

## [RU] Finance Ministry Reduces Advertising Tax Rate

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*Natalie Boudarina  
Moscow Media Law and Policy Centre*

On 1 March 2001, the Russian Ministry of Finance issued a decree concerning the taxation of advertising.

The new tax schedule provides that the total amount of actual advertising expenses to be included for purposes of taxation in the prime cost of production (production costs, costs of materials and labour, which are not subject to profit taxes) shall not exceed a maximum rate of 7.5 percent; previously the amount was 5 percent.

That means that a company can now spend 50 percent more money on advertising without additional tax.

The Decree came into force on 1 April 2001.

