

## *Taxing Energy Use 2018*

### **Russia**

This note describes the taxation of energy use in Russia. It contains the country's energy tax profiles, followed by country-specific information to complement the general discussion in *Taxing Energy Use 2018* (OECD, 2018). The note contains four energy tax profiles for Russia:

Figure 1: Effective tax rates on energy use in national currency and EUR/GJ, 2015, including electricity output taxes and energy use from biomass

Figure 2: Effective tax rates on energy use in national currency and EUR/tCO<sub>2</sub>, 2015, including electricity output taxes and energy use from biomass

Figure 3: Effective tax rates on energy use in national currency and EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output, including carbon emissions from biomass

Figure 4: Effective tax rates on energy in national currency and EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output and carbon emissions from biomass

The main insights from the second vintage of the *Taxing Energy Use* database, including a systematic comparison of patterns of the taxation of energy use across countries, sectors and fuels are available in *Taxing Energy Use 2018* (OECD, 2018) at: <http://oe.cd/TEU2018>.

### 1. Energy tax profiles for Russia

Figure 1. Effective tax rates on energy use in national currency and EUR/GJ, 2015, including electricity output taxes and energy use from biomass

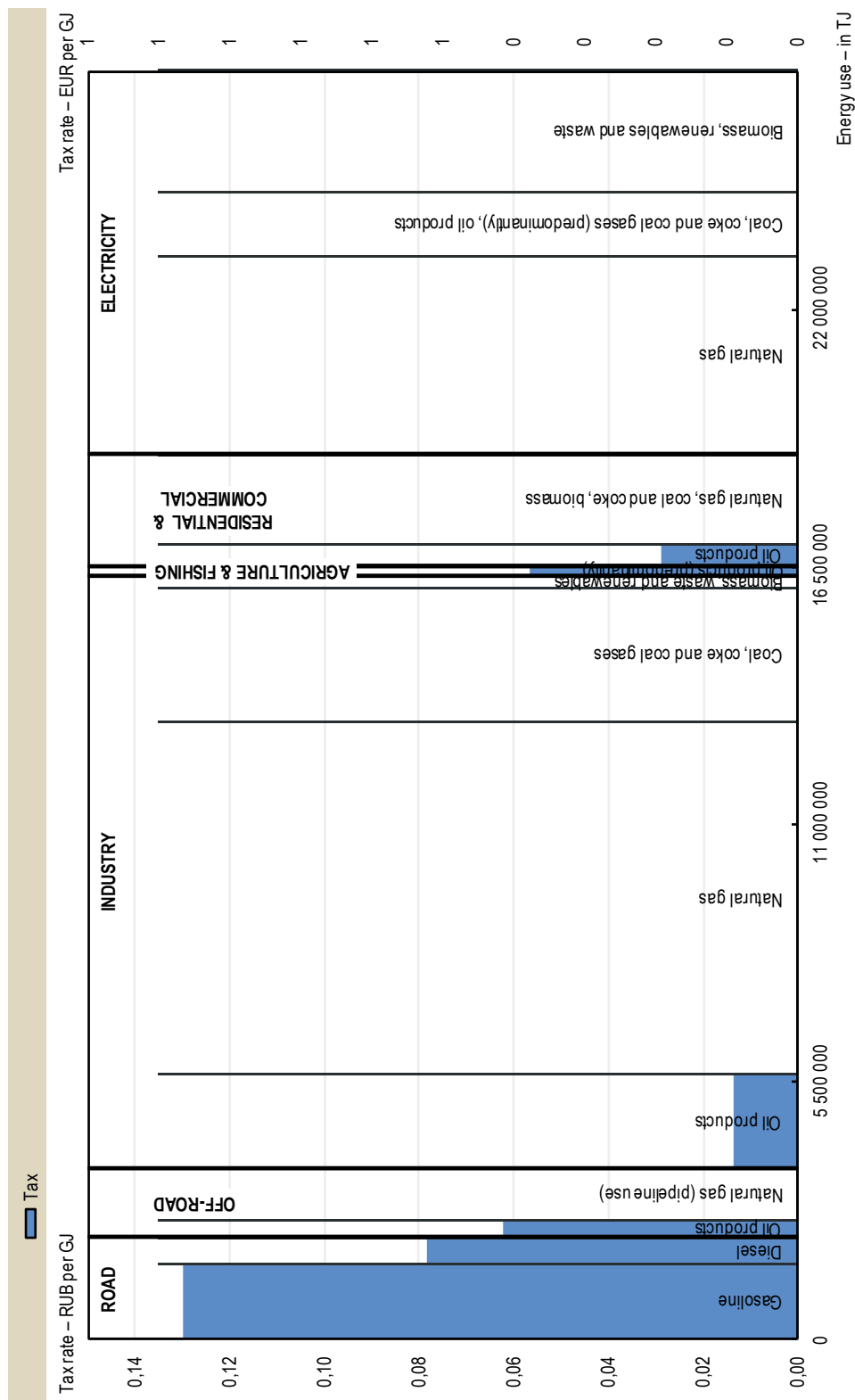


Figure 2. Effective tax rates on energy use in national currency and EUR/tCO<sub>2</sub>, 2015, including electricity output taxes and carbon emissions from biomass

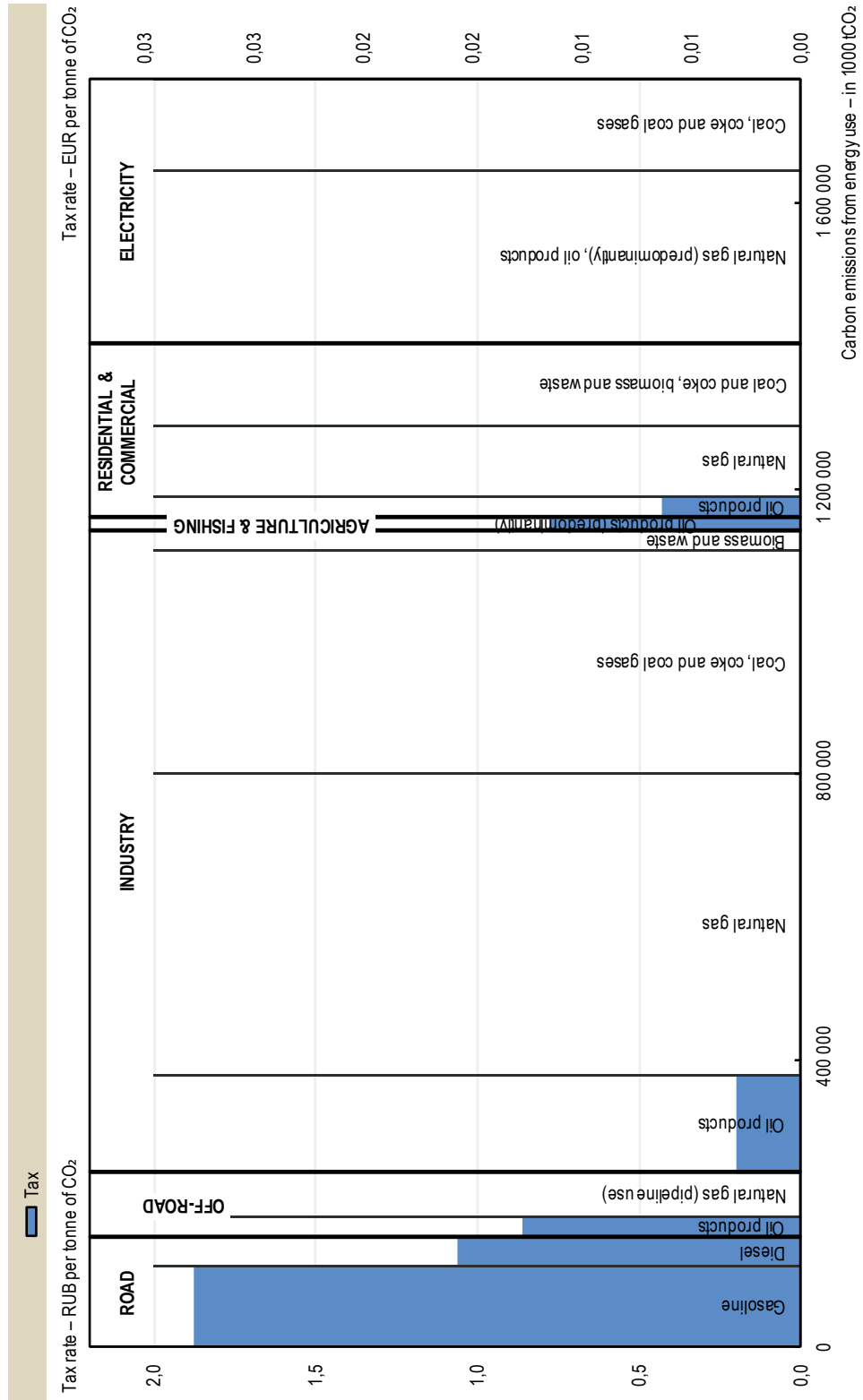


Figure 3. Effective tax rates on energy use in national currency and EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output, including carbon emissions from biomass

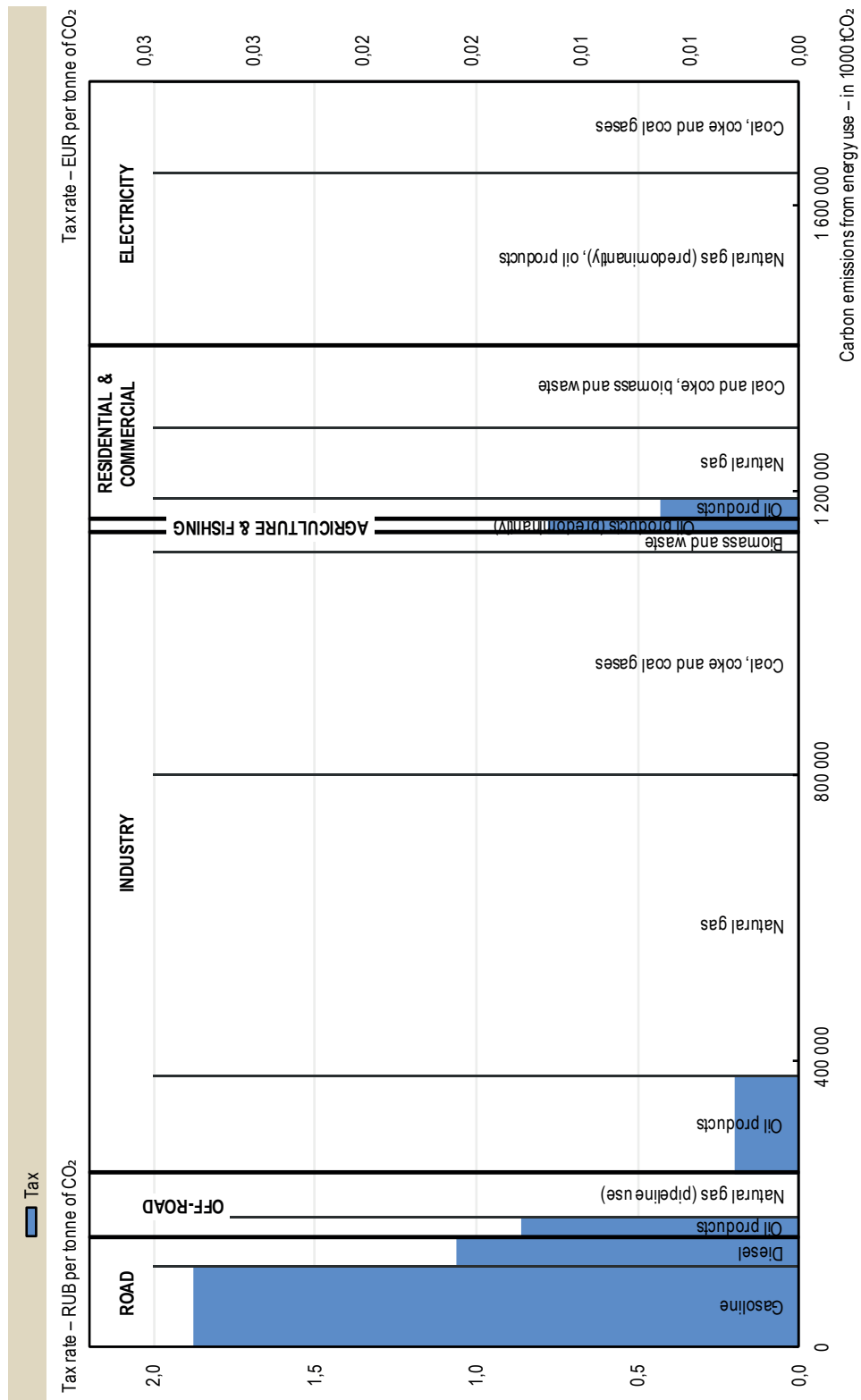
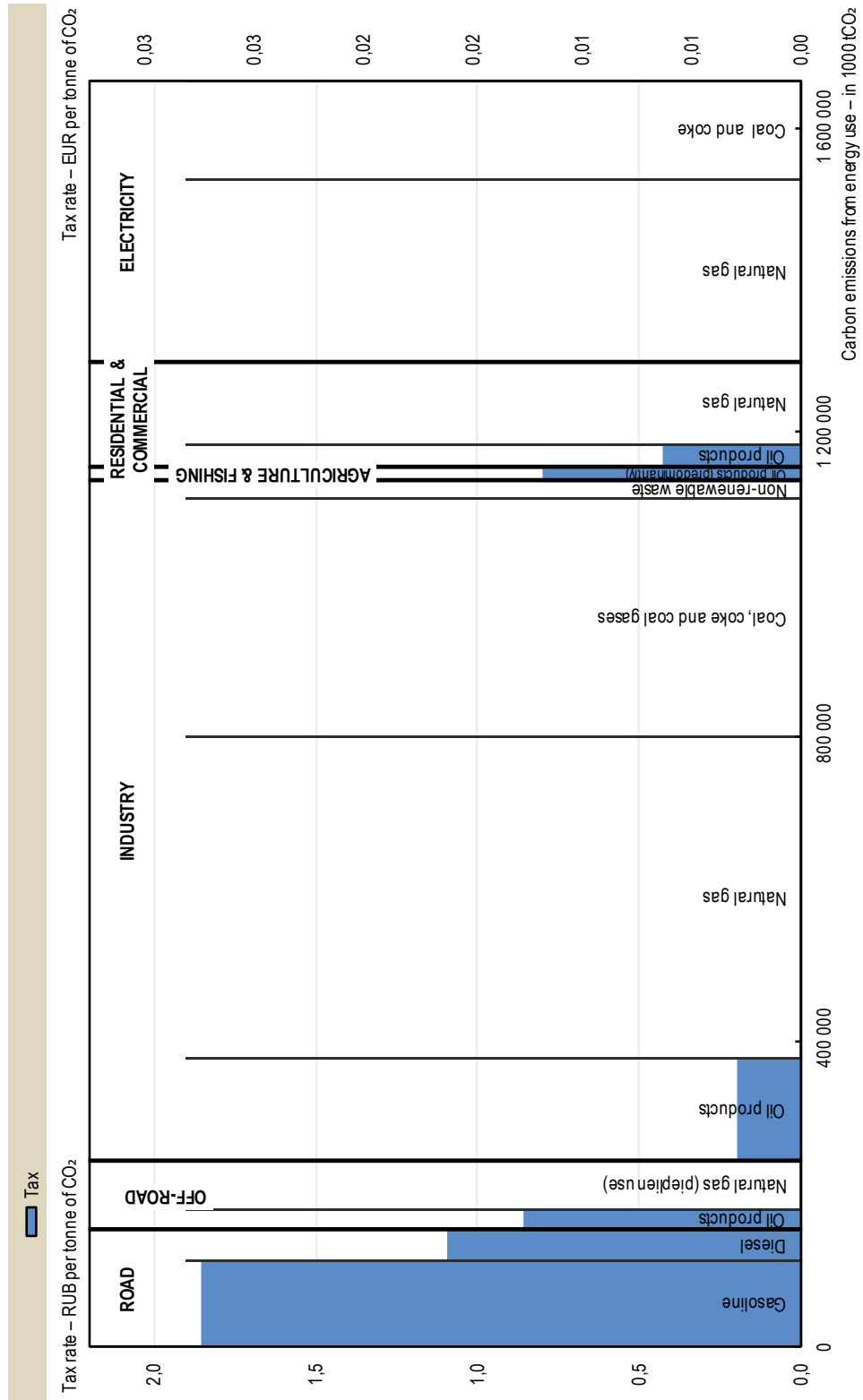


Figure 4. Effective tax rates on energy use in national currency and EUR/tCO<sub>2</sub>, 2015, excluding taxes on electricity output and carbon emissions from biomass



## 2. Country-specific notes

This note describes the taxation of energy use in Russia. It contains the country's energy tax profiles, accompanied by country-specific information to complement the general discussion in *Taxing Energy Use 2018* (OECD, 2018). Tax rates are those applicable in April 2015, energy use data are for 2014.

The data shown in the energy tax profiles is from the OECD's *Taxing Energy Use* (TEU) Database. More detail on the TEU Database, the calculation of effective tax rates on energy use and the interpretation of the energy tax profiles can be found in *Taxing Energy Use 2018* (OECD, 2018).

### *Energy and carbon taxes*

The main tax on energy use in Russia is an energy tax, which applies to gasoline, diesel and fuel oil across all sectors. The rates on diesel and fuel oil are uniform across different grades, whereas the tax on gasoline is differentiated by grade, with higher rates applying to lower grades. This tax is included in the energy tax profiles of Russia.

### *Effective tax rates on energy use for different fuels and users*

The tax rates on different fuels and uses are linked to Russia's energy use<sup>1</sup> to calculate effective tax rates on energy use (in RUB/TJ and EUR/TJ) or CO<sub>2</sub> emissions from energy use (in RUB/tCO<sub>2</sub> and EUR/tCO<sub>2</sub>). Energy use and the CO<sub>2</sub> emissions associated with it are shown for six economic sectors: road transport, domestic offroad transport, industry, agriculture and fishing, residential and commercial, and electricity.

The Russian energy tax profiles (Figures 1 and 2) show effective tax rates for different fuels and uses in terms of the fuels' energy and carbon content, respectively. Figures 1 and 2 include energy use and carbon emissions from biomass and they show output taxes on electricity. Figure 3 is identical to Figure 2, except that taxes on electricity output are excluded. Figure 4 excludes carbon emissions from biomass and taxes on electricity output.

- Of the six economic sectors, the **road** sector is taxed at the highest rates, both in terms of the fuels' energy and carbon content. Within the road sector, gasoline is taxed at the highest effective tax rate, diesel is taxed at a lower rate in terms of TJ and in terms of CO<sub>2</sub>. Other fuels for road use are untaxed, but account for far less than 1% of energy use and carbon emissions from road transport.
- Fuels used in **offroad transport** are taxed at the same rates as for road use.
- Gasoline, diesel and fuel oil are taxed when used in the **industry** sector, but oil products account for less than a fourth of the energy use and carbon emissions from energy use in the sector. Natural gas and coal, which account for more than 70% of energy use and carbon emissions from energy use in industry are untaxed.
- Taxed oil products account for more than 80% of energy use and carbon emissions from energy use in **agriculture and fishing**.
- Taxed oil products account for a fifth of energy use and carbon emissions from energy use in the **residential and commercial** sector. Untaxed natural gas and coal account for the majority of energy use and carbon emissions in the sector.

1. Data on energy use is taken from the IEA's *Extended World Energy Balances*, see Chapter 1 of *Taxing Energy Use 2018* (OECD, 2018) for additional detail.

- In Russia, the oil products used to generate **electricity** are subject to the energy tax, but these fuels account for less than 1% of energy use and carbon emissions from energy use in electricity generation. Natural gas and coal account for two-thirds, and one-third of energy use and carbon emissions from energy use, respectively, and they are untaxed.

### *Assumptions and caveats*

The tax rate on gasoline included in the *Taxing Energy Use* data (RUB 5.716 per 1 000 kg) is a weighted average of the three different rates on gasoline, which are differentiated by grade.

Where not separately indicated, these assumptions have been arrived at in consultation with national officials, or otherwise based on previous *Taxing Energy Use* publications.

### *Reported tax expenditures and rebates*

Russia does not report any tax expenditures with regards to the taxes included in the *Taxing Energy Use* database.

## *Sources*

The main insights from the second vintage of the *Taxing Energy Use* database are analysed in:

OECD (2018), *Taxing Energy Use 2018 – Companion to the Taxing Energy Use Database*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264289635-en>.

Apart from the sources included in *Taxing Energy Use 2018* (OECD, 2018), and consultation with national delegates, no country-specific sources were used.