

Russian Film Distributors Beg Putin Not to Tax Foreign Movies

By [The Moscow Times](#)

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Russia's largest film distributors have urged President Vladimir Putin to block a proposed tax on tickets to foreign movies, which they say would lead to a wave of movie theater closures across the country, Russian media reported Thursday.

The proposed tax on tickets to foreign films, an idea floated by top government officials last month, would inevitably raise the cost of tickets and reduce movie theaters' clientele, Eduard Pichugin, the CEO of movie studio Lenfilm, told the Interfax news agency on Thursday.

"Major film distributors will survive the burden ... but cinemas in small towns and cities will quickly go bankrupt, they will lose their audience," said Pichugin, who was one of the driving forces behind the letter to Putin.

Russian Prime Minister Dmitry Medvedev proposed introducing a sales tax on tickets to

foreign films last month, with Culture Minister Vladimir Medinsky shortly thereafter coming out in support of the proposal.

The tax is meant to create an additional source of funding for Russian cinema, which is struggling to rival the popularity of foreign films.

Medinsky responded to the distributors' concerns at a press briefing Thursday, saying:

“If a bill of this kind is submitted, no one in the Russian film business should suffer,” Interfax reported. The proposal is still being worked out, he added.

Russian box office revenues totaled 46 billion rubles (\$805 million) in Russia last year, with 38 billion rubles (\$665 million), or 82 percent of the total, earned by foreign films, according to the Kommersant newspaper.

If Russia's 18 percent sales tax were placed on tickets to foreign films, movie theaters would have to pay a total of about 7 billion rubles (\$123 million) yearly, the newspaper calculated.

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