



### ***It's a tax break, comrade***

Russian President Valdimir Putin is giving his nation's scrap dealers a tax break. According to the *BIR World Mirror*, an online newsletter from the nonferrous division of the Brussels-based Bureau of International Recycling, the Russian leader has approved amendments to the Russian tax code that exempt scrap metals dealers from the nation's value-added tax (VAT). Starting next year, the Russian government will no longer impose the VAT on the scrap industry's sales. The BIR newsletter said several major scrap processors praised the action, not just because it would ease their tax burdens but also because they see it as a step toward "decriminalizing" the scrap trade in their country. According to the report, many smaller scrap dealers have established a series of bogus companies to obtain rebates of the VAT. On domestic scrap sales, the VAT is rebated by the steel mill or smelter that consumes the scrap. The government rebates the VAT levied on exports. The tax code changes do not address Russia's scrap export tax, which many Russian scrap dealers continue to oppose.