

Oil Companies Ask Russian Drivers to Share Tax Hike Burden

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Russian oil companies could shift the cost of new tax proposals onto consumers, the Kommersant newspaper [reported Thursday](#).

Planned hikes to the Mineral Extraction Tax (MET) — where a company is taxed based on the amount of oil, gas, or other mineral extracted — are set to come into force in 2017.

The Russian Finance Ministry plans to gain 238 billion rubles (\$3.7 billion) by increasing the base rate of severance tax on oil from 473 rubles (\$7.20) up to 1,392 rubles (\$21.30) per ton of oil. Export duties on oil are also set to increase, providing state coffers with another 55 billion rubles (\$484 million), Kommersant reported.

Meanwhile, the government had planned to lower excise rates on gasoline and diesel from 1 million rubles (\$15,340) and 529,000 rubles (\$8,115) per ton, to 743,000 (\$11,398) and

509,000 rubles (\$7,808) per ton respectively. The move would have cost the treasury 200 billion rubles (\$3 billion).

Oil companies are now asking that the lower excise rates be scrapped to offset rises to the MET, Deputy Prime Minister Arkady Dvorkovich said Wednesday.

Excise tax on gasoline has increased by 3 rubles (\$0.04) a liter in 2016. Gasoline consumption in Russia fell in 2015 for the first time in 15 years.

Gasoline prices are predicted to grow by 5-6 percent, according to the Federal Antimonopoly Service (FAS), Kommersant reported.

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