

Russia Weighs Wartime Tax Increase – Report

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The Federal Tax Service office in Moscow. **Grigory Pokras**

Russia could increase taxes for the first time since the invasion of Ukraine to help plug a hole in the state budget, independent media outlet The Bell [reported](#) Wednesday, citing sources familiar with the discussions.

The Russian Union of Industrialists and Entrepreneurs (RSPP) has proposed raising the current 20% income tax on Russian companies by 0.5 percentage points, according to The Bell.

The initiative was reportedly a counter-proposal following Prime Minister Mikhail Mishustin's request that RSPP members pay a one-off sum of 200 billion rubles (\$2.8 billion) to the government.

Deputy Prime Minister Andrei Belousov [told](#) the state-run TASS news agency Wednesday that the government is discussing mandating large businesses to make a one-time "voluntary contribution" to the budget.

[Speculation](#) about possible tax rises has intensified as Russia faces significant defense costs amid the Ukraine war and falling revenues — in part the result of Western price caps on Russian oil exports.

Russia's budget deficit [rose](#) to 1.76 trillion rubles (\$24.8 billion) in January, the Finance Ministry said Monday, its highest monthly level since 1998.

The Russian authorities have [said](#) they expect the total budget deficit in 2023 to be 2% of GDP.

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