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Medvedev Orders Luxury Tax by October

By The Moscow Times

May 13, 2013



Prime Minister Dmitry Medvedev has ordered the Finance and Economic Development ministries to introduce a luxury tax by Oct. 15, two weeks ahead of schedule, according to a statement published on the government's official website Tuesday.

During his annual TV call-in show last month, President Vladimir Putin supported a tax on luxury cars, calling it "more a moral issue than a fiscal one," and an additional property tax. He subsequently ordered the government to establish a luxury tax by Nov. 1.

An existing proposal calls for doubling taxes on cars that cost more than 5 million rubles ($160,000) and tripling taxes on cars worth more than 10 million rubles, Putin told TV viewers.

Putin first called for a tax on elite cars and real estate in his state-of-the-nation address in December. He said at that time that the luxury tax should be introduced in the first half of 2013.

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