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Oil-Production Tax Revision in January

By The Moscow Times

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Russia may start narrowing the gap between export duties on heavy and light oil products as early as next month as the government seeks to encourage production of higher quality products.

The government plans to lower the duty on light products, such as gasoline, and raise the duty on heavy products, such as fuel oil, in late January or February, Vitaly Gudin, head of the Economic Development Ministry's foreign trade regulation department, said Friday.

The proposed tax discounts are designed to encourage refinery upgrades and lower exports of crude.

Russia's product taxes will reach parity in 2013 at 60 percent of the crude-oil export duty, Gudin said, reiterating a plan that was earlier agreed on with the Finance Ministry.

Under the proposal, the tax on light products will be cut to 67 percent of the crude export duty next year, while the tax on heavy products will increase to 46.7 percent, Gudin said. In 2012, the light product tax will be cut to 64 percent of the crude duty and the heavy product tax will be raised to 52.9 percent, he said.