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Russia State Duma Passes 'Google Tax Law'

By The Moscow Times

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Members of the Russian State Duma have approved the third reading of a new bill requiring foreign IT companies to pay value added tax (VAT) on the sale of online content, the Slon.ru news website reported Wednesday.

The bill, nicknamed the "Google tax law," requires companies which distribute or sell online applications, games, music, or other content to register private offices in Russia and submit information on their sales in the country.

Google sells its content through its Google Play platform, which will be subjected to the law alongside Apple's AppStore and Microsoft's appstore for Windows.

The tax will be levied based on the customers identified as Russian residents by their credit card number or IP addresses.

The Finance Ministry expect the new tax to generate up to 10 billion rubles ($151 million) in

revenue.

If passed by the Federation Council and approved by Russian President Vladimir Putin, the law will take effect January 1, 2017.

Google overtook Russia-based search engine Yandex as the country's most popular based on numbers of monthly users at the end of May.

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