

**Commission of the European Communities**

**Directorate-General for Competition**

**Directorate for Tax Matters**

# **TAXES IN THE EUROPEAN COMMUNITIES**

**A comprehensive inventory  
of taxes levied by central government  
and local authorities  
(Länder, departments, regions,  
provinces, communes)  
with table showing tax revenue  
for the years 1964 and 1965**

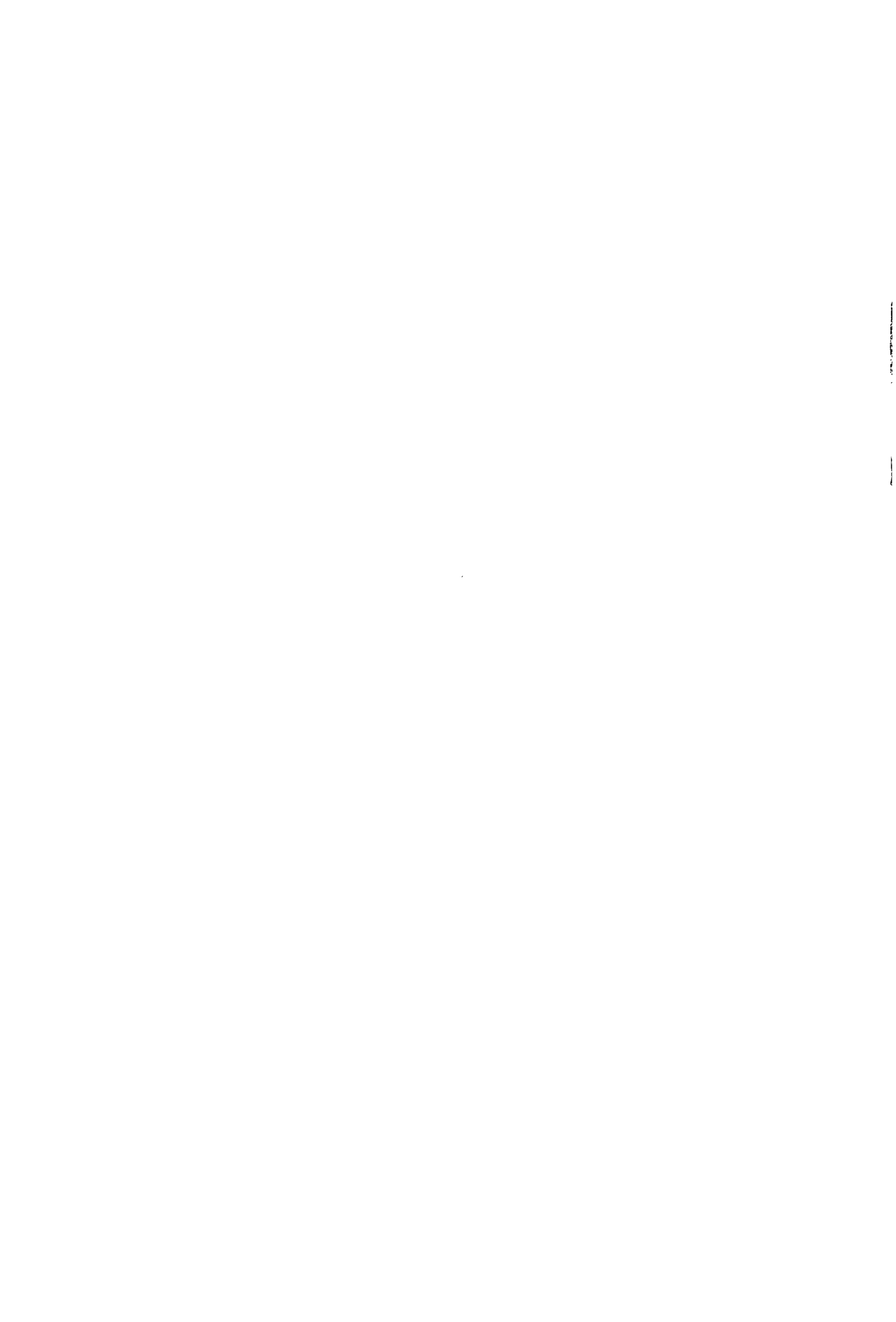
**1967 Edition**

**COMMISSION OF THE EUROPEAN COMMUNITIES**  
**DIRECTORATE-GENERAL FOR COMPETITION**  
**DIRECTORATE FOR TAX MATTERS**

## **TAXES IN THE EUROPEAN COMMUNITIES**

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# INTRODUCTORY NOTE

This is a new survey, published by the Commission of the European Communities (Directorate-General for Competition, Directorate for Tax Matters), of taxes levied in the Member States of the European Economic Community. It presents the situation as at 1 January 1967 and is the fourth in the series. The preceding editions gave the situation as at 1 January 1963, 1964 and 1965.

As in the past the countries are dealt with in the following order: Belgium, Germany, France, Italy, Luxembourg, Netherlands. In accordance with the system adopted in the last edition, the taxes of each Member State have been divided into groups, with like taxes placed in the same group. For easier reference, the number of the group is given at the top of each page. In general, this system allows the tax arrangements to be compared by type of tax. For certain types, however, comparison is difficult because of the great disparity of tax systems (for example, the registration taxes levied in France and Belgium — on transfers of real estate and capital contributions, *inter alia* — correspond in Germany to special types of tax: real property transfer tax (Gründerwerbsteuer) II 3 C and tax on the acquisition of corporate rights (Gesellschaftsteuer) II 3 D).

Three main groups have been established:

- I. Taxes on income, profits and wealth ;
- II. Taxes on capital formation and capital transactions ;
- III. Taxes on expenditure.

*Group I* is subdivided as follows :

- Income tax
- Corporation tax
- Land tax and taxes on other real estate
- Taxes on industry and trade
- Wealth tax.

*Group II* is subdivided as follows :

- Inheritance and gift duties
- Taxes on the appreciation of assets
- Registration tax and transfer taxes
- Stamp duty
- Securities tax
- Stock-exchange turnover tax.

*Group III* is subdivided as follows :

- Turnover tax
- Transport tax
- Special excise duties
- Taxes on motor vehicles.

This method of subdivision does not correspond exactly to that used in the table annexed, though most of the figures in the table are broken down according to the types of tax described in the text. The calculation for each type of tax (and group of taxes) of the percentage it represents of total tax revenue and of GNP will certainly facilitate comparison, which would have been impossible with absolute figures. Since, however, it is not always possible to delimit clearly the notion of tax burden, caution is called for in comparing percentages.

Reference should also be made to the Introduction to the Table. The table was compiled in conjunction with the Statistical Office of the European Communities.

In publishing this work, the Commission is carrying out its obligation to bring out regularly a list of taxes being levied in the Member States. The Commission accepted this task in the course of a meeting of the Standing Committee of Heads of Revenue Departments of the Member States held on 16 July 1963.

This publication, which comes out in five languages (French, German, Italian, Dutch and English), provides a systematic survey for officials and others who have to deal professionally with taxation matters peculiar to other Member States.

The Directorate for Tax Matters will be glad to be informed of any errors that readers may find and to receive suggestions on how to improve presentation.

1 December 1967  
170, rue de la Loi  
Brussels 4

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## FRANCE

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III 3 U <sup>(1)</sup>	Duty on mineral oils
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(1) See Belgium.

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III 4 A	Tax on motor vehicles

## **BELGIUM**

**Personal income tax** (Impôt sur le revenu des personnes physiques)

**Beneficiary:** Central government (plus a surcharge which may be levied by the communes).

**Tax payable by:** Individuals, *sociétés de personnes* which have opted for the system applicable to individuals.

**Basis of assessment:** All income of above, including income from foreign sources.

**Deductions:** (Only total incomes exceeding certain minimum levels are taxable. Taxpayers with dependants are granted tax reductions.) Costs of insuring property and furniture, interest on debt, and maintenance allowances are deductible, and reductions are made in tax payable by aged persons. In the case of incomes on which a similar tax has been levied abroad, the personal income tax normally due on real estate and earned income is cut by half and, for income from capital, 15% of the original income is deducted from the amount of tax, payable at the normal rate; the advance payment automatically levied on dividends and interest does not affect this rule.

**Married couples:** The total income of the couple and their children is assessed as one income, but a reduction is granted in respect of the total earned income of the couple.

**Non residents:** See *Tax on non-residents*.

**Collection:** By means of assessment books, but advance payments are required in the case of income from real estate and capital and certain types of earned incomes, etc. The advance payment is either 2 or 3% in the case of real estate, plus a surcharge accruing to the communes and provinces. The advance payment in the case of revenue from capital is normally 20%. The advance payment for earned income is calculated from tables.

**Rates of tax:** There is a personal allowance (Bfrs. 30 000, for example, in the case of taxpayers without dependants); over and above this amount, progressive rates are applied reaching a maximum of 60% for that part of income exceeding Bfrs. 4 million. The total amount of tax may not exceed 50% of the taxable income. Reductions for dependants vary, within certain limits, from 5% to 100% of the tax.

**Special features:** Personal income tax is not recognized as an expense for the purpose of any other tax. Income from real estate is deemed to be rent on land and buildings plus the net amount of rent over and above double the income from any property occupied by the tenant as a place of work.

**Carry-over of losses:** Five years.



## **BELGIUM**

### **I 1 B**

**Tax on non-residents** (Impôt des non-résidents)

*Beneficiary:* Central government (plus surcharge levied by the communes).

*Tax payable by:* In the main, non-resident individuals and companies having business premises or a place of residence in Belgium or earning income in Belgium as active partners or directors carrying on a real and permanent activity in Belgium, or income earned by partners in *sociétés de personnes* which have opted for personal income tax (1).

*Basis of assessment:* Income produced or accruing in Belgium.

*Deductions:* See under I 1 A (with certain restrictions).

*Married couples:* See under I 1 A.

*Collection:* See under I 1 A. The advance payment on revenue from real property is sometimes increased (additional advance payment at the rate of 15 or 30 %).

*Rate of tax:* For individuals, see under I 1 A; for legal persons 35 %.

*Special features:* The tax is not deductible.

*Carry-over of losses:* Five years.

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(1) Non-resident companies and persons not fulfilling these conditions are liable only for the advance payments and the special tax on capital gains realized on unbuilt land.

**Corporation tax (Impôt des sociétés)**

*Beneficiary:* Central government (plus 5% surcharge levied by the communes).

*Tax payable by:* Legal persons engaged in an activity for pecuniary reward.

*Basis of assessment:* Normally, the same as under I 1 A

*Allowances:* Either 95 or 90% of the net dividends accruing to companies are exempt from tax. Tax is reduced to a quarter in the case of profits made and taxed abroad. In case of foreign interest and licence fees taxed abroad, an arbitrary reduction of 15% in the tax chargeable is made.

*Collection:* By means of assessment books, except in the case of advance payments (see under I 1 A).

*Rates of tax:* 30%; 35% in the case of fractions of undistributed profits in excess of Bfrs. 5 million. In certain cases, reduced rates are applied.

*Special features:* If the profits are distributed, the shareholder receives a tax credit of 15%, which may be set off against personal income tax. The tax is not deductible.

*Carry-over of losses:* Five years.

## **BELGIUM**

### **I 2 B**

**Tax on legal persons** (Impôt des personnes morales)

*Beneficiary:* Central government (also the provinces and communes for the part corresponding to the advance payment).

*Tax payable by:* Central government, provinces, communes, and legal persons not engaged in an activity for pecuniary reward.

*Basis of assessment:* Income from land, capital and certain other sources; income from land is sometimes exempt.

*Collection:* By advance deduction (see under I 1 A).

*Rate of tax:* The amount of tax is deemed to correspond to the advance deductions or to the special tax on capital gains realized on unbuilt land.

**Inheritance (gift) duty (Droits de succession)**

*Beneficiary:* Central government.

*Tax payable by:* Heirs and legatees.

*Basis of assessment:* Total net estate inherited.

*Allowances and reductions:* Allowances and/or reductions are granted in certain cases, e.g. to heirs in direct line or with children.

*Collection:* The duty is normally payable within 7 months of the date of decease.

*Rate of duty:* Duty is progressive between the following limits <sup>(1)</sup>:

- 1.40 % - 15.40 % in direct line or to spouse with children or common descendants;
- 6.60 % - 30.80 % to spouse without children or common descendants;
- 12.10 % - 63.80 % to brother or sister;
- 14.30 % - 67.10 % to uncles, aunts, nephews or nieces;
- 16.50 % - 69.30 % to great-uncles, great-aunts, grand-nephews or grand-nieces;
- 19.30 % - 72.60 % to all other persons.

*Gifts:* Broadly, the same duty is levied as in the case of estate inherited.

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(1) These rates are being changed.

## BELGIUM

### II 3 A

#### Main registration taxes (Principaux droits d'enregistrement)

*Beneficiary:* Central government.

*Rates:*

#### *Sale of land and buildings*

Standard rate <sup>(1)</sup>	11 %
Sales to building societies linked with public services	6 %
Sales to purchasers receiving government subsidies	1.5 %
Sales of small rural property and of modest housing	6 %

#### *Duty payable by companies <sup>(2)</sup>*

##### A. *Belgian companies* (i.e. actually managed from headquarters in Belgium):

Real estate or cash contributed to Belgian companies, in general 2.5 %  
Assets contributed to Belgian companies, by way of consolidation, acquisition or dissolution, from one or more industries:

- (a) By other Belgian companies or by companies actually managed from headquarters in EEC territory 1.25 %
- (b) By other companies 2.5 %

Increases of capital without contribution of further assets (e.g. by capitalization of reserves, profits or deposits): normally 2.5 %  
Any other corporate acts amending memorandum or articles of association (extension, conversion of a company into another of a different type, change of object, etc.): fixed duty of Bfrs. 100

##### B. *Foreign companies*

No registration tax (apart from the fixed duty of Bfrs. 100 where applicable), except in the case of assets contributed to such companies in the form of real estate located in Belgium 2.5 %

*Basis of assessment:* Value of the assets in real terms.

*Collection:* The duty is levied at the time of registration.

(1) This rate is being changed.

(2) Law of 14 April 1965.

## BELGIUM

### II 6

**Tax on stock-exchange and carry-over transactions** (Taxe sur les opérations de bourse et de reports)

*Beneficiary:* Central government.

*Origin of tax:* Sale, purchase or issue of stocks or shares to subscribers.

*Basis of assessment:* Negotiating price rounded up to nearest Bfrs. 100 (general system).

*Rates:*

Belgian national debt securities (in general)	0.07 %
Foreign national debt securities, or loans issued by Belgian or foreign provinces and communes, and most bonds	0.14 %
Other securities	0.35 %
In cases where the operation concerns the execution of orders involving forward purchases or sales of stocks and shares quoted on a Belgian stock exchange	0.17 %

## **BELGIUM**

### **III 1 A**

#### **Transmission tax (Taxe de transmission)**

*Beneficiary:* Central government.

*Tax payable on:* All sales of goods, all transfers between living persons, against consideration, of physical movable goods delivered in Belgium, including imports.

*Basis of assessment:* Purchasing price and incidental expenses.

*Exemptions:* Sales of goods to individuals for their private use or to public bodies; basic foodstuffs; operations on which luxury tax is payable at this stage, etc.

*Collection:* By means of adhesive stamps attached to invoices.

*Rates of tax:* 7 % except in special cases. As regards imports, increases ranging from 0.5 to 10.5 % are levied on certain products. Exports are exempted.

*Special features:* In the case of most consumer goods, transmission tax is composite and non-recurring. The standard rate is 14 %, but there are special rates of 5 %, 7 %, 13 % and 15 %.

## **BELGIUM**

### **III 1 B (1)**

#### **Luxury tax (Taxe de luxe)**

*Beneficiary:* Central government.

*Origin of tax:* Sales or imports of luxury goods (cars, jewellery, perfumes, etc.).

*Basis of assessment:* Purchasing price and incidental expenses.

*Collection:* By means of adhesive stamps attached to invoices.

*Rate of tax:* 17 %, 18 % or 20 % depending on the nature of the goods <sup>(1)</sup>. Exports are exempted.

*Special features:* The tax is collected either at source or at destination. It sometimes takes the form of a composite tax.

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(1) These rates are being changed.



## **BELGIUM**

### **III 1 B (2)**

**Invoice tax** (Taxe de facture sur les transmissions)

*Beneficiary:* Central government.

*Origin of tax:* Sales or imports of goods not attracting transmission tax or luxury tax.

*Basis of assessment:* Selling price or value of goods cleared by customs.

*Exemptions:* Sales to individuals for their private use.

*Collection:* By means of adhesive stamps attached to invoices.

*Rate of tax:* Normally 0.7 %. Exports are exempted.

**BELGIUM**

**III 1 B (3)**

**Invoice tax on business contracts** (Taxe de facture sur les contrats d'entreprise d'ouvrage)

*Beneficiary:* Central government.

*Origin of tax:* Business contracts.

*Basis of assessment:* Price.

*Exemptions:* Services supplied to individuals except in respect of real estate, etc.

*Collection:* By means of adhesive stamps attached to invoices.

*Rate of tax:* 7 %; rate reduced to 0.7 % for invoices for subcontractors to the contractor responsible for building operations. Exports are exempted.

## **BELGIUM**

### **III 1 B (4)**

**Tax on rented movable property (Taxe sur les locations mobilières)**

*Beneficiary:* Central government.

*Tax payable on:* Leasing contracts and concessions of all tangible and intangible goods.

*Basis of assessment:* Rent, or charge laid down in contract.

*Collection:* By means of adhesive stamps.

*Rate of tax:* 7 %.

## BELGIUM

### III 1 C (1)

**Annual tax on insurance contracts** (Taxe annuelle sur les contrats d'assurance)

*Beneficiary:* Central government.

*Origin of tax:* Insurance contracts.

*Basis of assessment:* Premiums.

*Exemptions:* Reinsurance contracts, social insurance, insurance contracted by public authorities.

*Collection:* Annual payment.

*Rate of tax:* The standard rate is 5%; the rate is reduced to 1.4% in the case of life insurance, marine or inland waterway insurance and insurance against transport risks in international trade <sup>(1)</sup>.

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(1) These rates are being changed.

## **BELGIUM**

### **III 2 A**

**Transport tax** (Taxe sur les transports)

*Beneficiary:* Central government.

*Tax payable on:* Goods and passenger transport and certain other services ancillary to transport.

*Basis of assessment:* Charge made for service.

*Exemptions:* International sea and air transport, taxis, etc.

*Collection:* Normally by means of adhesive stamps attached to invoices.

*Rate of duty:* 7 %; 3.5 % in the case of transport by rail or trolleybus.

## BELGIUM-LUXEMBOURG

### III 3 A

#### Duty on spirits (Taxe sur les alcools)

*Beneficiary:* Central government.

#### *Duty payable on:*

1. *Excise duty:* Ethyl alcohol. Excise duty is payable by the distillers during the first stage of manufacture (crude alcohol resulting from distillation).
2. *Special consumption tax:* Spirits and brandy produced in Belgium or Luxembourg.

#### *Rate applicable to spirits produced in Belgium or Luxembourg:*

1. *Excise duty:* Frs. 13 000 per hectolitre of crude alcohol of the strength of 100° Gay-Lussac, at 15° C.
2. *Consumption tax:* Frs. 11 000 per hectolitre, at a strength of 100° Gay-Lussac, in Belgium; frs. 8 000 per hectolitre at a strength of 100° Gay-Lussac, in Luxembourg.

#### *Rates applicable to imports:*

1. *Excise duty*
  - a. Ethyl alcohol and brandies:
    1. in containers holding not more than 2 litres, regardless of strength Frs. 9 000 per hl
    2. in containers holding more than 2 litres, for each degree of alcohol Frs. 92 per hl
  - b. Liqueurs and other sweetened spirituous beverages, whether aromatized or not:
    1. of a strength of not more than 15 degrees Frs. 1 380 per hl
    2. of a strength between 15 degrees and 21 degrees Frs. 1 932 per hl
    3. of a strength of more than 21 degrees Frs. 9 000 per hl
  - c. Other products:
    1. containing undenatured ethyl alcohol, for each degree of alcohol Frs. 92 per hl
    2. containing denatured ethyl alcohol:
      - (a) raw materials used in the perfumery industry, perfumery products, cosmetic and toilet articles, for each degree of alcohol Frs. 64 per hl
      - (b) other, regardless of strength Frs. 40 per hl
2. *Consumption tax (per hl and per degree):*
  - a. Undenatured ethyl alcohol, brandies, liqueurs and other spirituous beverages Frs. 130
  - b. All other products containing undenatured ethyl alcohol Frs. 130
  - c. Ethyl alcohol, for the manufacture of raw materials used in the perfumery industry and of cosmetic and toilet articles, denatured and used under conditions to be specified by the Minister of Finance Frs. 10

## **BELGIUM-LUXEMBOURG**

### **III 3 A (cont.)**

d. All products containing ethyl alcohol denatured according to a process approved by the Customs and Excise Authorities:

1. Raw materials used in the perfumery industry, perfumery products, cosmetic and toilet articles Frs. 70
2. All other products exempted

*Exports:* Exempted from excise duty and the special consumption tax.

**Duty on wines and other fermented beverages** (Taxe sur les vins et autres boissons fermentées)

*Beneficiary:* Central government.

*Duty payable on:*

1. Non-sparkling beverages made in Belgium or Luxembourg by fermenting fruit juice or must, whether or not water or sugar is added, of a strength not exceeding 15 degrees. This excise duty is not levied for the present because of a general exemption.
2. Fermented beverages, except beer, which are rendered, or become, sparkling within Belgium or Luxembourg. The duty is due at the production stage. This duty is levied in addition to any duty applicable to non-sparkling fermented beverages that may have been levied.

*Imports:* From countries other than the Netherlands:

1. Wine of fresh grapes, grape must partially fermented and grape must with fermentation arrested by the addition of alcohol (including mistelle), non-sparkling (per hectolitre):
  - (a) In containers holding more than two litres: Frs. 600  
Where these beverages are of a strength exceeding 12°, there is a charge for every tenth of a degree exceeding 12°:
    - (i) Frs. 10.60 per hl, if they are of a strength not exceeding 15°;
    - (ii) Frs. 15.70 per hl, if they are of a strength exceeding 15° but not exceeding 22°.
  - (b) In containers holding two litres or under:
    - (i) Of a strength not exceeding 14°: Frs. 812;
    - (ii) Of a strength exceeding 14° but not exceeding 22°: Frs. 2 013.
2. Vermouth and other wines of fresh grapes in the preparation of which plants or aromatic substances are used (per hectolitre):
  - (a) In containers holding more than two litres:
    - (i) Of a strength not exceeding 18°: Frs. 1 542;
    - (ii) Of a strength exceeding 18° but not exceeding 22°: Frs. 2 013.
  - (b) In containers holding two litres or under but of a strength not exceeding 22°: Frs. 2 013.
3. Other non-sparkling fermented beverages made from fruit: exempted.
4. Sparkling fermented beverages (excluding beer) (per hectolitre):
  - (a) Cider and perry: Frs. 150;
  - (b) Beverages not included under (a) made from fruit other than fresh or dried grapes: Frs. 750;
  - (c) Wine of fresh grapes and beverages made with dried grapes: Frs. 2 100;
  - (d) Other sparkling fermented beverages: Frs. 1 500.

*Exports:* Excise duty on sparkling fermented beverages (excluding beer):

- (a) Exports to the Netherlands: excise duty is levied (beverages are deemed to be intended for domestic consumption):
- (b) Exports to other countries: duty-free.



## **BELGIUM-LUXEMBOURG**

### **III 3 C**

**Duty on beer** (Taxe sur les bières)

*Beneficiary:* Central government.

*Duty payable on:* Beverages containing malt or other farinaceous ingredients in quantities of at least 5/7 of all the raw materials declared or used. Duty is payable by the brewer according to the brewery's declaration.

*Domestic rates:* Based on the quantity of raw materials used by the enterprise:

1. for the first 40 000 kg: Frs. 6.20 per kg
2. for quantities between 40 000 kg and 200 000 kg: Frs. 7.10 per kg
3. for quantities between 200 000 kg and 500 000 kg: Frs. 7.50 per kg
4. for quantities between 500 000 kg and 5 000 000 kg: Frs. 8.00 per kg
5. for quantities between 5 000 000 kg and 10 000 000 kg: Frs. 9.00 per kg
6. for quantities exceeding 10 000 000 kg: Frs. 9.30 per kg

*Imports:* The rate of duty is Frs. 210 per hl.

*Exports:* Excise duty repayment is assessed per hectolitre and per degree of original density, i.e. the density of the must used in the brewing process.

## **BELGIUM**

### **III 3 D**

**Duty on table-waters and lemonade, etc.** (Taxe sur les eaux de boisson et les limonades)

*Beneficiary:* Central government.

*Duty payable on:* Natural or artificial spa waters for drinking, aerated or sterilized waters, waters of any kind that have been bottled or otherwise presented to be sold or delivered as table-waters and any kind of lemonade, etc.

*Collection:* The duty is levied by affixing caps or bands supplied by the State or manufactured under State supervision on the bottles leaving the factory.

*Rate of duty:* The rate of duty is Bfrs. 0.80 per litre.

*Imports:* Duty is levied at the same rate as for Belgian products.

*Exports:* Exports are duty-free.

## **BELGIUM-LUXEMBOURG**

### **III 3 H**

#### **Duty on tobacco** (Taxe sur le tabac)

*Beneficiary:* Central government.

*Duty payable on:* Cigars, cigarettes, smoking tobacco, chewing tobacco and snuff, regardless of the quantity of tobacco substitutes or minor products used in manufacture. The duty is payable when the products leave the factory.

No duty is levied on cigarette paper in the Benelux countries.

<i>Rates of duty :</i>	<i>% of retail sales price</i>
1. cigars weighing 3 kg or more per 1 000	12.4 %
2. other cigars (cigarillos)	17.5 %
3. smoking tobacco, snuff and dry chewing tobacco	33 %
4. moist chewing tobacco	Frs. 1/kg
5. cigarettes	56.9 %

*Collection:* The duty is collected by affixing tax bands supplied by the State against payment of the duty they represent.

*Imports:* The same rate of excise duty, calculated on the same basis as for tobacco manufactured in Belgium or Luxembourg, is levied on imported manufactured tobacco.

The duty is payable by the importer and also collected by affixing tax bands to the imported products.

*Exports:* Exported tobacco is duty-free, or duty is refunded. (No provision for refund of duty is made within the Belgo-Luxembourg Economic Union.)

**Duty on sugar** (Taxe sur les sucres)

*Beneficiary:* Central government.

*Duty payable on:* Cane or beet sucrose sugar.

The duty is payable by the manufacturer or refiner.

(Sugar works and refineries are under permanent government supervision.)

*Rates of duty:*

- |                            |                    |
|----------------------------|--------------------|
| (a) Crude or refined sugar | Frs. 60 per 100 kg |
| (b) Refined sugar syrups   | Frs. 30 per 100 kg |

*Imports:*

Excise duty is levied at the following rates:

- (a) Sucrose sugar: Frs. 60 per 100 kg (net weight)
- (b) Other sugars:
  - caramel: Frs. 60 per 100 kg
  - invert sugar and artificial honey: Frs. 45 per 100 kg
- (c) Products containing added sugar, according to proportion: Frs. 30 - 60 per 100 kg

*Exports:* Exported sugar and sugar products are duty-free.

## BELGIUM-LUXEMBOURG

### III 3 U

#### Duty on mineral oils (Taxe sur les huiles minérales)

*Beneficiary:* Central government.

*Duty payable on:* Petroleum products and oils obtained by the processing of "paraffinico" tar distilled from lignite, peat, shale and similar products.

Duty is payable when the products leave the factory, except in the case of oils intended for industrial use.

#### *Rates of duty* (home production and imports):

	Excise duty	Special excise duty Belgium-Luxembourg
1. Light petroleum oils not for industrial use (The term "light petroleum oils" includes petrol, benzine and white spirit)	Frs. 420 per hl at 15° C	Frs. 115 per hl at 15° C
2. Medium oils not for industrial use:		
(a) Fuel for engines mounted on agricultural machinery and on agricultural or forestry tractors	Frs. 45 per hl at 15° C	nil
(b) Other uses	Frs. 75 per hl at 15° C	nil
3. Heavy oils		
(a) Heavy gas oils not used as a raw ma- terial in industry	Frs. 15 per hl at 15° C	Frs. 20 per hl at 15° C
(b) Other gas oils not used as a raw material in industry:		
(i) Fuel for engines mounted on agricul- tural or forestry tractors	Frs. 35 per hl at 15° C	Frs. 10 per hl at 15° C
(ii) Fuel for engines of other motor ve- hicles using the public highway	Frs. 105 per hl at 15° C	Frs. 10 per hl at 15° C
(iii) Other uses	Frs. 35 per hl at 15° C	Frs. 10 per hl at 15° C
(c) Fuel oils not used as a raw material in industry:		
(i) Medium	Frs. 15 per hl at 15° C	Frs. 20 per hl at 15° C
(ii) Other	Frs. 10 per 100 kg	nil

## BELGIUM-LUXEMBOURG

### III 3 U (cont.)

(d) Lubricating oils not used as a raw material in industry	Frs. 10 per 100 kg	nil
(e) Liquid residues not used as a raw material in industry	Frs. 10 per 100 kg	nil

*Imports:* Duty is levied at the same rates. On products containing mineral oils a corresponding percentage of duty is levied.

*Exports:* Duty-free.

## **BELGIUM-LUXEMBOURG**

### **III 3 V**

#### **Duty on liquefied petroleum gases (Taxe sur les gaz de pétrole liquéfiés)**

*Beneficiary:* Central government.

*Rate of duty:* The duty on liquefied petroleum gases intended for use as fuel for motor vehicles using the public highway amounts to Frs. 90 per hectolitre at 15° C (for other uses no duty is levied).

*Imports:* Duty is levied at the same rate.

*Exports:* Exports are duty-free.

#### **Duty on benzole (Taxe sur les benzols)**

*Beneficiary:* Central government.

*Duty payable on:* Isolated aromatic oils and hydrocarbons obtained by the treatment of coal or its by-products.

*Rate of duty:* The duty on benzole intended for use as fuel for engines amounts to Frs. 420 per hectolitre at 15° C (+ Frs. 115 special duty in Belgium). (For other uses no duty is levied.)

*Imports:* Duty is levied at the same rate.

*Exports:* Exports are duty-free.

## BELGIUM

### III 4 A

**Tax on motor vehicles** (Taxe de circulation sur les véhicules automobiles)

*Beneficiary:* Central government.

*Vehicles on which tax is payable:* Motor vehicles and their trailers using the public highway.

*Basis of assessment:* Horsepower, cylinder capacity or weight of the motor vehicle, as appropriate.

*Exemptions:* Vehicles used by a public authority, certain passenger vehicles and omnibuses, motorcycles up to 250 c.c., etc.

*Collection:* Annual or by instalments.

*Rates of tax:* For passenger vehicles the rate ranges from Bfrs. 720 to 17 136 per year; for vehicles of over 34 h.p., the rate of duty is Bfrs. 504 per horsepower.

Motorcycles of a cylinder capacity exceeding 250 c.c., Bfrs. 135 per 150 c.c. of cylinder capacity.

For vehicles used for goods transport, a graduated scale ranging from Bfrs. 150 to 346 per 100 kg of weight is applicable.

*Other taxes:* Provinces: may levy tax on motorcycles up to 250 c.c.; Communes: may levy tax of up to 10 % of the national or provincial tax.



**GERMANY**

**Personal income tax (Einkommensteuer)**

**Beneficiary:** The Federal Government and the Länder governments; during the financial years 1967 and 1968, the proportions accruing to each are 37 % and 63 % respectively.

**Tax payable by:** Individuals domiciled or ordinarily resident in Germany and other individuals to whom income accrues in Germany.

**Basis of assessment:** Total income (consisting of profits or surplus of receipts over business expenses — seven classes of income), less special expenses and certain other deductions.

**Exemptions:** Among others, certain receipts and business expenses. Certain kinds of exceptional income (e.g. lottery winnings) are tax-free.

**Deductions:** Special expenses (insurance premiums, payments to building and loan associations and gifts, up to certain maximum amounts, together with interest on debts owed to private individuals, wealth tax, the surcharge for church funds — either at an agreed rate or on production of documents in proof —, allowances for dependent children (DM 1 200 p.a. for the first child; DM 1 680 p.a. for the second child; DM 1 800 p.a. for the third child and any further children), allowances for taxpayers over a certain age, and exceptional expenses.

**Married couples:** Married couples are assessed jointly, their combined income halved, and tax on this sum is doubled ("splitting"); alternatively, they may, if they wish be assessed separately.

**Children's own income:** Tax on such income is assessed separately.

**Non-residents:** Non-resident persons and companies are taxed only on certain income arising in Germany; there are special regulations governing deductions, rates of tax and tax withheld at source.

**Collection:** Tax is assessed annually; in the case of income from paid employment, tax is withheld at source by the employer (tax scales are used for daily, weekly or monthly wages) = wages tax; in the case of certain kinds of income from capital assets (in particular dividends), the tax is withheld at source (generally at a rate of 25 %) = capital yields tax.

Wages tax and capital yields tax are credited at the time of final settlement.

**Rates of tax:** Tax is payable at a rate of 19 % on the first DM 8 000 (DM 16 000 in the case of married couples assessed jointly); the rate ranges from 19 % to 45 % for income between DM 8 000 (DM 16 000 in the case of married couples) and 110 000 (DM 220 000 in the case of married couples); a maximum rate of 53 % is payable in cases where income exceeds DM 110 000 (or DM 220 000 in the case of married couples). There is a personal allowance of DM 1 680 (DM 3 360 in the case of married couples).

Employed persons get a special additional allowance of DM 240.

## **GERMANY**

### **I 1 A (cont.)**

*Special features:* In "associations of persons" (*Personengesellschaften*), each partner's profits are taxed separately.

*Carry-over of losses:* Losses resulting from farming and forestry, industrial or commercial activities, and self-employment, may be carried over for a period of five years.

**Corporation tax (Körperschaftsteuer)**

**Beneficiary:** At present, 37% of the tax goes to the Federal Government and 63% to the Länder governments (see under I 1 A)

**Tax payable by:** Joint stock companies, co-operatives, friendly societies, other legal persons incorporated under private law, associations not possessing legal personality, institutions, foundations and other special-purpose funds, enterprises of an industrial and commercial nature run by bodies incorporated under public law.

**Basis of assessment:** Profits in the case of companies required to keep accounts; profits and surplus of receipts over operating expenses in the case of other companies, less certain deductions.

**Exemptions:** The bodies exempted include the Federal Postal Administration, the Federal Railways, certain banks and savings banks, recognized bodies of an exclusively non-profit, denominational or charitable nature, authorized housing and settlement organizations, professional and trade associations, and certain co-operatives.

**Deductions:** The cost of issuing shares if not already covered by fixing the issue price above the face value, increase of assets resulting from a remission of debts with a view to the re-establishment of the company's finances on a sound footing, expenses incurred in ventures of general benefit to the community, up to a certain maximum sum.

**Non-residents:** Companies having neither their management nor their head offices in Germany are taxed on their income arising in Germany; special regulations govern deductions, rates, and tax withheld at source.

**Collection:** By means of assessment. Capital yields tax paid by companies (see under *Personal income tax*) is deductible from corporation tax.

**Rates of tax:** As far as joint-stock companies are concerned, the standard rate of tax is 51% on undistributed profits, and 15% on distributed profits (in the case of "personally conducted" joint-stock companies, the rates are 49% and 26.5% respectively); for other companies, the rate is 49%.

**Special features:** Dividend received from a holding of 25% or more in other joint-stock companies is tax free (*Schachtelprivileg*). However, an additional tax at a rate of 36% is payable on this dividend if it is not immediately redistributed. In certain circumstances, the tax authorities may recognize agreements for the transfer of profits in the case of subsidiaries.

**Carry-over of losses:** Losses may be carried over for a period of five years.

## **GERMANY**

### **I 3 A/B**

**Tax on real estate** (Grundsteuer)

*Beneficiary:* The communes.

*Tax payable on:* Real estate situated in the commune concerned.

*Basis of assessment:* Standard value (*Einheitswert*).

*Exemptions:* Real estate belonging to the public authorities and used for communal purposes; real estate used for public or charitable purposes; land used for sports, ecclesiastical land, etc.

*Collection:* By means of assessment books.

*Rates of tax:* The rates range from 5 ‰ to 10 ‰ multiplied by the municipal factor fixed by the commune (the average in 1965 ranged from 205 ‰ to 228 ‰).

*Special features:* Real estate tax payments are generally an allowable expense for the calculation of taxable profits or income.

**Tax on industry and trade** (Gewerbesteuer) (including pay-roll tax)

*Beneficiary:* The communes.

*Tax payable by:* Industrial or commercial undertakings situated in one or more communes.

*Basis of assessment:* Trading profit (profits together with certain additions or deductions, as appropriate) and trading capital (taxable value of trading capital with certain additions or deductions, as appropriate) plus, in certain cases, total wage bill.

*Exemptions:* In the main, the same as those granted in the case of corporation tax.

*Collection:* By means of assessment.

*Rates of tax:*

- (i) Trading profits: tax-free allowance of DM 7 200; the rate of tax ranges from 1 % to 4 % in the case of profits between DM 7 200 and 16 800; tax is levied at a rate of 5 % on profits in excess of DM 16 800 (for joint-stock companies, 5 % of all trading profits).
- (ii) Trading capital: 2 %.
- (iii) Total wage bill: 2 % (small firms have an allowance and a reduction of assessable total).

These rates are multiplied by the municipal factor fixed by the commune (in 1960, the average municipal factor was 268 % for (i) and (ii) and 816 % for (iii)).

*Special features:* Industry and trade tax is deductible in arriving at the taxable profit.

## **GERMANY**

### **I 5 A**

#### **Wealth tax (Vermögensteuer)**

*Beneficiary:* The Länder governments (part of the proceeds of this tax goes into the Equalization of Burdens Fund administered by the Federal Government).

*Tax payable by:* All individuals and legal persons.

*Basis of assessment:* Net assets = gross assets (working assets, farm and forestry holdings, real estate and other property), less debts.

*Exemptions:* The bodies exempted include the Federal Postal Administration, the Federal Railways, certain banks and savings banks, recognized bodies of a non-profit, denominational or charitable nature, recognized housing and settlement organizations, professional and trade associations, certain co-operatives, and political parties in respect of their various assets.

*Deductions:* Allowances are granted on certain assets; an allowance of DM 20 000 is granted for each taxpayer, his wife and children; allowances are also granted to taxpayers over a certain age.

*Married couples:* Married couples are assessed jointly.

*Non-residents:* Non-resident persons and companies are taxed on their assets situated in Germany.

*Collection:* By means of assessment books.

*Rates:* The rate is 1% (this is reduced to 0.75% for sum corresponding to the Equalization of Burdens debt).

*Special features:* Wealth tax paid is deductible from taxable personal income.

**Equalization of burdens levies** (Lastenausgleichsabgaben) (property levy, levy on mortgage profits, levy on profits from credits)

*Beneficiary:* The Equalization of Burdens Fund.

*Tax payable by:* Individuals and legal persons.

*Basis of assessment:*

- (a) in the case of the property levy, gross assets, less debts, on 21 June 1948;
- (b) in the case of the levy on mortgage profits, profits made by the debtor following the currency reform of 21 June 1948;
- (c) in the case of the levy on profits from credits, profits made by the debtor as a result of the currency reform of 21 June 1948 as regards the debts of industrial and commercial undertakings, after deduction of losses suffered as a creditor and operating losses.

*Exemptions:* Certain monetary institutions, employees of the United Nations, etc.

*Married couples:* Married couples are assessed jointly.

*Non-residents:* Non-resident persons and companies not exempt are assessed on the basis of their property in Germany.

*Collection:* By means of assesment books; in the case of the property levy and the levy on profits from credits, tax contributions and interest are paid on a quarterly basis; as regards the levy on the mortgage profits, tax contributions and interest are payable at regular intervals according to the amount owed in Reichsmark.

*Rates:* 50 % for the property levy, to be paid off, together with interest, over a period of 30 years from 1 April 1949.

In the case of the levy on mortgage profits, the rate of tax is generally 100 % of the debtor's profits, to be paid off, together with interest.

In the case of the levy on profits from credits, the rate of tax amounts to 100 % of the debtor's profits, after deduction of losses suffered as a creditor and operating losses, to be paid off as from 1 July 1952, the interest being payable as from 1 July 1948.



## **GERMANY**

### **II 1 A**

#### **Inheritance (gift) duty (Erbchaftsteuer)**

*Beneficiary:* The Länder governments.

*Tax payable by:* Persons receiving inheritances, legacies or gifts.

*Tax payable on:* Inheritances, legacies, legal portions, and gifts between living persons.

*Basis of assessment:* Value of estate received, after deduction of debts and expenses involved.

*Exemptions:* Certain kinds of gifts.

*Deductions:* Certain expenses and debts; allowances are granted for the deceased's spouse and relatives.

*Non-residents:* In cases where neither the deceased person nor the beneficiary are resident in Germany, only property situated in Germany is taxable.

*Collection:* By means of assessment books.

*Rates:* The rates range from 2% to 60%. The scale contains five classes depending on the degree of relationship between the deceased person and the beneficiary. The rates are progressive within each class.

## GERMANY

### II 3 C

**Real property transfer tax** (Grunderwerbsteuer) (including surcharges on transfers of property payable to districts (Kreise) or communes)

*Beneficiary:* The Länder governments.

*Tax payable on:* Sales of property, contributions of material assets, etc.

*Basis of assessment:* Purchase price or equivalent value.

*Exemptions:* There are a large number of exemptions depending on nature of goods.

*Collection:* By means of assessment books.

*Rates of tax:* The standard rate is 3%; in cases where assets are brought into companies, or companies are merged or converted, the rate is 2%; there is a surcharge of 4% accruing to the districts or communes.

## **GERMANY**

### **II 3 D**

#### **Tax on the acquisition of corporate rights (Gesellschaftsteuer)**

*Beneficiary:* The Länder governments.

*Tax payable on:* The first acquisition of shares in joint-stock companies situated in Germany and other capital contributions to companies situated in Germany.

*Basis of assessment:* Purchase price or equivalent value.

*Exemptions:* Religious or charitable institutions and institutions serving the public interest; public utilities and public transport and port authorities, in cases where their shares are held by public authorities and their profits accrue to them exclusively.

*Collection:* By means of assessment books.

*Rates:* 2.5 % (1 % in certain cases).

## GERMANY

### II 5 A

**Securities tax (Wertpapiersteuer) (1)**

*Beneficiary:* The Länder governments.

*Tax payable on:* Acquisition by the first holder of German bonds and first acquisition in Germany of foreign securities (bonds, shares, mining shares, etc.).

*Basis of assessment:* Face value of bonds or purchase price of shares, etc.

*Exemptions:* Bonds issued by the Federal Government, the Länder governments, the communes, certain banks and enterprises.

*Collection:* By means of assessment books.

*Rate of tax:* 2.5%

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(1) This tax is abolished as from 1 January 1965.

## **GERMANY**

### **II 5 B**

**Bill of exchange tax (Wechselsteuer)**

*Beneficiary:* The Länder governments.

*Tax payable on:* The issue of bills of exchange.

*Basis of assessment:* Face value of the bill.

*Exemptions:* Bills drawn abroad, cheques, etc.

*Collection:* By use of tax stamps or machines with registering device.

*Rates of tax:* DM 0.15 for each DM 100 of face value; in certain cases, the rate is reduced by 50 %.

**Stock-exchange turnover tax (Börsenumsatzsteuer)**

**Beneficiary:** The Länder governments.

**Tax payable on:** Stock-exchange transfers of securities in Germany or abroad, where at least one party is a person having his domicile, ordinary residence or a permanent representative in Germany.

**Basis of assessment:** The agreed price, stock-exchange price or market price; occasionally, the value.

**Exemptions:** Transactions between banks, dealers or brokers, and certain other kinds of transaction.

**Collection:** By periodical tax returns and payment, by assessment or by affixing tax stamps.

**Rates of tax:** The rates range from 0.1 ‰ to 0.25 ‰.

The rate is halved if the transaction takes place abroad or if one of the two parties is a non-resident.

## GERMANY

### III 1 A

**Turnover tax** (Umsatzsteuer) (including turnover equalization tax) <sup>(1)</sup>

*Beneficiary:* The Federal Government.

*Tax payable by:* The entrepreneur making the sale or rendering the taxable service.

*Tax payable on:* All sales and services rendered in Germany (multi-stage cumulative system), imports and consumption of own produce by domestic producers.

*Basis of assessment:* The remuneration received for sales or services; as regards imports, customs value plus customs duty and consumption tax, but excluding turnover equalization tax; the value of the goods, in the case of the consumption of own produce by domestic producers.

*Exemptions:* Many exemptions depending on nature of producer, consumer, trader or user and on nature of goods.

*Deductions:* There is a general allowance of DM 12 000; an allowance of DM 20 000 is granted to persons exercising professions in cases where the annual turnover does not exceed DM 120 000.

Certain expenses are deductible.

*Collection:* Tax returns and advance payments on a monthly or quarterly basis; annual final settlement.

*Rates:* The standard rates range from 1 % to 4 %; turnover equalization tax from 1 % to 10 %.

*Special features:* Deliveries abroad are tax free, and rebates are granted as compensation to the cumulative incidence of the turnover tax paid at earlier stages.

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(1) From 1 January 1968, tax on turnover with deduction of tax levied at earlier stages (tax on value added).

## GERMANY

### III 1 C (1)

**Insurance tax (Versicherungsteuer)**

*Beneficiary:* The Länder governments.

*Tax payable on:* The payment of insurance premiums.

*Basis of assessment:* The amount of the premium, including certain duties and expenses; the sum insured, in the case of hail insurance.

*Exemptions:* Certain kinds of insurance are tax-free.

*Collection:* Tax returns and payment are made at regular intervals.

*Rates of tax:* The standard rate is 5%; the rate in the case of hail insurance is DM 0.20 per DM 1 000 of insured capital.



## **GERMANY**

### **III 1 C (2)**

**Fire insurance tax** (Feuerschutzsteuer)

*Beneficiary:* The Länder governments.

*Basis of assessment:* Recompense received by the insurer for fire insurance.

*Collection:* Tax returns and payment are made at regular intervals.

*Rates:* 4 ‰ to 12 ‰.

**Betting and gaming tax** (Rennwett- und Lotteriesteuer)

*Beneficiary:* The Länder governments.

*Tax payable on:* Bets on the results of horse and greyhound races either by the totalizer system or through bookmakers, lotteries, bingo and similar games of chance and football pools.

*Basis of assessment:* The amount of bets or prizes.

*Collection:* Tax returns and payment at regular intervals, or by means of assessment books.

*Rate:* 16 2/3 %.

## **GERMANY**

### **III 2 A**

#### **Transport tax (Beförderungsteuer)**

*Beneficiary:* The Federal Government.

*Tax payable by:* The person paying the transport charge; the transport contractor in the case of transport on own account.

*Tax payable on:* Passenger and goods transport in Germany by rail or road, and passenger transport by cable railway or chair lift.

*Basis of assessment:* Cost of transport or average transport charge; number of metric tons per km in the case of long-distance transport on own account.

*Exemptions:* Rail transport of express parcels, transport of letters and parcels, transport using season tickets, transport at reduced rates for workers and school-children, transport of coal by rail, etc.

*Collection:* Monthly tax returns submitted in advance and provisional payment by monthly instalments; assessments on an annual basis.

*Rates:* Rates vary according to the type of transport and the means of transport used (between 4% and 14% of the transport charge or between Pf.0.14 and 5 per metric ton/km).

**Duty on spirits (Steuer auf Alkohol)**

*Beneficiary:* The Federal Government.

*Tax payable on:*

**(A) Spirits**

The duty is payable on spirits, i.e. pure alcohol (ethyl alcohol  $C_2H_5OH$ ) obtained by distillation, synthetically or by any other process.

In the case of spirits to be delivered to the Federal Monopoly Administration, the duty on spirits is included in the sales price laid down by the Administration. In the case of spirits which do not have to be so delivered (spirits which the manufacturer may dispose of as he thinks fit), the duty (spirits surcharge) is levied when the spirits are put on the open market. Among the spirits on the open market are spirits made from fruit, berries, wine, must and roots. Spirits made from grain are also on the open market in limited quantities.

**(B) Acetic acid**

The duty is levied on acetic acid obtained otherwise than by fermentation. The duty is collected when the acetic acid is put on the open market in the territory covered by the monopoly.

*Rates:*

	<i>per hl of pure alcohol</i>		
	Monopoly price DM	Rate of duty DM	Total DM
<b>(A) Spirits</b>			
<b>(a) In the case of spirits purchased from the Federal Monopoly Administration:</b>			
1. Spirits for drinking purposes and all other spirits not listed below	285	1 200	1 485
2. Spirits for pharmaceutical use	220	850	1 070
3. (i) Spirits for the preparation of medicaments, etc., mainly for external use, provided they have been rendered unfit for consumption	220	600	820
(ii) Spirits used in the manufacture of toilet articles (perfumes and beauty preparations), provided it has been rendered unfit for consumption other than as a medicine or is processed under constant official supervision	220	600	820
4. Spirits to be added to motor fuels	65	—	65
5. Spirits to be used in the manufacture of table vinegar	168	50	218
6. Denatured spirits for cleaning, heating, cooking, and lighting purposes or for special industrial uses	67/70	—	67/70

## GERMANY

### III 3 A (cont.)

Rate of duty per hl of pure alcohol  
DM

- (b) Spirits not delivered to the Federal Monopoly Administration
1. Where the spirits concerned are not delivered to the Federal Monopoly Administration contrary to existing regulations or in cases where it is manufactured in quantities exceeding the authorized quota (*Brennrecht*) 1 485
  2. Where the spirits concerned are manufactured in distilleries possessing the necessary authorization (*Brennrecht*) in the authorized quantities or in small distilleries subject to supervision (*Verschlusskleinbrennereien*) having an annual output in excess of 4 hl of pure alcohol 1 260  
Reductions or increases according to the volume of production. A special surcharge is added when the alcohol is produced in industrial distilleries.
  3. Where the spirits concerned are manufactured in distilleries subject to special contractual agreements (*Abfindungsbrennereien*), by home distillers (*Stoffbesitzer*), or in small distilleries subject to supervision having an annual output of less than 4 hl of pure alcohol from:
    - (i) stone fruit, berries or gentian roots 949.60
    - (ii) other products 1 066
- (B) *Acetic acid*
- Where the price of spirits to be used for the manufacture of vinegar is exactly DM 84 per hl of pure alcohol, the rate of duty per 100 kg of anhydrous acetic acid is: 30

## GERMANY

### III 3 A (cont.)

Where the price of spirits to be used in the manufacture of vinegar is more or less than DM 84, the rate of duty is increased or decreased correspondingly for each DM (per 100 kg) by:

1.19

Where the current price of alcohol intended for use in the manufacture of vinegar is DM 218 per hl of pure alcohol, the rate of duty per 100 kg of anhydrous acetic acid is:

189.40

*Imports:* A compensatory duty corresponding to the duty levied on home-produced spirits is levied on imported spirits.

*Exports:* Exports are exempt from tax and monopoly duty; in certain cases, a refund is made.

## **GERMANY**

### **III 3 B**

**Duty on wines and other fermented beverages (Steuer auf Weine und andere gegorene Getränke)**

*Beneficiary:* The Federal Government.

*Consumption tax payable on:*

- (a) sparkling wines
- (b) beverages similar to sparkling wines

Tax liability arises when the product leaves the manufacturing enterprise or when it is consumed in the enterprise concerned.

*Rates of duty:*

per 3/4 litre bottle:

- (a) in the case of sparkling wines DM 1.50
- (b) in the case of beverages similar to sparkling wines DM 0.30

*Imports:* Duty is levied on imports at the same rate as on home-produced beverages.

*Exports:* Exports are duty-free.

**Duty on beer (Steuer auf Bier)**

**Beneficiary:** The Länder governments.

**Duty payable on:** Beer and similar beverages.

**Basis of assessment:** The quantity of beer produced during the calendar year by breweries; this quantity is assessed on the basis of the volume of liquid held by the container and of the quality of the beer, whether or not the container is entirely full.

The quality of the beer is estimated according to the wort content of the beer when ready for consumption. This content is generally assessed by percentage by weight according to the amount of dissolved substances resulting from the brewing process (extract content) contained in the (unfermented) wort. Tax liability arises when the beer leaves the brewery or when it is consumed in the brewery.

**Rates of duty:**

1. Strong beer (11-14°) according to annual output: DM 12 to 15/hl.
2. Medium-strong beer (7-8°): 75 % of the rate applicable to strong beer, per hl.
3. Small beer (2-5°): 50 % of the rate applicable to strong beer, per hl.
4. Extra-strong beer (over 16°): 150 % of the rate applicable to strong beer, per hl.
5. Beverages similar to beer, per hl: 75 % of the maximum rate of duty applicable to beer having the same wort content.

**Imports:** The maximum rate of duty applicable to German beer having the same wort content is levied on imported beer.

**Exports:** Exports are duty-free.



## GERMANY

### III 3 E

#### Duty on coffee (Steuer auf Kaffee)

*Beneficiary:* The Federal Government.

*Duty payable on:* Coffee and products containing coffee.

#### *Rates of duty:*

Coffee, unroasted, whether or not freed of caffeine	DM 3.60/kg
Coffee, roasted, whether or not freed of caffeine	DM 4.80/kg
(a) Coffee products, liquid coffee extracts or coffee essences, liquid preparations with a basis of coffee extracts or essences, coffee pastes:	
(i) where, for the manufacture of 1 kg of the product, the quantity of roasted coffee used is less than 100 g: 1 % of the rate applicable to roasted coffee	DM 0.048/kg
(ii) where, for the manufacture of 1 kg of the product, the quantity of roasted coffee used is more than 100 g but less than 200 g: 10 % of the rate applicable to roasted coffee	DM 0.48/kg
(iii) where, for the manufacture of 1 kg of the product, the quantity of roasted coffee used is more than 200 g: 10 % of the rate applicable to roasted coffee per additional 100 g or fraction of 100 g of roasted coffee	
(b) Solid coffee extracts and solid preparation with a basis of coffee extracts or essences: 290 % of the rate applicable to roasted coffee	DM 13.92/kg
Where, for the manufacture of 1 kg of the product, the quantity of roasted coffee used is less than 2 800 g or more than 3 100 g, the rates given under (a) are applicable.	

*Imports:* The duty is levied on importation.

*Exports:* Duty on coffee is refunded when products containing coffee are exported.

**Duty on tea (Steuer auf Tee)**

*Beneficiary:* The Federal Government.

*Duty payable on:* Tea and products containing tea.

*Rates:*

- (a) Tea: DM 4.15/kg.
- (b) Tea extracts or essences and preparations with a basis of such extracts or essences and mixtures of tea and other substances.
  - (i) where, for the manufacture of 1 kg of the product, the quantity of tea used is less than 100 g: 1 % of the rate applicable to tea;
  - (ii) where, for the manufacture of 1 kg of the product, the quantity of tea used is more than 100 g, but less than 200 g: 10 % of the rate applicable to tea;
  - (iii) where, for the manufacture of 1 kg of the product, the quantity of tea used is more than 200 g: 10 % of the rate applicable to tea per additional 100 g of tea or fraction thereof.

*Imports:* The duty is payable on importation.

*Exports:* The duty is refunded.

# GERMANY

## III 3 H

### Duty on tobacco (Steuer auf Tabak)

*Beneficiary:* The Federal Government.

*Duty payable on:* The duty on tobacco includes:

1. Duty on tobacco products (cigars, cigarettes, pipe and cigarette tobacco) and cigarette paper; any "products similar to tobacco" are also taxable, though no such products have yet been taxed;
2. Duty on tobacco substitutes;
3. Duty on unmanufactured tobacco used in the manufacture of chewing tobacco and snuff, levied in the form of a compensatory tax on imported chewing tobacco and snuff;
4. Tobacco equalization tax levied on unmanufactured tobacco not subject to supervision by the customs authorities or withdrawn from such supervision.

*Liability:* Duty on tobacco becomes due when the goods leave the manufacturing enterprise or when they are withdrawn for consumption in the enterprise. The duty is levied by affixing tax bands. Tax bands purchased during the first fortnight of the month are to be paid for before the 12th of the following month, and those purchased during the second fortnight of the month before the 27th of the following month.

Duty on tobacco substitutes becomes due when the tobacco substitutes are withdrawn for processing.

Duty on unmanufactured tobacco becomes due when the tobacco is withdrawn for processing; as a general rule, compensatory tax becomes due at the same time as customs duty.

Equalization tax on tobacco becomes due when the unmanufactured tobacco is put on the open market.

#### *Rates:*

- |  |  |
|--|--|
| 1. Cigars  | 19 % of the retail price, at least DM 23/1 000 units                   |
| Cigarettes   | DM 46-63/1 000 units plus a percentage according to the price per unit |
| Tobacco (fine cut)   | DM 2.90 - 20/kg  |
| Tobacco (pipe tobacco)   | DM 0.50 - 8.25/kg  |
| Cigarette paper  | DM 1.10 /1 000 units   |
| 2. Tobacco substitutes   | DM 200/100 kg  |
| 3. Unmanufactured tobacco used in the manufacture of chewing tobacco and snuff | DM 1/kg  |
| Chewing tobacco and snuff on importation (compensatory tax)                    |  |
| 4. Unmanufactured tobacco  | DM 2 250/kg  |
| Unmanufactured tobacco of proven German origin                                 | DM 750/kg  |

## **GERMANY**

### **III 3 H (cont.)**

*Imports:* Rates of duty applicable to tobacco products and to cigarette paper also apply, *mutatis mutandis*, to imports.

*Exports:* Tobacco products and cigarette paper exported under customs supervision are duty-free.

## **GERMANY**

### **III 3 I**

**Duty on sugar:** (Steuer auf Zucker)

*Beneficiary:* The Federal Government.

*Duty payable on:*

- (a) Beet sugar
- (b) Starch sugar
- (c) Sugar having the same chemical composition as these kinds of sugar.

The duty becomes due when the goods leave the manufacturing enterprise or when they are withdrawn for consumption in the enterprise concerned.

*Rates:*

- (a) Solid beet sugar having the same chemical composition as this kind of sugar (e.g. cane sugar): DM 6/100 kg.
- (b) Beet sugar juices extracted, under pressure, from crushed fresh sugar beet or dried slices of sugar-beet, retaining all their natural qualities, without chemical purification, whose degree of purity is between 70 and 95 %: DM 1.80/100 kg.
- (c) Other beet sugar syrups and sugar syrups of the same chemical composition as beet sugar.
  - of a degree of purity between 70 and 95 %: DM 3.60/100 kg;
  - of a degree of purity exceeding 95 %: DM 4.20/100 kg.
- (d) Starch sugar and sugar of the same chemical composition (e.g. glucose obtained by the saccharification of wood):
  - of a degree of purity less than 95 %: DM 2.40/100 kg;
  - of a degree of purity exceeding 95 %: DM 5.40/100 kg.

*Imports:* Duty is levied on imported sugar at the same rates as on domestic produce. When certain products containing sugar are imported, consumption tax is levied at the same rates on the actual weight of sugar contained in these products.

*Exports:* Exported sugar or sugar used in the manufacture of products for exportation are duty-free; the duty paid on sugar used in the manufacture of certain exported products is refunded.

**GERMANY**

**III 3 K**

**Duty on sweeteners (Steuer auf Süßstoff) <sup>(1)</sup>**

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**(1) Pursuant to the law of 14 May 1965, this duty was abolished on 1 July 1965.**

## **GERMANY**

### **III 3 L**

#### **Duty on salt (Steuer auf Salz)**

*Beneficiary:* The Federal Government.

*Duty payable on:*

- (a) Salt obtained chemically, rock salt, salt obtained by the evaporation of the water of salt marshes and salt springs; sea salt;
- (b) Salt obtained as a by-product in the chemical industry, containing at least 75 % of sodium chloride;
- (c) Unrefined potassium salt, where its potassium chloride content is at least 85 %;
- (d) Salt waste and bath salts, where its potassium chloride content is at least 75 %;
- (e) Salt liquors unless used as smelling salts, beverages, or bath salts.

The duty becomes due when the products leave the manufacturing enterprise or are consumed in the enterprise concerned.

*Rates of duty:*

DM 12/100 kg.

(Salt used for purposes other than the manufacture or preparation of foodstuffs or condiments or for the salting of herrings is duty-free.)

*Imports:* Same rate.

*Exports:* Duty-free.

**Duty on matches and tapers (Steuer auf Zündwaren)**

*Beneficiary:* The Federal Government.

*Duty payable on:*

Matches and similar products, tapers of stearine wax, paraffin wax, or similar substances. The duty becomes due when the products leave the manufacturing enterprise.

*Rates of duty:*

For products which can be utilized only once: DM 0.01/100 matches.

For products which can be utilized more than once: the duty is assessed according to the number of times the product can be lit.

*Imports:* The duty is levied at the same rate on imported matches and tapers as on home-produced products.

*Exports:* Exports are duty-free.

*Matches and tapers monopoly:*

Purchasing, import and export monopoly. The Federal Government levies the difference between the price paid by the company operating the monopoly to the manufacturer (purchase price) and the price at which this company sells the products to dealers (monopoly price) less all relevant costs incurred by the company operating the matches and taper monopoly. Prices vary according to the nature of the product.



## **GERMANY**

### **III 3 R**

#### **Duty on lamps (Steuer auf Leuchtmittel)**

*Beneficiary:* The Federal Government.

*Duty payable on:*

- (a) Electric filament lamps and tubes
- (b) Electric discharge lamps and tubes
- (c) Carbon filaments for arc lamps
- (d) Mantles used to improve the illuminating power of lamps.

The duty becomes due when the goods leave the manufacturing enterprise or are withdrawn for use in the enterprise concerned.

*Rates of duty:*

- (a) 10 % of the retail sales price (in the case of carbon filaments, 10 % of the catalogue price on which the manufacturer bases his own prices; in the case of mantles, 10 % of the retail sales price).
- (b) In the case of high-tension electric discharge lamps (fluorescent tubes) when used for advertising purposes: DM 1 per linear metre of tube.

*Imports:* Same rates.

*Exports:* Duty-free.

**Duty on mineral oils (Mineralölsteuer)**

*Beneficiary:* The Federal Government.

*Duty payable on:* Petroleum products and the like.

The duty becomes due when the goods leave the manufacturing enterprise or are withdrawn for consumption in the enterprise concerned for purposes other than the day-to-day running of the enterprise.

The duty is payable either half by the last working day of the month following collection from the bonded warehouse and half by the 20th of the month following that, or in one instalment by the 10th of the second month following collection.

*Main rates of duty:*

(a) Light oils	DM 32 /hl
(Light oils extracted from coal up to 31 December 1968)	DM 26.75/hl
(b) Medium oils	DM 38.85/100 kg
(c) Heavy oils (gas oils, lubricating oils) and cleansing oils	DM 38.85/100 kg
(d) Liquid gases	DM 45 /100 kg
(e) Fuel oils	
Gas oils (until further notice)	DM 1 /100 kg
Other heavy oils (until further notice)	DM 2.50/100 kg

Duty is also payable on the fraction of mineral oil contained in lubricating oils. Where the mineral oil is used otherwise than as a motor fuel, lubricating oil, or fuel for heating purposes, it may be used duty-free under supervision of the customs authorities.

*Imports:* Same rates

*Exports:* Duty-free or refund

## **GERMANY**

### **III 3 W**

#### **Duty on playing cards (Spielkartensteuer)**

*Beneficiary:* The Federal Government.

*Duty payable on:* Playing cards.

The duty becomes due when the goods leave the manufacturing enterprise.

#### *Rates of duty:*

- (a) Packs of cards comprising up to 48 cards made of paper, where the individual cards are composed:
  - (i) of less than 3 sheets of paper DM 0.30
  - (ii) of 3 sheets of paper or more DM 0.50
- (b) Where the cards are made of materials other than paper DM 1.50
- (c) For packs of cards comprising more than 48 cards, the rates are increased by 50 %.

*Imports:* Same rates.

*Exports:* Duty-free.

**Tax on motor vehicles (Kraftfahrzeugsteuer)**

*Beneficiary:* The Länder governments.

*Tax payable by:* Holder of log-book.

*Basis of assessment:* The cylinder capacity or overall weight.

*Exemptions:* Certain vehicles and vehicles for certain uses.

*Non-residents:* The tax is payable by German nationals using vehicles registered abroad.

*Collection:* Tax returns and payment are made on an annual, half yearly, quarterly or monthly basis.

*Rates of tax:* DM 3.60, DM 14.40 or DM 16 per 100 c.c. for vehicles taxed on the basis of cylinder capacity, DM 11.25/200 kg of total weight in the case of double-decker buses and buses with trailers used on regular transport services. Other rates are as follows:

up to 2 000 kg overall weight	DM 22 /200 kg
between 2 000 and 3 000 kg overall weight	DM 23.50/200 kg
between 3 000 and 4 000 kg overall weight	DM 25 /200 kg
etc.	

Reductions are made for certain types of vehicle.

**FRANCE**

**Personal income tax (Impôt sur le revenu des personnes physiques)**

**Beneficiary:** Central government.

**Tax payable by:** Individuals

In the case of *sociétés de personnes* which have not opted to pay corporation tax, tax is payable by each member.

**Basis of assessment:** Total net income (including income from foreign sources in cases where taxpayers are resident in France).

**Exemptions:** They include:

- (a) Interest on certain government loans;
- (b) Certain pensions, services and allowances (war pensions, family allowances, for example);
- (c) Capital gains are generally tax-free unless they are realized in the course of business.

**Deductions:** All expenses involved in earning or maintaining income. In the case of salaries, wages, pensions and certain life annuities, an additional deduction of 20% is made, after deduction, where appropriate, of above expenses.

**Married couples:** Two incomes treated as one, but this total net income is divided into a number of parts, according to the taxpayer's family responsibilities (*quotient familial*).

**Non-residents:** Tax is payable by non-resident persons on income derived from French sources, subject to the provisions of the relevant international conventions.

**Collection:** As a general rule by means of assessment books. Certain income from movable capital, however, is compulsorily subject to a withholding tax of 10%, 12%, 25% or 33.33% (1), which is deductible from personal income tax and, in the case of residents, may be refunded. Alternatively, persons to whom income accrues in France from fixed-interest investments (interest on negotiable bonds, interest on Treasury bonds and miscellaneous claims) may opt to be subject to a final levy on the interest of 25%, deducted when the interest is paid. This levy is, under certain conditions, in full discharge of personal income tax. It is applied automatically to income accruing to non-residents, and to interest on certain claims, even when paid to residents.

Tax amounting to 24% is also withheld at source in the case of non-commercial and similar income accruing to persons not maintaining permanent business premises in France.

Lastly, on certain profits made on the construction and sale of buildings a 25% levy is charged when the sale contract is registered. In certain circumstances this levy is in full discharge of personal income tax.

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(1) 10% - 12% : rates applicable to interest on negotiable loans issued by French companies or other bodies, according to the date of issue; 25% : rate applicable to dividends of French companies paid to non-residents; 33.33% : rate applicable to income received in France from foreign securities.

## FRANCE

### I 1 A (cont.)

*Rates of tax:* 5-65%, graduated; the scale is applicable to gross income divided by the number of parts (see under *Married couples*). The resulting figure is then multiplied by the total number of parts.

A tax reduction of 5% is granted of the amount of salaries, wages and certain pensions, provided that they are derived from French sources.

No tax is levied where the amount of tax per part is less than FF 80 <sup>(1)</sup>.

In cases where the tax payable per part is between FF 80 and 240, a reduction is made <sup>(2)</sup>.

#### *Special features:*

Agricultural profits are normally determined by the application of average rates. Industrial and commercial profits earned by small enterprises may also be determined by the application of average rates.

Non-commercial profits may be assessed administratively. In some cases, the amount of income liable to tax may be determined by external criteria (mode of living).

Personal income tax is not deductible.

*Carry-over of losses:* Losses may be carried over for a period of five years.

---

(1) In the case of personal income tax for 1966 (payable in 1967), the rates of 55% and 65% applicable to the two highest levels in the scale are increased to 60% and 70% respectively.

(2) The limits for exemption and reductions are FF 190 and FF 570 for taxpayers having one, one and a half, or two parts.

**Complementary tax (Taxe complémentaire)**

*Beneficiary:* Central government.

*Tax payable by:* Individuals.

In the case of *sociétés de personnes* which have not opted to pay company tax, tax is payable by each member.

*Basis of assessment:* All income on which personal income tax is payable, except salaries, wages, pensions and life annuities; most income from movable property on which tax is deducted at source and profits from non-commercial activities relating to sums declared by third parties, and the profits of taxpayers who have the status of *artisan* for taxation purposes.

*Exemptions:* Income derived from foreign sources in general.

*Deductions:* In general, the same deductions are made as in the case of personal income tax.

*Married couples:* Total income treated as one.

*Non-residents:*

- (a) Complementary tax is not payable by aliens;
- (b) French nationals are normally liable in respect of income they derive from French sources.

*Collection:* By means of assessment books

*Rate of tax:* 6%; a reduction of FF 3 000 or 4 000 is granted on certain forms of income, the latter being the maximum sum granted to any single taxpayer.

*Carry-over of losses:* Losses may be carried over for a period of five years.



## FRANCE

### I 2 A

#### **Corporation tax (Impôt sur les sociétés)**

*Beneficiary:* Central government.

*Tax payable by:* Joint-stock companies and companies having the same status, and certain public undertakings; public corporations and associations not specifically exempted from payment. *Sociétés de personnes* may opt to pay corporation tax.

*Basis of assessment:* Profits: the difference between net assets at the beginning and end of a financial year less additional assets brought in, plus sums withdrawn by members.

*Exemptions:*

*Personal:*

The bodies exempted from payment include, in certain circumstances, departments, communes and their public service authorities, agricultural trade unions and co-operatives, and *HLM* bodies (subsidized housing).

*Real:*

Profits made by business outside France.

*Non-residents:* Non-resident persons and companies pay tax on profits made in France.

*Collection:* Four quarterly instalments followed by settlement.

*Rate of tax:* 50%; rate reduced to 10% for certain capital gains on disposal of assets; special arrangements for capital gains on disposal of building land.

Tax deducted at source on income from movable property and by companies is deductible in full from company tax, but cannot be refunded.

*Special features:* Special arrangements apply to parent companies and their subsidiaries; corporation tax is not deductible.

*Carry-over of losses:* Losses may be carried over for a period of five years.

**Property tax on buildings** (Contribution foncière des propriétés bâties)

*Beneficiary:* The departments and communes.

*Tax payable on:* Buildings and certain other types of property (in particular, equipment and certain kinds of land)

*Tax payable by:* Owner or usufructuary.

*Basis of assessment:* Cadastral income.

*Exemptions:*

- (a) The tax is not payable on public buildings, etc., and farm buildings.
- (b) The tax is not payable for a period of 15 or 25 years on the main place of residence; new buildings used for other purposes are exempt for a period of 2 years.

*Collection:* By means of assessment books.

*Rate of tax:* The rate of tax varies from commune to commune.

## **FRANCE**

### **I 3 B**

**Property tax on land without buildings** (Contribution foncière des propriétés non bâties)

*Beneficiary:* The departments and communes.

*Tax payable on:* Land without buildings (except certain kinds of land taxed as improved land: see under I 3 A).

*Tax payable by:* Owner or usufructuary.

*Basis of assessment:* Cadastral income.

*Exemptions:* All public land is permanently exempt.

Certain types of land, such as woodland, are exempted from payment for periods of 15, 20 or 30 years.

*Collection:* By means of assessment books.

*Rate of tax:* The rate of tax varies from commune to commune.

**Tax on furnished accommodation** (Contribution mobilière)

*Beneficiary:* The departments and communes.

*Tax payable by:* Any person having at his disposal furnished accommodation.

*Basis of assessment:* Putative rent assessed by communal board on the basis of the rental value.

*Exemptions:* Public, scientific and public assistance establishments, schools and universities. The diplomatic corps. Certain servicemen during their period of service. The poor and the lower-income group.

*Deductions:* Reductions are made for family expenses.

*Collection:* By means of assessment books.

*Rate of tax:* The rate of tax varies from commune to commune.

## **FRANCE**

### **I 4 A**

**Business tax** (Contribution des patentes)

*Beneficiary:* The departments and communes.

*Tax payable by:* Any individual or legal person carrying on a commercial, industrial or other gainful activity in France.

*Basis of assessment:* This is given in the business tax tariff and depends mainly on:

- (a) The nature of the occupation concerned
- (b) The population of the commune
- (c) The number of persons employed by the enterprise
- (d) The rental value of the business premises and plant.

*Exemptions:* Employed persons, certain craftsmen, artists, publishers of periodicals, mine concessionaries, farmers, etc.

*Collection:* By means of assessment books.

*Rate of tax:* The rate of tax varies from commune to commune.

**Payroll tax** (Versement forfaitaire sur les salaires et certaines pensions) <sup>(1)</sup>

**Beneficiary:** Central government and supplementary budget on farmers' family benefits <sup>(1)</sup>.

**Tax payable by:**

- (a) All employers except farmers and rural craftsmen
- (b) Payers of retirement pensions.

**Basis of assessment:** Total wage bill, including benefits in kind and pensions.

**Exemptions:** Certain compensation payments and pensions, benefits and allowances (in particular, war pensions and family allowances).

**Collection:** Monthly or quarterly payments with final settlement once a year.

**Rates of tax:**

- 3 % in the case of persons receiving pensions
- 5 % of remuneration of persons earning FF 30 000 annually or less
- 10 % for portion of personal annual income between FF 30 000 and 60 000
- 16 % for portion of personal annual income exceeding FF 60 000.

**Special features:** Persons receiving pay or pensions from which payroll tax has been deducted may claim a tax reduction on the income declared in their name (the reduction amounts to 5 % of the wages and pensions included in the basis of assessment).

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(1) From 1 January 1968 the tax will be known as *taxe sur les salaires*; it will be allocated mainly to the local authorities (departments and communes) to replace the abolished local tax (III 1 B (6) *infra*).

## **FRANCE**

### **I 4 C**

**Apprenticeship tax (Taxe d'apprentissage)**

*Beneficiary:* Central government.

*Tax payable by:* Individuals carrying on a business, industrial or craft activity and companies operating a business for profit.

*Exemptions:* Craftsmen (in certain specific circumstances) and training institutions.

*Basis of assessment:* Total wage bill, including benefits in kind.

*Collection:* By means of assessment books.

*Rate of tax:* 0.6%. Apprenticeship costs and subsidies paid to authorized bodies are deductible.

**Inheritance (gift) duty** (Droit de mutation par décès) (succession)

*Beneficiary:* Central government.

*Tax payable by:* Heirs and legatees.

*Basis of assessment:* Net share received by each beneficiary.

*Exemptions:* These include 1952 and 1958 government bonds at 3.5%; life insurance policies taken out by the deceased for specific beneficiaries; certain woodlands; the first free transfer of buildings completed after 31 December 1947; shares issued by real property funds, under certain conditions.

*Deductions:* In the case of heirs in direct line or spouses, a personal allowance of FF 100 000 is granted on the surviving spouse's share, on that of each ascendant and on that of each child living or represented.

In certain circumstances, a reduction may also be granted on the shares inherited by collateral heirs.

*Reductions:* Reductions are granted to heirs or donors having three or more children; a tax reduction of FF 1 000 is granted per child after the second child (FF 2 000 in the case of heirs in direct line and spouses).

*Collection:* Normally, the duty is payable when the death certificate is issued. In certain cases, payment may be deferred or made by instalments.

**Rates:**

In the case of heirs in direct line and married couples	
where the net share does not exceed FF 50 000	5 %
where the net share is between FF 50 000 and 100 000	10 %
where the net share is more than FF 100 000	15 %
Between brothers and sisters	30 %
Between uncles and nephews, great-uncles and great-nephews,	
first cousins	50 %
Between others	60 %

*Gifts:* Normally the same system applicable as for estate, but costs are not deductible.



## FRANCE

### II 3 A

#### Main registration taxes (Principaux droits d'enregistrement)

##### Conveyancing tax

##### 1. Standard rate

(a) Rate of tax: registration taxes	13.2 %
local taxes	2.8 %
cadastral tax	0.6 %
	<hr/>
Total	16.6 %

The rate of tax is reduced in the case of certain buildings (in particular buildings used for residential purposes other than those referred to under Section 2 below, buildings in rural districts).

- (b) Basis of assessment: price plus costs, or market value in real terms of the property if this is higher.
  - (c) Collection: The duty is payable when the deed is registered.
- ##### 2. Construction of buildings for residential purposes
- (a) Value-added tax is payable on operations ancillary to the construction or delivery of buildings at least three quarters of whose total area is used for residential purposes. They are not subject to registration tax.
  - (b) The main types of operation involved, other than building itself, are the allotment of land, the sale and transfer of building land and the like, sales of buildings, self-deliveries, assignment of corporate rights required for the ownership or enjoyment of a building or part of a building.
  - (c) Value-added tax is payable at a rate of 20 %, but a reduction of 40 %, 50 % or 80 % is made, where appropriate, thus bringing the actual rates applied down to 12 %, 10 % or 4 % (1).
  - (d) Basis of assessment:
    - (i) In the case of sales of real property, the price plus costs, or the market value of the property in real terms if this is higher;
    - (ii) In the case of "self-deliveries", the cost price of the building;
    - (iii) In the case of the surrender of corporate rights, the capital gain.
  - (e) Collection: when the sale is declared (before the deed is registered, in the case of sales of real property and the surrender of corporate rights; when the building is completed, in the case of "self deliveries").

##### Registration tax payable by companies

##### 1. Formation of companies

- (a) Transfers of capital and movable property: 1 % (standard rate);
- (b) Transfers of land and buildings: If the transfer is made to a legal person liable to corporation tax by a person, whether natural or legal, not subject to such tax, the following are payable:

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(1) Changes in the rates of value-added tax and reductions will be made as from 1 January 1968.

## FRANCE

### II 3 A (cont.)

Registration tax	8.0 % <sup>(1)</sup>
Local taxes	2.8 % <sup>(1)</sup>
Cadastral tax	0.6 %
	<hr/>
Total	11.4 %

In other cases (transfers to a legal person not subject to corporation tax or by a legal person subject to such tax), transfers are taxed as follows:

Registration tax	1.0 %
Cadastral tax	0.6 %
	<hr/>
Total	1.6 %

- (c) Special arrangements for certain companies, e.g. registration at the fixed rate of FF 50 for deeds recording the formation of investment companies (securities and real estate) (besides the cadastral tax of 0.6 % in the case of transfers of land and buildings).
2. *Capital increases*
- (a) By contribution of new capital: same arrangements as for the formation of companies;
- (b) By capitalization of reserves, profits or deposits: standard rate 12 %; various special arrangements.
3. *Mergers* <sup>(2)</sup>
- (a) On transfer of the net assets of the acquired company: fixed rate of FF 50;
- (b) If the new capital created on the occasion of the merger by the acquiring company or the new company exceeds the amount of the capital of the merged company or companies, there is a tax of 1.2 % on this surplus;
- (c) Same arrangements applicable, if approval is obtained, to the splitting of companies and to partial contributions of capital.
4. *Dissolution and distribution of assets*
- (a) Deed of dissolution: fixed rate of FF 50;
- (b) Instrument of distribution: 0.8 %.
5. *Transfer of securities*
- Standard rate: 4.2 %. The tax is payable only if a transfer deed is executed.

**Basis of assessment:** Actual value of the assets.

**Collection:** The tax is collected when the deed is registered, but in certain cases an application can be made to effect the payment by instalments.

---

(1) The rate of 8 % is reduced for certain assets; registration tax and local taxes are not payable if the transfer is subject to value-added tax under the heading of transactions in connection with the construction of buildings for residential purposes.

(2) System applicable until 31 December 1970.

# FRANCE

## II 6

**Stock-exchange turnover tax** (Impôt sur les opérations de bourse)

*Beneficiary:* Central government.

*Tax payable on:* Each transaction; tax is payable whenever securities are bought or sold. Two separate taxes are therefore payable.

*Basis of assessment:* Negotiating price rounded up to the next FF 10.

*Rates of tax:*

(a) Securities	
cash sale or purchase of debentures	3 ‰
purchase or sale of debentures for the account	1.5 ‰
sale or purchase of government <i>rentes</i> <sup>(1)</sup>	exempt
other cash transactions	6 ‰ <sup>(1)</sup>
other transactions for the account	3 ‰ <sup>(1)</sup>
carry-over transactions	1.5 ‰ <sup>(1)</sup>
(b) Produce	
sale or purchase of various goods	0.2 ‰
sale or purchase of cereals	0.26 ‰

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(1) Rates reduced respectively to 4 ‰, 2 ‰ and 1 ‰ for transactions involving sums between FF 400 000 and FF 750 000 and 3 ‰, 1.5 ‰ and 0.75 ‰ on sums in excess of FF 750 000.

**Value-added tax** (TVA = Taxe sur la valeur ajoutée) <sup>(1)</sup>

*Beneficiary:* Central government.

*Tax payable by:*

- (a) Manufacturers, wholesalers, importers, and certain retailers
- (b) Persons buying certain articles or products from private persons
- (c) Builders
- (d) Persons carrying out transactions ancillary to the construction or delivery of buildings for residential purposes
- (e) Persons who buy goods from enterprises — with which they are associated — established abroad or paying value-added tax in France, and resell them in the same condition.

*Tax payable on:* The delivery, importation or purchase of goods (or, occasionally, in the case of certain transactions, receipts of payment or transfers).

*Basis of assessment:* Sales price, including tax. In some cases, the assessable price is reduced.

*Exemptions:* The main classes of goods exempted are essential products, agricultural produce, products on which other taxes are payable, and exports.

*Deductions:* Tax paid on goods purchased and services supplied is generally deductible from the tax to be paid on sales.

*Collection:* By monthly payments on the basis of a tax return.

*Rates of tax:* Standard rate 20%, reduced rates 6% and 10%; higher rates 23% and 25% (luxury goods)

*Special features:* Wholesalers may elect to pay local tax. Certain classes of persons not liable — commission processors, suppliers of services, craftsmen, and retailers selling goods to persons liable for tax — may elect to pay TVA.  
In cases where goods are exported, value-added tax paid prior to export may be refunded.

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(1) Extensive changes have been made in the system of value-added tax by the law of 6 January 1966, which takes effect on 1 January 1968.

## **FRANCE**

### **III 1 B (5)**

**Service tax** (Taxe sur les prestations de services) <sup>(1)</sup>

*Beneficiary:* Central government.

*Tax payable by:* Suppliers of services and those treated as such, except in the professions, craftsmen producing goods on which value-added tax is payable at higher rates.

*Basis of assessment:* Charge for the service, tax included.

*Exemptions:* As a matter of principle, the same exemptions are granted as for TVA. Among the activities also exempted are cinemas and theatres, hotels, restaurants and cafés, freight transport by road, rail or inland waterway, hiring of vehicles (subject to a special tax), and services rendered outside France.

*Collection:* Monthly payments on the basis of a tax return

*Rates of tax:*

standard rate 8.5 %

higher rate 12 % (beauty salons)

reduced rates of 3 % and 5 % are granted to craftsmen liable to service tax.

*Special features:* Persons liable to TVA whose annual taxable turnover is below FF 400 000 may elect to pay service tax instead.

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(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

## FRANCE

### III 1 B (6)

#### **Local tax (Taxe locale) <sup>(1)</sup>**

*Beneficiary:* The departments, communes, and the National Equalization Fund.

*Tax payable by:* Retailers, craftsmen, cinemas and theatres, etc., hotels, cafés, restaurants, wholesalers having opted for this tax, commercial agents, brokers, and commission agents.

*Basis of assessment:* Sales price of goods inclusive of tax.

*Exemptions:* Among the goods exempted are essential products and exports.

*Collection:* Monthly payment on the basis of a tax return.

#### *Rates of tax:*

standard rate 2.75 %

higher rate 8.5 % (cinemas and theatres, etc., hotels, cafés and restaurants).

---

(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

## **FRANCE**

### **III 1 C (1)**

**Insurance tax** (Taxe unique sur les contrats d'assurances)

*Beneficiary:* Central government.

*Tax payable on:* Insurance contracts.

*Basis of assessment:* Premiums.

*Exemptions:* Industrial accidents, certain types of life insurance, agricultural insurance by mutual association, marine insurance.

*Deductions:* Deductions are made in the case of reinsurance.

*Rate of tax:* The rate of tax ranges from 0.25‰ to 30‰ according to contingencies insured against.

**Entertainments tax** (Impôt sur les spectacles et divertissements)

*Beneficiary:* The communes.

*Tax payable on:* Public shows, games and entertainments, whether on a regular basis or not.

*Basis of assessment:* Takings.

*Exemptions:* Exemptions are granted, in particular, for social or cultural events.

*Collection:* Tax is payable on each performance or by aggregated assessment.

*Rate of tax:* Shows are divided into five classes. The scale applicable to each of the first four classes is graduated by stages. Automatic machines in the fifth class are taxed at a rate based on the population of the commune concerned.



## FRANCE

### III 2 B

**Tax on haulage vehicles (general tax and surcharge) (Taxe sur les véhicules servant au transport des marchandises — taxe générale et surtaxe) <sup>(1)</sup>**

*Beneficiary:* Central government.

*Tax payable on:*

- (a) The general tax is payable on vehicles whose total authorized loaded weight exceeds 3 metric tons, or weight when empty in the case of tractors not carrying a load, and on trailers whose total authorized loaded weight exceeds 750 kg.
- (b) The surcharge is payable on vehicles or groups of vehicles whose total authorized loaded weight exceeds 6 metric tons and which are used outside their home area <sup>(2)</sup>.

*Basis of assessment:* Weight when empty, in the case of trailers not carrying a load; total authorized loaded weight in other cases.

*Exemptions:* Among the vehicles exempted are vehicles used for works transport in yards or factories, vehicles used to transport milk, cattle and meat and not leaving their home area, vehicles used to transport agricultural or forestry products within a radius of 30 km from the firm's principal place of business.

*Collection:* Half-yearly or daily payments.

*Rate of tax:* The half-yearly rate in the case of the general tax amounts to FF 27.50 per metric ton or part of a metric ton for private transport services and to FF 30 for public transport services.

In the case of the surcharge, the half-yearly rate is FF 100 for private transport services, FF 62.50 for public transport services not belonging to a transport association, and FF 125 for public transport services belonging to a transport association, per metric ton or part of a ton in excess of 6 metric tons.

Reductions or reduced rates are granted in the case of certain types of vehicles (a reduction of 30% of the general tax is granted in the case of semi-trailers). The daily rate is one fiftieth of the half-yearly rate.

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(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

(2) Home area = the department in which the firm is established and the adjacent departments.

## FRANCE

### III 2 C

**Tax on river and canal craft** (Taxe générale sur les bateaux tractionnés ou automoteurs circulant sur les voies intérieures françaises autres que le Rhin et le Grand Canal d'Alsace) <sup>(1)</sup>

*Beneficiary:* Central government.

*Tax payable on:* Barges, whether towed or self-propelled, plying on inland waterways other than the Rhine and the Grand Canal d'Alsace.

*Basis of assessment:* Authorized deadweight capacity.

*Collection:* Half-yearly or daily payments.

*Rate of tax:* The half-yearly rate is as follows:

Towed barges	FF 0.70/t of authorized deadweight capacity
Self-propelled barges	FF 1.30/t of authorized deadweight capacity
Towed tankers	FF 2.10/t of authorized deadweight capacity
Self-propelled tankers	FF 3.90/t of authorized deadweight capacity

Reduced rates are granted in the case of certain types of transport.

Daily rate = 1/50th of the half-yearly rate.

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(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

## FRANCE

### III 3 A

#### Duty on spirits (Taxe sur les alcools)

*Beneficiary:* Central government.

*Duty payable:*

1. *Consumption tax*, payable on consignment of merchandise to distributors or on official stock inspection.

Products on which the tax is payable:

- (a) ethyl alcohol and preparations with a basis of undenatured ethyl alcohol;
  - (b) substances belonging to the alcohol group used to replace ethyl alcohol (such as methyl, propyl and isopropyl alcohols).
2. *Surcharge on aperitifs*, collected in the same way as consumption tax. This tax is payable on all beverages with an alcohol basis consumed as aperitifs, and on aperitifs with a wine, vermouth, liqueur wine or similar basis and on natural sweet wines taxed as spirits.
  3. *Surcharge on aperitifs with an alcohol basis*, collected in the same way as consumption tax.  
Products on which the tax is payable: aperitifs other than those with a wine basis. The following products come under this heading, provided that they contain at least 18° of alcohol and more than half a gram of spirit per litre:
    - (a) spirits flavoured with aniseed with a sugar content of less than 400 grams per litre;
    - (b) bitters, wood tars, gentian bitters and the like, with a sugar content of less than 200 grams per litre.
  4. *Surcharge on beverages with a cereal alcohol basis*, payable on all alcoholic beverages obtained by distilling cereals, in the same way as consumption tax.

*Rates of duty: (1)*

1. *Consumption tax:* The alcoholic liquid is taxed on the basis of its pure alcohol contents, the minimum taxable contents being 15° in the case of beverages. There are 5 rates, depending on the nature of the derived product.
  - (a) Perfumes and toilet articles FF 160 per hl of pure alcohol
  - (b) Medicaments or products not to be taken orally FF 80 per hl of pure alcohol
  - (c) Alcohols used in the preparation of sparkling wines and natural sweet wines taxed as wine; French liqueur wines with *appellation d'origine contrôlée*; ports and Madeira wines; muscat wine; crème de cassis FF 530 per hl of pure alcohol
  - (d) Rums FF 940 per hl of pure alcohol
  - (e) Other alcohols (general rate) FF 1 060 per hl of pure alcohol

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(1) These rates will be increased from 1 January 1968 in pursuance of the law of 6 January 1966.

## FRANCE

### III 3 A (cont.)

- |  |                               |
|--|-------------------------------|
| 2. <i>Surcharge on aperitifs</i>   | FF 300 per hl of pure alcohol |
| 3. <i>Surcharge on aperitifs with an alcohol basis</i><br>(FF 100 of which is paid into the supplementary budget for agricultural social benefits) | FF 350 per hl of pure alcohol |
| 4. <i>Surcharge on beverages with a cereal alcohol basis</i>   | FF 300 per hl of pure alcohol |

*Imports:* The above tariff is applicable to all taxable alcoholic liquids regardless of their origin.

*Exports:* Exports are not taxable.

## FRANCE

### III 3 B

**Duty on wines and other fermented beverages** (Taxe sur les vins et autres boissons fermentées)

*Beneficiary:* Central government.

*Duty payable:*

(a) *Consumption duty*

This duty is payable when the goods leave the place of manufacture or on official stock inspection, on wines, ciders, perries, meads and slightly fermented, semi-sparkling grape juices (*pétillants de raisin*).

(b) *Single-stage tax* <sup>(1)</sup>

This duty is payable in the same way as consumption duty and on the same products.

*Rates of duty:*

(a) *Consumption duty* <sup>(2)</sup>

Wines: FF 5.8 per hl (22.41 % of which accrues to the supplementary budget for agricultural social benefits).

Ciders, perries, meads and slightly fermented semi-sparkling grape juices: FF 2.50 per hl (26 % of which accrues to the supplementary budget for agricultural social benefits)

(b) *Single-stage tax*

(i) Natural sweet wines taxable as wines, champagne, sparkling wines with *appellation d'origine contrôlée*, sparkling wines of foreign origin sold otherwise than under the name of their country of origin only: FF 55.00 per hl (0.46 % of which accrues to the supplementary budget for agricultural social benefits).

(ii) Alsatian wines, sparkling wines sold without designation of origin, foreign sparkling wines other than those referred to above and wines with *appellation d'origine contrôlée*, foreign still wines sold otherwise than under the name of their country of origin only: FF 25.50 per hl (1 % of which accrues to the supplementary budget for agricultural social benefits).

(iii) Other wines: FF 17.50 per hl (1.45 % of which accrues to the supplementary budget for agricultural social benefits).

(iv) Ciders, perries, meads and slightly fermented semi-sparkling grape juices: FF 6.00 per hl (2.03 % of which accrues to the supplementary budget for agricultural social benefits).

*Imports:* The same regulations apply to imported beverages as to beverages of French origin.

*Exports:* Exports are duty-free.

---

(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

(2) Changes will be made in the consumption duty tariff as from 1 January 1968, in pursuance of the law of 6 January 1966.

## FRANCE

### III 3 E

#### Duty on coffee (Taxe sur le café)

*Beneficiary:* Central government.

#### *Duty payable:*

(a) *Single-stage tax* <sup>(1)</sup>

Duty is payable when the goods are cleared through Customs (no coffee is grown in France). The amount of duty is based on weight.

(b) *Consumption tax*

Domestic consumption tax is also payable when the goods are cleared through Customs.

#### *Rates of duty:*

(a) *Single-stage tax* <sup>(1)</sup>

(i) Unroasted coffee	FF 120	per 100 kg
(ii) Roasted coffee, whether ground or not, not freed of caffeine	FF 165	per 100 kg
(iii) Coffee freed of caffeine	FF 155	per 100 kg

(b) *Consumption tax*

(i) Unroasted coffee	FF 22.50	per 100 kg
(ii) Roasted coffee, whether ground or not, not freed of caffeine	FF 32.00	per 100 kg
(iii) Coffee freed of caffeine	FF 30.00	per 100 kg

*Imports:* The duty is payable on imports only.

---

(1) This tax will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

(2) The consumption duty on unroasted coffee has been temporarily suspended (decree of 17 February 1964).

## **FRANCE**

### **III 3 F**

**Duty on tea** (Taxe sur le thé)

*Beneficiary:* Central government.

*Duty payable:*

- (a) Single standard rate <sup>(1)</sup>.
- (b) Domestic consumption tax on tea, payable on importation when the goods are cleared at customs.

*Rates of duty:*

- (a) FF 160 per 100 kg.
- (b) FF 23 per 100 kg.

*Imports:* Tax is levied only on importation.

---

(1) This duty will be abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.

## FRANCE

### III 3 G

**Duty on cocoa and certain other tropical products** (Taxe sur le cacao et certaines autres denrées tropicales)

*Beneficiary:* Central government.

*Duty payable on:* Domestic consumption of tropical products. The duty is payable on importation.

*Rates of duty:*

Cocoa beans, whole or broken, raw or roasted	FF 7	per 100 kg
Cocoa shells, husks, skins, sheats and waste	FF 7	per 100 kg
Cocoa paste (in bulk or in block), whether or not defatted	FF 8.50	per 100 kg
Cocoa butter (fat or oil)	FF 8.50	per 100 kg
Cocoa powder, unsweetened	FF 8.50	per 100 kg
Pepper and pimento	FF 43	per 100 kg
Vanilla	FF 27.50	per 100 kg
Cinnamon and cinnamon-tree flowers	FF 19	per 100 kg
Cloves	FF 19.50	per 100 kg
Nutmeg	FF 20	per 100 kg
	or FF 29	per 100 kg
Mace	FF 34	per 100 kg
Cardamoms	FF 33	per 100 kg
Cubeb pepper	FF 43	per 100 kg

*Imports:* Since these commodities are not produced in metropolitan France, duty is levied on imports only.



## **FRANCE**

### **III 3 H**

#### **Duty on tobacco (Imposition du tabac)**

*Beneficiary:* Central government.

*Government monopoly:* The Monopoly Administration (SEITA), which has exclusive production and selling rights, buys the planters' produce.

*Rates:* There are no rates as such. From time to time the Monopoly Administration draws up a list of the average wholesale prices on the French market for the different categories of tobacco manufactured.

For cigarettes, for example, there are six categories (black tobacco cigarettes and light tobacco cigarettes, each group comprising three classes of quality).

On the basis of the wholesale prices and with regard to production and administration costs, value-added tax, etc., retail prices are established in accordance with a certain procedure. Central government's receipts from the duty on tobacco arise from the difference between the prices charged by the Monopoly Administration and its operating costs.

*Imports:* Government monopoly.

*Exports:* Government monopoly.

**Duty on sugar (Taxe sur le sucre)**

*Beneficiary:* Central government.

*Duty payable:*

- (a) Duty on sugar beet <sup>(1)</sup> supplied to sugar refineries or distilleries.
- (b) Duty on sugar used to sweeten wine.
- (c) Duty on sugar and glucose used in the preparation of aperitifs with a wine basis and similar products.

*Rates:*

- (a) 8.5% of the basic production price for sugar beet.
- (b) FF 80 per 100 kg of sugar used.
- (c) FF 140 per 100 kg of sugar or glucose used in the manufacture of aperitifs with a wine basis and similar products.

*Imports:*

- (a) Duty on sugar beet: importation of sugar beet is prohibited.
- (b) Sweetening of wine with sugar: the duty is levied on the sweetening process, whatever the origin of the sugar.
- (c) Duty on sugar and glucose: duty is levied on sugar and glucose at the same rate as in France.

*Exports:*

- (a) Duty on sugar beet: beet exported directly is duty-free, but beet exported in the form of sugar or alcohol is liable to payment of duty.
- (b) No exemptions granted in the case of sugar used to sweeten wine.
- (c) Sugar and glucose used in the manufacture of aperitifs are duty-free.

---

(1) This duty accrues to the supplementary budget for agricultural social benefits.

## **FRANCE**

### **III 3 M**

**Duty on meat** (Taxe sur la viande)

*Beneficiary:* Central government.

*Duty payable on:* Horsemeat, beef, mutton, pigmeat, goatsmeat.

The duty is payable on the meat itself; excluding head, part of the limbs, and offals.

Duty is non-recurring and payable by the owner of the slaughtered animal before the merchandise leaves the slaughterhouse.

*Rate of duty:* FF 0.625 per kg of meat only <sup>(1)</sup> (19.85 % of which accrues to the supplementary budget for agricultural social benefits).

*Imports:* The duty is payable when the goods enter metropolitan France at the same rate as that applying in metropolitan France.

*Exports:* Exports are duty-free.

---

(1) This rate will be reduced as from 1 January 1968 in pursuance of the law of 6 January 1966.

**Duty on matches (Imposition des allumettes)**

*Beneficiary:* Central government.

*Government monopoly:* Operated as a tobacco monopoly by the SEITA, which is a public undertaking.

*Rates:* There are no rates as such. The difference between the cost price and the sales price accrues to the central government.

*Imports:* Government monopoly.

*Exports:* Government monopoly.

# FRANCE

## III 3 U

**Duty on mineral oils** (including liquefied petroleum gases) (taxe sur les huiles minérales)

*Beneficiary:* Central government.

*Duty payable:* Domestic consumption duty is levied on petroleum products and products treated as such when the products leave factories or a bonded warehouse, under customs supervision, for consumption in France.

*Rates:*

- (A) *Petroleum and shale oils, crude* FF 7 per hl  
Domestic duty applicable to petroleum products according to the characteristics of the product.
- (B) *Petroleum and shale oils, other than crude*
1. Light and medium oils
    - (a) Petrols

aviation spirit	FF 66.30 per hl
premium-grade	FF 69.04 per hl
other	FF 65.06 per hl
    - (b) White spirit FF 13.54 per hl
    - (c) Paraffin oil (kerosene) FF 24.83 per hl

Fuels obtained by mixing petrol with other fuels are treated for tax purposes as premium-grade petrol or other petrols according to their nature.
  2. Heavy oils
    - (a) Fuel oil

For specific uses:	
domestic fuel oil	duty-free
light fuel oil	duty-free
heavy fuel oil	duty-free
For miscellaneous uses:	
gas oil	FF 38.94 per hl
light fuel oil	FF 40.46 per 100 kg net
heavy fuel oil	FF 40.46 per 100 kg net
    - (b) Lubricating oils and greases

white oils	FF 77.50 per 100 kg
spindle oils	FF 40.46 per 100 kg net
lubricating fuel oil	FF 40.46 per 100 kg net
- (C) *Petroleum gases and other gaseous hydrocarbons*
1. Liquefied gases
    - (a) For specific uses duty-free
    - (b) Other FF 4.08 per 100 kg net

**FRANCE**

**III 3 U (cont.)**

2. Other gases	
(a) Compressed fuels	FF 95.93 per 1 000 c.c.
(b) Other	duty-free
(D) <i>Vaseline</i>	
1. Crude	FF 3.50 per 100 kg net
2. Refined	FF 37 per 100 kg net
(E) <i>Paraffin waxes, microcrystalline wax, slack wax and scale wax</i>	
1. Paraffin wax and microcrystalline wax	duty-free
2. Slack wax and scale wax	duty-free
(F) <i>Petroleum bitumen, petroleum coke and other petroleum and shale oil residues</i>	
1. Petroleum bitumen and petroleum coke	duty-free
2. Extracts derived from the treatment of lubricating oils with certain selective solvents	
(a) For specific uses	duty-free
(b) Other	FF 40.46 per 100 kg net
3. Other residues	duty-free
(G) <i>Cutbacks, emulsions of bitumen and the like</i>	duty-free
(H) <i>Lubricating preparations containing at least 70 % of petroleum or shale oil by weight</i>	FF 40.46 per 100 kg net

*Imports:* Duty is levied at the above-mentioned rates.

*Exports:* Exports are duty-free.

## **FRANCE**

### **III 4 A**

**Differential tax on motor vehicles (Taxe différentielle sur les véhicules automobiles)**

*Beneficiary:* Central government

*Tax payable on:* Motor vehicles with more than two wheels.

*Exemptions:*

- (a) Vehicles used for goods transport whose total authorized loaded weight exceeds 3 metric tons.
- (b) Vehicles over 25 years old.
- (c) Taxis and vehicles used to transport groups of persons.
- (d) Vehicles liable to special tax (see III 4 B below).

*Collection:* The tax is payable annually (windscreen sticker).

*Rate of tax:* The rate of tax depends on the vehicle's age and horse-power and ranges between FF 30 and 200 per year.

## FRANCE

### III 4 B

**Special tax on private cars with engine rating for tax purposes exceeding 16 h.p.**  
(Taxe spéciale sur les voitures de tourisme d'une puissance fiscale supérieure à 16 CV)

*Beneficiary:* Central government.

*Tax payable on:* Private cars over 16 h.p. less than 6 years old.

*Collection:* The tax is payable annually (windscreen sticker).

*Rate of tax:* The rate ranges from FF 250 to 1 000, depending on the vehicle's age.

*Special features:* Differential tax exemption.



## **FRANCE**

### **III 4 C**

**Annual tax on company cars (taxe annuelle sur les voitures de tourisme de sociétés)**

*Beneficiary:* Central government.

*Tax payable on:* Company cars.

*Exemptions:* Cars over 10 years old.

*Collection:* By means of assessment books.

*Rates of tax:*

FF 500 for company cars of 7 h.p. or less.

FF 700 for company cars over 7 h.p.

*Special features:* The amount of tax may not be deducted from profits liable to corporation tax; it is payable in addition to the taxes referred to under III 4 A and III 4 B.

**ITALY**

**Tax on income from movable wealth** (Imposta sui redditi di ricchezza mobile)

*Beneficiary:* Central government.

*Tax payable by:* Individuals, legal persons and partnerships, whether Italian nationals or not.

*Basis of assessment:* All income from movable wealth in Italy, divided into four categories: A (income from the use of capital), B (income from capital combined with labour), C<sub>1</sub> (income from self-employment) and C<sub>2</sub> (income from employment).

*Exemptions:* Certain types of income (e.g. payments made by the Church, pay for members of the armed forces); interest on loans to regions, provinces, and communes, etc.; certain types of income from the handling of agricultural produce, etc.

*Deductions:* Interest paid, general costs, costs spread over several years, depreciation, losses, etc., are deductible.

*Non-residents:* On the territoriality principle, the tax is levied on income arising in Italy, and non-resident persons and companies are treated as resident persons and companies only when the income concerned has accrued in Italy.

*Collection:* By means of assessment books. In the case of certain types of income, part of the tax is withheld at source.

**Rates:**

**Category A - 27 %:** This rate applies to all taxable income: surcharges are made for local assistance boards (10 % of the tax rate) and for public works in Calabria (5 % of the tax rate).

The total rate is 31.05 %, of which 27 % is paid to the Treasury 2.7 % set aside for local assistance boards, and 1.35 % earmarked for public works in Calabria.

**Category B - 9 %:** This rate applies to the first slice of Lit. 720 000 of taxable income (i.e. after the personal allowance of Lit. 240 000).

18 %: For the next Lit. 3 280 000 (a slice between Lit. 720 000 and Lit. 4 000 000).

20 %: For the slice between Lit. 4 million and 10 million.

22 %: For the slice between Lit. 10 million and 50 million.

23 %: For the slice between Lit. 50 million and 100 million.

25 %: For amounts exceeding Lit. 100 million.

Additional taxes assessed to taxable income are:

- (a) Communal tax and supplementary provincial charges;
- (b) Tax accruing to the Chambers of Commerce (at a maximum rate fixed for each Chamber of Commerce by Art. 1 of Decree No. 1418 of 31 October 1941).

## ITALY

### I 1 A (cont.)

The following surcharges are made:

- (a) 10 % for the local assistance boards (Art. 272 of the *Testo unico*);
- (b) 5 % for Calabria (Art. 18 of Law No. 1777 of 26 November 1955);
- (c) Collection charges.

Category C<sub>1</sub> - 4 %: For first Lit. 720 000 of taxable income (first Lit. 240 000 is a personal allowance).

8 %: For the next Lit. 3 280 000 (i.e. up to 4 million).

10 %: For the slice from Lit. 4 million to 10 million.

12 %: For the slice from Lit. 10 million to 20 million.

15 %: For sums exceeding Lit. 20 million.

Category C<sub>2</sub> : The same rates apply to Category C<sub>2</sub> as to Category C<sub>1</sub>, the only difference being that income from employment "in a subordinate capacity" and pensions which, either alone or in combination with other income from real or personal estate, do not exceed the taxable minimum of Lit. 300 000 are tax-free.

The following additional surcharges are made for Categories C<sub>1</sub> and C<sub>2</sub>:

For the income taxed at 4 %: 0.4 % for local assistance boards;  
0.2 % for Calabria.

For the income taxed at 8 %: 0.8 % for local assistance boards;  
0.4 % for Calabria.

For the income taxed at 10 %: 1 % for local assistance boards;  
0.50 % for Calabria.

For the income taxed at 12 %: 1.2 % for local assistance boards;  
0.6 % for Calabria.

For the income taxed at 15 %: 1.5 % for local assistance boards;  
0.75 % for Calabria.

**Complementary tax** (Imposta complementare progressiva sul reddito complessivo)

*Beneficiary:* Central government.

*Tax payable by:* Individuals of Italian or foreign nationality, on their entire income and on income under their control earned by other persons.

*Basis of assessment:* Total income comprising:

- (a) Income arising in Italy and belonging to individuals, regardless of their place of residence.
- (b) Income arising abroad and received in Italy by persons resident in Italy.
- (c) Revenue arising abroad to persons resident in Italy, where this income is not taxable abroad, by virtue of international agreements.

*Exemptions:* Certain types of pension and family allowances, etc. are tax-free.

*Deductions:* Deductions are granted on debit interest, tax on income which is part of total income; expenses, liabilities, etc.; there is also a basic allowance of Lit. 240 000 plus an allowance of Lit. 50 000 for each dependent person.

*Married couples:* A wife's income is combined with her husband's for taxation purposes.

*Non-residents:* On the territoriality principle, non residents are taxed as residents where the income concerned arises in Italy.

*Collection:* By means of assessment books, but for certain types of income, including dividends, tax is deducted at source.

*Rates:* The rates of tax range from 2%, in the case of income amounting to Lit. 240 000 or less, to 65%, in the case of income amounting to Lit. 500 million and over.

The following additional surcharges are made:

- 10% for local assistance boards;
- 5% for public works in Calabria;
- plus collection fees.

## ITALY

### I 1 C

#### **Family tax** (Imposta di famiglia)

*Beneficiary:* The communes.

*Tax payable by:* Each family (even if composed only of one person), the head of which is ordinarily resident in the commune.

*Basis of assessment:* The family's standard of living, assessed not only on the basis of income or earnings of all kinds, but also of external signs of wealth, such as the rental value of the house, the standard of comfort offered by the house, and social standing.

*Exemptions:* That part of the family's income necessary to meet its basic requirements is tax-free.

*Deductions:* Allowances are granted for dependent persons.

*Married couples:* The tax is levied on the combined income of the taxpayer and dependent persons.

*Collection:* By means of assessment books.

*Rates:* The rates vary in direct ratio to the family's income and in inverse ratio to the population of the commune, the highest rate of 12% being applicable to persons with income of at least Lit. 12 million.

**Corporation tax (Imposta sulle società)**

*Beneficiary:* Central government.

*Tax payable by:* Persons taxable on the basis of their balance sheets, and foreign companies and partnerships conducting a business in Italy from fixed business premises, even if these premises are not taxable on a balance-sheet basis.

*Basis of assessment:* Capital and income

*Taxable capital* is made up of:

- (a) subscribed and paid-up capital;
- (b) ordinary and extraordinary reserves;
- (c) profits carried forward from previous financial years.

*Taxable income* is made up of:

- (a) income from movable wealth, coming under category B;
- (b) income from undeveloped land (*reddito dominicale*) and income from farming;
- (c) income from buildings;
- (d) sums received as distributed profits;
- (e) interest on debts, etc.

*Exemptions:* In view of their co-operative structure and of the fact that they are mainly non-profit-making, certain types and groups of companies; certain State-controlled undertakings; the regions, provinces, communes, local assistance boards, etc.

*Deductions:* From capital:

deficits carried forward;  
proportions of the value of real property retransferable free of charge to the grantor.

From total income:

expenses, liabilities and losses;  
taxes payable on the various types of income;  
losses during the current financial year.

*Collection:* The tax is payable direct to the department of the provincial tax authorities in the district in which the taxpayer's residence is situated. Residual payments are collected by means of special assessment books; in the case of dividends, 30% is withheld at source, and this is normally deductible from the tax.

*Rates:* 0.75% for issued capital plus reserves and 15% on that part of total income in excess of 6% of issued capital and reserves. Surcharges amounting to 10% are made for the benefit of local assistance boards (ECA).

## **ITALY**

### **I 3 A (1)**

**Tax on income from buildings** (Imposta sul reddito dei fabbricati)

*Beneficiary:* Central government.

*Tax payable by:* Owners, usufructuaries or persons having a material interest in buildings or parts of buildings of any kind yielding income of their own.

*Basis of assessment:* Gross income from rents on buildings, as indicated in the relevant agreements.

*Exemptions:* No tax is levied on buildings:

- (a) used for public worship;
- (b) located in cemeteries;
- (c) erected on undeveloped public land and other public property;
- (d) erected to supply drinking water;
- (e) belonging to the Holy See, etc.

Certain types of farm buildings and certain business premises are also exempt.

*Deductions:* Repairs, maintenance, etc. are deductible from gross taxable income.

*Collection:* By means of assessment books.

*Rates:* 4% of the net income from buildings.

In addition, surcharges are payable to the provinces and communes and to chambers of commerce, the maximum amount in the latter case being 0.055%.

Further surcharges are payable, amounting to 10% in the case of local assistance boards (ECA) and 5% for public works in Calabria, together with collection fees.



## ITALY

### I 3 A (2)

**Special tax on income from luxury buildings** (Imposta sul reddito dei fabbricati di lusso)

*Beneficiary:* Central government.

*Tax payable by:* Same regulations as for *Tax on income from buildings*.

*Basis of assessment:* Income from urban properties used as dwellings and deemed "luxury" buildings under current regulations, together with income from urban properties the building of which was commenced before 29 May 1946, and which have been, or will be, placed in categories A-1 and A-8 of the new cadastral survey of buildings.

*Collection:* Same regulations as for *Tax on income from buildings*.

*Rate:* 20 % of taxable income.

## **ITALY**

### **I 3 B (1)**

**Tax on landowners' income** (Imposta sul reddito dominicale dei terreni)

*Beneficiary:* Central government.

*Tax payable by:* Persons owning, holding long-term building leases on, holding in usufruct or having some other material interest in land suitable for farming.

*Basis of assessment:* The owner's share of the average ordinary steady income obtainable from the land.

*Exemptions:* Certain sites in mountainous areas and other land exempted temporarily for improvement purposes.

*Deductions:* Tax relief is granted for damage caused by natural disasters.

*Collection:* By means of assessment books.

*Rates:* 10 % of income from land and buildings.

A number of surcharges are payable by landowners:

- (a) surcharges made by provinces and communes;
- (b) surcharges made by chambers of commerce, amounting to Lit. 0.02 per Lit. 100 of taxable income from land and buildings.

A number of further surcharges are payable, amounting to 5 % in the case of the additional surcharge for local assistance boards, 5 % in the case of the surcharge for public works in Calabria, together with collection fee.

## ITALY

### I 3 B (2)

**Tax on income from farming** (Imposta sul reddito agrario)

*Beneficiary:* Central government.

*Tax payable by:* Farm owners; they are entitled to a refund from partners with whom they co-operate in running the enterprise of an amount proportional to the latter's share of income.

*Basis of assessment:* Income from farming comprising income from working capital and management effort, within the limits of the yield capacity of the farm, for the cultivation of land, forestry, cattle raising and the processing or sale of agricultural produce provided the latter are ordinarily part of the farmer's work. Income from farming is assessed by applying the rates laid down in the provisions of the cadastral survey to the various cadastral units making up the farm in question.

*Exemptions:* As for *tax on landowners' income*.

*Deductions:* As for *tax on landowners' income*.

Tax relief is granted in cases where land is rented out.

*Collection:* By means of assessment books.

*Rate:* 10 % of income from land and buildings.

In addition, surcharges are made for local assistance boards and public works in Calabria, amounting to 5 % in each case.

## **ITALY**

### **I 3 C**

#### **Tax on rental value of property (Imposta sul valore locativo)**

*Beneficiary:* The communes.

*Tax payable by:* All Italian nationals and foreigners who, although not having their usual place of residence in the commune, maintain a furnished house there.

*Basis of assessment:* The rental value of the premises assessed according to the actual rent laid down in a written and duly registered contract or, in some cases, a notional rent based on current rental values.

*Exemptions:* The upper and lower limits of allowances are laid down by the provincial authorities for each category of commune, and the lower limit may be increased up to 50 % for persons with large families.

*Deductions:* The tax may be reduced by 5 % to 8 % depending on the number of children supported by the taxpayer; however, the reduction may not exceed Lit. 100 of the tax per year for each child under 21 living with the head of the family and dependent on him.

*Collection:* By means of assessment books.

*Rates:* The rates are fixed by the commune, within the limits laid down by law, subject to the approval of the provincial authorities, depending on the type of commune.

**Tax on industrial, commercial, artistic and professional activities; business tax** (Imposta sulle industrie, i commerci, le arti e le professioni; imposta di patente (ICAP))

*Beneficiary:* The communes.

*Tax payable by:* All persons carrying on an industrial, commercial, artistic or professional activity, from which he or she acquires income liable to the tax on movable wealth (see under I 1 A).

*Basis of assessment:* Net income arising in the commune, as assessed for the tax on movable wealth.

*Collection:* By means of assessment books.

*Rates:* Up to a maximum of 3% in the case of income falling into category B, and up to 2.4% in the case of income coming under category C<sub>1</sub>.

In the case of income not liable to tax on movable wealth, the commune may, under special legislation, assess the income directly and tax it at a rate of up to 4.5% in the case of income falling into category B and up to 3.6% in the case of income falling into category C<sub>1</sub>.

*Business tax:* Business tax is levied on persons acquiring income on which tax on movable wealth is not payable or which has not yet been assessed for the collection of this tax. Taxpayers are divided into a number of different categories, and the tax ranges between Lit. 600 and Lit. 2 400 per year, depending on the category to which the taxpayer belongs.

## ITALY

### I 5 C

- I. **Special surcharge for the 1967 tax year only** (*Addizionale straordinaria limitatamente al periodo d'imposta 1967*)

*Beneficiary:* Central government.

*Surcharge payable by:* Persons already subject to tax on income or wealth (central government, provincial or communal tax).

*Rate:* 10% of rate of tax on income or wealth levied by the central government, provinces or communes.

*Exemptions:* The communal and provincial surcharges on income from farming and business tax.

- II. **Special surcharge added to duty on gifts, duty on the total value of inherited estate, and estate duty** (*Addizionale straordinaria alle imposte dovute sulle donazioni, sul valore globale dell'asse ereditario e sulle successioni*)

*Rates:*

- (a) 8% of rate of duty when the total value of the inherited estate or gift is in excess of Lit. 5 million but less than Lit. 15 million;
- (b) 12% of rate of duty when the value of the inherited estate or gift is Lit. 15 million or over.

**Note:** This surcharge applies to inheritances after completion of probate formalities and gift deeds drawn up in 1967.

**Estate duty** (Imposta normale di successione)

*Beneficiary:* Central government.

*Duty payable by:* Jointly by the heirs on the entire sum involved, subject to their right of appeal against co-heirs and legatees. Legatees pay estate duty only on their portion.

*Basis of assessment:* The various portions of inheritances and legacies.

*Exemptions:* Exemptions are granted:

- (a) in the case of inheritances in direct line or between husband and wife, the various portions of which amount to Lit. 750 000 or less;
- (b) for certain art collections;
- (c) for gifts to charitable, welfare and religious institutions;
- (d) portions of inheritances left by members of the armed forces killed on active service;
- (e) inheritances in direct line and inheritances devolving upon husband or wife, of land already cultivated by the deceased person; an allowance of Lit. 6 000 000 is granted on each portion; where the inheritance is not shared, the allowance is Lit. 16 000 000.

*Deductions:* Duty payable on the total value of estate inherited (see II 1 B) is deductible from taxable assets; in the case of both types of estate duty, debts, liabilities and the cost of medical treatment during the last six months of the deceased person's life are deductible from taxable assets.

*Collection:* The tax is payable direct to the registry offices.

*Rates:* Rates range from a minimum of 1 % on transfers between ascendants and descendants of sums of Lit. 1 000 000 or less to a maximum rate of 80 % on transfers between relatives beyond uncle, aunt, niece or nephew, and between relations by marriage or unrelated persons, of sums exceeding Lit. 500 million.

## **ITALY**

### **II 1 B**

**Duty on the total value of inherited estate** (Imposta sull'asse ereditario globale)

*Beneficiary:* Central government.

*Duty payable by:* Jointly by all heirs. Heirs paying the duty have a right of appeal against other heirs. Legatees are required to pay only the portion corresponding to the amount of the legacy.

*Basis of assessment:* The total net amount of the inheritance.

*Exemptions:* Exemptions are granted on:

- (a) the total amount of the inheritance up to maximum of Lit. 500 000;
- (b) inheritances, portions, etc. devolving upon ascendants or descendants or upon spouses for inheritances left by members of the armed forces killed on active service;
- (c) inheritances left to charitable institutions.
- (d) art collections, etc.;
- (e) national debt bonds;
- (f) inheritances in direct line or devolving upon the husband up to a maximum net amount of Lit. 3 000 000.

*Reductions:* A 50% reduction is granted in the case of inheritances between ascendants and descendants or between husband and wife provided the sum involved is less than Lit. 3 000 000.

*Deductions:* For the purposes of assessing duty, previous gifts are added to the inheritance and tax levied on them is subtracted from the duty.

*Collection:* The duty is payable direct to the registry offices.

*Rates:* In the case of inheritances involving sums in excess of Lit. 500 000, the rate ranges from 1% in the case of inheritances of Lit. 1 000 000 or less to 35% for inheritances exceeding Lit. 500 million.



**Tax on appreciation of building sites** (Imposta sugli incrementi di valore delle aree fabbricabili)

*Beneficiary:* The communes.

*Tax payable by:* Persons disposing of building land which has appreciated in value. The tax is payable by the sellers jointly.

*Basis of assessment:* In cases where the tax is levied for the first time, basis of assessment is the difference between the market value of the land when disposed of and the value of this land assessed according to special criteria laid down by law. Where the tax is levied at a later stage, the difference between the market value when the tax was last levied and the value of the land when disposed of at a later stage, for whatever purpose, provided it is between living persons or when the land first began to be used for building purposes.

*Exemptions:*

- (a) "*Subjective*": the central government, regions, provinces, communes, municipal undertakings, communal welfare institutions, etc.; independent housing institutions, municipal undertakings for the construction of subsidized housing, etc.; welfare and charitable institutions recognized as legal entities, public corporations concerned with nursing and education, church organizations recognized under civil law, etc.
- (b) "*Objective*": land used as parks or gardens and land which — by ministerial decree — may not be built on; sites situated in industrial zones; certain sites on which subsidized housing is to be built; land for the use or extension of industrial undertakings, etc.; land to be used as sports grounds; land used as parks or gardens belonging to private houses (in certain specific circumstances); land set aside for special uses, in accordance with improvement plans; certain sites set aside for public use.

*Deductions:* The tax on industrial, commercial, artistic and professional activities and business tax (see under I 4 A) are deductible from this tax. The value of land disposed of free of charge to the commune for the construction of roads, public squares, etc. is also deductible on an *una tantum* basis.

*Collection:* Tax is payable direct to the Treasury or by means of assessment books.

*Rates:* Rates range between 15% and 50% according to extent site values appreciate beyond 30% up to 500% of the basic value.

# ITALY

## II 3 A

### Registration tax (Imposta di registro)

*Beneficiary:* Central government.

*Tax payable by:* All persons who execute, or for whom there is executed, a deed establishing a specific economic relationship (exchange of goods or services).

*Basis of assessment:* Determined according to two basic criteria:

- (a) the market value of the goods transferred
- (b) the price agreed between the parties.

For free transfers, only the market value may apply.

*Collection:* The tax is normally payable when the deed or declaration is registered.

*Exemptions:* Leases of office buildings rented by diplomatic or consular authorities or of private dwellings rented by diplomatic or consular staff or by the staff of international organizations who do not have Italian nationality and perform their duties in Italy, provided reciprocal treatment is accorded by their home countries.

*Rates:* The rates may be progressive, proportional, graduated or fixed.

Tax is levied on transfers of real estate for a financial consideration, for whatever purpose and under whatever name, at the following rates:

regardless of value 4 0/0

except:

transfers of cheap housing of recent construction 1.5 0/0

renting of buildings:

based on cadastral rent

based on the rent (if there is no entry in the cadastral survey) 4 0/0

debentures, etc. 1.5 0/0

Where a transfer takes place within three years of another transfer of the same building for financial consideration, the rate is reduced by one quarter.

for buildings located abroad 1 0/0

for transfers of movable property and goods, whether between dealers or not 2 0/0

**Mortgage tax (Imposta ipotecaria)**

*Beneficiary:* Central government.

*Tax payable by:* Persons applying for the registration or transcription of mortgages, and jointly with them, any persons on whose behalf such application is made; debtors in cases where their mortgages are registered or renewed.

*Basis of assessment:* For registration or renewals, the basis of assessment is the capital and incidental expenses covered by the mortgage registered or renewed; for transcriptions, the basis of assessment is the value fixed or to be fixed for the purposes of registration tax (see under II 3 A).

In the case of transfers *mortis causa*, the basis of assessment is the same as in the case of estate duty.

*Collection:* Certain charges payable on the transcription of deeds or of decisions involving transfers of property are payable to the registry office within the period laid down for the payment of registration duty or estate duty; other types of duty (including surcharges and fines) are payable to the real estate registry when an application for entry, registration or renewal is made.

*Rates:* Rates range from 1‰ to 2.5‰, depending on the amount of the mortgage.

## **ITALY**

### **II 4**

#### **Stamp duty (Imposta di bollo)**

*Beneficiary:* Central government.

*Basis of assessment:* The duty is payable on the documents on which administrative, judicial and extrajudicial instruments have been drawn up and on all registered documents, whether printed or in writing, and drawings listed in the official tariff.

*Collection:* The duty is collected when the taxpayer purchases the paper bearing the stamp or the stamps themselves, when the seals are affixed, or by direct payment to the registry office or other authorized offices.

*Rates:* Rates may be fixed, graduated or proportional. The fixed rates range between Lit. 10 and 10 000, the graduated rates between Lit. 4 and 1 200, and the proportional rates between Lit. 0.5 and 12.

**Tax on bonds (Imposta sulle obbligazioni)**

*Beneficiary:* Central government.

*Tax payable by:* Persons issuing bonds, who may obtain a refund from the holders.

*Basis of assessment:* The total value of the bonds entered in the taxpayer's balance sheet, with a 50% reduction for bonds issued during the second half of the financial year.

*Exemptions:* No tax is payable on bonds issued before 26 August 1954.

*Reductions:* The amount of tax is reduced to 25% for regions, provinces, communes and certain other authorities liable to payment of this tax.

*Collection:* The tax is payable direct by the taxpayer to the appropriate department of the provincial tax office in the district in which he is domiciled for taxation purposes.

*Rate:* 5% of the taxable value of the bonds.

## ITALY

### II 6

#### **Stock-exchange turnover tax (Tassa sulle operazioni di borsa)**

*Beneficiary:* Central government.

*Tax payable by:* Persons effecting stock exchange transactions.

*Basis of assessment:* The sum involved in the transaction.

*Collection:* Payment is made direct.

#### *Rates:*

1. *Transactions involving bonds, stocks and shares.* The basis of assessment is the sum involved in the transaction; the amount of tax varies, according to the persons concerned in the transaction and the term of the contract, between Lit. 1 and 75 for each slice of Lit. 100 000 involved. The tax is reduced by half in the case of certain types of cash transaction involving state bonds or bonds guaranteed by the State.
2. *Transactions involving goods or foodstuffs.* The basis of assessment is the sum involved in the transaction and, according to whether cash transactions or transactions for the account are involved, the rate ranges from Lit. 20 to 900 for transactions concluded directly between persons authorized to negotiate on the official market (brokers), from Lit. 40 to 1 800 when the transactions are concluded directly between parties authorized to negotiate by word of mouth, and from Lit. 60 to 2 700 when the transactions are concluded by or through persons authorized to negotiate on the official market or by word of mouth.

**Turnover tax (Imposta generale sull'entrata — IGE)**

*Beneficiary:* Central government.

*Tax payable by:* Physical or legal persons to whom receipts accrue, but they are free to claim the amount of tax from the persons making payment.

*Basis of assessment:* The tax is assessed on the basis of total gross receipts, which includes the price of the goods and all incidental expenses debited to the purchaser (transport costs, packaging, tax, etc., other than turnover tax).

*Exemptions:* Exemptions include:

- (a) gifts to religious and similar institutions;
- (b) such income from exports of materials, goods, and products, and from rents and services as necessarily arises in international commerce;
- (c) income from railway, tram services, etc., run by private companies;
- (d) sale of bread and milk etc. for direct consumption;
- (e) income received as capital;
- (f) the sale of monopoly goods and stamped paper;
- (g) salaries, wages, pensions, subsidies, etc.

*Deductions:* No deductions are made for production costs, taxes, share holdings, etc.

*Collection:* The tax is payable either by affixing stamps, or by paying the sum concerned into post office accounts. The position in detail is that payment is made exclusively by affixing stamps where the amount of tax does not exceed Lit. 100; either by affixing stamps or by payment into post office accounts where sums between Lit. 100 and 2 000 are involved, and only by payment into post office accounts in cases where the amount of tax exceeds Lit. 2 000.

The tax may also be paid direct to the registration office where this method of payment is laid down by law (this method was selected because the tax increase is temporary).

*Rates:* The standard rate is 3.3%, provisionally increased to 4% by a surcharge introduced by Law No. 1162 of 15 November 1964. This law will remain in force for a period of three years. However, a series of special rates ranging from 0.6% to 30% (temporarily from 0.8% to 36%) are applicable in the case of certain products.

## **ITALY**

### **III 1 B (6)**

**Consumption tax** (Imposta di consumo)

*Beneficiary:* The communes.

*Tax payable by:* In general, retailers

*Tax payable on:* A number of items, according to the commune, which fall into two groups:

- (i) Items consumed in large quantities (liqueurs, aerated waters, meat, gas for lighting, electricity, etc.);
- (ii) Items consumed in smaller quantities (sports equipment, footwear, paper, electrical household equipment, carpets, china, etc.).

*Rates:* Minimum and maximum rates are fixed on the basis of a single tariff common to all communes.

*Collection:* On account of the difficulty of taxing products at the moment of consumption, each class of product has to be treated differently:

- (a) For beverages, the tax is normally levied on purchase by the retailer;
- (b) For beverages transported from one commune to another, the tax is payable in the commune where the beverages are consumed;
- (c) Tax on beef and veal, lamb and mutton, pigmeat and horsemeat is levied when the animals are slaughtered;
- (d) Tax on gas for lighting and electricity is levied on the producer, who may pass it on to the consumer;
- (e) Tax on building materials is levied on the basis of the materials account for the completed construction;
- (f) In certain cases the tax may be compounded for.

*Exemptions:* Certain items of prime necessity (bread, *pasta*, paper for certain uses, sewing machines, etc.).



**Compensatory tax on imports of industrial products** (Imposta di conguaglio sui prodotti industriali importati)

*Beneficiary:* Central government.

*Tax payable by:* The importer.

*Basis of assessment:* The customs value of the imports.

*Exemptions:* The exemptions include goods imported direct by the central government, foreign goods imported duty-free, etc.

*Collection:* The tax is payable to the customs authorities.

*Rates:* Since 18 November 1964, rates are between 0.4 % and 7.8 % (payable in addition to turnover tax described under III 1 A).

## **ITALY**

### **III 1 C (1)**

#### **Insurance tax (Imposta sulle assicurazioni)**

*Beneficiary:* Central government.

*Tax payable by:* The tax is payable by the insurer, but he is entitled to obtain a refund from the policyholder. The latter pays the tax on insurance policies taken out abroad.

*Tax payable on:*

- (a) insurance policies taken out on Italian territory by both Italian and foreign companies, societies or firms, however constituted, or by private individuals;
- (b) insurance policies taken out abroad in cases where they are to apply on Italian territory, or where they cover personal or real estate situated on Italian territory, ships or aircraft of Italian nationality; goods transported to or from Italy, provided the policy was taken out on behalf of persons or firms domiciled or established in Italy, and provided that the insurance policy concerned was not taxed abroad; life, accident, sickness or civil liability insurance policies taken out on behalf of persons domiciled or resident in Italy; and civil liability involved in an economic activity carried on in Italy;
- (c) life annuities taken out in Italy and those taken out with foreign insurance companies on behalf of persons domiciled in Italy;
- (d) the tax is not payable on insurance policies covering personal or real estate situated abroad, or on ships or aircraft of foreign nationality, unless they are used in Italy;
- (e) the tax is not payable on reinsurance policies when they cover insurance for which the tax has already been paid or which is tax-free.

*Basis of assessment:* The amount of the premium and any additional sum paid by the policyholder to the insurer.

*Collection:* Direct payment by the insurer to the registration office of the district in which the company, society or firm or any other insurer has its domicile or is represented; direct payment by the policyholder to the registration office in cases in which the policyholder is responsible for the payment of the tax.

*Rates:* Vary, according to type of insurance or of annuity contract, between 1% and 15%.

**Entertainments tax (Imposta sugli spettacoli)**

*Beneficiary:* Central government.

*Tax payable by:* Persons holding a licence to organize entertainments.

*Basis of assessment:* The gross takings from each performance.

*Exemptions:* Certain kinds of free tickets.

*Collection:* The tax is levied directly before the end of each performance, by the representatives of SIAE (the Italian authors' and publishers' society), which has been officially authorized to collect this tax.

*Rates:* The rates range from 5% to 45% depending on the nature of the entertainment, and there are a number of local surcharges.

# ITALY

## III 1 F

### **Duty on official documents (Tassa sulle concessioni governative)**

*Beneficiary:* Central government.

*Duty payable by:* Persons who apply for the issue of:

- (a) Government concessions, administrative licences, deeds, certificates and other documents.

The duty payable is known as *tassa sulle concessioni governative*.

- (b) Documents under the seal of a public official, drawn up by ministries and other government departments.

The duty payable is known as *diritto di segretaria*.

*Rates:* Very numerous; they are fixed for each type of document.

*Collection:* Ordinarily by the department concerned.

*Exemptions and reductions:* As a rule they are listed in Schedules A and B annexed to the tariff.

**Stamp duty on land, sea, river, lake and air transport documents** (Tassa di bollo sui documenti di trasporto terrestre, marittimo, fluviale, lacuale ed aereo)

*Beneficiary:* Central government.

*Duty payable by:* Carriers.

*Basis of assessment:* Income derived from the above-mentioned types of transport.

*Collection:* In general, the tax is paid to the Treasury, but payment is also made to the registration offices, and stamps or seals are sometimes affixed.

*Rates:* The standard rates range from Lit. 2 to 600 and the proportional rates from 1 % to 6 % depending on the nature of the goods transported.

# ITALY

## III 3 A

### Duty on spirits (Imposta sugli spiriti)

*Beneficiary:* Central government.

*Duty payable on:*

#### 1. *Manufacturing tax*

Spirits are divided into two classes for the purposes of manufacturing tax. The first class comprises spirits produced by distilling raw materials other than wine, residuary liquors, waste from wine production, and fruit. Spirits obtained from these substances therefore fall into the second class. All spirits other than ethyl alcohol and alcohol obtained by means of synthesis are treated as spirits belonging to the first class.

The tax is payable when the goods leave the distillery.

#### 2. *Standard duty*

(a) all spirits in the first class;

(b) spirits in the second class obtained from dates, dried grapes, their juice and paste, locust beans, and figs.

The duty is payable when the goods leave the distillery.

#### 3. *Special duty*

Denatured spirits belonging to the first class and similar spirits.

Duty is payable when the product is denatured.

*Rates:* (per hl of pure alcohol)

#### 1. *Manufacturing tax*

(a) Standard rate: Lit. 60 000 (15.56° C).

(b) Reduced rates: the reduced rates range from Lit. 19 500 (for the manufacture of vinegar) to Lit. 58 000 per hl.

#### 2. *Standard rates*

Spirits belonging to the first class:

spirit (standard rate)	Lit. 60 000
spirit obtained from molasses	Lit. 27 000
spirit obtained from dates, dried grapes, etc.	Lit. 27 000
spirit obtained from cultivated sugar cane ( <i>canna gentile</i> ), up to 5 300 hl per year	Lit. 24 000
spirit obtained from sorghum	Lit. 23 000
spirit obtained from locust beans and figs	Lit. 8 000
spirit obtained from fruit other than dates, dried grapes, locust beans and figs	Lit. 4 000

Spirits belonging to the second class: duty-free, with the exceptions mentioned above.

#### 3. *Special duty*

Normally Lit. 6 000; Lit. 1 000 for methyl alcohol.

## ITALY

### III 3 A (cont.)

*Exemptions:* Denatured spirit for certain industrial uses may be exempted under a Ministry licence, but the special duty is nevertheless payable.

*Imports:* Normally the same amount of duty applies as for alcohol produced in Italy.

*Exports:* Duty-free. Duty paid is refunded.

## **ITALY**

### **III 3 C**

**Duty on beer** (Imposta sulla birra)

*Beneficiary:* Central government.

*Basis of assessment:* The wort, i.e. the intermediate product in the manufacture of beer. The duty is payable by the brewer, prior to the manufacturing process, on the basis of his statement of products used.

*Rate:* Lit. 400 per hl and per degree of sweetness of the wort as measured by the official saccharometer at 17.50° C.

*Imports:* The same duty is levied on imported as on Italian beer.

*Exports:* Full refunds are granted. Applications for this refund must be received within 2 years.



## ITALY

### III 3 E (1)

#### **Duty on coffee** (Imposta sul caffè)

*Beneficiary:* Central government.

*Duty payable on:* Natural coffee, beans and skins, whether ground or not, according to weight, when the goods are cleared through customs.

*Rates:*

- |                                     |                    |
|-------------------------------------|--------------------|
| (a) Natural coffee, beans and skins | Lit. 50 000/100 kg |
| (b) Roasted, whether ground or not  | Lit. 69 000/100 kg |

*Imports:* The duty is levied on importation.

*Exports:* Italy does not export coffee.

## **ITALY**

### **III 3 E (2)**

**Duty on coffee substitutes (Imposta sui surrogati del caffè)**

*Beneficiary:* Central government.

*Duty payable on:* All substances which can be used as a substitute for coffee.

*Rate:* Lit. 4 000/100 kg.

*Imports:* Duty is levied on imports at the same rate as on domestic products.

*Exports:* Exempt from duty.

## ITALY

### III 3 G

#### **Duty on cocoa (Imposta sul cacao)**

*Beneficiary:* Central government.

*Duty payable on:* Cocoa, cocoa butter, and cocoa skins and husks. The duty is payable on importation since no cocoa is produced in Italy itself.

#### *Rates:*

Cocoa beans, unroasted, cocoa skins and husks	Lit. 25 000/100 kg
Cocoa beans, roasted, unshelled	Lit. 27 500/100 kg
Cocoa beans, roasted, shelled	Lit. 31 250/100 kg

*Imports:* See *Duty payable on* above

*Exports:* Italy does not export cocoa.

## **ITALY**

### **III 3 H**

#### **Duty on tobacco (monopoly) (Imposta sul tabacco)**

*Beneficiary:* Central government.

*Definition:* Government monopoly. The monopoly covers manufacture, preparation and importation, and the sale of tobacco and tobacco products throughout Italy.

*Rates:* The duty is levied according to a scale in which retail sales prices are broken down into four parts:

- (a) wholesale prices;
- (b) retailer profit margin;
- (c) distribution costs;
- (d) percentage of tax (approximately 80% of the retail sales price in the case of cigarettes).

*Imports:* Tobacco is imported by the monopoly. On importation, customs duty and a duty equal to the amount borne by products included in the sales tariff in Italy (the monopoly's tax percentage) are levied.

*Cigarette paper:* The rates (monopoly with a special quota for EEC countries) range from Lit. 880 to Lit. 2 130 per 4 000 sheets in the case of cigarette paper and from Lit. 240 to 810 per 1 000 in the case of cigarette tubes.

**Duty on sugar** (Imposta sullo zucchero)

*Beneficiary:* Central government

*Duty payable on:*

- (a) First-category sugar, with a refined sugar yield of over 94 %;
- (b) Second-category sugar, when the refined sugar yield does not exceed the above-mentioned percentage.

*Rates:*

Standard rate

First category	Lit. 3 300/100 kg
Second category	Lit. 3 168/100 kg
Molasses	Lit. 1 585/100 kg of sucrose contained in molasses for human consumption

*Reduced rates:* The duty is levied at reduced rates in the case of sugar used in the manufacture of certain products (jams, etc.).

*Imports:* Duty is levied at the same rate as on home-produced sugar.

*Exports:* Exports are duty-free or a refund is granted.

## ITALY

### III 3 K

#### **Duty on sweeteners (Imposta sulle materie zuccherine)**

*Beneficiary:* Central government.

*Rates:*

Glucose and maltose in solid form	Lit. 1 650/100 kg
Glucose and maltose in liquid form	Lit. 825/100 kg
Glucose in solid form to be used in the manufacture of crystallized fruit and <i>mostarda</i> (crystallized fruit in mustard-flavoured syrup)	Lit. 1 045/100 kg
Glucose in liquid form to be used in the manufacture of crystallized fruit and <i>mostarda</i> (crystallized fruit in mustard-flavoured syrup)	Lit. 525/100 kg
Invert sugar in liquid form obtained from any substance	Lit. 2 475/100 kg
Invert sugar in liquid form obtained from grapejuice or locust beans	Lit. 2 062/100 kg
Invert sugar obtained from any solid substance	Lit. 2 887/100 kg

*Imports:* The same amount of duty is payable on imported sweeteners as on home-produced products.

*Exports:* Exports are duty-free or a refund is granted.

*Special features:* Duty is payable on saccharine used in the pharmaceutical industry (the only use allowed) at a rate of Lit. 18 000/kg.

**Duty on salt (monopoly) (Imposta sul sale)**

*Beneficiary:* Central government.

*Rate:* Duty forms part of the retail sales price and may be estimated at 70 % of this price (see under *Duty on tobacco*).

*Exemptions:* For some industrial uses, provided that the salt or products obtained are unfit for human consumption.

*Imports:* As part of the process of progressively reorganizing the monopoly, special annual quotas have been opened for imports from other EEC countries. The same amount of duty is levied on imported as on home-produced salt.

*Exports:* The monopoly does not cover the manufacture of salt for exportation, but a charge is made.

A refund is made in the case of exports of salted products.

# ITALY

## III 3 N

### I. Duty on seed oils (Imposta sugli olii di semi)

*Beneficiary:* Central government.

*Duty payable on:* Seed oils, other than olive oil, which are liquid at 15° C.

*Rates:*

Crude oils	Lit. 700/kg
Refined oils	Lit. 760/kg

*Exemptions:* Seed oils, hydrogenated seed oils, acid seed oils, and light fatty acids, for use in certain industries.

*Imports:* Same rate of duty as on home-produced oils.

*Exports:* A refund is granted.

### II. Duty on animal oils and fats, thick vegetable oils and fatty acids (Imposta sugli olii grassi animali, sugli olii vegetali e sugli acidi grassi)

*Beneficiary:* Central government.

*Duty payable on:* Animal oils and fats whose solidification point is 30° C. or less.

Liquid vegetable oils whose solidification point is 12° C. or less, obtained by refining thick vegetable oils and fats. Fatty acids of animal or vegetable origin whose solidification point is 48° C. or less.

*Rate:* Lit. 25 000/100 kg. (in cases where the oils are to be used in certain industries).

*Imports:* Same rate as for home-produced oils.

### III. Duty on olive oil (Imposta sull'olio di oliva)

*Beneficiary:* Central government.

*Duty payable on:* Edible olive oil obtained by pressing, *lampante*, refined olive oil, oil extracted from olive pulp.

*Rates:*

Crude oil	Lit. 1 400/100 kg
Rectified oil	Lit. 1 520/100 kg

*Exemptions:* Olives, olive pulp, olive oil residues for uses, in certain industries, other than extraction of oil.

*Imports:* Same rate as for home-produced oil.

*Exports:* A refund is granted.



**Duty on margarine** (Imposta sulla margarina)

*Beneficiary:* Central government.

*Duty payable on:* Margarine when it leaves the factory. Margarine to be used in the food industry is exempt.

*Rate:* Lit. 3 000/100 kg since 14 January 1967.

*Imports:* Duty is levied on imported margarine at the same rate as on home-produced margarine.

*Exports:* Margarine exported directly is duty-free.

# ITALY

## III 3 P

**Duty on yarn** (Imposta sui filati)

*Beneficiary:* Central government.

*Duty payable on:* Duty is payable by the manufacturer on yarns of all kinds.

*Rates:* The scales laid down for the various classes of yarn are extremely complex.

Two collection systems are used inside Italy:

1. A tariff system based on the quality of the yarn.
2. An inclusive system based on the annual production capacity resulting from the number of spindles, drawing-frames, etc. laid down annually by decree issued by the Finance Ministry. This system is at present being overhauled (a system whereby meters are attached to each loom to ensure the general application of the tariff system is being introduced).

*Imports:* Imports are also subject to the tariff system.

*Exports:* A refund based on the tariff system.

*Woollen yarns:* Suspension for two years from 10 October 1965 of manufacturing tax and frontier surcharge on woollen yarns consisting of pure wool (virgin, waste or reclaimed) or at least 10% wool (virgin, waste or reclaimed) mixed with other fibres whether or not reclaimed, and application, while the tax is suspended, of the special surcharge on taxable transactions as well as single-stage turnover tax (IGE):

(a) Sheep's or lambs' wool, not carded or combed	7.8%
(b) Fine animal hair not specified or included elsewhere, not carded or combed, except hair of rabbit, hare, beaver and nutria	4.0%
(c) Coarse animal hair of bovine or equine animals (excluding horsehair) and of common or similar goats, and pure or mixed waste thereof	7.8%
(d) Waste of sheep's or lambs' wool or of other animal hair (fine), pure or mixed	7.8%
(e) Waste of sheep's or lambs' wool or of other animal hair (fine), pulled or garnetted, pure or mixed	7.8%
(f) Sheep's or lambs' wool or other animal hair, carded or combed	7.8%
(g) Rags (scraps, waste and list of textile fabrics or felt, used or unused, worn-out textile articles unfit for their specific use, old netting, worn cordage and the like) which are unusable except for the manufacture of pulp (by pulling), for use as machine wipers or other similar purposes	4.0%

*Exemption:* As a general rule, when the above raw materials are to be used by firms manufacturing felt, mattresses or counterpanes padded with wool or yarns other than those specified above, containing at least 10% wool.

*Note:* There are provisions, while the surcharge remains in force, for turnover tax (IGE) to be refunded on exports and for a countervailing charge to be levied on imports for certain articles containing wool, animal hair or horsehair.

**Duty on matches (Imposta sui fiammiferi)**

*Beneficiary:* Central government.

*Duty payable on:*

- (a) Matches of wax and wood (impregnated with paraffin or sulphur): the duty is levied by affixing revenue bands to the boxes.
- (b) Lighters: the duty is collected in the same way as for matches.

*Rates:*

- (a) Matches: the rate ranges between Lit. 11.10 and Lit. 353 per box, wrapper or case.
- (b) Lighters: the rate is Lit. 300 annually; the rate for flints is Lit. 25.30 or Lit. 230 per unit.

*Imports:* Duty is levied on imported matches at the same rate as on matches manufactured in Italy.

*Exports:* Exports are duty-free.

# ITALY

## III 3 R

### **Duty on lamps (Imposta sulle lampadine elettriche)**

*Beneficiary:* Central government.

*Duty payable on:*

1. Incandescent electric lamps with metal or carbon filaments;
2. Gas or vapour neon lamps;
3. Arc lamps for lighting purposes;
4. Pure carbon, metallized or otherwise prepared, for use in arc lighting.  
The duty is payable to the provincial tax authorities before the goods leave the factory for distribution.

*Rates:*

1. Duty on incandescent electric lamps with metal or carbon filaments ranges from Lit. 2 to 170, depending on wattage;
2. Duty on gas or vapour neon lamps ranges from Lit. 5 to 300, depending on wattage;
3. Duty on arc lamps is Lit. 150 per unit;
4. The duty on pure carbon, metallized or otherwise prepared, for use in arc lighting amounts to Lit. 24 per kg.

*Imports:* Same rate as on apparatus manufactured in Italy.

*Exports:* Exports are duty-free.

**Duty on gas and electricity (Imposta sul gas e l'energia elettrica)**

*Beneficiary:* Central government.

*Duty payable on:* The quantity of gas and electric energy consumed as measured by meters.

*Rates:*

**Electric energy:** Lit. 5/kW used, for purposes other than lighting, in shops and dwellings, even if it is not used for the production of motive power, including electric energy used for running radios, television sets and refrigerators.

Lit. 4/kW used for lighting purposes.

Lit. 2.5/kW for charging portable accumulators.

Between Lit. 0.5 and 0.3/kW (depending on the energy consumed) for energy used as motive power.

These rates are reduced by 50% until 31 December 1980 in southern Italy and the islands.

**Gas:** Lit. 0.20/cu.m.

*Imports and exports:* The law makes no specific provision for these.

## **ITALY**

### **III 3 T**

**Duty on natural gas (Imposta sul metano)**

*Beneficiary:* Central government.

*Definition:* Two types of tax exist: consumption tax and government duty.

*Rates:*

**Consumption tax:**

the tax is levied at a rate of Lit. 1/cu.m of compressed gas, at 15° C and at a normal pressure.

**Government duty:**

Lit. 5/cu.m for gas in bottles. The rate of duty levied on gas in bottles for use as motor fuel is Lit. 3/cu.m.

*Imports:* Same rate as for natural gas produced in Italy.

*Exports:* There are no specific provisions for exports.

**Duty on mineral oils (Imposta sugli olii minerali)**

*Beneficiary:* Central government.

**Rates**

1. Crude natural mineral oils	Lit. 6 000/100 kg net
2. Light oils and preparations:	
(a) White spirit ( <i>acqua ragia minerale</i> )	Lit. 8 400/100 kg net
(b) Special oils other than white spirit	Lit. 11 990/100 kg net <sup>(1)</sup>
(c) Petrol	Lit. 11 990/100 kg net <sup>(1)</sup>
3. Medium oils and preparations:	
(a) Paraffin	Lit. 6 000/100 kg net
(b) Products other than paraffin	Lit. 11 990/100 kg net <sup>(1)</sup>
4. Heavy oils and preparations:	
(a) Gas oils	Lit. 12 400/100 kg net
(b) Special fuel oils	Lit. 5 400/100 kg net
(c) Fuel oils	Lit. 4 000/100 kg net
(d) White lubricating oils	Lit. 15 700/100 kg net
(e) Other lubricating oils	Lit. 12 400/100 kg net
5. Crude vaseline	Lit. 2 500/100 kg net
6. Vaseline other than crude	Lit. 5 680/100 kg net
7. Crude mineral wax (crude ozokerite)	Lit. 180/100 kg net
8. Refined mineral wax (except that made with ozokerite on which duty has already been paid)	Lit. 680/100 kg net
9. Paraffin wax, microcrystalline wax, shale wax	Lit. 680/100 kg net
10. Aromatic extracts and similar products	Lit. 12 400/100 kg net

*Exemptions:* Exemptions and reductions are granted for petroleum products used for certain purposes.

*Imports:* Same rates as on mineral oils manufactured in Italy.

*Exports:* Exports are duty-free or a refund is granted.

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(1) Until 31 December 1968.

## **ITALY**

### **III 3 V**

#### **Duty on petroleum gases (Imposta sui gas di petrolio)**

*Beneficiary:* Central government.

*Rates:*

- |  |               |
|--|---------------|
| (a) LPG, in cylinders, used as fuel:                       | Lit. 20/kg    |
| (b) LPG introduced direct into urban distribution systems: | Lit. 36/cu.m  |
| (c) LPG used as fuel for motor propulsion:                 | Lit. 48.90/kg |

*Imports:* Duty at the same rate as on petroleum gases produced in Italy.

*Exports:* A refund is granted.

*Special feature:* 90 % of manufacturing tax levied in the case of use as fuel is refunded for liquefied petroleum gases used for certain purposes.



**Duty on playing cards (Imposta sulle carte da giuoco)**

*Beneficiary:* Central government.

*Duty payable on:* Playing cards if they are larger than  $32 \times 45$  mm. Duty is collected by affixing a stamp to a playing card.

*Rates (per packet):*

1. Playing cards made of paper
  - (a) Lit. 300 for ordinary playing cards
  - (b) Lit. 500 for de luxe cards
2. Playing cards made with materials other than paper
  - (a) Lit 600 for ordinary playing cards
  - (b) Lit. 1 000 for de luxe cards

*Imports:* Duty is at the same rate on imported playing cards as on those manufactured in Italy.

*Exports:* Exports are duty-free.

## ITALY

### III 4 A

#### **Tax on motor vehicles** (Tassa sulla circolazione degli autoveicoli)

*Beneficiary:* Central government (by decree issued by the Treasury and the Finance Ministry, one third of the tax is allocated to the Provinces).

*Tax payable by:* Owners of motor vehicles.

*Basis of assessment:* The basis of assessment depends on type of vehicle, cylinder capacity, engine rating, number of seats, total authorized loaded weight, number of persons the vehicle can carry.

*Exemptions:*

- (a) Certain types of motor vehicle used for public services are permanently tax-free;
- (b) Vehicles imported temporarily are tax-free for a limited period.

*Reductions:* Reductions are made in the case of certain motor vehicles used for special kinds of transport or having certain specific characteristics.

*Collection:* The tax is payable to the registration offices. By agreement with the Italian Government, the Automobile Club of Italy at present collects the tax.

*Rates:*

- (a) Motor cycles and cycle-cars: between Lit. 4 800 and 10 000, depending on engine rating;
- (b) Bicycles with auxiliary motor: the annual amount of tax is Lit. 1 500;
- (c) Light motor cycles and cycle-cars: below a certain cylinder capacity, the annual tax is Lit. 4 200;
- (d) Motor cars used for passenger transport and for mixed passenger and goods transport: the annual tax is between Lit. 5 000 and 237 000, depending on engine rating; in the case of vehicles of over 45 h.p., it is Lit. 8 500 for each h.p. in excess of 45;
- (e) Motor coaches: the annual tax ranges from Lit. 9 000 to 124 000, depending on engine rating; over 45 h.p., the tax is Lit. 3 000 for each h.p. in excess of 45;
- (f) Motor launches for private use (passenger transport): the annual tax ranges from Lit. 3 350 to 90 000, depending on engine rating; in the case of motor launches over 45 h.p., the tax is Lit. 6 000 for each h.p. in excess of 45;
- (g) Motor lorries, motor vans, trailers and light motor vans: depending on the total authorized loaded weight, annual tax ranges from Lit. 7 500 to 157 500, and from Lit. 8 250 to 171 000 in the case of trailers;
- (h) Trailers used for passenger transport: the annual tax ranges from Lit. 37 500 to 140 400 (for private use) and Lit. 24 600 to 93 000 (for public service).

Other rates are applied for certain specific types of motor vehicle.

**LUXEMBOURG**

**Personal income tax** (Impôt sur le revenu des personnes physiques)

*Beneficiary:* Central government.

*Tax payable by:* All physical persons domiciled or resident in Luxembourg or enjoying income there.

*Basis of assessment:* All income (profits, i.e. excess of receipts from 7 types of income over costs of acquisition), after deduction of special expenses.

*Exemptions:* Income from legal insurance against sickness, accidents and unemployment; certain forms of aid, allowances, and war pensions; interest on certain types of government loan, etc.

*Deductions:* Special expenses (in particular, insurance premiums, interest on debts; automatic personal allowance of Lfrs. 4 000 is granted; taxpayer must produce evidence for any additional allowance);  
Exceptional expenses;  
Exempted amount: Lfrs. 30 000 in the case of income from farming totalling no more than Lfrs. 80 000.

*Married couples:* Incomes of married couples are treated as a single income for tax purposes.

*Non-residents:* Only income accruing in Luxembourg is taxable: deductions at source (see below) extinguish the tax debt and are also made in the case of incomes from literary and artistic activities, income derived from the leasing of licences and patents (12 %) and remuneration received by boards of directors (10 %, after deduction of tax on company directors).

*Collection:* Annual income tax returns; tax withheld at source in the case of employed persons (wages tax), and in the case of investment income (the tax on income from capital is normally 15 %), and in the case of old-age pensions and retirement annuities (tax on old-age pensions). Tax withheld at source is deductible against final personal income tax liability.

*Rates of tax:* A graduated rate of tax is applicable, taxpayers being divided into 4 classes according to family responsibilities. Tax in each class is progressive. Bachelors, for example (Class I) pay between 20 % and 54 %. A personal allowance is granted in all cases, and for bachelors this is Lfrs. 40 999.  
Income from farming below Lfrs. 60 000 is taxed at average rates.

*Carry-over of losses:* Losses suffered by farmers or foresters and by business firms may be carried over for a period of 2 years, provided the person running the enterprise keeps regular accounts.

## **LUXEMBOURG**

### **I 1 B**

**Tax on company directors' fees** (Impôt spécial sur les tantièmes)

*Beneficiary:* Central government.

*Tax payable by:* Members of boards of directors receiving fees and allowances.

*Basis of assessment:* All fees and allowances.

*Non-residents:* The same tax system is applicable as in the case of resident persons and companies.

*Collection:* The tax is withheld at source by the company concerned.

*Rate of tax:* 20 % (or 25 % in cases where the company pays the tax).

*Special features:* This tax cannot be deducted from personal income tax itself, but may be deducted from the basis of assessment for this tax.

**Corporation tax** (Impôt sur le revenu des collectivités)

*Beneficiary:* Central government.

*Tax payable by:* Joint-stock companies, co-operative societies, friendly societies, industrial and commercial undertakings incorporated under public law.

*Basis of assessment:* Profits are assessed on the basis of the regulations governing personal income tax.

*Exemptions:*

*"Personal" exemptions:* Post office authorities, national lottery, State banks where they are carrying out public duties, State-controlled savings banks, corporate bodies of an exclusively religious, charitable or public nature, certain pension or assistance funds; holding companies (holding companies' privileges).

*"Real" exemptions:* Dividends which a joint-stock company receives from another in which it has a holding of at least 25 % are exempt from both corporation tax and tax on capital yields (privilege of parent companies and subsidiaries — *Schachtelprivileg*).

*Deductions:* In addition to the deductions as for personal income tax, the main expenses which may be deducted are the cost of issuing shares and, in the case of insurance companies, funds earmarked for reserves.

*Non-residents:* Only income accruing in Luxembourg is taxable; there are no personal exemptions; tax may be withheld at source (normally, no privileges are granted for holding shares in another company, unless otherwise stipulated in an international convention) — and this extinguishes the tax debt.

*Collection:* By means of annual returns.

*Rates of tax:*

20 % in cases where profits do not exceed Lfrs. 400 000. Lfrs. 80 000 + 50 % of the profits in excess of Lfrs. 400 000, in the case of profits between Lfrs. 400 000 and Lfrs. 600 000. 30 % if the profits are between Lfrs. 600 000 and Lfrs. 1 000 000. Lfrs. 300 000 + 72 % of the profits in excess of Lfrs. 1 000 000, if the profits are between Lfrs. 1 000 000 and 1 312 400. 40 % in the case of profits in excess of Lfrs. 1 312 400.

*Carry-over of losses:* Losses may be carried over for a period of 2 years.

## LUXEMBOURG

### I 3 A/B

#### **Tax on land and buildings (Impôt foncier)**

*Beneficiary:* The communes.

*Tax payable by:* Owners of real estate located in the communes.

*Basis of assessment:* Capital value of all real estate, whether buildings or land without buildings, assessed on the basis of the valuation law.

*Exemptions:* Real estate belonging to public corporations and used for public purposes; real estate used for charitable, sporting, religious or scientific purposes; land and buildings belonging to hospitals; public roads and waterways; cemeteries.

*Non-residents:* The same system is applied as in the case of resident persons and companies, since the tax, as a tax on material values, is payable on all real estate located on Luxembourg territory.

*Collection:* The amount of tax is fixed annually without tax returns.

*Rates of tax:* A basic taxable amount is first of all fixed, varying between 7 and 10% of the capital value. This basic taxable amount is then multiplied by a municipal factor of between 0.3 and 5, depending on the commune concerned. In the case of farms, the municipal factor varies from 1 to 5.

*Special features:* The tax may be deducted from the taxable income or profits.

**Trade tax (Impôt commercial)**

*Beneficiary:* The communes.

*Tax payable by:* Business, industrial or handicrafts undertakings located in Luxembourg.

*Basis of assessment:* (a) Trading profits, with certain additions (in particular, interest on long-term debts and other permanent costs, half the rent paid for movable assets) and certain deductions (3% of the unit value of buildings, the percentage of profits received by a *société de personnes* which is itself liable to trade tax);

(b) Operating capital with certain additions (in particular, long-term debts) and certain deductions (unit value of buildings, value of holdings in a *société de personnes* which is itself liable to trade tax).

(c) In some cases, total wages (special payroll tax).

*Exemptions:* Normally the same as for corporation tax.

*Deductions:* An allowance of Lfrs. 200 000 is granted on profits made by individuals and *sociétés de personnes* and of Lfrs. 80 000 on profits made by *sociétés de capitaux*.

An allowance of Lfrs. 500 000 is granted on operating capital of individuals and *sociétés de personnes*; the capital of *sociétés de capitaux* is not taxable if it is below Lfrs. 30 000.

*Non-residents:* The same as for residents: the businesses in Luxembourg are liable wherever or wherever the owner may be.

*Collection:* Annual tax returns.

*Rates of tax:* Basic rate: 4% of profits, 2% of operating capital. A municipal factor varying between 1.4 and 3 is then applied. Large communes also levy a payroll tax; in cases where the payroll is less than Lfrs. 500 000, a sum of Lfrs. 200 000 is deducted. The rate is 2% of the payroll, multiplied by a municipal factor (usually 6).

*Special features:* This tax may be deducted from taxable income or profits.

*Carry-over of losses:* Losses may be carried over for a period of 2 years.



## LUXEMBOURG

### I 5

**Wealth tax** (Impôt sur la fortune)

*Beneficiary:* Central government.

*Tax payable by:* Individuals and legal persons except *sociétés de personnes*, members of which are taxed individually on the value of their participation.

*Basis of assessment:* Net assets = total property, gross (farms and forestry holdings, all other movable and immovable, tangible and intangible property), less debts.

*Exemptions:* Savings banks properly so-called, pension funds etc., non-profit associations of a religious and/or charitable nature, or such associations serving the public interest, non profit housing enterprises, holding companies, State and communal enterprises.

*Deductions:* For individuals, an allowance of Lfrs. 100 000 is granted from the basis of assessment for the taxpayer himself (plus Lfrs. 100 000 for the spouse and for each child).

*Married couples:* Tax is aggregated.

*Non-residents:* Only assets located in Luxembourg are taxed.

*Collection:* Tax returns.

*Rate of tax:* 0.5 %.

*Special features:* The minimum taxable net wealth of companies is Lfrs. 500 000 (Lfrs. 200 000 for a private limited company).

**Estate duty** (Droits de succession)

*Beneficiary:* Central government.

*Duty payable by:* Heirs and legatees of persons domiciled in Luxembourg.

*Basis of assessment:* Market value at the time of decease of the entire net estate inherited from a person domiciled in Luxembourg except for real estate located abroad.

*Exemptions:* The "legal portion" going to direct descendants is not taxed, nor is any estate going to a spouse with common descendants.

Estate duty is payable only if the net value of the estate inherited exceeds Lfrs. 20 000.

*Collection:* Tax returns.

*Rate of duty:*

- (a) In direct line: Apart from the "legal portion": 2.5 % in the case of the *préciput* (privileged share) and 5 % for the *quotité disponible* (i.e. the remainder).
- (b) To spouse without children or common descendants: 6 %.
- (c) Between collateral relatives, according to the degree of relationship, 6 to 15 % of the "legal portion" and 15 % of the remainder.  
If the net sum accruing to an individual exceeds Lfrs. 100 000, the portion payable on the basis of the above rates is increased progressively by 10 % - 220 % (portion in excess of Lfrs. 17.5 million).
- (d) Legacies left to communes, public undertakings or undertakings for public purposes, charitable institutions and relief committees, church funds, consistories and synagogues: 6 % whatever the sum.

*Special features:* Where the deceased person was not domiciled in Luxembourg, *droit de mutation par décès* (and not estate duty) is levied on real estate in Luxembourg.

*Basis of assessment:* Market value of real estate located in Luxembourg at the time of decease. There are no allowances, and debts are not deductible.

*Rates of duty:*

- (a) In direct line: 2 % of the "legal portion";
- (b) To spouse with children or common descendants: 5 %;
- (c) Other rates are the same as in the case of estate duty;
- (d) As in the case of estate duty, the rate is increased progressively by 10 % - 220 % (see above).

# LUXEMBOURG

## II 3 A

### **Registration taxes (Droits d'enregistrement)**

*Beneficiary:* Central government.

*Basis of assessment:* Market value of property transferred or sums and securities for which legal acts are executed.

*Exemptions:* Certain types of legal acts are exempt from registration taxes because of the nature or purpose of the legal procedure in question or of status of the parties.

*Collection:* As a general rule, the taxes are collected when civil, judicial or extra-judicial acts are registered.

*Rates of tax:* Fixed rates ranging from Lfrs. 20 (the standard rate) to Lfrs. 50 000 are applicable in the case of acts which do not involve any obligation, court order, priority classification in bankruptcy proceedings, or payment in respect of sums and valuables, or the transfer of ownership, usufruct or enjoyment of real or personal property; this is a duty levied for the preparation of the legal acts, which is payable when the acts are registered.

A proportional duty, ranging from 0.24 % to 14.4 % according to the nature and purpose of the legal procedure involved, is levied in respect of legal acts involving obligations, court orders, priority classification in bankruptcy proceedings, or payments of sums and valuables, and for any transfers between living persons of the ownership, usufruct or enjoyment of real or personal property.

Legal acts on which proportional duty is payable are not liable to payment of fixed duty.

#### *Duty levied on sales of real property:*

Standard duty: 6 %.

Reduced rate applicable to sales of real estate in cases of bankruptcy and, in certain circumstances, to rural properties and cheap housing: 1.2 %.

#### *Duty levied on companies:*

(a) Real or personal estate brought in: 0.6 %.

(b) New capital brought in: 0.6 %.

(c) Capitalization of reserves: standard rate: Lfrs. 20.

(d) Mergers:

in the case of capital brought into a new company: 0.6 %;

in the case of assets transferred to a company for a valuable consideration: 0.24 % to 6 % depending on the nature of the gross assets brought into the new company.

(e) In the case of holding companies, the transfer duty is reduced to 0.32 % (minimum Lfrs. 3 000) and in the case of *sociétés familiales* to 0.3 %.

(f) transfer of shares in *sociétés en nom collectif*, *sociétés en commandite simple* and civil companies: 1.2 %.

## LUXEMBOURG

### II 3 A (cont.)

*"Droit d'abonnement" on shares and bonds:*

A compulsory annual *droit d'abonnement* is payable on shares and bonds issued by *sociétés anonymes* and *sociétés en commandite par actions* and on participations in limited liability companies, the minimum being Lfrs. 500 a year and the rate 0.36 % in the case of *sociétés anonymes* and *sociétés en commandite par actions* and 0.18 % in the case of limited liability companies. *Droit d'abonnement* is payable on the bonds of holding companies at a rate of 0.16 % (minimum Lfrs. 1 500 a year).

## LUXEMBOURG

### II 3 B

**Mortgage tax (registration of mortgage, renewal of registration, and transfer)** (Droits d'hypothèque : droits d'inscription, de renouvellement d'inscription et de transcription)

*Beneficiary:* Central government.

*Basis of assessment:* In the case of registration and renewal of registration: the principal amount of the debt registered;

In the case of transfer: the price or market value of the property concerned (real property and inland waterway vessels of a tonnage of 20 tons or under).

*Exemptions:* The following are exempt from registration tax: legal mortgages on property belonging to minors, persons under judicial disability, married women, and the central government, and mortgages guaranteeing communal loans, loans made by the State Savings Bank, the Crédit Foncier, the subsidized housing department and social insurance institutions, etc.

The following are exempt from transfer tax: as a general rule, all transfers of real property on which proportional registration tax is not payable, gifts shared between relatives in direct ascending line and, in certain circumstances, exchanges of rural property.

*Collection:* Mortgage tax is collected when the relevant legal documents concerning the mortgage are presented.

*Rate of tax:* Registration and renewal of registration (real, every 10 years):  $\frac{1}{2}$  ‰;

Transfer: as a general rule 1 ‰; this rate is reduced to  $\frac{1}{2}$  ‰ in the case of some real property (rural property, cheap housing) and in the case of certain legal acts (exchanges, sales of real property following bankruptcy).

*Special features:* A special duty (registrar's fee) ranging from Lfrs. 10 to 200, depending on the value of the real property transferred or on the amount of the mortgage debt to be registered or cancelled, is levied by the central government;  $\frac{1}{5}$  of this sum is paid to the mortgage registrars by way of compensation for their responsibility.

**Stamp duty (Droit de timbre)**

*Beneficiary:* Central government.

*Basis of assessment and rates of duty:*

*Stamp duty* ranging from Lfrs. 5 to 60, depending on the size of the documents, is payable on all public and private documents intended to have probatory force between the parties concerned.

*Fixed stamp duty* ranging from Lfrs. 10 to 1 900 is payable on certain documents (passports, permits, certificates, legalizations, authorizations, etc.) issued to individuals by government departments.

*Proportional stamp duty*, at a rate of Lfr. 1 per Lfrs. 1 000 of the sum mentioned or of the nominal value, is payable on bills of exchange, promissory notes or bills payable to the bearer, drafts, abstracts, all other negotiable and non-negotiable bills and bonds, as well as on share certificates and company bonds.

Stamp duty is payable on securities issued by holding companies at a rate of 10 centimes per Lfrs. 100 (minimum, Lfrs. 1 000).

*Exemptions:* Certain types of document are exempt from stamp duty, because of their nature or their purpose, or because of the status of the parties concerned.

*Collection:* By affixing of stamps or by payment of the duty when it becomes due.

## LUXEMBOURG

### III 1 A

**Turnover tax** (Taxe sur le chiffre d'affaires)

*Beneficiary:* Central government.

*Tax payable by:* Any natural or legal person engaged in a commercial, industrial or profit-making activity of any kind, on his own account.

*Tax payable on:* Transfers of merchandise and supply of services for gain in Luxembourg; drawings made by a taxpayer for purposes unconnected with the running of his business; imports.

*Basis of assessment:* For transfers of merchandise and supply of services, the remuneration actually received.

In the case of private drawings, the purchasing price payable by the enterprise. In the case of imports, the purchasing price or the value of the articles and goods plus transport costs to the frontier, customs duty and any duty or tax levied with customs duties.

*Exemptions:* Numerous.

*Collection:* Both returns and payment are made on a quarterly basis, while assessment is annual.

*Rates of tax:* 0.5-3.75 %.

Lump-sum rates: For motor vehicles, pleasure boats and motor launches, aircraft and helicopters, with certain exceptions: 10 % for the first delivery to the consumer and 3 % for any subsequent deliveries; 1 % for manufactured tobacco; 3.75 % for solid mineral fuels; 0.5 % for fuel oils.

*Imports:* The rate is generally 3 %.

*Exports:* Export drawback is granted to compensate for the cumulative amount of turnover tax levied earlier.

*Special feature:* For various products turnover tax is replaced by lump-sum rates ranging from 0.5 % to 10 %.

## LUXEMBOURG

### III 1 C (1)

**Insurance tax** (Taxe sur les assurances)

*Beneficiary:* Central government.

*Tax payable by:* Insured persons, guaranteed by the underwriter.

*Tax payable on:* Payment of premiums for certain types of insurance contract (e.g. hail, theft, plate glass, civil liability, accident, fire, building, transport, marine, aircraft, motor, life, sickness, old-age, disability, dowry, capitalization contracts, etc.).

*Basis of assessment:* Generally, the premium, including incidental expenses; for hail, the sum insured.

*Exemptions:* Certain types of insurance contract, notably compulsory contracts with social insurance institutions.

*Collection:* Returns and payment are made on a quarterly basis by the underwriter.

*Rates:* 0.2% of the insured sum in the case of hail insurance; in other cases: 2%-10% of the premium, according to the contingency insured against.



## **LUXEMBOURG**

### **III 1 C (2)**

**Fire service tax** (Contribution dans l'intérêt du service d'incendie)

*Beneficiary:* Central government.

*Tax payable by:* Fire insurance underwriters.

*Basis of assessment:* Insurance premiums plus incidental expenses.

*Collection:* Returns and payment are made on a quarterly basis.

*Rate:* 4 ‰.

## LUXEMBOURG

### III 1 D

**Betting tax (Régime des paris sportifs)**

*Beneficiary:* Central government.

*Tax payable by:* Bookmakers.

*Basis of assessment:* An initial standard duty is payable when the office is opened, and a proportional tax on bets and winnings.

*Collection:* The graduated tax is payable within a fortnight of the time when the bets are settled.

*Rate:* In the case of the standard duty, the maximum amount payable is Lfrs. 10 000; in the case of the proportional tax, the rates are 8<sup>0</sup>/<sub>100</sub> of bets and 10<sup>0</sup>/<sub>100</sub> of winnings.

## **LUXEMBOURG**

### **III 1 E**

#### **Entertainments tax (Taxe sur les amusements publics)**

*Beneficiary:* The communes.

*Tax payable by:* Organizers of public entertainments.

*Tax payable on:* Cinema shows, fairs, lotteries, fancy-dress balls, skittles, juke-boxes, etc.

*Collection:* By means of tax returns.

*Rate of tax:* The standard rate varies from Lfrs. 200 to 300 annually in the case of skittles and from Lfrs. 200 to 600 in the case of juke-boxes, while the proportional tax ranges from 5 to 15 % of the entrance charge.

**Liquor licence (Taxe des cabarets)**

*Beneficiary:* Central government.

*Tax payable by:* Holders of licences to sell alcoholic beverages.

*Tax payable on:* The issue of the licence.

*Collection:*

- (1) A once-and-for-all tax payable when a bar or café is opened or transferred;
- (2) An annual tax is payable thereafter.

*Rates of tax:*

- (a) The tax payable on the opening of a bar or café is between Lfrs. 1 000 and 3 500.

It is between Lfrs. 2 000 and 7 000 where there is not less than one bar or café to each 200 inhabitants.

The tax is between Lfrs. 6 000 and 21 000 in the case of bars or cafés which were already in existence before 31 December 1910.

- (b) The annual tax ranges from Lfrs. 200 to 800.

Both the tax on the opening of bars and cafés and the annual tax vary according to the population of the district where the bar or café is located and according to the type of licence.

## LUXEMBOURG

### III 2 A

#### **Transport tax (Impôt sur les transports)**

*Beneficiary:* Central government.

*Tax payable by:* Persons liable to pay fares or transport rates. The tax is guaranteed by the carrier.

*Tax payable on:* Passenger and goods transport by rail and passenger transport by road by motor vehicle, in Luxembourg (turnover tax is payable on road haulage)

*Basis of assessment:* Transport rates and fares (in general).

*Exemptions:* Reduced-rate motor-vehicle transport of workers, schoolchildren and servicemen.

*Collection:* Returns and payment are made on a quarterly basis by the carrier.

*Rate of tax:* The rate of tax is 4 % of receipts in the case of rail transport and, for road passenger transport, 12 % of the fare in the case of bus services between different localities, 2 % of the fare in the case of urban bus services and taxi services and the ordinary hire of cars having a maximum of 8 seats. The rate is Lfr. 0.03 per person and per kilometer in the case of hired coaches and buses.

In cases where the tax is included in the fare or transport charge, the standard 12 % rate is reduced to 10.714 % and the 2 % rate to 1.961 %.

**Tax on motor vehicles** (Taxe de circulation)

*Beneficiary:* Central government.

*Tax payable on:* Motor vehicles using public roads, other than those running on rails.

*Tax payable by:* The person in whose name the vehicle is registered.

*Basis of assessment:* The amount of tax is calculated according to the cubic cylinder capacity of the engine or the weight of the vehicle, depending on the class of vehicle.

*Exemptions:* Vehicles used by the central government, communes, or public enterprises or for public use; ambulances, and tractors used exclusively for agricultural purposes; in certain circumstances, vehicles used by private fire services, taxis and vehicles used by the diplomatic corps, and invalid vehicles.

*Collection:* Returns and payment are made annually or by instalments.

*Rates of tax:*

Lfrs. 84 per 100 c.c. of cylinder capacity in the case of motorcycles and three-wheel vehicles;

Lfrs. 126 per 100 c.c. of cylinder capacity in the case of private cars; a reduction of  $\frac{1}{3}$  is made in the case of vehicles having a cylinder capacity of over 2 400 c.c., but the minimum amount of reduced tax payable is Lfrs. 3 030.

Lfrs. 315 per 200 kg of weight up to a maximum of 2 400 kg

and Lfrs. 105 per 200 kg of additional weight in the case of buses and lorries;

Lfrs. 210 per 200 kg of weight up to a maximum of 2 400 kg

and Lfrs. 105 per 200 kg of additional weight in the case of tractors;

Lfrs. 2 500 per red plate for vehicles under trial.

**NETHERLANDS**

**Personal income tax (Inkomstenbelasting)**

*Beneficiary:* Central government <sup>(1)</sup>.

*Tax payable by:* All individuals resident in the Netherlands, and non-residents deriving income from Dutch sources.

*Basis of assessment:*

- (a) For residents: total income from all sources (business profits plus net income from work and capital, plus certain periodical payments, plus capital gains on the sale of securities forming part of a large holding, less the total amount of personal liabilities, extraordinary expenses and deductible gifts.
- (b) For non-residents: total income from Dutch sources (business profits made in the Netherlands plus net income from an occupation carried on in the Netherlands, from buildings located in the Netherlands, from mortgages secured by such buildings, and in particular from securities issued by companies located in the Netherlands and possessing share capital, in cases where the non-resident concerned has a large holding of the company's capital, plus capital gains on the sale of securities forming part of a large holding of such a company's capital), less certain personal liabilities.

*Carry-over of losses:* In the case of both residents and non-residents, a debit balance on net total income resulting from trading during the first six years of a new business, during the past six years, and during the coming year may be deducted from the net total income.

*Exemptions:* Income from the following sources is not deemed to form part of gross total income:

- (a) appreciation of farming land;
- (b) profits from forestry undertakings;
- (c) reorganization profits resulting from creditors abandoning unsatisfied claims, in so far as these profits exceed total losses incurred in the current year or carried over from preceding years;
- (d) an allowance of Fl. 10 000 in cases where businesses are sold or wound up;
- (e) winnings from games of chance not forming part of a business's profits.

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(1) Through the Provincial Fund, the provinces receive 0.829 % of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.54 %.



## NETHERLANDS

### I 1 A (cont.)

*Married couples:* Married couples are assessed jointly unless they live apart permanently. For assessment purposes, taxable income is reduced by one third (with a maximum of Fl. 2 000 and a minimum of Fl. 500) of the income resulting from the wife's paid work or her activity in her own firm or in her husband's.

*Children:* The net income derived from the capital, and the personal liabilities, of a minor for whom the parents are entitled to a reduction are added to the parents' income and liabilities.

#### *Collection:*

1. Personal income tax is levied annually by the authorities. It is assessed on the basis of the declaration of income made by the taxpayer.
2. The following taxes count towards it:
  - (a) tax on wages (deducted at source by employer) <sup>(1)</sup>;
  - (b) dividend tax (deducted at source by paying company) <sup>(2)</sup>;
  - (c) tax on games of chance where the winnings form part of total income;
  - (d) provisional assessments.

#### *Rates:*

(A) The *graduated scale* covers three groups of taxpayers:

Group I : bachelors below the age of 65, and persons not belonging to the other groups;

Group II : married taxpayers without dependent children, single persons from the age of 65 and certain classes of persons who are no longer married;

Group III: taxpayers with dependent children.

The scale begins at Fl. 2 610 for Group I, Fl. 3 600 for Group II, and Fl. 5 130 for Group III (two children). The maximum marginal rate is 70.5 %.

(B) *Proportional rates*

- (a) 20 to 40 % in the case of certain types of profits and income (e.g. profits made when a business is sold or wound up);
- (b) 20 % in the case of profits deemed to be made on an entrepreneur's death, capital gains on sales of securities forming part of a large holding, bonus shares obtained when a company issues new capital.

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(1) Tax on wages is paid by workers residing in the Netherlands, and by workers residing abroad in so far as they receive their pay from the employers referred to above for work they are doing or have done in the Netherlands; by persons not residing in the Netherlands who are members of the management or board of directors of companies with headquarters in the Netherlands; by workers residing abroad who receive wages from a Dutch public organization.

(2) Dividend tax is paid by holders of shares, founders' shares, and debentures for Dutch joint-stock companies on income from these securities, including the distribution of bonus shares as a charge on reserves and proportions of liquidation payment in excess of paid-up capital.

**Directors' tax** (Commissarissenbelasting)

*Beneficiary:* Central government (1).

*Tax payable by:* Directors (individuals and legal persons) of companies and other legal persons liable to payment of corporation tax, established in the Netherlands.

*Basis of assessment:* Any remuneration paid to directors for administrative services (supervision of corporate management).

*Collection:* Deducted at source by the company.

*Rates:* The first Fl. 1 000 per calendar year are tax-free, the next Fl. 4 000 are taxed at 30 %, and the tax on Fl. 5 000 or more amounts to Fl. 1 200 plus 50 % on the slice over Fl. 5 000.

*Special features:* This tax is not deductible from personal income tax or from corporation tax; for purposes of determining total income (or profit), only remuneration remaining after deduction of the tax in question is taken into account.

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## NETHERLANDS

### I 1 C

#### **Tax on games of chance (Kansspelbelasting)**

*Beneficiary:* Central government (1).

*Tax payable by:* Winners of games of chance organized in the Netherlands, beneficiaries of lotteries organized in the Netherlands, beneficiaries resident or domiciled in the Netherlands of games of chance organized abroad.

*Basis of assessment:* All prizes distributed to participants (either in kind or in cash).

*Exemptions:* Prizes amounting to less than Fl. 1 000 and prizes not exceeding the participants' outlay are tax-free.

*Collection:* The tax is deducted at source on prizes won in games of chance organized in the Netherlands. For prizes won in games of chance organized abroad, the tax must be paid by the prize-winner on the basis of a declaration made by prize-winner himself.

*Rate:* 15 %.

*Special features:* Winnings from games of chance are not taxable under personal income tax, provided they do not form part of a business's profits; in this case the tax on winnings from games of chance is not deductible from personal income tax.

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**Corporation tax** (Vennootschapsbelasting)

*Beneficiary:* Central government (1).

*Tax payable by:* Joint-stock companies, co-operative societies, mutual insurance and credit companies, foundations and other legal persons incorporated under private law, when they administer an enterprise, and most publicly controlled industrial and commercial undertakings (in all cases having their headquarters in the Netherlands); foreign legal persons established in the Netherlands or having sources of income analogous to those subject to the income tax applicable to non-residents.

*Basis of assessment:* Profits in the widest sense, with a number of additions or deductions. The taxable profits correspond largely to profits taxable under personal income tax.

*Exemptions:*

1. Legal persons whose activities are of a social or charitable nature or otherwise in the public interest;
2. Dividends on a holding by a company of at least 25 % in a subsidiary (tax concession for parent companies); this concession is sometimes also applicable in the case of holdings in foreign companies.

*Non-residents:* See under *Tax payable by* above.

*Collection:* Annual assessment by the tax department on the basis of the taxpayer's declaration.

*Rates:*

46 % where the taxable amount exceeds Fl. 50 000;

43 % where the amount is Fl. 40 000 or under;

Fl. 17 200 + 58 % for the slice between Fl. 40 000 and Fl. 50 000 where the taxable amount is between Fl. 40 000 and Fl. 50 000.

For accounting years beginning in 1966 and 1967 only, corporation tax is increased by 1 % of the taxable amount where the latter is Fl. 100 000 or over.

*Carry-over of losses:* As for personal income tax (see I 1 A)

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## **NETHERLANDS**

### **I 3 A/B**

**Land tax** (Grondbelasting)

*Beneficiary:* The municipalities.

*Tax payable by:* Persons owning or holding in usufruct land with or without buildings, located in the Netherlands, on 1 January of the year in question.

*Basis of assessment:* Income from land and buildings (equal to the average annual income towards the end of the nineteenth century). Income from new properties is valued by comparison with similar older property.

*Exemptions:* Buildings and land used for religious purposes, cemeteries, in many cases schools and universities, hospitals, charitable institutions, or institutions (scientific, cultural, etc.) of public interest.

*Deductions:* Tax relief is granted in cases where unforeseen damage occurs.

*Non-residents:* See under *Tax payable by* above.

*Collection:* The tax is assessed and collected by the central government.

**Rates:**

6 % for land without buildings.

4.86 % for buildings.

The following surcharges are added to these rates:

a maximum of 60 % by the provinces (for the two classes of property);

a maximum of 60 % by the municipalities (buildings);

a maximum of 30 % by the municipalities (land without buildings);

130 % by the central government on buildings constructed before 1 January 1960.

**Inhabited house tax (Personele belasting)**

*Beneficiary:* The municipalities.

*Tax payable by:* Persons using a building in the Netherlands for accommodation, pleasure or recreation.

*Basis of assessment:* Rental value of the property and sales value of the furniture it contains.

*Exemptions:* This tax is not payable on property used for industrial and commercial purposes.

*Deductions:* Deductions are allowed for dependants.

*Non-residents:* The tax is not payable by persons living abroad for use of premises for less than three months.

*Collection:* The tax is assessed and collected by the central government.

*Rates:* Depending on the class of municipalities involved, certain minima and abatements are applied; tax is then levied on rental value at a rate of 3.4 % and on the value of the furniture at a rate of 1.5 %. Both provinces and municipalities can levy surcharges.

## NETHERLANDS

### 15 A

#### Wealth tax (Vermogensbelasting)

*Beneficiary:* Central government (1).

*Tax payable by:* Individuals resident in the Netherlands and possessing assets there, and individuals resident abroad possessing certain types of assets in the Netherlands.

*Basis of assessment:* Net wealth at the beginning of the year (= difference between assets and liabilities).

*Exemptions:* Non-taxable items include furniture, works of art, pension rights, legal usufruct rights, certain life insurance policies, life annuities, etc.

#### *Deductions:*

Bachelors	Fl. 40 000
Married couples, widowers, widows	Fl. 55 000
For each dependent child	Fl. 13 500
An additional allowance of Fl. 35 000 is granted to persons over 65 years of age and to invalids.	

*Married couples:* Tax is levied on the combined wealth of married couples, unless they are living apart permanently.

*Non-residents:* Persons resident abroad are liable to taxation if they possess, on Dutch territory, real estate, claims covered by a mortgage on such real estate, or property forming part of a Dutch enterprise operated by means of a fixed establishment located in the Netherlands.

*Collection:* By means of assessment books, on the basis of the taxpayers' returns

1965 to 1969	: 6 %
Thereafter	: 5 %.

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**Gift and succession duties** (Rechten van successie, van schenking en van overgang bij overlijden)

*Beneficiary:* Central government (1).

*Duties payable by:* Persons receiving inheritances, legacies and gifts.

*Basis of assessment:* Value of all property received by the beneficiary:

1. as an inheritance from a person residing in the Netherlands at the time of his or her decease;
2. as a gift from a person residing in the Netherlands at the time the gift was made.

*Exemptions:*

1. The following are exempt from *succession duty*:  
the central government, provinces and municipalities in the case of legacies made in the public interest; Dutch legal persons carrying on activities serving the public interest, provided that the property acquired does not exceed Fl. 10 000; certain allowances, which vary according to the specific circumstances, are granted in the case of widows, widowers, children under 21, children over 21, parents, etc.
2. The following are exempt from *gift duty*:  
the central government, provinces, municipalities and legal persons in the circumstances described under 1 above; persons receiving state gifts; public corporations; members of the Royal Family; and varying allowances are granted in the case of children.

*Deductions:* Abatements for dependants are granted to taxpayers with wives and children to support, but only for property inherited.

*Non-residents:* Transfer duty of 6% is payable on gifts, inheritance and legacies received from persons not resident in the Netherlands. This duty is assessed on the value of property located in the Netherlands as specified in I 5 A under *Non-residents*.

*Collection:* On the basis of returns by the taxpayers.

*Rates:* These vary according to the degree of relationship between the donor and the beneficiary and the size of the gift or inheritance.

The maximum rate payable is 17% by children or spouse, and 54% by unrelated persons.

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## NETHERLANDS

### II 3 A

#### **Registration duty (Registratierecht)**

*Beneficiary:* Central government (1).

*Duty payable on:* Mainly legal documents, notably those covering transfers of real estate, investment, payment and increases of capital in joint-stock companies, and public auctions of movable goods.

#### *Exemptions:*

- (a) Sales of movable goods to municipalities and to companies for building low-cost housing, together with certain sales for purposes of economic development.
- (b) Assets brought into joint-stock companies serving the public interest, whose shares are held exclusively by legal persons incorporated under public law.
- (c) Certain documents are subject only to a standard rate of duty instead of a proportional rate.

*Collection:* On the basis of the document or a tax return.

#### *Rates:*

##### *Proportional rates:*

Transfers of real estate (5 %);

Assets brought into companies (investment, payment or increase of capital) (2.5 %);

Auctions of movable goods (1 %).

##### *Standard rates:*

Fl. 3 or 0.50 in the case of legal documents other than those on which proportional duty is payable.

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**Stamp duty (Zegelrecht)**

*Beneficiary:* Central government (1).

*Basis of assessment and rates:*

*Standard duties:*

1. A duty assessed on the size of the document is levied on legal deeds which are not subject to the fixed duties referred to below or to varying duties.
2. Fixed duties are levied on certain documents, such as receipts, bills of lading, warehouse warrants, acknowledgements of debt, personal insurance policies, etc.

*Varying duties:*

These are levied on insurance policies covering damage, the leasing and renting of furniture or buildings located in the Netherlands, negotiable securities, certain long-term loans, stock-exchange transactions, etc.

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# NETHERLANDS

## III 1 A

### Turnover tax (Omzetbelasting)

*Beneficiary:* Central government <sup>(1)</sup>.

*Tax payable by:* Entrepreneurs (producers, merchants, and suppliers of services) and importers.

*Tax payable on:*

1. Deliveries in the Netherlands, in the course of trade or business, of movable goods not under customs bond.
2. Services rendered in the Netherlands by an entrepreneur.
3. Imports.

*Exemptions:*

*Real exemptions:*

Deliveries by traders to private individuals; deliveries of fruit, vegetables, butter, milk, bread, meat, tea, coffee, soap, footwear, textiles, books, newspapers, etc.; certain banking operations, insurance, international goods transport, the post office, advertising, medical services.

*Personal exemptions:*

Notably the activities of hospitals, youth organizations, sports clubs, non-profit-making institutions of a social nature, and artists' activities producing only a small turnover.

*Collection:* On the basis of taxpayers' returns.

*Rates:*

Deliveries by manufacturers to private individuals	4 0/0
Deliveries by manufacturers to parties other than private individuals	5 0/0
Deliveries by traders to private individuals	nil
Deliveries by traders to parties other than individuals	3/4 0/0
Imports <sup>(2)</sup>	5 0/0
Imports by private individuals <sup>(2)</sup>	4 0/0
Services in general	4 0/0
Transport and building services	3 0/0
Special rates are applicable to deliveries by manufacturers of certain products;	

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(2) In order to equalize the tax burden on imports and on home-produced goods, the rate may be increased by a maximum of 7 points.

## NETHERLANDS

### III 1 A (cont.)

for instance, cigarettes (7 %); non-alcoholic beverages, chocolate, etc. (10 %); jewellery, raw silk, furs, perfumes, alcoholic beverages, gramophones, wireless receivers (18 %); motor cars and television sets (25 %).

*Exports:* Goods for export are tax-free; tax paid on them at earlier stages is refunded.

## NETHERLANDS

### III 3 A

#### Duty on spirits (Alcoholaccijns)

*Beneficiary:* Central government (1).

*Duty payable on:*

1. Ethyl alcohol and products containing ethyl alcohol (2), except:
  - (a) Beer
  - (b) Ordinary wines and other non-sparkling fermented beverages obtained from fruit, of a strength of not more than 15° Gay-Lussac (but imported wines and vermouths may have a strength of up to 22° Gay-Lussac);
  - (c) Sparkling wines and other sparkling fermented beverages;
  - (d) Products (other than beverages) containing ethyl alcohol, provided their alcohol content does not exceed 5 litres of pure ethyl alcohol per hectolitre.
2. Types of spirits arising as by-products in the manufacture of ethyl alcohol, which are classed as ethyl alcohol for the purposes of this duty.

*Rates:*

Per hectolitre of pure alcohol at 15° C	Fl. 1 400
Alcohol for industrial and pharmaceutical uses, fuel alcohol and, in general, all types of alcohol not intended for drinking	exempt
Alcohol for use in the manufacture of perfumes and toilet waters	duty is levied at a reduced rate (50 % of the normal rate)

*Imports:* The same amounts of duty are levied on imports of alcohol.

*Rates:* (per hectolitre of alcohol)

- (a) Liquids containing only alcohol and water, and alcoholic beverages not coming under (b) or (c) below:
  1. In containers holding not more than 2 litres on importation and of a strength not exceeding 65° Fl. 910
  2. Others, per degree of strength Fl. 14
- (b) Liqueurs and other sweetened alcoholic beverages, whether aromatized or not:
  1. Of a strength not exceeding 15° Fl. 210

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(1) Through the Provincial Fund, the provinces receive 0.829 % of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.54 %.

(2) By Royal Decree, methyl alcohol, propyl alcohol and isopropyl alcohol, together with products containing them, are taxed under III 3 B.

## NETHERLANDS

### III 3 A (cont.)

2. Of a strength of more than 15° but not more than 65°	Fl. 910
3. Others, per degree of strength	Fl. 14
(c) Fermented beverages, coming under customs tariff heading 22.04, of a strength of more than 22°, or coming under headings 22.05 B V, 22.06 C, 22.07 A II a 2, 22.07 A II b 2, 22.07 B II a 2 and 22.07 B II b 2, and other beverages coming under headings 22.04, 22.05, 22.06 and 22.07, which, by reason of their colourlessness, give the impression of being regenerated alcohol, or are entirely deacidified:	
1. Of a strength of not more than 65°	Fl. 910
2. Others, per degree of strength	Fl. 14
(d) Other products containing ethyl alcohol, of a strength of:	
more than 5° but not more than 10°	Fl. 140
more than 10° but not more than 20°	Fl. 280
more than 20° but not more than 35°	Fl. 490
more than 35° but not more than 50°	Fl. 700
more than 50° but not more than 75°	Fl. 1 050
more than 75°	Fl. 1 400

The strength designates the percentage — rounded upwards to the next 0.1 % — of pure alcohol by volume in samples at a temperature of 15° C. Strength as expressed in degrees is therefore equivalent to percentage by volume.

*Exports:* Alcohol exported by distilleries and merchants possessing a warehouse for goods on which customs duties have been remitted is duty-free.

## NETHERLANDS

### III 3 B

#### Duty on wine and other fermented beverages (Wijnaccijns)

*Beneficiary:* Central government (1).

*Duty payable:*

1. Excise duty is levied on non-sparkling beverages manufactured in the Netherlands by fermenting fruit juice or fruit must with or without added water or sugar, of an alcohol content not exceeding 15°. This duty is not levied at the moment, owing to a general exemption.
2. A duty is also levied on fermented beverages rendered sparkling in the Netherlands or naturally sparkling. The duty is payable when goods leave the manufacturer's — where appropriate, in addition to the duty levied on non-sparkling fermented beverages.

*Rates:*

Re item 2: duty levied on sparkling fermented beverages (per hectolitre)	
Ciders, perry	Fl. 10.86
Beverages other than ciders and perry, manufactured from fruit other than fresh or dried grapes	Fl. 54.30
Other sparkling fermented beverages	Fl. 108.60

*Imports:*

1. Non-sparkling fermented beverages made from fruit, imported from countries other than Belgium or Luxembourg, are subject to excise duty.
  - A. Wine of fresh grapes, grape musts in fermentation or with fermentation arrested by the addition of alcohol, non-sparkling (per hectolitre):
    - (a) with a strength of more than 12° but not more than 15°, for each 0.1 % over 12° Fl. 0.78
    - (b) with a strength of more than 15° but not more than 22°, for each 0.1 % over 15° Fl. 1.14
  - in containers holding 2 litres or less:
    - (a) with a strength not exceeding 14° Fl. 58.88
    - (b) with a strength between 14° and 22° Fl 145.57
  - B. Vermouths and other wines of fresh grapes flavoured with aromatic extracts (per hectolitre):
    - in containers holding more than 2 litres:

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## NETHERLANDS

### III 3 B (cont.)

(a) with a strength exceeding 18°	Fl. 111.46
(b) with a strength between 18° and 22°	Fl. 145.47
in containers holding 2 litres or less	Fl. 145.47
C. Other non-sparkling fermented beverages made from fruit:	nil
2. Sparkling fermented beverages imported from countries other than Belgium or Luxembourg are liable to duty at another rate (per hectolitre):	
A. Wine of fresh grapes and beverages manufactured from dried grapes and currants	Fl. 152.04
B. Cider and perry	Fl. 10.86
C. Mead	Fl. 108.60
D. Other fermented beverages	Fl. 54.30

**Exports:** Re item 2 (duty on sparkling fermented beverages): for taxation purposes, beverages leaving the manufacturer's for export to Belgium or Luxembourg are classed as beverages intended for consumption in the Netherlands. Exports to other countries are duty-free.



## NETHERLANDS

### III 3 C

#### Duty on beer (Bieraccijns)

*Beneficiary:* Central government <sup>(1)</sup>

*Duty payable on:* Number of hectolitre/degrees of wort produced by the brewery during the calendar year; number of hectolitre/degrees = volume of wort in full hectolitres at 17.5° C multiplied by the difference between the density of wort and the density of pure water. The density is expressed in degrees and tenths of degrees. Each degree corresponds to one hundredth of the density of pure water at 17.5° C.

*Rates:* per hectolitre/degree:

(a) for the first 50 000 hectolitre/degrees	Fl. 3.67
(b) for quantities between 50 000 and 1 250 000 hectolitre/degrees	Fl. 4.05
(c) for quantities exceeding 1 250 000 hectolitre/degrees	Fl. 4.30

*Imports:* Duty is levied on imported beer at a standard rate of Fl. 23.50 per hectolitre.

*Exports:* For beers exported by a brewery there is a refund of excise duty based on the number of hectolitre/degrees of wort used in the manufacture of the exported beers.

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**Duty on tobacco (Tabaksaccijns)**

*Beneficiary:* Central government <sup>(1)</sup>.

*Duty payable on:* Cigars, cigarettes, smoking tobacco, dry chewing tobacco, and snuff, regardless of the proportion of tobacco-like products or substitutes used in their manufacture.

The duty becomes due when the goods leave the manufacturer.

The duty is settled by affixing tax bands supplied by the central government against payment of the appropriate amount of duty. No duty is levied on cigarette paper in the Netherlands.

*Rates:* In the case of cigars, the duty is a percentage of the retail price.

In the case of other taxable manufactured tobaccos, the duty is a percentage of the retail price, plus a certain sum of money:

	% of retail price
1. Cigars weighing 3 kg or more per 1 000	11.5 %
2. Other cigars (cigarillos)	17.5 %
3. Smoking tobacco, chewing tobacco, snuff	approx. 23 % to approx. 41 % <sup>(2)</sup>
4. Cigarettes	approx. 55 % to approx. 65 % <sup>(2)</sup>

*Imports:* The same rate of duty, assessed on the same basis, is levied on imported tobacco as on home-grown tobacco. It is payable by the importer, and settled by affixing tax bands on the imported goods.

*Exports:* Exports are duty-free or duty is refunded.

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(1) Through the Provincial Fund, the provinces receive 0.829 % of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.54 %.

(2) The lowest rates are applicable to products in particularly low price-classes.

## NETHERLANDS

### III 3 I

#### Duty on sugar (Suikeraccijns)

*Beneficiary:* Central government <sup>(1)</sup>.

*Definition:* The products deemed to be sugar are sucrose and invert sugar in solid, liquid or paste form.

Products coming under heading 04.06 (natural honey), section II (vegetable products) or chapter 20 (preparations of vegetables, fruit or other parts of plants) of the customs tariff are not deemed to be sugar.

The duty is payable at the manufacturer's under supervision of the authorities.

*Rates:*

Raw and brown sugar in solid form, other than "white sugar"	Fl. 18.25/100 kg
Sugar in paste or liquid form lighter in colour than "colour 6 of the Union scale" or whose purity factor is higher than 90 per unit of content	Fl. 0.19/100 kg
Other sugars not in paste or liquid form	Fl. 19/100 kg

*Imports:* The same duty is payable on imported sugars and products containing sugar.

*Definition:* Products during whose manufacture sugar has been used or added are deemed to be products containing sugar.

Products containing not more than 5% of sugar, or coming under tariff headings 22.03 - 22.07 or 22.09 (alcoholic liquids), are deemed to be products not containing sugar.

*Rates:* Sugars — see above.

Products containing sugar are liable to duty as follows, according to sugar content:

more than 5% but not more than 15% of sugar	Fl. 1.90/100 kg
more than 15% but not more than 25% of sugar	Fl. 3.80/100 kg
more than 25% but not more than 40% of sugar	Fl. 6.20/100 kg
more than 40% but not more than 60% of sugar	Fl. 9.20/100 kg
more than 60% but not more than 75% of sugar	Fl. 12.85/100 kg
more than 75% but not more than 90% of sugar	Fl. 15.70/100 kg
more than 90%	Fl. 18.05/100 kg

*Exports:* Exported sugars are duty-free; duty is refunded on sugar contained in certain exported products and beverages.

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(1) Through the Provincial Fund, the provinces receive 0.829% of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.54%.

## NETHERLANDS

### III 3 U

#### **Duty on mineral oils** (Accijns van minerale oliën)

*Beneficiary:* Central government <sup>(1)</sup>.

*Duty payable on:* Petrol, paraffin, gas oil and other mineral oils, on importation or when they leave the factory (bonded warehouse) for distribution.

The products classed as "other mineral oils" are:

- (a) fuel oil and other products derived from crude petroleum and lignite tars which are not petrol, paraffin or gas oil and are liquid at 30° C;
- (b) substances other than the products referred to under (a) but having the same characteristics as these products.

#### *Exemptions:*

- (a) Mineral oils used as raw materials;
- (b) Mineral oils, other than petrol, used by private individuals for heating or lighting purposes;
- (c) Mineral oils used for heating in order to speed up the growth of horticultural products for export.

#### *Rates:*

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| (a) Petrol (at 15° C)               | Fl. 30/hl (but for 1967 Fl. 34/hl) |
| (b) Paraffin (at 15° C)             | Fl. 2.80/hl                        |
| (c) Gas oil (at 15° C)              | Fl. 4.40/hl                        |
| (d) Fuel oil and other mineral oils | Fl. 1.40/100 kg                    |

*Reduced rates:* The rate of duty levied on paraffin (Fl. 2.80 per hl) is also levied on petrol used in industry, agriculture, horticulture or cattle-raising otherwise than as raw material (see *Exemptions* (b)) or as motor fuel.

*Exports:* Exported mineral oils are duty-free.

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(1) Through the Provincial Fund, the provinces receive 0.829 % of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.54 %.

## **NETHERLANDS**

### **III 4 A**

#### **Tax on motor vehicles (Motorrijtuigenbelasting)**

*Beneficiary:* Central government.

*Tax payable by:* The owner of the vehicle.

*Tax payable on:* Use of motor vehicles (except motor-assisted bicycles and vehicles running on rails) on the public roads.

*Basis of assessment:* The deadweight of the vehicle (including the weight of trailer attached to vehicle).

*Collection:* Annually or quarterly, on the basis of the taxpayers' returns.

#### *Rates:*

##### Motor cars:

Fl. 8 per 100 kg, the minimum charge being Fl. 35.

##### Buses and coaches:

Fl. 70, plus Fl. 12 per 100 kg over the first 1 000 kg.

##### Lorries, etc.:

Progressive scale, starting from a number of standard charges for the lightest class of vehicle and then ranging from Fl. 9 to Fl. 15 per 100 kg, the minimum charge being Fl. 72.

*Higher rates:* For vehicles with solid tyres harder than pneumatic tyres (100% where in metal);

For vehicles using fuels other than petrol: 225% (1967: 275%);

A 134% surcharge is levied as a contribution to the Road Fund, with a maximum of Fl. 155 per vehicle per year.

*Reductions:* Reduced rate for taxis: Fl. 6 per 100 kg, the minimum charge being Fl. 30.

*Exemptions:* Vehicles used by certain public services; farm tractors; motor and steam rollers used, for example, in roadmaking; ambulances for invalids; car dealers and repair shops for specific routes; and vehicles used by non-residents if reciprocity is granted.

*Non-residents:* Persons resident abroad are liable to taxation for the period during which they wish to use their vehicle in the Netherlands, presuming they are not otherwise exempt.

## INTRODUCTION TO THE TABLE

In the following table the aim has been to provide, for each of the three main groups (taxes on income, taxes on capital formation, taxes on expenditure), a uniform breakdown of the taxes in the member countries so as to provide a comparative overall picture of tax revenues of the same nature. The figures relating to local taxes have been grouped together. As a general rule the basis of assessment of the tax is taken as the criterion for deciding which taxes are similar. When, therefore, a tax is assessed on several bases (e.g. on industrial and commercial enterprises in Germany), the yield is, as far as possible, broken down and distributed accordingly. This principle, however, has had to be abandoned for certain items, for the figures in respect of the individual countries often embrace several taxes and it is impossible to break down the total. Sometimes there is no way of knowing what is being taxed (e.g. in the case of registration tax and stamp duty). These and other factors, all due to differences between the countries in the criteria for classifying taxes, have an adverse effect on the accuracy of the table. It may even be that certain taxes of a particular country do not appear under the appropriate heading but are included under another because they are not classified in the standard manner in that country's statistics. Where the main taxes are concerned, nevertheless, these inaccuracies will probably not be very considerable. We hope that the reader's appreciation of the table will not be diminished despite some inevitable shortcomings.



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