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# The state дума proposed to cancel the transport tax on the russian cars

The State Duma proposed to abolish the transport tax on the cars of Russian brands as a measure of support for citizens and the domestic auto industry. This initiative was made by the deputy Vasily Vlasov, who sent a corresponding letter to the head of the Ministry of Finance Anton Siluanov.

In his speech, the deputy pointed out that inexpensive domestic cars with a small engine capacity are most common in Russia, which are purchased by the citizens with a low level of welfare. This measure is proposed to apply to used cars older than 10 years, whose market value does not exceed 1 million rubles.

In addition, Vlasov proposed to transport Minister Evgeniy Dietrich to reduce the transport tax by 25% in 2020 in connection with the coronavirus pandemic. The measure was intended to affect the residents of regions where a high-alert regime was introduced.

More than that, in early July, a member of the State Duma Committee on budget and taxes, Eevgeniy Fedorov, sent a letter to interior Minister Vladimir Kolokoltsev with a proposal to temporarily exempt from transport tax drivers who do not use their cars for more than six months.

Let's pay attention to the fact that now the amount of the tax does not depend on the intensity of vehicle operation, however, many people, for various reasons, cannot use their car for a long time. Accordingly, it was proposed to grant citizens the right to temporarily suspend vehicle registration for a period of six months with the delivery of license plates for free storage in the traffic police.

Thus, the law sets basic tax rates depending on the engine power in the amount of 2.5 to 15 rubles per horsepower. Regions have the right to increase these bids independently, but no more than in 10 times.

In Russia, the first lines of the most popular cars are traditionally occupied by Lada models. In July, the sales leaders were:

- ▶ Lada Granta
- ▶ Lada Vesta,
- ▶ Hyundai Creta,
- ▶ KIA Rio,
- ▶ VW Polo;

It is known that the production and sales of cars in Russia will decrease in 2020 by 15-30%, as stated by the head of the Ministry of industry and trade Denis Manturov. According to the forecast of the consulting company PwC, in 2020, sales of new passenger cars in Russia will decrease by 29.8% due to the fall in the ruble exchange rate and the quarantine.

Thus, it seems appropriate to consider the possibility of abolishing the transport tax on Russian cars of domestic brands. In addition, the abolition of the tax would economically support citizens and the Russian automotive industry.

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