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# Russia Weighs Wartime Tax Increase – Report

February 08, 2023




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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