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Moscow to Give Tax Breaks to Downtown Restaurants

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Moscow's government may soon ease the tax burden for property owners on central shopping streets and pedestrian zones. This scheme may affect first of all owners of cafes and restaurants, who are now suffering from the rapidly declining ruble, Kommersant reported on Friday.

The city economic policy and development department has advanced this initiative in an attempt to make pedestrian zones, the number of which will rise to 27 by the end of this year from current 11, more attractive. The tax benefits are designed especially for those owners, who rent out property to restaurants and stores and who own premises bigger than 5,000 square meters.

The owners may apply for subsidies and reductions when paying the estate tax. The amount of the reduction is still being discussed. But breaks will only be available to responsible tax payers, a spokesperson of the department said.

"We heard about this initiative on a meeting at the City Hall and we fully support it," said Igor Bukharov, president of the Federation of Restaurant Owners and Hoteliers. He said that for restaurant keepers it is extremely hard to compete with banks, which can afford paying huge rental charges to occupy spaces on the central streets.

Bukharov said tax breaks would definitely have a positive effect on the restaurant community, which is now having hard times because of the falling ruble rates. "We are buying a lot of foodstuffs abroad and the situation on the currency market affects us directly," he added.

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