

Kudrin Confirms Cigarette Tax Hike

By [The Moscow Times](#)

April 06, 2011

The  **Moscow Times**

The Finance Ministry is proposing that tobacco excises be increased to 3,000 rubles per 1,000 cigarettes from the current 270 rubles by the year 2015, Deputy Prime Minister Alexei Kudrin, who is also finance minister, told the State Duma on Wednesday.

Plans for next year include raising tobacco excises by 60 percent and then moving to a more significant increase, he said.

"When tobacco excises are growing at a rate of 50 percent, that, of course, will alter the behavior of smokers and enterprises planning their production capacity, so, I think, we cannot immediately triple excises but need to move at a rate of 50 percent to 70 percent and effect a doubling in a few years," Kudrin said.

"That is sufficiently strong excise growth," he said, adding that this would generate substantial budget revenue. The budget will take in an additional 100 billion rubles (\$3.54 billion) just from tobacco excises in as little as a year.

There will be a discussion next month about the rate at which tobacco excises are hiked, Kudrin said.

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