

Prokhorov Slams Transportation Tax Hike

By [The Moscow Times](#)

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Businessman and former presidential hopeful Mikhail Prokhorov has criticized a decision by Moscow lawmakers to raise the transportation tax.

"I and the Civic Platform party have consistently spoken out in favor of abolishing the transportation tax," Prokhorov wrote on his LiveJournal blog Thursday.

He stressed that the transportation tax is unfair because it taxes car owners regardless of their income level and should be replaced by a luxury tax and fuel excise duties in line with international practice.

Prokhorov pointed out that the tax hike envisages payment increases mainly for owners of small and medium-sized cars with engines of between 70 and 225 horsepower, Interfax reported. Small and midsize cars constitute about 90 percent of all vehicles in the capital, the report said.

Though the new tax will increase the financial burden on car owners, its implementation won't relieve city streets as hoped, Prokhorov said, because it won't induce commuters to switch to using public transportation.

On Wednesday, the Moscow City Duma adopted new tax rates for car owners effective Jan. 1, 2013, that will raise the average payment for small vehicles by 13 percent or 600 rubles (\$19), Interfax said.

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