

COMMISSION  
OF THE EUROPEAN COMMUNITIES

DIRECTORATE GENERAL  
OF INTERNAL MARKET AND  
APPROXIMATION OF LEGISLATION



# **INVENTORY OF TAXES**

**Situation : 1.1.1972**

**1972 Edition**

**DIRECTORATE OF TAXATION**



**COMMISSION**  
OF THE EUROPEAN COMMUNITIES

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DIRECTORATE-GENERAL  
OF INTERNAL MARKET AND APPROXIMATION  
OF LEGISLATION

## **Inventory of taxes**

levied by central government and local  
authorities (Länder, departments, régions,  
provinces, communes) in the Member States  
of the European Communities

EDITION 1972  
(Situation 1.1.1972)

**DIRECTORATE OF TAXATION**





## INTRODUCTORY NOTE

This is a new survey, published by the Commission of the European Communities (Directorate-General of Internal Market and Approximation of Legislation, Directorate of Taxation), of taxes levied in the Member States of the European Economic Community. It presents the situation as at 1 January 1972 and is the sixth in the series. The preceding editions gave the situation as at 1 January 1963, 1964, 1965, 1967 and 1 July 1969.

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

The list has been adapted to the 1972 edition of the Yearbook of taxation statistics issued by the Statistical Office of the European Communities. Adaptation here meant the use of the same code as that employed in the Yearbook, the result of which was to introduce a new order or presentation of the taxes and the inclusion of a number of taxes which had not appeared in the preceding editions.

As regards taxes in Italy, it should be noted that the Italian Law No. 825 of 9 October 1971 provides for almost complete reform of the Italian taxation system, which will entail the abolition of a large number of Italian taxes.

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

As in the past, the countries are treated in the following order : Belgium, Germany, France, Italy, Luxembourg, the Netherlands.

The Directorate of Taxation will be pleased to be informed of any errors readers may find and to receive suggestions on how to improve presentation.

Bruxelles, December 1972  
200, rue de la Loi



## ABBREVIATIONS

M.b.	= Moniteur belge	D.P.R.	= Decreto del Presidente della Repubblica
A.r.	= Arrêté royal	D.M.	= Decreto ministeriale
BGB1	= Bundesgesetzblatt	R.D.	= Regio decreto
V.O.	= Verordnung	G.U.	= Gazzetta Ufficiale della Repubblica italiana
Bay BS.	= Bayrische Bereinigte Sammlung	Mémorial	= Journal officiel du Grand-duché de Luxembourg
GVBl.	= Gesetz- und Verordnungsblatt		
Reg. Bl.	= Regierungsblatt		
R.A.O. et A.O.	= (Reichs-)Abgabenordnung		
T.U.	= Testo unico		
L.	= Legge		
D.L.	= Decreto legge		



B 01	Personal income tax (Impôt des personnes physiques/Personenbelasting)
B 02	Corporation tax (Impôt des sociétés/Vennootschapsbelasting)
B 02.1/2	Tax on legal persons (Impôt des personnes morales/Rechtspersonenbelasting)
B 01.5/02.4	Tax on non-residents (Impôt des non-résidents/Belasting der nietverblijfhouders)
B 06	Succession duty and transfer duty (Droit de succession et de mutation par décès/ Successierechten en rechten van overgang bij overlijden)
B 06	Compensatory tax for succession duty (Taxe compensatoire des droits de succession/Taxe tot vergoeding der successierechten)
B 07	Value-added tax (Taxe sur la valeur ajoutée/Belasting over de toegevoegde waarde)
B 08	Transmission tax (Taxe de transmission/Overdrachtaxe)
B 08	Luxury tax (Taxe de luxe/Weeldetaxe)
B 08	Invoice tax (Taxe de facture sur les transmissions/Factuurtaxe)
B 08	Invoice tax on business contracts (Taxe de facture sur les contrats d'entreprise d'ouvrage/Taxe op de werkaannemingscontracten)
B 08	Tax on rented movable property (Taxe sur les locations mobilières/ Belasting op roerende verhuring)
B 08	Tax on services of insurance intermediaries (Taxe sur les presta- tions des intermédiaires en assurances/Taks op de prestaties van tussenpersonen bij verzekeringen)
B 08	Tax on bills (Taxe d'affichage/Aanplakkingstaks)
B 08	Hunting tax (Taxe sur la chasse/Taks op de jacht)
B 11 L 14/15	Excise duty on mineral oils (Accise sur les huiles minérales/Accijns op minerale oliën) (1)
B 12 L 12	Excise duty on liquified petroleum gases and other liquefied gaseous hydrocarbons (Accise sur les gaz de pétrole et autres hydrocarbures gazeux, liquéfiés/Accijns op vloeibaar aardgas en andere vloeibare koolwaterstoffen) (1)

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(1) The fiscal law concerning these excise duties is unified in Belgium and Luxembourg.

B 12 L 12	Excise duty on benzole and similar products (Accise sur le benzol et les produits analogues/Accijns op benzol en gelijksoortige produkten) (1)
B 13 L 12	Excise duty on manufactured tobacco (Accise sur les tabacs fabriqués/Accijns op gefabriceerde tabak) (1)
B 14/15 L 16/17	Excise duty on ethyl alcohol (Accise sur l'alcool éthylique/Accijns op ethylalcohol) (1)
B 16/17 L 12	Excise duty on wines and other sparkling and non-sparkling fermented beverages (Accise sur les vins et autres boissons fermentées mousseuses et non mousseuses/Accijns op wijn en andere mousserende en niet-mousserende gegiste dranken) (1)
B 18 L 12	Excise duty on beer (Accise sur les bières/Bieraccijns) (1)
B 19	Excise duty on table-waters and lemonade (Accises sur les eaux de boissons et les limonades/Accijns op drinkwater en limonades)
B 20 L 12	Excise duty on sugar (Accise sur les sucres/Accijns op suiker) (1)
B 21	Annual tax on insurance contracts (Taxe annuelle sur les contrats d'assurance/Jaarlijkse taks op de verzekeringscontracten)
B 22	Betting and gaming tax (Taxe sur les jeux et paris/Belasting op de spelen en de weddenschappen)
B 23	Tax on automatic amusement machines (Taxe sur les appareils automatiques de divertissement/Belasting op de automatische ontspannings-toestellen)
B 24/25/26/32	Main registration taxes (Principaux droits d'enregistrement/Voor-naamste registratierechten)
B 27	Tax on stock exchange and carry-over transactions (Taxe sur les opérations de bourse et de reports/Belasting op beurstransacties en prolongatiecontracten)
B 28	Annual tax on securities quoted on the stock exchange (Taxe annuelle sur les titres cotés en bourse/Jaarlijkse tax op de ter beurs genoemde titels)
B 29	Tax on motor vehicles (Taxe de circulation sur les véhicules automobiles/Verkeersbelasting op de autovoertuigen)

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(1) *The fiscal law concerning this excise duty is unified in Belgium and Luxembourg.*

## BELGIUM

- B 30 Tax on the opening of establishments for the sale of fermented beverages (Taxe d'ouverture sur les débits de boissons fermentées/Opening-belasting op slijterijen van gegiste dranken)
- B 30 Five-yearly tax to be paid by certain operators of establishments for the sale of fermented beverages (Taxe quinquennale due par certains débitants de boissons fermentées/Vijfjarige belasting verschuldigd door bepaalde slijters van gegiste dranken)
- B 30 Annual tax payable by retailers of spirituous beverages (Taxe annuelle due par les détaillants de boissons spiritueuses/Jaarlijkse belasting verschuldigd door de kleinhandelaars in gestrijke dranken)

D 01/04	Income taxes (Einkommensteuer)
D 02/04	Wages tax (Lohnsteuer)
D 03/04	Capital yields tax (Kapitalertragsteuer)
D 05/04	Corporation tax (Körperschaftsteuer)
D 07	Tax on dogs (Hundesteuer)
D 08	Hunting tax (Jagdsteuer)
D 08	Fishing tax (Fischereisteuer)
D 09	Wealth tax (Vermögensteuer)
D 10	Equalization of burdens levies (Lastenausgleichsabgaben)
D 11	Succession duty (Erbschaftsteuer)
D 12	Turnover tax (value-added tax) (Umsatzsteuer-Mehrwertsteuer)
D 18	Duty on mineral oils (Mineralölsteuer)
D 19	Duty on tobacco (Tabaksteuer)
D 20	Duty on matches and tapers (Zündwarensteuer)
D 21	Duty on spirits (Alkoholsteuer)
D 22	Duty on sparkling wines (Schaumweinsteuer)
D 23	Duty on beer (Biersteuer)
D 24	Duty on beverages (Getränkesteuer)
D 25	Duty on sugar (Zuckersteuer)
D 26	Duty on coffee (Kaffeesteuer)
D 27	Duty on tea (Teesteuer)
D 28	Duty on salt (Salzsteuer)
D 30	Duty on acetic acid (Essigsäuresteuer)
D 31	Duty on lamps (Leuchtmittelsteuer)
D 32	Duty on playing cards (Spielkartensteuer)
D 33	Insurance tax (Versicherungsteuer)



## GERMANY

D 34	Fire insurance tax (Feuerschutzsteuer)
D 36	Road haulage tax (Strassengüterverkehrsteuer)
D 37/38	Entertainments tax including cinema tax (Vergnügungssteuer mit Kinosteuer)
D 39	Betting and gaming tax (Rennwett- und Lotteriesteuer)
D 41	Tax on real estate (Grundsteuer)
D 42	Real estate Transfer tax (Grunderwerbsteuer)
D 44	Capital duty (Gesellschaftsteuer)
D 45	Stock-exchange turnover tax (Börsenumsatzsteuer)
D 47	Bill of exchange tax (Wechselsteuer)
D 48	Tax on motor vehicles (Kraftfahrzeugsteuer)
D 49/50	Tax on industry and trade (Gewerbsteuer)
D 51	Tax on the licence to sell beverages (Schankerlaubnissteuer)

F 01	Personal income tax (Impôt sur le revenu)
F 01	Complementary tax (Taxe complémentaire)
F 05	Tax on furnished accommodation (Contribution mobilière)
F 07	Corporation tax (Impôt sur les sociétés)
F 08	Exceptional levy on banks (Prélèvement exceptionnel sur les banques)
F 09	Advance payment to be made by companies on distributed profits (Pré-compte dû par les sociétés au titre des bénéfices distribués)
F 13	Succession (Gift) duty (Droit de mutation par décès (succession))
F 14	Value-added tax (Taxe sur la valeur ajoutée)
F 18	Domestic duty on petroleum products and products treated as such (Taxe intérieure de consommation frappant les produits pétroliers et assimilés)
F 18	Dues accruing to the support fund for hydrocarbons (Redevance perçue au profit du Fonds de Soutien aux hydrocarbures)
F 19	Duty on tobacco (Imposition du tabac)
F 19	Special duty on matches (Impôt spécial sur les allumettes)
F 23	Duty on spirits (Taxe sur les alcools)
F 23	Consumption tax on rum and spirits (Droits de consommation sur les rhums et spiritueux)
F 23	Specific duty on beer and certain non-alcoholic beverages (Droit spécifique sur les bières et sur certaines boissons non alcoolisées)
F 24	Consumption duty on wines and other fermented beverages (Droit de circulation sur les vins et les autres boissons fermentées)
F 25/28	Duty on sugar (Taxe sur le sucre)
F 26	Duty on coffee (Taxe sur le café)
F 26	Duty on tea (Taxe sur le thé)
F 27	Duty on cocoa and certain other tropical products (Taxe sur le cacao et certaines autres denrées tropicales)
F 29	State health tax on meat (Taxe sanitaire d'état sur les viandes)
F 29	Inspection and stamping tax on meat (Taxe de visite et de poinçonnage sur les viandes)

## FRANCE

- F 38 Insurance tax (Taxe unique sur les conventions d'assurance)
- F 42 Entertainments tax (Impôts sur les spectacles, jeux et divertissements)
- F 42 Tax on electro-mechanically controlled bowling alleys (Taxe sur les jeux de boules et de quilles comportant des dispositifs electro-mécaniques)
- F 45 Duty on leases (Droit de bail)
- F 45 Surcharge on the duty on leases (Taxe additionnelle au droit de bail)
- F 46 Tax on banking and financial activities (Taxe sur les activités bancaires et financières)
- F 47 Property tax on land without buildings (Contribution foncière des propriétés non bâties)
- F 48 Property tax on buildings (Contribution foncière des propriétés bâties)
- F 49 Stamp duties (Droits de timbre)
- F 50 Main registration taxes (Principaux droits d'enregistrement)
- F 52 Surcharges on registration duties on the cadastral tax (Taxes additionnelles aux droits d'enregistrement ou à la taxe de publicité foncière)
- F 54 Stock-Exchange turnover tax (Impôt sur les opérations de bourse)
- F 55 Differential tax on motor vehicles (Taxe différentielle sur les véhicules automobiles)
- F 55 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)
- F 55 Annual tax on company cars (Taxe annuelle sur les voitures de tourisme des sociétés)
- F 56 Payroll tax (Taxe sur les salaires)
- F 56 Employers' participation in the building effort (Participation des employeurs à l'effort de construction)
- F 56 Employers' participation in financing continuous vocational training (Participation des employeurs au financement de la formation professionnelle continue)
- F 57 Apprenticeship tax (Taxe d'apprentissage)

- F 58 Business tax (Contribution des patentes)
- F 59 Special tax on establishments for the sale of beverages (Taxe spéciale sur les débits de boissons)
- F 59 Transfer duty on establishments for the sale of beverages (Droit de transfert des débits de boissons)
- F 60 Licence duty on establishments for the sale of beverages (Droit de licence sur les débits de boissons)
- F 68 Special tax on certain road vehicles (Taxe spéciale sur certains véhicules routiers)
- F 69 Optional surcharge on mineral waters (Surtaxe facultative sur les eaux minérales)

## ITALY

- I 01 Tax on income from movable wealth (Imposta sul redditi de recchezza mobile)
- I 02 Complementary tax progressively levied on natural persons' total income (Imposta complementare progressiva sul reddito complessivo delle persone fisiche)
- I 03 Tax on landowners' income (Imposta sul reddito dominicale dei terreni)
- I 03 Tax on income from farming (Imposta sul reddito agrario)
- I 04 Tax on income from buildings (Imposta sul reddito dei fabbricati)
- I 04 Special tax on income from luxury buildings (Imposta speciale sul reddito)
- I 05 Sewage disposal tax (Contributo di fognatura)
- I 06 Family tax (Imposta di famiglia)
- I 07 Tax on rental value of property (Imposta sul valore locativo)
- I 08 Corporation tax (Imposta sulle società)
- I 08 Tax on bonds (Imposta sulle obbligazioni)
- I 09 Withholding tax on dividends (Ritenuta sugli utili azionari)
- I 10 Tax on industrial, commercial, artistic and professional activities (ICAP) (Imposta sulle industrie, i commerci, le arti e le professioni) (ICAP)
- I 11 Business Tax (Imposta di patente)
- I 12 Duty on electricity produced by ENEL (Imposta unica sull'energia elettrica prodotta dall'ENEL)
- I 14 Tax on appreciation of building sites (Imposta sugli incrementi di valore delle aree fabbricabili)
- I 15 Tax on improvements to property (Contributo di miglioria)
- I 16 Tax on dogs (Imposta sui cani)
- I 25/26 Succession duties (Imposta di successione)
- I 26 Duty on the total value of inherited estate (Imposta sull'asse ereditario globale)
- I 27 Turnover tax (Imposta generale sull'entrata)

I 28	Compensatory tax on imports of industrial products (Imposta di conguaglio sui prodotti industriali importati)
I 31	Duty on mineral oils (Imposta sugli olii minerali)
I 33	Duty on liquified petroleum gases (Imposta sui gas di petrolio liquefatti)
I 34	Duty on natural gas (Imposta sul metano)
I 35	Duty on tobacco (Imposta sul tabacco)
I 36	Tax on cigarette papers and tubes (Imposta sulle cartine e tubbetti per sigarette)
I 36	Duty on matches (Imposta di fabbricazione sui fiammiferi)
I 37	Duty on spirits (Imposta sugli spiriti)
I 38	Duty on beer (Imposta sulla birra)
I 39	Duty on sugar (Imposta sugli zuccheri)
I 40	Duty on sweeteners (Imposta sulle materie edulcoranti)
I 41	Duty on coffee (Imposta sul caffè)
I 42	Duty on coffee substitutes (Imposta sui surrogati del caffè)
I 43	Duty on cocoa (Imposta sul cacao)
I 44	Duty on bananas (Imposta sulle banane)
I 45	Duty on salt (Imposta sul sale)
I 46	Duty on vegetable and animal oils (Imposta sugli olii vegetali o animali)
I 47	Duty on margarine (Imposta sulla margarina)
I 48	Duty on yarn (Imposta sui filati)
I 49	Duty on gas and electricity (Imposta sul gas e sull'energia elettrica)
I 51	Duty on lamps (Imposta sulle lampadine elettriche)
I 52	Government stamps (spirits) (Contrassegni di Stato-spiriti)
I 53	Consumption tax (Imposta di consumo)

- I 55 Tax on gramophone records and other supports to sound reproduction (Imposta sui dischi fonografici e gli altri supporti atti alla riproduzione del suono)
- I 56 Duty on playing cards (Imposta sulle carte da gioco)
- I 57 Insurance tax (Imposta sulle assicurazioni)
- I 58 Entertainments tax (Imposta sugli spettacoli)
- I 59 Duty on lotto (Tributo di gioco relativo al lotto)
- I 59 Duty on state-controlled betting (Tributo di gioco relativo ai concorsi pronostici esercitati dallo Stato)
- I 59 Duty on betting controlled by CONI and UNIRE (Imposta unica sui concorsi pronostici esercitati dal CONI e dall'UNIRE)
- I 59 State lotteries (Lotterie nazionali)
- I 59 Lottery duty and licence for events carrying prizes (Tassa di lotteria e tassa di licenza sulle manifestazioni a premio)
- I 59 Lottery duty on local raffles and similar events (Tassa di lotteria sulle manifestazioni di sorte locali)
- I 60 Duty on official documents (Tassa sulle concessioni governative)
- I 62 Special duty on motorway tolls (Diritti speciali sui pedaggi autostradali)
- I 66 Advertising tax (Imposta sulla pubblicita)
- I 67 Stamp duty on land, sea, river, lake and air transport documents (Imposta di bollo sui documenti di trasporto terrestri, marittimi, fluviali, lacuali ed aerei)
- I 68 Stamp duty (Imposta di bollo)
- I 69 Registration tax (Imposta di registro)
- I 71 Stock-exchange turnover tax (Imposta sui contratti di borsa)
- I 72 Mortgage tax (Imposta ipotecaria)
- I 73 Tax on motor vehicles (Tassa sulla circolazione degli autoveicoli)
- I 76 Duty on bills (Tassa sulle insegne)

L 01/04	Personal income tax (Impôt sur le revenu des personnes physiques)
L 02	Tax on wages, salaries and pension (Impôt sur les salaires et pensions)
L 03	Withholding tax on income from capital (Impôt sur les revenus de capitaux)
L 05	Special tax on company directors' fees (Impôt spécial sur les tantièmes)
L 06/04	Corporation tax (Impôt sur le revenu des collectivités)
L 07/21	Betting tax (Taxe sur les paris sportifs)
L 08	Wealth tax (Impôt sur la fortune)
L 09	Estate duty (Droits de succession)
L 10	Value-added tax (Taxe sur la valeur ajoutée)
L 11	Turnover tax (Taxe sur le chiffre d'affaires)
L 14/15 B 11	Excise duty on mineral oils (Accise sur les huiles minérales) (1)
L 12 B 12	Excise duty on liquefied petroleum gases and other liquefied gaseous hydrocarbons (Accise sur les gaz de pétrole et autres hydrocarbures gazeux, liquéfiés) (1)
L 12 B 12	Excise duty on benzole and similar products (Accise sur le benzol et les produits analogues) (1)
L 12 B 13	Excise duty on manufactured tobacco (Accise sur les tabacs fabriqués) (1)
L 16/17 B 14/15	Excise duty on ethyl alcohol (Accise sur l'alcool éthylique) (1)
L 12 B 16/17	Excise duty on wines and other sparkling and non-sparkling fermented beverages (Accise sur les vins et autres boissons fermentées mousseuses et non mousseuses) (1)
L 12 B 18	Excise duty on beer (Accise sur les bières) (1)
L 12 B 20	Excise duty on sugar (Accise sur les sucres) (1)
L 17	Fire service tax (Contribution dans l'intérêt du service d'incendie)
L 18	Insurance tax (Taxe sur les assurances)
L 19	Transport tax (Impôt sur les transports)

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(1) *The fiscal law concerning these excise duties is unified in Belgium and Luxembourg.*



## LUXEMBOURG

- L 20 Charges for landing and parking on aerodromes (Taxes d'atterrissage et de stationnement à l'aérodrome)
- L 22 Tax on land and buildings (Impôt foncier)
- L 23 Stamp duty (Droit de timbre)
- L 24/26 Registration taxes (Droits d'enregistrement)
- L 25 Mortgage tax (Droits d'hypothèque)
- L 27 Tax on motor vehicles (Taxe de circulation sur les véhicules automobiles)
- L 28/29 Trade tax (Impôt commercial)
- L 30 Tax on the licence to sell beverages (Taxe des cabarets)
- L 30 Entertainments tax (Taxe sur les amusements publics)

N 01	Personal income tax (Inkomstenbelasting)
N 02	Tax on wages (Loonbelasting)
N 03	Dividend tax (Dividendbelasting)
N 04	Directors' tax (Commissarissenbelasting)
N 05	Inhabited house tax (Personele belasting)
N 06	Corporation tax (Vennootschapsbelasting)
N 07	Tax on games of chance (Kansspelbelasting)
N 08	Tax on dogs (Hondenbelasting)
N 09	Commuter tax (Forenzenbelasting)
N 10	Wealth tax (Vermogensbelasting)
N 11	Succession duties (Successierechten)
N 12	Turnover tax - Value-added tax (Omzetbelasting - Belasting over de toegevoegde waarde)
N 16/17	Duty on mineral oils (Accijns van minerale oliën)
N 18	Duty on tobacco (Tabakaccijns)
N 19	Duty on wine and duty on sparkling beverages (Wijnaccijns en accijns van mousserende dranken)
N 20	Duty on beer (Bieraccijns)
N 21	Duty on spirits (Alcoholaccijns)
N 22	Duty on sugar (Suikeraccijns)
N 23	Special tax on motor cars (Bijzondere verbruiksbelasting op personen-auto's)
N 24	Municipal tax on fire insurance (Gemeentelijke assurantiebelasting - Belasting op verzekering tegen brandschade)
N 25	Entertainments tax (Vermakelijkheidsbelasting)
N 26	Land tax (Grondbelasting)
N 27	Registration duty (Registratierecht)
N 28/29	Stamp duty (Zegelrecht)

## NETHERLANDS

- N 30 Tax on motor vehicles (Motorrijtuigenbelasting)
- N 32 Tax on the sale of spirits (Belasting op het verstrekken van sterke drank)
- N 33 "Waterschap" Levies (Waterschapslasten)



**BELGIUM**



**PERSONAL INCOME TAX (Impôt des personnes physiques/Personenbelasting)**

*Articles 3 to 93 of the Income Taxes Code.*

**B e n e f i c i a r y :**

Central government (plus a possible surcharge levied by the municipalities).

**T a x p a y a b l e b y :**

Inhabitants of Belgium, i.e. individuals who have established or who are considered to have established their domicile or their centre of financial interest in Belgium.

When partnerships (sociétés de personnes) have opted to pay personal income tax on their profits, the tax is payable by the participants (each one according to his share).

**B a s i s o f a s s e s s m e n t :**

All net income of above, including income from foreign sources.

**D e d u c t i o n s :**

Only total incomes exceeding certain minimum levels are taxable. Taxpayers with dependants are granted tax reductions.

Under certain conditions, charges for collection and custody in connection with income from capital, interest on certain debts, maintenance allowances, and gifts and subscriptions to certain bodies are deductible from total net income of the various categories; 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, earned income and certain miscellaneous incomes 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.

**M a r r i e d c o u p l e s :**

The total income of the couple and of their children, when the couple are entitled to the income of the latter, is assessed as one income; a fixed deduction is granted in respect of the earned income of the husband or of the wife aiding him.

## **B 01**

### **N o n - r e s i d e n t s :**

See Tax on non-residents.

### **C o l l e c t i o n :**

By means of assessments books. Advance payments which count towards the tax due (within certain limits for real estate) 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 an accruing surcharge due to the municipalities and provinces. The advance payment in the case of income from capital is normally 20 %. The advance payment for wages, salaries, pensions, etc. is calculated from tables.

### **R a t e s o f t a x :**

A taxpayer without dependants whose total taxable income is less than Bfrs. 35 000 is exempt; 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, not including the 10 % surcharge on that part of taxable income in excess of Bfrs. 500 000, may not exceed 50 % of the taxable income.

Reductions for dependants vary, within certain limits, from 5 % to 100 % of the tax.

### **S p e c i a l f e a t u r e s :**

Personal income tax is not recognized as an expense for the purpose of any other Tax. Income from real estate is the rent on land and buildings plus the net amount of rent over and above double the income from any property or part of property used by the tenant for his work.

### **C a r r y - o v e r o f l o s s e s :**

Five years; no time limit for losses resulting from force majeure or fortuitous circumstances since 1 January 1960.



## **CORPORATION TAX (Impôt des sociétés/Vennootschapsbelasting)**

*Articles 94 to 135 of the Income Taxes Code.*

### **B e n e f i c i a r y :**

Central government (plus 6 % surcharge for a special fund).

### **T a x p a y a b l e b y :**

Companies, associations, establishments or bodies with legal personality, which have their registered office or principal establishment in Belgium or are actually managed or administered from headquarters in Belgium and are engaged in an activity for pecuniary reward.

### **B a s i s o f a s s e s s m e n t :**

All distributed and undistributed profits.

### **A l l o w a n c e s :**

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 the case of foreign interest and licence fees taxed abroad, a fixed reduction of 15 % in the tax chargeable is made.

### **C o l l e c t i o n :**

By means of assessment books, except in the case of advance payments (see under B 01)

### **R a t e s o f t a x :**

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

10 % surcharge : a 10 % surcharge on company tax is due when the total taxable income is in excess of Bfrs. 3 million.

6 % surcharge : for a special fund. This does not apply to the 5 % surcharge nor to the 10 % surcharge.

## **B 02**

### **S p e c i a l f e a t u r e s :**

If the profits are distributed, the shareholder receives a tax credit (15/70 of the dividend before the advance payment is made) which may be set off against personal income tax.

### **C a r r y - o v e r o f l o s s e s :**

Five years; no time limit for losses resulting from force majeure or fortuitous circumstances since 1 January 1960, nor for losses suffered in the first five accounting years for companies set up between 1 January 1967 and 30 June 1970.

**TAX ON LEGAL PERSONS (Impôt des personnes morales/  
Rechtspersonenbelasting)**

*Articles 136 to 138 of the Income Taxes Code.*

**B e n e f i c i a r y :**

Central government (also the provinces and municipalities for the part corresponding to the advance payment).

**T a x p a y a b l e b y :**

Central government, provinces, municipalities, and companies, associations, establishments or any other bodies with legal personality, which have their registered office or principal establishment in Belgium or are actually managed from headquarters in Belgium and are not engaged in an activity for pecuniary reward.

**B a s i s o f a s s e s s m e n t :**

Income from land, capital and certain other sources; income from land is sometimes exempt.

**C o l l e c t i o n :**

By advance payment (see under B 01).

**R a t e o f t a x :**

The amount of tax is considered to correspond to the advance payments, the tax credit or to the special tax on capital gains realized on unbuilt land.

**B 01.5/02.4**

**TAX ON NON-RESIDENTS (Impôts des non-résidents/Belasting der niet-verblijfhouders)**

*Articles 139 to 152 of the Income Taxes Code.*

**B e n e f i c i a r y :**

Central government (plus 6 % surcharge for a special fund).

**T a x p a y a b l e b y :**

In the main, non-resident individuals or legal persons 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 partnerships (sociétés de personnes) which have opted for personal income tax. (1)

**B a s i s o f a s s e s s m e n t :**

Income produced or accrued in Belgium.

**D e d u c t i o n s :**

See under B 01 (with certain restrictions).

**M a r r i e d c o u p l e s :**

See under B 01.

**C o l l e c t i o n :**

See under B 01. The advance payment on revenue from real property is sometimes increased (additional advance payment at the rate of 15 or 30 %).

**R a t e o f t a x :**

For individuals, see under B 01 (plus 6 % surcharge for a special fund).

For legal persons : 35 % (plus a surcharge of 10 % when the taxable income exceeds Bfrs. 3 million and 6 % for a special fund).

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

**S p e c i a l f e a t u r e s :**

The tax is not deductible.

**C a r r y - o v e r o f l o s s e s :**

Five years; no time limit for losses resulting from force majeure or fortuitous circumstances since 1 January 1960.

**SUCCESSION DUTY AND TRANSFER DUTY (Droit de succession  
et de mutation par décès/Successierechten en rechten van overgang bij  
overlijden)**

*Article 8 of Royal Decree No. 308 of 31 March 1936 establishing the Succession Duty Code, confirmed by the Law of 4 May 1936 (M.b., 7 April 1936) and superseded by the provisions of the first chapter of the Royal Decree of 20 April 1967 amending the Succession Duty Code (M.b., 20 April 1967).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Heirs, legatees and donees.

**B a s i s o f a s s e s s m e n t :**

1. Succession duty: total net estate left by an inhabitant of the country (for real estate abroad, the duty paid in the country in which the property is situated is deducted);
2. Transfer Duty: real estate located in Belgium, left by a person not inhabiting the country.

**E x e m p t i o n s :**

The main reductions are granted to the spouse and the heirs in direct line with a legal right to the succession (as a rule: for each one, up to a maximum of the first taxable limit of Bfrs. 200 000).

**C o l l e c t i o n :**

The duty is normally payable within seven months of the date of death.

**R a t e s o f d u t y :**

The rate of duty is progressive according to the share of the succession (1)  
- 3 to 17 % in direct line or to spouse with children or common descendants;  
- 7 to 35 % to spouse without children or common descendants;

---

(1) *Reductions and rates in force : Royal Decree No. 12 of 18 April 1967.*

- 13 to 65 % to brother or sister;
- 15 to 70 % to uncles, aunts, nephews or nieces;
- 20 to 75 % to all other persons.

**G i f t s :**

For gifts made in the three years preceding death, the same duty is normally levied as on successions (for gifts of real estate located in Belgium : usually, registration duty at the same rate as for successions).

**B 06**

**COMPENSATORY TAX FOR SUCCESSION DUTY (Taxe compensatoire des droits de succession/Taxe tot vergoeding der successierechten)**

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Non-profit-making associations.

**B a s i s o f a s s e s s m e n t :**

Total property in Belgium.

**R a t e o f t a x :**

Annual rate of 0.17 %.



**VALUE-ADDED TAX (V.A.T.) (1) (Taxe sur la valeur ajoutée/Belasting over de toegevoegde waarde)**

*Law of 3 July 1969 (M.b., 17 July 1969) amended by the Laws of 19 December 1969 (M.b., 20 December 1969) and 26 March 1971 (M.b., 31 March 1971), as well as various Implementing Decrees (30 Royal Decrees and 9 Ministerial Decrees).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

- Any person engaged habitually and in a self-employed capacity, as a main or subsidiary activity, whether for pecuniary reward or not, in delivering goods or supplying services as referred to in the VAT Code;
- On imports: the importer, even when the private consumer.

**T a x p a y a b l e o n :**

- Deliveries of goods or services within the country (taxed at each stage, payment in fractions);
- Imports;
- Own consumption.

**B a s i s o f a s s e s s m e n t :**

- The price (and incidental costs burdening the price), exclusive of VAT;
- For imports: customs value, exclusive of VAT;
- For own consumption: value, exclusive of VAT.

**D e d u c t i o n s :**

Tax paid at earlier stages on the activities of those liable to VAT.

---

(1) Came into force 1 January 1971.

**B 07****E x e m p t i o n s :**

Without deduction of tax paid at earlier stages: cultural, social, medical or legal services.

With deduction of tax paid at earlier stages: exports.

**C o l l e c t i o n s :**

Monthly and quarterly returns; payments monthly, or quarterly with monthly payments on account.

**R a t e s o f t a x :**

6 %, 14 %, 18 % and 25 %.

## TRANSMISSION TAX (Taxe de transmission/Overdrachttaxe) <sup>(1)</sup>

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e o n :

All sales of goods, all transfers inter vivos, against consideration, of tangible movable goods delivered in Belgium, including imports.

### B a s i s o f a s s e s s m e n t :

Purchase price and incidental expenses.

### E x e m p t i o n s :

- Sales of goods to individuals for their private use;
- Basic foodstuffs;
- Transactions on which luxury tax is payable at this stage;
- Etc.

### C o l l e c t i o n :

By means of adhesive stamps attached to invoices.

### R a t e s o f t a x :

7 % except in special cases. As regards imports, increases ranging from 0.5 to 10.5 % are levied on certain products.

### E x p o r t s :

Exempted.

---

*(1) Transmission tax was replaced by the introduction of value added tax with effect from 1 January 1971.*

**B 08****S p e c i a l f e a t u r e s :**

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 0.7 %, 3 %, 5 %, 6 %, 7 %, 10 %, 12 %, 13 %, 15 %, 20 % and 23 %.

## LUXURY TAX (Taxe de luxe/Weeldetaxe) (1)

**B e n e f i c i a r y :**

Central government.

**D u t y d u e o n :**

Sales or imports of luxury goods, (cars, jewellery, perfumes, etc.).

**B a s i s o f a s s e s s m e n t :**

Purchase price and incidental expenses.

**C o l l e c t i o n :**

By means of adhesive stamps attached to invoices.

**R a t e o f t a x :**

18 %, 20 % or 23 % depending on the nature of the goods.

**E x p o r t s :**

Exempted.

**S p e c i a l f e a t u r e s :**

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

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(1) *Luxury tax was replaced by the introduction of value added tax with effect from 1 January 1971.*

**B 08**

**INVOICE TAX (Taxe de facture sur les transmissions/Factuurtaxe) <sup>(1)</sup>**

B e n e f i c i a r y :

Central government.

D u t y d u e w h e n :

Sales or imports of goods not attracting transmission tax or luxury tax.

B a s i s o f a s s e s s m e n t :

Selling price and incidental costs or value of goods cleared by customs.

E x e m p t i o n s :

Sales to individuals for their private use.

C o l l e c t i o n :

By means of adhesive stamps attached to invoices.

R a t e o f t a x :

Normally 0.7 %.

E x p o r t s :

Exempted.

---

*(1) Invoice tax was replaced by the introduction of value added tax with effect from 1 January 1971.*

**INVOICE TAX ON BUSINESS CONTRACTS (Taxe de facture sur les contrats d'entreprise d'ouvrage/Taxe op de werkaannemingscontracten) (1)**

B e n e f i c i a r y :

Central government.

D u t y d u e w h e n :

Business contracts.

B a s i s o f a s s e s s m e n t :

Price and incidental expenses.

E x e m p t i o n s :

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

C o l l e c t i o n :

By means of adhesive stamps attached to invoices.

R a t e o f t a x :

7 %; rate reduced to 0.7 % for subcontractors in building operations.

E x p o r t s :

Exempted.

---

(1) Invoice tax on business contracts was replaced by the introduction of value added tax with effect from 1 January 1971.

**B 08**

**TAX ON RENTED MOVABLE PROPERTY (Taxe sur les locations mobilières/  
Belasting op roerende verhuringen) (1)**

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Contracts for renting and grants of rights in all tangible and intangible goods.

**B a s i s o f a s s e s s m e n t :**

Rent, or charge laid down in contract.

**C o l l e c t i o n :**

By means of adhesive stamps.

**R a t e o f t a x :**

7 %; rate reduced to 0.7 % for contracts arranged by authorized "leasing mobilier" undertakings.

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*(1) Tax on rented movable property was replaced by the introduction of value added tax with effect from 1 January 1971.*



**TAX ON SERVICES OF INSURANCE INTERMEDIARIES (Taxe sur les prestations des intermédiaires en assurances/Taks op de prestaties van tussenpersonen bij verzekeringen)**

*Royal Decree of 29 September 1938 (M.b. of 21 October 1938),  
Royal Decree of 18 April 1967 (M.b., of 20 April 1967).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Broking or commission services in connection with insurances or with life or temporary annuities concluded with a professional insurer.

**B a s i s o f a s s e s s m e n t :**

Total sum due to the intermediary (rounded up to the nearest 10 francs).

**R a t e o f t a x :**

7 %.

**B 08**

**TAX ON BILLS (Taxe d'affichage/Aanplakkingstaks)**

*Law of 24 August 1919 (M.b., 28 August 1919), amending Law of 27 December 1965 (M.b., 29 December 1965).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

The originator of the bill, the occupier or, where there is no occupier, the owner of the place where the bill is posted or the person undertaking the posting.

**T a x p a y a b l e o n :**

The exhibition to the public of bills of all kinds for advertising purposes.

**B a s i s o f a s s e s s m e n t :**

Size of the bill.

**E x e m p t i o n s :**

Bills posted by public bodies; election bills and those relating exclusively to situations vacant or wanted; bills publicizing events organized for educational purposes, as political, philosophical and religious propaganda, or with a charitable or philanthropic aim.

**C o l l e c t i o n :**

- For ordinary bills, by affixing, on each of these bills, complete adhesive tax stamps or by marking with a rubber tax stamp;
- In the case of luminous signs or luminous projections for multiple and successive advertisements, and in the case of bills posted outside an urban area, by means of a declaration and an annual payment until the sign or bill is removed.

**R a t e o f t a x :**

Since 1 January 1966:

An amount varying according to the nature and size of the bill.

## HUNTING TAX (Taxe sur la chasse/Taks op de jacht)

*Article 11 of the Law of 25 March 1891 (M.b., 30/31 March 1891), Title XIII of the Law of 30 July 1922 (M.b., 31 July/1 August 1922).*

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e b y :

Any person applying for a shot gun licence, a bird-trapping permit or the establishment of a duck decoy.

### T a x p a y a b l e o n :

Issue of the licence or permit or establishment of the duck decoy.

### R a t e s o f t a x :

#### Since 1 January 1966 :

Shot gun licence: Bfrs. 3 920 for shooting the whole year, Bfrs. 2 800 for shooting on Sundays only, and Bfrs. 980 for shot gun licences issued to foreign guests of holders of licences.

Bird-trapping permit: Bfrs. 315 per net for trapping birds (Bfrs. 105 for a permit valid on Sundays and public holidays); (Bfrs. 105 to Bfrs. 420 for trapping thrushes in snares.

Duck decoy: Bfrs. 10 500 per year.

**B 11**  
**L 14/15**

**EXCISE DUTY ON MINERAL OILS (Accise sur les huiles minérales/  
Accijns op minerale oliën)**

*Royal Decree of 20 November 1963 coordinating the legal provisions on the excise system for mineral oils (M.b., 19 December 1963), Law on the excise system for mineral oils of 9 July 1969 (M.b., 1 August 1969), Royal Decree of 17 December 1970 (M.b., 30 December 1970)*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

Mineral oils obtained by the processing of petroleum oils, lignite, peat, shale and similar products.

**D u t y d u e w h e n :**

Dutiable products are offered for consumption.

**E x e m p t i o n s :**

All the products marked "duty-free" in the table of "Rates of duty" are exempted from excise duty.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The manufacturer must submit a declaration of work to be carried out. This declaration must reach the local excise officer not later than a fortnight before the day fixed for commencement of work.

**C o l l e c t i o n :**

The excise duty and the special excise duty are payable by the manufacturer or the holder of a concession for an approved depot where oils are stored under excise supervision. The duties are due on submission of the weekly declaration of the dispatch for consumption of quantities of dutiable products.

R a t e s o f d u t y :

(Numbers in the customs tariff)

Excise duty                      Special excise duty(1)

Generally speaking, these rates have been in force since 1 August, 1969; some, however, were amended as from 1 January 1971, and these are marked with an asterik\*

1. Crude petroleum oils:

11. for use in mineral oil factories	duty-free	nil
12. for use as raw materials in industry	duty-free	nil
13. for other uses	Frs. 10 per 100 kg	nil

2. Others:

21. Light oils:

211. for industrial use                      duty-free                      nil

212. for other uses:

2121. Special petroils :

21211. white spirit                      Frs. 490 per hl at 15°C                      Bfrs. 45 per hl at 15°C

21212. other                      Frs. 490 per hl at 15°C                      Bfrs. 45 per hl at 15°C

2122. unnamed                      Frs. 490 per hl at 15°C                      Bfrs. 45 per hl at 15°C

22. Medium oils:

221. for industrial use                      duty-free                      nil

222. for other uses:

2221. paraffin oil rate reduced from                      Frs. 75/45 (\*) per hl at 15°C                      nil

2222. unnamed 1 January 1971                      Frs. 75/45 (\*) per hl at 15°C                      nil

23. Heavy oils:

231. Fuel oils:

2311. Heavy gas oil: ..... (2)

(1) Levied only in Belgium.

(2) With effect from 1 January 1971, products containing more than 5 % by volume of heavy gas oil have also been made subject to a special excise duty in Luxembourg of Lfrs. 0.15 per hl and per %.

**B 11**  
**L 14/15**

	<u>Excise duty</u>	<u>Special excise duty(1)</u>
(numbers in the customs tariff)		
23111. used as raw material in industry	duty-free	nil
23112. for other uses	Frs. 15 per hl at 15°C	(rate increased from 1 January 1971) Bfrs. 20/30 (*) (2) per hl at 15°C
2312. Other gas oils:		
23121. used as raw materials in industry	duty-free	nil
23122. fuel for engines mounted on agricultural machinery and agricultural or forestry tractors	Frs. 38 per hl at 15°C	Bfrs. 7 per hl at 15°C
23123. fuel for engines of vehicles using the public highway, other than those mentioned under 23122.	Frs. 115 per hl at 15°C	Bfrs. 100 per hl at 15°C
23124. for all unspecified uses	Frs. 38 per hl at 15°C	Bfrs. 7 per hl at 15°C
2313. Fuel oils:		
23131. used as raw materials in industry	duty-free	nil
23132. for other uses:		
231321. medium	Frs. 15 per hl at 15°C	(rate increased from 1 January 1971) Bfrs. 20/30 per hl (3) at 15°C
231322. other	Frs 10 per 100 kg	nil
232. Lubricating oils:		
2321. used as raw materials in industry	duty-free	nil
2322. for other uses	Frs. 10 per 100 kg	nil
233. Liquid residues at 50°C:		
2331. used as raw materials in industry	duty-free	nil

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(1) Levied only in Belgium.

(2) With effect from 1 January 1971, heavy gas oil for other uses (No. 23112) and fuel oil for heating (No. 231321) have been made subject to a special excise duty in Luxembourg of Frs. 15 per hl at 15°C.

(3) The special excise duty is also due in Belgium on imports from Luxembourg.

(numbers in the customs tariff)	<u>Excise duty</u>	<u>Special excise duty</u> (1)
2332. for other uses	Frs. 10 per 100 kg	nil
234. other	duty-free	nil

Imports :

Imported mineral oils are subject to the same system as similar products manufactured in Belgium and Luxembourg. In addition, imported products containing mineral oils are subject to an excise duty and a special excise duty fixed as follows:

	<u>Excise duty</u>	<u>Special excise duty</u> (2)
Generally speaking, these rates have been in force since 1 August 1969; some, however, were amended as from 1 January 1971, and these are marked with an asterisk (*)		
1. Products containing more than 5 % by weight of crude petroleum oils: per 100 kg and per %	Frs. 0.10	nil
2. Products containing light mineral oils which cannot be used as fuel for engines	duty-free	nil
3. Products containing more than 5 % by volume of light mineral oils which could be used as fuel for engines: per hectlitre and per %	Frs. 4.90	Bfrs. 0.45
4. Products containing denatured medium mineral oils	duty-free	nil
5. Products containing more than 5 % by volume of undenatured medium mineral oils: per hectolitre and per %	(rate reduced from 1 January 1971) Frs. 0.75/0.45	nil
6. Products containing more than 5 % by volume of heavy gas oil: per hectolitre and per %	Frs. 0.15	(rate increased from 1 January 1971) Bfrs. 0.20/0.30
7. Products containing more than 5 % by volume of gas oil other than heavy oil: per hectolitre and per %	Frs. 0.38	Bfrs. 0.07
8. Products containing more than 5 % by volume of medium fuel oil: per hectolitre and per %	Frs. 0.15	(rate increased from 1 January 1971) Bfrs. 0.20/0.30

(1) Levied only in Belgium.

(2) The special excise duty is also due on imports from Luxembourg.

**B 11**  
**L 14/15**

	<u>Excise duty</u>	<u>Special excise duty(1)</u>
9. Products containing more than 5 % by weight of fuel oil other than medium fuel oil: per 100 kg and per %	Frs. 0.10	nil
10. Products containing more than 5 % by weight of lubricating mineral oils: per 100 kg and per %	Frs. 0.10	nil
11. Products containing more than 5 % by weight of liquid residues at 50°C resulting from the processing of mineral oils: per 100 kg and per %	Frs. 0.10	nil

**P e r i o d f o r p a y m e n t :**

Provided sufficient security is available, the payment of the duties referred to (see "Collection") may be deferred to the Thursday of the week following that in which the declaration of dispatch for consumption is submitted.

**E x p o r t s :**

Exports of mineral oils are exempted from all excise duty and special excise duty. Exports of mineral oils to Luxembourg are exempted from the special excise duty only.

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(1) *The special excise duty is also due on imports from Luxembourg.*



**EXCISE DUTY ON LIQUEFIED PETROLEUM GASES AND OTHER LIQUEFIED  
GASEOUS HYDROCARBONS (Accise sur les gaz de pétrole et autres  
hydrocarbures gazeux, liquéfiés/Accijns op vloeibaar aardgas en andere  
vloeibare koolwaterstoffen)**

*Law of 7 February 1961 on the excise system for liquefied petroleum gases and other liquefied gaseous hydrocarbons (M.b., 19 December 1963). Amending Law of 29 June 1966 (M.b., 6 August 1966). Royal Decree of 18 December 1968 (M.b., 31 December 1968).*

**B e n e f i c i a r y :**

Central Government.

**D u t y p a y a b l e o n :**

Liquefied petroleum gases and other liquefied gaseous hydrocarbons.

**D u t y d u e w h e n :**

Liquefied gases intended for use as fuel for motor vehicles using the public highway leave the factory or approved depot where they are stored under excise control.

**E x e m p t i o n s :**

Liquefied gases intended for uses other than as fuel for motor vehicles using the public highway are exempted from all excise duty and special excise duty.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The manufacturer must submit a declaration of work to be carried out. This declaration must reach the local excise officer at least a fortnight before the day fixed for the commencement of work.

**B 12**

**L 12**

**C o l l e c t i o n :**

The excise duty and the special excise duty are payable by the manufacturer or the holder of a concession for an approved depot where the products are stored under excise control. The duties are payable when the weekly declaration of dutiable liquefied gases offered for consumption is submitted.

**R a t e s o f d u t y :**

Excise duty: Frs. 90 per hectolitre at 15°C

Special excise duty: Bfrs. 80 per hectolitre at 15°C (levied only in Belgium).

**P e r i o d f o r p a y m e n t :**

Provided sufficient security is available, the payment of the duties referred to in the previous paragraph may be put off until the Thursday of the week following that in which the declaration is submitted.

**E x p o r t s :**

Exports of liquefied gases are exempted from all excise duty and special excise duty. Exports of liquefied gases to Luxembourg are exempted only from the special excise duty.

**I m p o r t s :**

Imports of liquefied petroleum gases and other liquefied gaseous hydrocarbons are subject to the same system as for similar products manufactured in Belgium and Luxembourg. The special excise duty is also due on imports from Luxembourg.

**EXCISE DUTY ON BENZOLE AND SIMILAR PRODUCTS (Accise sur le benzol et les produits analogues/Accijns op benzol en gelijksoortige produkten)**

*Law of 7 February 1961 on the excise system for benzol and similar products (M.b., 19 December 1963), Royal Decree of 27 December 1965 (M.b., 29 December 1965), Law of 29 June 1966 (M.b., 6 August 1966).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

Isolated aromatic oils and hydrocarbons obtained by the treatment of coal or its by-products, such as light oils, benzole, toluole, xylole, naphtha solvent, benzene, toluene, xylene and mixtures of two or more of the above products, distilling 90 % or more of their volume up to 200°C.

**D u t y d u e w h e n :**

Benzole and similar products intended for use as fuel for engines (benzole fuel) leave the factory.

**E x e m p t i o n s :**

Benzole intended for uses other than as fuel for engines is exempted from all excise duty and special excise duty.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The manufacturer must submit a declaration of work to be carried out. This declaration must reach the local excise officer at least a fortnight before the day fixed for the commencement of work.

**C o l l e c t i o n :**

The excise duty and the special excise duty are payable by the manufacturer. They are due when the weekly declaration of benzole fuel offered for consumption is submitted.

**B 12**

**L 12**

R a t e s o f d u t y :

Excise duty: Bfrs. 420 per hectolitre at 15°C

Special excise duty: Bfrs. 115 per hectolitre at 15°C (levied only in Belgium).

P e r i o d f o r p a y m e n t :

Provided sufficient security is available, the payment of the duties referred to under "Collection" may be deferred until the Thursday of the week following that in which the declaration of benzole fuel offered for consumption is submitted.

E x p o r t s :

Exports of benzole are exempted from all excise duty and special excise duty.  
Exports of benzole fuel to Luxembourg are exempted only from the special excise duty.

I m p o r t s :

Imports of benzole and similar products are subject to the same system as that applying to products manufactured in Belgium and Luxembourg. The special excise duty is also due on imports of benzole fuel from Luxembourg.

**EXCISE DUTY ON MANUFACTURED TOBACCO (Accise sur les tabacs fabriqués/Accijns op gefabriceerde tabak)**

*Law of 31 December 1947 on the tax system for tobacco (M.b., 1 January 1948), Law of 2 July 1969 amending the excise system for tobacco (M.b., 1 August 1969), Royal Decree of 17 December 1970 (M.b., 30 December 1970).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

All consumable tobacco products : cigars, cigarillos, cigarettes, smoking tobacco, snuff and dry chewing tobacco. Tobacco substitutes, i.e. all products used to the same ends as tobacco proper, are subject to the same system as tobacco.

**D u t y d u e w h e n :**

The tobacco products referred to above leave the factory for consumption.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The manufacturer must submit to his local excise office a declaration of work to be done for a maximum period of one year. It is renewed not later than 31 December of each year by manufacturers working continuously.

This declaration must reach the excise officer at least eight days before the work begins.

**C o l l e c t i o n :**

The excise duty is payable by the manufacturer. It is indicated by fixing on the packet tax bands or stamps supplied by the State against payment of the duty they represent.

**B 13**

**L 12**

R a t e s :

	<u>1 August 1969 -</u> <u>31 December 1970</u>	<u>From</u> <u>1 January 1971</u>	
- Cigars weighing 3 kg or more per 1 000	11.5 %	11.5 %	Of the retail sales
- Other cigars (cigarillos)	16 %	16 %	price, according to a
- Cigarettes	56 % (1)	55.5 %	scale laid down by
- Smoking tobacco, snuff and dry chewing tobacco	31.5 %	31.5 %	the Minister of
- Moist chewing tobacco	Fr. 1 per kg		Finance.

In addition, cigarettes are subject to a specific excise duty fixed as follows:

System from 1 August 1969 to 31 December 1970:

- Fr. 0.05 per cigarette if the price used as basis for calculating the ad valorem excise duty is not more than Fr. 0.66 per cigarette;
- Fr. 0.07 per cigarette if the price used as basis for calculating the ad valorem excise duty is more than Fr. 0.66 per cigarette but not more than Fr. 0.84 ;
- Fr. 0.09 per cigarette if the price used as basis for calculating the ad valorem excise duty is more than Fr. 0.84 per cigarette.

System from 1 January 1971:

- Fr. 0.025 per cigarette if the retail sales price is not more than Fr. 0.80 per cigarette, and Fr. 0.045 per cigarette if the retail sales price is more than Fr. 0.80 per cigarette.

However, the amount of the ad valorem excise duty and the specific excise duty together may not be less than Fr. 0.36 per cigarette.

P e r i o d f o r p a y m e n t :

Provided sufficient security is available, a period of grace is granted for the payment of the excise duties corresponding to the tax bands or stamps which are to be affixed to tobacco products.

This period is established as follows:

1. Cigars and cigarillos: payment may be deferred until the fifteenth day of the third month following that in which the order for the bands or stamps reaches the excise officer;
2. Other manufactured tobaccos: payment may be deferred until the fifteenth day of the second month following that in which the order for the bands or stamps reaches the excise officer.

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(1) *Of the price used as basis for calculating the ad valorem excise duty as shown in a scale laid down by the Minister of Finance.*

**R e p l a c e m e n t o f t a x b a n d s o r s t a m p s :**

Under certain conditions a manufacturer who is in possession of manufactured tobacco unfit for consumption may have the tax bands or stamps affixed to these products replaced. He may also have bands or stamps which have become unusable replaced.

**E x p o r t s :**

Excise duty is not due on exported manufactured tobaccos. These products need not therefore bear tax bands or stamps.

**I m p o r t s :**

For imports, the same system applies as for similar products manufactured in Belgium or Luxembourg. In the implementation of the above provisions, the importer is treated like the manufacturer in all respects.

**B 14/15**

**L 16/17**

**EXCISE DUTY ON ETHYL ALCOHOL (Accise sur l'alcool éthylique/Accijns op ethylalcohol)**

*Law of 15 April 1896 on the manufacture and import of alcohols (M.b., 3 June 1896), Law of 10 August 1948 (M.b., 25 August 1948), Law of 11 December 1959 (M.b., 20 February 1960), Law of 22 December 1964 (M.b., 19 January 1965), Law of 29 June 1966 amending the consumption tax on ethyl alcohol (M.b., 6 August 1966), Law of 2 July 1969 (M.b., 1 August 1969).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

Ethyl alcohol in all forms.

**D u t y d u e w h e n :**

1. Excise duty: when crude alcohol is produced (from distillation).
2. Consumption tax: when rectified alcohol is dispatched for consumption.

Excise duty is payable at the time of manufacture, consumption tax is payable when the product is taken away from the distillery for consumption or for use in the perfumery industry.

**E x e m p t i o n s :**

Alcohol to be used in industry, other than for the manufacture of perfumes, is exempt from all excise duty and consumption tax, provided it has been denatured in advance.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The distiller is bound to submit to his local excise officer a statement of work to be carried out during a continuous period of at least five days and not more than 30 days.

This declaration must reach the officer not later than the day before the initial soaking or maceration of the materials.



C o l l e c t i o n :

The excise duty and consumption tax are payable by the distiller or rectifier.

R a t e s o f d u t y :

1. Excise duty: Crude alcohol or alcohol  
of a strength of 100° Gay-Lussac at 15° Bfrs. 9 000 per hectolitre

2. Consumption tax:

Belgium

- Undenatured ethyl alcohol ..... Bfrs. 13 000 per hectolitre  
at a strength of 100°

- Denatured and used ethyl alcohol

(a) for the manufacture of raw materials used  
in the perfumery industry and of cosmetic  
and toilet articles ..... Bfrs. 1 000 per hectolitre  
at a strength of 100°

(b) for other uses ..... Exempted

Luxembourg

- Undenatured ethyl alcohol ..... Lfrs. 8 000 per hectolitre  
at a strength of 100°

- Denatured and used ethyl alcohol

(a) for the manufacture of raw materials used  
in the perfumery industry and of cosmetic  
and toilet articles ..... Lfrs. 1 000 per hectolitre  
at a strength of 100°

(b) for other uses ..... Exempted

Imports

1. Excise duty:

- Ethyl alcohol, brandies and any other products,  
whether liquid or not, containing undenatured  
ethyl alcohol, for each degree of alcohol ..... Bfrs. 90 per hectolitre

- Liquid or non-liquid products containing  
denatured ethyl alcohol; raw materials used  
in the perfumery industry ,

(a) perfumery products, cosmetic and toilet  
articles: for each degree of alcohol ..... Bfrs. 62 per hectolitre

(b) other ..... Exempted

2. Consumption tax (per hl and per degree):

Belgium

- Undenatured ethyl alcohol, brandies, liqueurs  
and other spirituous beverages ..... Bfrs. 130

**B 14/15**  
**L 16/17**

- All other products containing undenatured ethyl alcohol ..... Bfrs. 130
- Ethyl alcohol for the manufacture of raw materials used in the perfumery industry, of perfumery products and of cosmetic and toilet articles, denatured and used under conditions specified by the Minister of Finance ..... Bfrs. 10
- All products containing ethyl alcohol denatures according to a process approved by the customs and excise authorities:
  - (a) Raw materials used in the perfumery industry, perfumery products, cosmetic and toilet articles ..... Bfrs. 10
  - (b) All other products ..... Exempted

Luxembourg

- Undenatured ethyl alcohol, brandies, liqueurs and other spirituous beverages ..... Lfrs. 80
- All other products containing undenatured ethyl alcohol ..... Lfrs. 80
- Ethyl alcohol for the manufacture of raw materials used in the perfumery industry, of perfumery products and of cosmetic and toilet articles, denatured and used under conditions specified by the Minister of Finance ..... Lfrs. 10
- All products containing ethyl alcohol denatured according to a process approved by the customs and excise authorities:
  - (a) Raw materials used in the perfumery industry, perfumery products, cosmetic and toilet articles ..... Lfrs. 10
  - (b) All other products ..... Exempted

**P e r i o d f o r p a y m e n t :**

Provided sufficient security is available, a period of grace is granted for payment of the excise duty and the consumption tax. This period may be up to about four months and begins, both for excise duty and for consumption tax, when the alcohol is taken from the distillery for consumption or for use in the perfumery industry.

**E x p o r t s :**

Alcohol or products containing alcohol (including perfumes) which are exported, or sent to a destination equivalent to exportation, are exempt from all excise duty and consumption tax.

**EXCISE DUTY ON WINES AND OTHER SPARKLING AND NON-SPARKLING  
FERMENTED BEVERAGES (Accise sur les vins et autres boissons fermentées  
mousseuses et non mousseuses/Accijns op wijn en andere mousserende en  
niet-mousserende gegiste dranken)**

*Law of 15 July 1938 on the tax system for wines and like beverages and certain alcoholic liquids (M.b., 27 July 1938), Law of 19 March 1951 and Ministerial Decree of 25 March 1952, Law of 11 December 1959 (M.b., 20 February 1960), Law of 19 March 1969 (M.b., 1 August 1969).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

- Non-sparkling beverages made in the country by fermenting fruit juice or must, whether or not water or sugar is added, of a strength not exceeding 15°. This excise duty is not levied for the present because of a general exemption.
- Fermented beverages, except beer, which are rendered, or become, sparkling within the country.

**D u t y d u e w h e n :**

Dutiable beverages are manufactured.

**E x e m p t i o n s :**

- Non-sparkling fermented beverages: under certain conditions, general exemption when these beverages result from fresh fruit fermented in the factory itself.
- Sparkling fermented beverages: when a declaration of work to be done has not been implemented because of force majeure, the manufacturer can obtain the refund of or exemption from the excise duty on beverages declared but not manufactured. Furthermore, the manufacturer may also be authorized to reprocess, with exemption from excise duties, any sparkling fermented beverages which he has manufactured and which have become unfit for consumption.

**B 16/17**

**L 12**

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

- Manufacture of beverages fermented from fruit: a declaration of work to be carried out is required. This declaration must reach the excise officer not later than the second working day before the date fixed for beginning work.
- Manufacture of sparkling fermented beverages: depending on his working methods, the manufacturer must submit one or two declarations of work to be carried out which must reach the excise officer at least 48 hours before the commencement of work.

**C o l l e c t i o n :**

The duties are payable by the manufacturer.

They are due when the declaration of the work to be carried out on the manufacture proper of the dutiable beverages is submitted.

**R a t e s o f d u t y :**

1. Beverages obtained by fermenting fruit juice or must, whether or not water or sugar is added, of a strength not exceeding 15° at a temperature of 15°C
  - (a) Beverages of a strength of 12° or less Frs. 600 per hl
  - (b) Beverages of a strength of more than 12° but not more than 15° plus additional duty of Frs. 600 per hl for each 1/10th of a degree exceeding 12° Frs. 10.60 per hl

These duties are applicable irrespective of whether the fruit providing the juice or must is fresh or dried.

2. Sparkling fermented beverages
  - (a) Cider and perry contained in bottles marked "sparkling cider" or "sparkling perry" Frs. 150 per hl (1)
  - (b) Sparkling fruit wine made from fruit other than fresh or dried grapes and contained in bottles marked "sparkling fruit wine" Frs. 750 per hl (1)
  - (c) Other sparkling beverages made by fermenting fresh or dried grapes Frs. 1 500 per hl (1)

**I m p o r t s :**

Fermented beverages (except beer) imported from countries other than the Netherlands are subject to an excise duty fixed as follows:

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(1) Where applicable, this duty is added to that levied on non-sparkling fermented beverages.

- Wine of fresh grapes, grape must partially fermented, and grape must with fermentation arrested by the addition of alcohol (including mistelle), non-sparkling; vermouth and other wines of fresh grapes, in the preparation of which plants or other aromatic substances are used: Frs. 600 per hl

Where these beverages are of a strength exceeding 12<sup>o</sup>, there is an additional charge for every 1/10th of a degree exceeding 12<sup>o</sup>:

- For strength exceeding 12<sup>o</sup> but not exceeding 15<sup>o</sup> Frs. 10.60 per hl
- For strength exceeding 15<sup>o</sup> Frs. 17 per hl
- Other non-sparkling fermented beverages made from fruit exempted
- Sparkling fermented beverages
  - (a) Cider and perry Frs. 150 per hl
  - (b) Beverages not included under (a) made from fruit other than fresh or dried grapes Frs. 750 per hl
  - (c) Wine of fresh grapes, and beverages made from dried grapes Frs. 2 100 per hl
  - (d) Other sparkling fermented beverages Frs. 1 500 per hl.

Period for payment :

Provided sufficient security is available, the manufacturer may obtain the following periods of grace for the payment of excise duties:

- Beverages fermented from fruit: duty not collected for the present - see "Exemptions".
- Sparkling fermented beverages: from the final day of the month during which the duty fell due (see "Collection"):
  - "Champenois" method: 5 months;
  - Other methods: 2 months.

Exports :

Sparkling fermented beverages which are exported or sent to a destination equivalent to exportation are exempted from all excise duty referred to above (Rates of duty, 2).

**B 18**  
**L 12**

**EXCISE DUTY ON BEER (Accise sur les bières/Bieraccijns)**

*Law of 11 May 1967 on the excise system for beer (M.b, 22 December 1968), Royal Decree of 17 December 1970 (M.b., 30 December 1970).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

Beverages, in the preparation of which the amount of malt and other farinaceous substances which the brewer uses for each brewing is not less than 5/7ths of all the raw materials used; the proportion of sugar substances in this total is calculated as the quantity of dry extract that they contain.

**D u t y d u e w h e n :**

Brewing is carried out.

**E x e m p t i o n s :**

Under certain conditions the brewer may obtain the refund of any payments made, or will not be liable for the excise duty and special excise duty on:

- Declared brewings which, for reasons of force majeure, did not take place;
- Wort which is lost accidentally or destroyed during a brewing;
- Beer which is lost or becomes unfit for human consumption before it leaves the brewery.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

Each time that he intends to brew, the brewer submits to the local excise office a brewing declaration which must reach the excise officer not later than the third working day before the day fixed for commencement of brewing.

**C o l l e c t i o n :**

The excise duty and the special excise duty are payable by the brewer on the basis of the number of hectolitre-degrees of wort that he intends to produce according to his declaration.

**R a t e s o f d u t y :**

The excise duty and the special excise duty are calculated on the basis of the number of hectolitre-degrees of wort. They are fixed as follows per hectolitre-degree:

	<u>Excise duty</u>	<u>Special excise duty(1)</u> Came into force on 1 January 1971
- For the first 10 000 hectolitre-degrees	Frs. 21.60	Bfrs. 15.50
- From 10 001 to 50 000 hectolitre-degrees	Frs. 25.80	Bfrs. 15.50
- From 50 001 to 1250 000 hectolitre-degrees	Frs. 31.20	Bfrs. 15.50
- More than 1250 001 hectolitre-degrees	Frs. 35.40	Bfrs. 15.50

These rates are applied on the basis of the total number of hectolitre-degrees declared in any one brewery during the calendar year.

**I m p o r t s :**

Imported beers are subject to an excise duty and a special excise duty fixed as follows:

	<u>Excise duty</u>	<u>Special excise duty(2)</u> Came into force on 1 January 1971
Beers with a density of :		
- Less than 3 <sup>0</sup> 9	Frs. 124.70 per hl	Bfrs. 60.30 per hl
- From 3 <sup>0</sup> 9 to less than 5 <sup>0</sup> 6	Frs. 178.10 per hl	Bfrs. 86.10 per hl
- From 5 <sup>0</sup> 6 to less than 6 <sup>0</sup> 4	Frs. 213.80 per hl	Bfrs. 103.30 per hl
- 6 <sup>0</sup> 4 and over	Frs. 245.80 per hl	Bfrs. 118.90 per hl

**P e r i o d f o r p a y m e n t :**

Provided sufficient security is available, the brewer enjoys a period of grace fixed as follows for payment of the excise duty and the special excise duty on the beer which he produces:

1. Spontaneously fermenting beers (faro, gueuze, lambic): payment may be deferred until the fifteenth day of the twelfth month following that in which the brewing declaration was submitted;
2. Other beers: payment may be deferred until the fifteenth day of the fourth month following that in which the brewing declaration was submitted.

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(1) Levied only in Belgium.

(2) Levied only in Belgium and also on imports from Luxembourg.

**B 18**

**L 12**

**E x p o r t s :**

No excise duty or special excise duty is due on beer exported or sent to a destination equivalent to exportation.

Beer sent to Luxembourg is exempted only from the special excise duty.



**EXCISE DUTY ON TABLE-WATERS AND LEMONADE (Accises sur les eaux de boisson et les limonades/Accijns op drinkwater en limonades)**

*Royal Decree No. 44 of 28 September 1939 on the tax system for mineral waters and gaseous or sparkling lemonade (M.b., 4 October 1939), Law of 29 June 1966 (M.b., 6 August 1966), Royal Decree of 20 September 1971 (M.b., 30 September 1971).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e o n :**

1. Table waters, which include:

- Natural or artificial mineral waters including waters which, although not having the composition or special properties of mineral waters, are sold or delivered as such;
- Aerated or sterilized waters;
- Waters of any kind that have been bottled or otherwise presented to be sold or delivered as table waters;

2. Lemonade, which includes:

- Aerated or sparkling beverages consisting essentially of sweetened or aromatized water, fruit juices or a mixture of water and fruit juices;
- Beverages which are neither aerated nor sparkling, presented in bottles, tins or other containers, clearly intended to be sold or delivered as beverages and consisting essentially:
  - a) either of sweetened or aromatized water, with the exception of preparations such as coffee and tea;
  - b) or a mixture, sweetened or not, of water and fruit juices.

**D u t y d u e w h e n :**

The beverages mentioned above leave the factory for consumption in Belgium.

**D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :**

The manufacturer must submit to the local excise officer a declaration of work to be carried out for a maximum period of one year. This declaration is renewed not later than 31 December of each year by manufacturers working continuously. It must reach the officer at least 48 hours before work commences.

## B 19

### C o l l e c t i o n :

The excise duty is payable by the manufacturer:

- By attaching to the containers tax bands or caps supplied by the State against payment of the duty they represent;
- If special authorization is given, by collection on the basis of a weekly declaration made by the manufacturer. In this case no bands or caps need be attached.

### R a t e s o f d u t y :

- Table-waters: Bfrs. 1 per litre (unchanged since 6 August 1966);
- Lemonade: Bfrs. 1 per litre (in force until 30 September 1971);  
Bfrs. 2 per litre (since 1 October 1971).

### P e r i o d f o r p a y m e n t :

Provided sufficient security is available, the payment of the excise duty on tax bands or caps to be attached to containers can be deferred until the end of the month during which the order for these bands or caps reaches the excise officer concerned.

### R e p l a c e m e n t o f t a x b a n d s o r c a p s :

Under certain conditions the manufacturer who possesses table waters or lemonade which have become unfit for consumption may have the tax bands or caps attached to these products replaced.

### E x p o r t s :

The excise duty is not due on table waters and lemonade exported, including those sent to Luxembourg. The containers of these beverages do not therefore need to bear tax bands or caps.

### I m p o r t s :

For imported table waters and lemonade (including those coming from Luxembourg) the same system is applied as for similar products manufactured in Belgium. For the application of the above provisions, the importer is treated in all respects as a manufacturer.

## EXCISE DUTY ON SUGAR (Accise sur les sucres/Accijns op suiker)

*Law of 21 August 1903 on the manufacture and import of sugar (M.b., 26 August 1903),  
Royal Decree of 13 June 1969 (M.b., 1 July 1969).*

### B e n e f i c i a r y :

Central government.

### D u t y p a y a b l e o n :

Cane or beet sucrose sugar.

### D u t y p a y a b l e w h e n :

The manufacturer or refiner consigns the sugar to distributors.

### E x e m p t i o n s :

The manufacturer or refiner need not pay excise duty on sugar which is denatured and which is intended for:

- Feeding bees;
- Feeding cattle;
- Industrial uses other than for feedingstuffs.

### D e c l a r a t i o n a n d d a t e f o r s u b m i s s i o n :

A declaration of work to be carried out must be provided by the manufacturer or refiner.

This declaration must reach the local excise officer at least fifteen days before manufacture or refining commences or is resumed.

### C o l l e c t i o n :

The excise duty is payable by the manufacturer or refiner on the basis of the quantities of sugar or refined sugar syrup declared for consumption.

**B 20**

**L 12**

R a t e s o f d u t y :

- |                          |                    |
|--------------------------|--------------------|
| - Crude or refined sugar | Frs. 60 per 100 kg |
| - Refined sugar syrups   | Frs. 30 per 100 kg |

I m p o r t s :

Imports of sugar and products containing added sugar are subject to an excise duty based on the net weight and fixed as follows per 100 kg:

- |  |                                  |
|--|----------------------------------|
| - Solid sucrose sugar  | Frs. 60                          |
| - Sucrose sugar in other forms, caramel, invert sugar and artificial honey   | Frs. 0.60 per % of sugar content |
| - Products containing added sucrose sugar, caramel, invert sugar or artificial honey in the following proportions: |                                  |
| (a) 5 % to 15 %  | Frs. 6                           |
| (b) more than 15 %, but not more than 25 %   | Frs. 12                          |
| (c) more than 25 %, but not more than 40 %   | Frs. 19.50                       |
| (d) more than 40 %, but not more than 60 %   | Frs. 30                          |
| (e) more than 60 %, but not more than 75 %   | Frs. 40.50                       |
| (f) more than 75 %, but not more than 90 %   | Frs. 49.50                       |
| (g) more than 90 %   | Frs. 57                          |

P e r i o d f o r p a y m e n t :

Provided sufficient security is offered, payment may be deferred until the fifteenth day of the month following that in which the declaration of amounts offered for consumption is made.

E x p o r t s :

Exemption from all excise duties is granted for sugar and sugar products exported or sent to a destination equivalent to exportation.

**ANNUAL TAX ON INSURANCE CONTRACTS (Taxe annuelle sur les contrats d'assurance/Jaarlijkse taks op de verzekeringskontrakten)**

*Royal Decree of 29 September 1938 (M.b., 21 October 1938), Article I of the Law of 10 July 1969 (M.b., 15 October 1969).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Insurance contracts.

**B a s i s o f a s s e s s m e n t :**

Premiums and charges to be borne by the insured party.

**E x e m p t i o n s :**

Reinsurance contracts, social insurance, insurance contracted by public authorities.

**C o l l e c t i o n :**

Annual payment.

**R a t e s o f t a x :**

The standard rate is 6 %; the rate is reduced to 3 % in the case of life insurance and 1.4 % for insurance against risks in international trade.

**BETTING AND GAMING TAX (Taxe sur les jeux et paris/Belasting op de spelen en de weddenschappen)**

*Articles 43 to 75 of Royal Decree of 23 November 1965 codifying the legal provisions on charges with equivalent effect to income taxes (M.b., 18 January 1966), amended by Articles 1 to 14 of Royal Decree No. 14 of 18 April 1967 (M.b., 20 April 1967) and Articles 35 to 55 of Royal Decree of 8 July 1970 (M.b., 19 September 1970).*

**B e n e f i c i a r y :**

Central government. (1)

**T a x p a y a b l e b y :**

Any person who, even occasionally, accepts bets or wagers either on his own account or as an intermediary in betting and gaming.

**B a s i s o f a s s e s s m e n t :**

Generally speaking, gross sums involved in betting and gaming.

For casino games: winnings of bankers in baccarat/chemin de fer, and winnings of punters in roulette without zero.

Betting competitions and other competitions: gross stakes, gross prizes and net prizes.

**E x e m p t i o n s :**

Authorized lotteries, certain popular amusements and pigeon races under certain conditions.

**C o l l e c t i o n :**

Payment on the first and the fifteenth day of each month.

**R a t e s o f t a x :**

(a) In general: 5.5 % of the gross sums involved;

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(1) 27.5 % of the proceeds of the tax of 16.40 % on the sums involved in competitions concerned with bets on the results of sporting events other than horse races is paid into the assistance fund of the municipality's fund.

## (b) Special cases:

- 9 % of sums involved in bets on horse races taken in places other than on duly approved race courses, unless these sums are passed on to the totalizator at the said race courses;
- 4.80 % on the winnings of bankers in baccarat/chemin de fer;
- 2.75 % on the winnings of players in roulette without zero;
- Bfrs. 1.10 for a pigeon ring sold by the associations and federations approved by the Ministry of Finance;
- 16.4 % of sums involved;
- 10 % of the gross sums or the value of any objects given as prizes or rewards provided the taxable amount overall is not less than 70 % of the total sum involved;
- 12.5 % on the net amount of prizes awarded if these prizes do not exceed Bfrs. 10 000 per winner and per competition;
- 19 % (1) of the net amount of these prizes if they exceed Bfrs. 10 000 but are less than Bfrs. 250 000 per winner and per competition;
- 25 % (1) of the net amount of these prizes when they exceed Bfrs. 250 000 per winner and per competition.

In betting competitions and in competitions where participants must have some linguistic, historical, geographical or artistic, etc., knowledge or skill.

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(1) Application of the tax of 19 % and 25 % must not result in the net sum received by the winner being reduced to an amount less than Bfrs. 8 750 or Bfrs. 202 500 respectively.

**TAX ON AUTOMATIC AMUSEMENT MACHINES (Taxe sur les appareils automatiques de divertissement/Belasting op de automatische ontspanningstoestellen)**

*Articles 76 to 91 of Royal Decree of 23 November 1965 codifying the legal provisions on charges with equivalent effect to income taxes (M.b., 18 January 1966), amended by Articles 15 to 19 of Royal Decree No. 14 of 18 April 1967 (M.b., 20 April 1967) and Articles 56 and 57 of Royal Decree of 8 July 1970 (M.b., 15 September 1970).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Automatic machines for amusement, situated on the public highway, in places accessible to the public, or in private clubs whether or not entry to these clubs is subject to compliance with certain formalities.

**T a x p a y a b l e b y :**

The owner of the machine; but if he does not pay the tax, the operator of the place in which the machine is installed and who authorized its installation is considered liable to the tax.

**B a s i s o f a s s e s s m e n t :**

Tax fixed according to category of machine and according to the size of the municipality in which the machine is installed.

**C o l l e c t i o n :**

Annual or by instalments.

**R a t e s :**

1st category of municipality: from Bfrs. 1 200 (category F) to Bfrs. 19 000 (category A);

2nd category of municipality: from Bfrs. 800 (category F) to Bfrs. 13 000 (category A);



3rd category of municipality\_ from Bfrs. 400 (category F)  
to Bfrs. 6 500 (category A).

Uniform tax of Bfrs. 50 000 for automatic amusement machines where chance is more important than the skill of the player in the game concerned and where there is a possibility of winning a sum higher than the stake.

**B 24/25/26/32**

**MAIN REGISTRATION TAXES (Principaux droits d'enregistrement/Voornaamste registratierechten)**

*Provisions of Ch. II and III of Royal Decree No 12 of 18 April 1967 (M.b., 20 April 1967);* (1)  
*Law of 14 April 1965 (M.b., 20 April 1965);* (2)  
*Royal Decree of 26 June 1947 (M.b., 14 August 1947).* (3)

**B e n e f i c i a r y :**

Central government.

**R a t e o f t a x :**

Sale of land and buildings located in Belgium (except for buildings to be constructed, under construction or recently constructed, if value added tax is due on them).

- Standard rate 12.5 % (1)
- Sales to building societies linked with public services 6 %
- Sales to purchasers receiving Government subsidies 1.5 %
- Sales of small rural property and of modes-housing 6 %
- Sales to persons engaged professionally in buying land and buildings for resale 5 %

Partition of land or buildings located in Belgium (for buildings, the same reservation as for sales: see above).

**G i f t s :**

(see under B 06).

**C o m p a n i e s : (2)**

A. Belgian companies, i.e. actually managed from headquarters in Belgium:

- movable assets or real estate invested in Belgian companies, in general 2.5 %
- Assets contributed to Belgian companies, either by way of mergers, takeovers or split-ups, in one or more forms of activity:
  - (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 further assets being invested  
(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. 150

**B. Foreign companies**

No registration tax (apart from the fixed duty of Bfrs. 150 where  
applicable), except in the case of assets contributed to such  
companies in the form of real estate located in Belgium 2.5 %

**B a s i s o f a s s e s s m e n t :**

Generally, price or value of assets.

**C o l l e c t i o n :**

The tax is levied at the time of registration.

**S T A M P D U T Y (DROITS DE TIMBRE/ZEGELRECHTEN) (3)**

**B e n e f i c i a r y :**

Central government.

**R a t e s o f d u t y :**

Deeds executed and authenticated by a notary and various deeds and documents  
(such as extracts, certificates or authorizations issued by public authorities  
bank documents, etc.): moderate fixed duties.

Negotiable instruments 0.5 %

**M O R T G A G E D U T Y (DROITS D'HYPOTHÈQUE/HYPOTHEEKRECHTEN)**

**B e n e f i c i a r y :**

Central government

**R a t e s o f d u t y :**

0.2 % of the sum of a mortgage when registered or renewed.

**B 24/25/26/32**

**COURT DUES (Droits de greffe/Griffierechten) (1)**

B e n e f i c i a r y :

Central government.

R a t e s :

As a rule moderate fixed duties levied by the Clerks of Courts:

Entry of causes on the court list and registration of suits;

Drawing up Clerks' acts and certain acts of judges and of officials in the Public Prosecutor's office;

Provision of copies or extracts of acts and judgments;

Authentication of and search for certain acts;

Entries in the register of commerce and register of small businesses.

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(1) *Ch. III of Royal Decree No. 12 of 18 April 1967.*

**TAX ON STOCK EXCHANGE AND CARRY-OVER TRANSACTIONS**  
**(Taxe sur les opérations de bourse et de reports/Taks op beurstransacties**  
**en prolongatiecontracten)**

*Royal Decree of 29 September 1938 (M.b., 21 October 1938), Royal Decree of 9 May 1941, Article 12 of the Law of 13 June 1951, Article 13 par. 2 of the Law of 27 March 1957.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Sale, purchase or issue of stocks or shares to subscribers through a professional intermediary.

**B a s i s o f a s s e s s m e n t :**

Negotiating price rounded off to the nearest Bfrs. 100 (general system).

**R a t e s :**

- Belgian national debt securities (in general)	0.07 %
- Foreign national debt securities, or loans issued by Belgian or foreign provinces and municipalities, 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 %

**ANNUAL TAX ON SECURITIES QUOTED ON THE STOCK EXCHANGE  
(Taxe annuelle sur les titres cotés en bourse/Jaarljkse taks op de ter  
beurs genoteerde titels)**

*Articles 50-62 of the Law of 2 January 1926 (M.b., 2/3 January 1926) and Article 1  
of the Law of 27 December 1965 (M.b., 29 December 1965).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Companies and other bodies whose stocks and shares are quoted on the stock exchange.

**T a x p a y a b l e o n :**

Admission of securities of all kinds, on 1 January of the year of taxation, for spot or forward quotation on one of the Belgian stock exchanges.

**B a s i s o f a s s e s s m e n t :**

The total sum representing the value of securities admitted for quotation. This value is either the market value or the real value of the securities during the month of December preceding the year of taxation.

**E x e m p t i o n s :**

Securities of Belgian public bodies and securities of foreign companies and bodies.

**C o l l e c t i o n :**

Declaration and payment to be made not later than 31 March of the year of taxation.

**R a t e o f t a x :**

Since 1 January 1966:

42 centimes per Bfrs. 1 000 or fraction of Bfrs. 1 000.

**TAX ON MOTOR VEHICLES (Taxe de circulation sur les véhicules automobiles/Verkeersbelasting op de autovoertuigen)**

*Articles 3 to 42 of the Royal Decree of 23 November 1965 codifying the legal provisions on charges with equivalent effect to income taxes (M.b., 18 January 1966), Royal Decree No 14 of 18 April 1967 (M.b., 20 April 1967), Law of 26 February 1969 (M.b., 18 March 1969).*

**B e n e f i c i a r y :**

Central government (plus additional tax for the municipalities).

**V e h i c l e s o n w h i c h t a x i s p a y a b l e :**

Motor vehicles and their trailers using the public highway.

**B a s i s o f a s s e s s m e n t :**

Horsepower, cylinder capacity or weight of the motor vehicle as appropriate.

**E x e m p t i o n s :**

Vehicles used by a public authority, certain passenger vehicles and omnibuses, ambulances and vehicles used by certain invalids and handicapped persons, steam or motor boats or launches, certain agricultural vehicles, motor cycles up to 250 cc.

**C o l l e c t i o n :**

Annual or by instalments.

**R a t e s o f t a x :**

For passenger vehicles the rate ranges from Bfrs. 720 to 17 136 per year; for vehicles over 34 HP the rate of duty is Bfrs. 504 per unit of horsepower.

Motor cycles of a cylinder capacity exceeding 250 cc, Bfrs. 135 per 150 cc 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.

**B 29**

## O t h e r t a x e s :

Provinces may levy tax on motor cycles with a cylinder capacity not exceeding 250 cc; municipalities may levy tax of up to 10 % of the national or provincial tax.



**TAX ON THE OPENING OF ESTABLISHMENTS FOR THE SALE OF  
FERMENTED BEVERAGES (Taxe d'ouverture sur les débit de boissons  
fermentées/Openingbelasting op slijterijen van gegiste dranken)**

*Royal Decree of 5 April 1953 coordinating the legal provisions on the sale of  
fermented beverages (M.b., 4 April 1953); Royal Decree of 9 October 1967  
amending Royal Decree of 5 April 1953 (M.b., 7 November 1967).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Any new operator of an establishment for the sale of fermented beverages.

**C o n c e p t s :**

An "operator" is considered to be any person who sells fermented beverages for consumption on the premises. "Sale" is considered to consist in offering or allowing the consumption of such beverages in a place accessible to the public.

**C o l l e c t i o n :**

Single tax payable when an establishment is opened or taken over.

**R a t e s o f t a x :**

The tax is fixed at three times the real or presumed annual rental value of the premises used for the sale of beverages, but may not be lower than:

Bfrs. 3 000 in hamlets, municipalities or urban areas with not more than 5 000 inhabitants;

Bfrs. 4 000 in municipalities or urban areas with more than 5 000 but not more than 15 000 inhabitants;

Bfrs. 5 000 in municipalities or urban areas with more than 15 000 but not more than 30 000 inhabitants;

Bfrs. 7 500 in municipalities or urban areas with more than 30 000 but not more than 60 000 inhabitants;

Bfrs. 10 000 in municipalities or urban areas with more than 60 000 inhabitants.

**D 30**

A uniform tax is fixed at:

1. Bfrs. 5 000 for travelling establishments;
2. Bfrs. 200 per working day for occasional establishments.

**FIVE-YEARLY TAX TO BE PAID BY CERTAIN OPERATORS OF ESTABLISHMENTS FOR THE SALE OF FERMENTED BEVERAGES (Taxe quinquennale due par certains débitants de boissons fermentées/Vijfjarige belasting verschuldigd door bepaalde slijters van gegiste dranken)**

Tax payable by :

Operators with legal personality (companies)

Brewers and beer merchants considered to be "commettants" (principals).

Scope :

After a period of 15 years dating from 1 January of the year in which the establishments are opened or taken over, the operators with legal personality and the "commettants" must pay a five-yearly tax.

Rate of tax :

This tax is fixed at half the real or presumed annual rental value of the premises used for the sale of beverages, but may not be less than one-sixth of the amount fixed for the tax levied on the opening of the establishment.

**ANNUAL TAX PAYABLE BY RETAILERS OF SPIRITUOUS BEVERAGES (TAXE ANNUELLE DUE PAR LES DETAILLANTS DE BOISSONS SPIRITUEUSES/JAARLIJKE BELASTING VERSCHULDIGD DOOR DE KLEINHANDELAARS IN GEESTRIJKE DRANKEN)**

Beneficiary :

Central government.

Tax payable by :

All persons whose main or secondary occupation is selling or delivering spirituous beverages in quantities of up to six litres.

**B 30**

C o l l e c t i o n :

Annually.

R a t e o f t a x :

The tax is equal to one-fifth of the real or presumed annual rental value of the premises used for the sale of beverages but may not be less than one-fifteenth of the amount fixed for the tax on the opening of the establishment.

For travelling establishments there is an annual single-rate tax of Bfrs. 300.

For occasional establishments, the tax is fixed at Bfrs. 15 per day on which the establishment does business.

**GERMANY**



**INCOME TAXES (Einkommensteuer)**

*Income Tax Law for 1971 of 1 December 1971 (BGBI. I, p. 1881),  
Income Tax Implementing Regulation 1971 (BGBI. 1972 I, p. 125).  
Supplementary levy law of 21 December 1967 (BGBI I, p. 1254) amended through  
law of 23 December 1970 (BGBI I, p. 1856).*

**I n c o m e   T a x :****B e n e f i c i a r i e s :**

The Federal Government the Länder governments and the municipalities.  
For the 1971 budgetary year: Federal Government and Länder governments 43 %  
each, local authorities 14 %.

**T a x   p a y a b l e   b y :**

Individuals domiciled or ordinarily resident in Germany and other individuals to  
whom income accrues in Germany.

**B a s i s   o f   a s s e s s m e n t :**

Total income from seven types of income after offsetting losses which result from  
the individual types of income and deducting special expenditure and certain other  
items; nevertheless, no losses from commercial stock-breeding or keeping can be  
offset against or deducted from other types of income.

**E x e m p t i o n s :**

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

**D e d u c t i o n s :**

Special expenses (deductible insurance premiums, payments to building societies  
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, etc.) at a flat rate; if great expense has been incurred, documentary  
proof is required. 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 for the third child and any  
further children. Allowance for taxpayers over a certain age, and expenses.

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### M a r r i e d   c o u p l e s :

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. In the year of marriage, they are assessed as single persons.

### C h i l d r e n ' s   o w n   i n c o m e :

Tax on such income is assessed separately.

### N o n - r e s i d e n t s :

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.

### C o l l e c t i o n :

Tax is assessed annually. In the case of income from employment, tax is withheld at source by the employer = wages tax (see following section, "Wages Tax"); in the case of certain kinds of income from capital assets (in particular dividends) = capital yield tax, the tax is withheld at source, generally at a rate of 25 % (see section "Capital Yield Tax").

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

### R a t e s   o f   t a x :

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 about 53 % for income, between DM 8 000 (DM 16 000 in the case of married couples) and DM 110 000 (DM 220 000 in the case of married couples); a maximum rate of 53 % is payable where income exceeds DM 110 000 (or DM 220 000 in the case of married couples).

### S u p p l e m e n t a r y   l e v y :

3 % of the amount of tax. 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.

### S p e c i a l   f e a t u r e s :

In partnerships (Personengesellschaften), each partner's profits are taxed separately. The Personengesellschaft itself cannot be a taxpayer.



C a r r y - o v e r   o f   l o s s e s :

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

D 02/04

**WAGES TAX (Lohnsteuer) / A FORM OF COLLECTION OF INCOME TAX, FOR  
INCOME FROM PAID EMPLOYMENT**

*Income tax law of 1971, paragraphs 38 - 42a.*

*Wages Tax Implementing Regulation of 28 July 1969 (BGBL. I, p. 1033).*

*Wages Tax Implementing Regulation of 29 April 1971 (BGBL. I, p. 397).*

*Regulation on the Annual Adjustment of Wages of 16 March 1971 (BGBL. I, p. 195).*

**B e n e f i c i a r i e s :**

See under "Income Tax".

**T a x     p a y a b l e   b y :**

Persons in employment, domiciled or ordinarily resident in Germany, and other persons to whom income accrues from employment which is or was performed or used in Germany and also when earnings from present or past employment are paid through a German public cash office.

**B a s i s   o f   a s s e s s m e n t :**

Wages less professional expenses, special expenditure and certain other deductions.

**E x e m p t i o n s :**

Certain benefits, as in the case of income tax, and especially unemployment pay, lodging allowance, and certain insurance expenses provided they are made as a result of legal obligation.

**D e d u c t i o n s :**

As for income tax, plus an allowance for Christmas and an allowance for employed persons.

**M a r r i e d   c o u p l e s :**

"Splitting" (see under "Income Tax") is allowed through classification in certain wages-tax brackets, depending on size of family.

N o n - r e s i d e n t s :

Taxation with deduction procedure and special provisions in respect of tax brackets and other allowances.

C o l l e c t i o n :

Tax is withheld by the employer on the basis of a wages-tax card and wages-tax tables for daily, weekly or monthly wage payments. By the establishment of tax brackets, the basic personal allowance of DM 1 680, the employed person's allowance of DM 240, the allowances for dependent children, and the lump sums for professional expenses and special expenditure are incorporated in the tables.

The grounds for tax relief in the case of an individual employed person can be allowed at the outset in the current deduction procedure by recording a tax-free amount on his wages-tax card. At the end of the calender year, an application for annual adjustment of wages tax may be submitted. Any wages tax withheld in excess may thus be refunded. Where appropriate, an income tax assessment is required after the end of the year.

R a t e s o f t a x :

As for income tax.

S u p p l e m e n t a r y l e v y :

3 % of the amount of tax, if the annual earnings reach a certain level. It is levied by deduction at source.

**CAPITAL YIELDS TAX (Kapitalertragsteuer) SPECIAL FORM OF LEVY FOR INCOME TAX / CORPORATION TAX**

*Paragraphs 43 to 45 of the Income Tax Law, from 1971. Capital Yield Tax Implementing Regulation of 8 August 1966 (BGBL. I, 472).*

**B e n e f i c i a r i e s :**

The Federal Government and the Länder governments - 50 % each.

**B a s i s o f a s s e s s m e n t a n d t a x d e d u c t i o n s :**

Gross capital yields from certain contributions to capital and fixed interest-bearing securities of domestic debtors.

1. Normal capital yield tax (25 %)

This comprises: profits from shares in domestic joint stock companies, cooperative societies, mining associations, sleeping partners' holdings and interest on domestic loans in the form of convertible bonds and participating debentures.

Tax deducted at source is taken into account on assessment. In the case of non-residents, income tax/corporation tax is refunded, provided the capital yields do not belong to the operating receipts of a domestic permanent establishment; in the latter case, the tax is set off against income tax/corporation tax.

2. Old-type tax on coupons (30 %)

This covers: interest on certain fixed interest-bearing securities (mortgage bonds for social purposes) issued prior to 1 January 1955.

- (a) Settlement of income tax for residents in Germany; inclusion in income tax assessment on request;
- (b) Refund to non-residents, provided the interest does not constitute operating receipts of a domestic permanent establishment; in the latter case, offsetting against domestic income tax/corporation tax.

3. New-type tax on coupons (25 %)

This covers: interest on bonds or Debt Register claims of domestic debtors, if the capital yield accrues to a non-resident, and, in certain cases, interest for broken periods as well.

Income tax is settled by deduction at source, provided the interest does not constitute the operating receipts of a domestic permanent establishment or complete or partial refund has taken place under a double taxation agreement. In the case of a domestic permanent establishment, the withheld tax on coupons is deducted from or refunded on income tax/corporation tax.

E x e m p t i o n s :

1. In respect of ordinary capital yield tax
  - (a) participation by one company in another,
  - (b) if the capital yield accrues to bodies whose objects are religious, for municipal benefit or charitable,
  - (c) interest from fixed interest-bearing bonds issued before 1 January 1955 or tax-free interest terms,
  - (d) individuals resident in Germany, where there is no assessment for income tax or no establishment of income tax liability (certification procedure).
2. In respect of old-type tax on coupons
  - (a) interest from fixed interest-bearing bonds issued before 1 January 1955 on tax-free interest terms,
  - (b) capital yield accruing to non-residents (except for loans in the form of convertible bonds, and participating debentures).
3. In respect of new-type tax on coupons
  - (a) certain cases of interest on tax-free terms.
  - (b) capital yield which is subject to ordinary capital yield tax or the old-type tax on coupons,
  - (c) capital yield accruing to certain international organizations.

C o l l e c t i o n :

Deduction at source; in the case of new-type tax on coupons, the agency (credit institution) which pays out or credits the capital yields to the creditor or to an agency abroad, or the person owing the capital yields if he pays out or credits the capital yields directly to an agency abroad; in the case of interest for a broken period, the domestic agency which pays out or credits the interest to the seller.

S u p p l e m e n t a r y l e v y :

3 % of the amount of tax.

**CORPORATION TAX (Körperschaftsteuer)**

*1968 Corporation Tax Law of 13 October 1969 (BGBL. I, p. 1 869); Corporation Tax Law Implementing Regulation 1968 - as amended on 26 March 1969 (BGBL. I, p. 270). Supplementary levy law of 21 December 1967 (BGBL. I, p. 1 254), amended through law of 23 December 1970 (BGBL. I, p. 1 856).*

**B e n e f i c i a r i e s :**

The Federal Government and Länder governments 43 % each; the municipalities 14 %.

**T a x p a y a b l e b y :**

**Unrestricted tax liability:**

The following are liable to corporation tax without restriction in respect of all income:

Joint stock companies, cooperatives, 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 whose management or head office is in Germany (domestic corporations).

**Restricted tax liability :**

The following are liable to corporation tax with restrictions:

corporations, associations and funds which have neither their management nor head office in Germany, on their domestic income within the meaning of paragraph 49 of the Income Tax Law (foreign corporations);

corporations, associations and funds which are not liable to tax without restriction, on the domestic income from which tax may be deducted at source.

**B a s i s o f a s s e s s m e n t :**

In the case of income from agriculture and forestry, industrial or commercial activities and self-employment, the profits, and in the case of other kinds of income the surplus of receipts over operating expenses, are used as a basis. As regards taxpayers who are obliged to keep accounts by the Commercial Code, all income is to be treated as income from industrial or commercial activities.

**E x e m p t i o n s :**

The bodies exempted include the Federal Postal Administration; the Federal Railways; the Central Bank; State banking institutions in so far as they perform national financial functions; corporations, associations and funds which, according to their

statutes and their actual management, are conducted for religious, non-profit-making or charitable purposes; housing and settlement associations recognized as working for the public good; professional and trade associations not conducted for commercial ends; pension and similar funds with legal personality which provide against emergencies or unemployment; and, under certain conditions, agricultural cooperatives.

D e d u c t i o n s :

For the calculation of income the following amounts, among others, may be deducted, provided they do not already constitute deductible expenditure under the Income Tax Law:

- In the case of joint-stock companies, and under specified conditions, the cost of issuing shares;
- Increase of assets resulting from a remission of debts with a view to re-establishment of the company's finances on a sound footing;
- Expenses, up to a certain maximum sum, incurred for the promotion of charitable, ecclesiastical, religious and scientific objects, objects of national policy, and other objects which are recognized as being ventures of general benefit to the community and worth promoting.

S p e c i a l f e a t u r e s :

No account is taken of dividends attributable to participation in the case of joint-stock companies with unlimited tax liability and friendly societies, and enterprises of an industrial and commercial nature run by bodies incorporated under public law, which, since the beginning of their financial year, have participated directly and uninterruptedly to an extent of at least one quarter in the nominal capital of a joint-stock company with unlimited tax liability. Provided the dividends left out of account are not further distributed, they are subject to a special corporation tax (additional tax) which is usually 36 %.

If a joint-stock company whose management and head office are in Germany (subsidiary company) undertakes to remit its total profits to another enterprise in Germany by an agreement for the transfer of profits, then, under certain conditions, the income from the subsidiary company must be imputed to the institution responsible for it (parent company).

D e d u c t i o n o f l o s s e s :

Taxpayers who keep accounts can deduct losses incurred in agricultural, forestry, industrial or commercial activities and self-employment over the five preceding assessment periods, provided it had not been possible for them to offset or deduct the losses during those periods.

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### C o l l e c t i o n :

By annual assessment. Assessment is not made in the case of corporations associations and funds with limited tax liability which, together with their domestic income from which tax is to be deducted, have a limited liability to corporation tax. The corporation tax is settled by deduction at source.

### R a t e s o f t a x :

In the case of joint-stock companies with unlimited tax liability which are not in the category of personally conducted joint-stock companies, corporation tax amounts to 51 % of income; for distributed profits, corporation tax is reduced to 15 % of income.

In the case of personally conducted joint-stock companies the corresponding rates of tax are 49 % and 26.5 %; if income is less than DM 50 000, the 49 % rate is replaced by a degressive sliding scale.

For the other persons liable either to restricted or to unrestricted taxation, corporation tax amounts to 49 % of income.

Reduced rates of tax are applicable to certain credit institutions and certain income from long-term credit operations. Reduced rates are also applicable to persons liable to unrestricted taxation on foreign income from merchant shipping in international trade.

Deductible foreign taxes and the capital yields tax withheld on income subject to deduction at source are set-off against assessed corporation tax.

Supplementary levy: 3 % of the amount of tax.



**TAX ON DOGS (Hundesteuer)**

*For Baden-Württemberg: Tax on Dogs Law of 25 May 1965 (GBl. p. 91),  
 for Bavaria: Bavarian Tax on Dogs Law of 5 March 1937 (BayBS. I, p. 560),  
 for Hesse: Tax on Dogs Law of 9 March 1957 (GVBl. 1970, p. 225),  
 for North Rhine-Westphalia: Municipal Tax Law of 21 October 1969 (GVBl. p. 712),  
 for Lower Saxony: Prussian Municipal Tax Law of 14 July 1893 (Nieders, GVBl. 1970,  
 p. 237),  
 and other laws for the remaining Länder.*

**B e n e f i c i a r y :**

The municipalities; in some Länder, also the districts (Landkreise).

**T a x p a y a b l e i n :**

All Länder of the Federal Republic.

**T a x p a y a b l e o n :**

The possession of a dog; in some Länder, only the possession of a dog more than three or four months old.

**B a s i s o f a s s e s s m e n t :**

The number of dogs.

**E x e m p t i o n s :**

Include guide dogs for the blind, working dogs, and dogs belonging to foresters and gamekeepers.

**C o l l e c t i o n :**

Monthly, quarterly or annually.

**R a t e s o f t a x :**

Between DM 3 and DM 120 per year. The rate may increase considerably for the second and further additional dogs.

## HUNTING TAX (Jagdsteuer)

*For Baden-Württemberg: Hunting and Fishing Tax Law of 22 June 1937 (RGL. p. 61) and Hunting Tax Regulation of 24 June 1939 (GVBl. p. 109),  
for Bavaria: Municipal Tax Law of 20 July 1938 (BayBS I, p. 553),  
for Hesse: Law on Municipal Taxes of 17 March 1970 (GVBl. p. 225),  
for North Rhine-Westphalia: Municipal Regulation and/or District Regulation of 11 August 1969 (GVBl. p. 670) and Municipal Tax Law of 21 October 1969 (GVBl. p. 712),  
for Lower Saxony: Prussian Municipal Tax Law of 14 July 1893 (Nieders. GVBl. 1970 p. 237),  
and other laws for the remaining Länder.*

### B e n e f i c i a r y :

City boroughs and districts (Landkreise).

### T a x p a y a b l e i n :

The Länder of the Federal Republic with the exception of the city states of Berlin, Bremen and Hamburg.

### T a x p a y a b l e o n :

Exercise of hunting rights.

### B a s i s o f a s s e s s m e n t :

The annual value of the hunting rights i.e. the actual leasing value or, if the rights are not leased the annual attainable leasing price.

### E x e m p t i o n s :

Hunting in Federal or Länder game preserves that are not let.

### C o l l e c t i o n :

Quarterly, half-yearly or annually.

R a t e s o f t a x :

Generally, up to 10 %, sometimes up to 15 %, of the annual value of the hunting rights (Foreigners sometimes up to 60 % - provided no convention for avoidance of double taxation exists).

**D 08**

**FISHING TAX (Fischereisteuer)**

*The same laws as for Hunting Tax.*

**B e n e f i c i a r y :**

City boroughs and districts (Landkreise) where fishing is practised.

**T a x p a y a b l e i n :**

Only in Hesse and Rhineland-Palatinate.

**T a x p a y a b l e o n :**

Exercise of fishing rights.

**B a s i s o f a s s e s s m e n t :**

The number of fishing districts.

**C o l l e c t i o n :**

Quarterly or half-yearly.

**R a t e s o f t a x :**

At least DM 10 per year for each fishing district.

**WEALTH TAX (Vermögensteuer)**

*Wealth Tax Law of 10 June 1964, Taxation Amendment Law 1971 of 23 December 1970 (BGBI. I, p. 1 856) in combination with Valuation Law of 10 December 1965 (BGBI. I, p. 1 861), 2. Taxation Amendment Law 1971 of 10 August 1971 (BGBI. I, p. 1 266); Regulation of 19 August 1963 implementing the Wealth Tax Law (BGBI. I, p. 689).*

**B e n e f i c i a r y :**

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

**T a x p a y a b l e b y :**

All individuals and legal persons.

**B a s i s o f a s s e s s m e n t :**

Total assets (working assets, farm and forestry holdings, real estate and other property), less debts.

**E x e m p t i o n s :**

The bodies exempted include the Federal Postal Administration, the Federal Railways, certain banks and savings banks, recognized bodies operating for public benefit, religious or charitable bodies, recognized housing and settlement organizations, professional and trade associations, certain cooperatives, and political parties in respect of their various assets.

**D e d u c t i o n s :**

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.

**M a r r i e d c o u p l e s :**

Married couples are assessed jointly.

**N o n - r e s i d e n t s :**

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

**D 09**

**C o l l e c t i o n :**

By means of assessment books.

**R a t e s :**

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

**S p e c i a l f e a t u r e s :**

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)

*Equalization of Burdens Law of 14 August 1952 (BGBI. No. 34 of 18 August 1952)  
with 24 Amending Laws and 28 Implementing Regulations.*

**B e n e f i c i a r y :**

The Equalization of Burdens Fund.

**T a x p a y a b l e b y :**

Individuals and legal persons.

The object of the levies is to share out the burdens between those people who have retained their wealth despite the Second World War and the currency reform of 21 June 1948 and those who have lost all or part of it.

**B a s i s o f a s s e s s m e n t :**

- in the case of the property levy, gross assets, less debts, as at 21 June 1948;
- in the case of the levy on mortgage profits, profits made by the debtor following the currency reform of 21 June 1948;
- 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 in connection with the debts of industrial and commercial undertakings, after deduction of losses suffered as a creditor and operating losses.

**E x e m p t i o n s :**

Certain monetary institutions, employees of the United Nations, etc.

**M a r r i e d c o u p l e s :**

Married couples are assessed jointly.

**N o n - r e s i d e n t s :**

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

## D 10

### C o l l e c t i o n :

By means of assessment 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 mortgage profits, tax contributions and interest are payable at regular intervals according to the amount owed in Reichsmark.

### R a t e s :

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.



**SUCCESSION DUTY (Erbschaftsteuer)**

*Succession Duty Law of 1 April 1959 (BGBL. I, p. 187), Amending Law 1971 of 23 December 1970 (BGBL. I, p. 1 856); Regulation of 19 January 1962 implementing the Succession Duty Law (BGBL. I, p. 22).*

**B e n e f i c i a r y :**

The Länder governments.

**T a x p a y a b l e b y :**

Persons receiving inheritances, legacies or gifts.

**T a x p a y a b l e o n :**

Inheritances, legacies, legal portions, and gifts inter vivos.

**B a s i s o f a s s e s s m e n t :**

Value of estate received, after deduction of debts and expenses involved.

**E x e m p t i o n s :**

Certain kinds of gifts.

**D e d u c t i o n s :**

Certain expenses and debts; allowances are granted for the deceased spouse and relatives.

**N o n - r e s i d e n t s :**

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

**C o l l e c t i o n :**

By means of assessment books.

## **D 11**

### **R a t e s :**

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.

**TURNOVER TAX (Value-Added-Tax) (Umsatzsteuer - Mehrwertsteuer)**

*Turnover Tax Law (Value-Added Tax) of 29 May 1967 (BGBI. I, p. 545) and Law of 18 October 1967 amending the Turnover Law (BGBI. I, p. 991); various other laws such as the Revaluation Equalization Law of 23 December 1969, the 1971 Valuation Amending Law and the Financial Adjustment Law of 30 August 1971, as well as eight implementing regulations.*

**B e n e f i c i a r i e s :**

The Federal Government (70 %), the Länder governments (30 %).

**T a x p a y a b l e b y :**

- Entrepreneurs making sales or rendering taxable services;
- Persons liable for customs duties (on imports).

**T a x p a y a b l e o n :**

- Sales and services rendered for consideration by an entrepreneur in Germany as part of his business (multi-stage cumulative system);
- Import of goods into the customs territory;
- Consumption of own produce.

**B a s i s o f a s s e s s m e n t :**

- The remuneration received for sales or services (without turnover tax);
- As regards imports: customs value (the remuneration in the case of imports purchased from EEC countries) plus import duties (minus import turnover tax) and cost of carriage to the first destination in Germany;
- In the case of consumption of own produce by domestic producers: the value of the goods (minus turnover tax).

**E x e m p t i o n s :**

- (Without pre-tax deduction);
- Certain cultural and social services (e.g. schools, theatres, social insurance institutions, hospitals and welfare organizations);
- Other (e.g. postal services, banks and insurance companies).

## D 12

### D e d u c t i o n s :

Pre-tax deduction.

### C o l l e c t i o n :

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

### R a t e s o f t a x :

- Normal rate                      11 %
- Reduced rate                      5.5 %

The reduced rate applies in particular to food, printed matter and other cultural services, also to professional services, services for public benefit, services in the interests of health and local public transport.

### S p e c i a l f e a t u r e s :

- Special taxation for small entrepreneurs whose turnover in the preceding year did not exceed DM 60 000;
- Averaged rates for agricultural and forestry enterprises.

### E x p o r t s :

Tax-free with pre-tax deduction.

**DUTY ON MINERAL OILS (Mineralölsteuer)**

*Mineral Oil Tax Law 1964, Notification of 20 December 1963 (BGBI. I, p. 1003) and Laws of 27 June 1970 (BGBI. I, p. 909), 21 December 1970 (BGBI. I, p. 1 769 and 28 April 1971 (BGBI. I, p. 377) amending the Mineral Oil Tax Law 1964 as well as the Transport Finance Law 1971 of 28 February 1972 (BGBI. I, p. 201); Regulation of 26 May 1953 implementing the Mineral Oil Tax Law (BGBI. I, p. 237) and 14th Regulation of 3 January 1969 amending the implementing regulation (BGBI. I, p. 13).*

**B e n e f i c i a r y :**

The Federal Government.

**D u t y p a y a b l e o n :**

Mineral oil and similar products, which are manufactured in the area to which the Mineral Oil Tax applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

**D u t y d u e w h e n :**

When the goods leave the manufacturing enterprise, or are withdrawn for consumption in it for purposes other than the day-to-day running of the enterprise.

**I m p o r t s :**

The rates are the same as for domestic products. The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and some other aspects, are governed by the relevant provisions of the Customs Law of 14 June 1961 (BGBI. I, p. 737).

**D u t y p a y a b l e b y :**

In principle, the owner of the manufacturing enterprise (producer) or the owner of a bonded warehouse.

**E x e m p t i o n s :**

Where mineral oil is used other than as a motor fuel, lubricating oil, or for heating purposes, it may be used duty-free under customs control. It can also be exported duty-free or admitted for clearance under special customs procedures.

## D 18

### Period for submission of declaration :

Until the 15th day of the month following the month in which liability arose.

### Rates of duty : (1)

- Light oils extracted from coal, until 31 December 1970	DM 31/hl
- Light oils extracted from coal, after 1 January 1971	DM 35/hl
- Other light and medium oils	DM 35/hl
- Heavy oils (gas oils, lubricating oils) and cleansing oils	DM 38.85/100 kg
- Liquid gases	DM 45/100 kg
- Fuel oils	
- Gas oils, until further notice	DM 1/100 kg
- Other heavy oils, until 31 December 1971	DM 2.50/100 kg

Duty is also payable on the proportion of mineral oil contained in lubricating oils.

### Become due :

Counting from the date when liability arose, the duty is payable either: one half by the last working day of the subsequent month and one half by the 20th day of the month following that, or in one instalment by the 10th day of the second subsequent month.

### Refund :

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise.

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(1) *In pursuance of the Transport Finance Law 1971 of 28 February 1972 and the Law of 28 April 1971 amending the Mineral Oil Tax Law, the following rates of duty are applicable:*

as from 1 March 1972

<i>Light oils</i>	DM 39/hl
<i>Medium oils</i>	DM 39/hl
<i>Heavy oils and cleansing oils</i>	Dm 43.65/100 kg
<i>Liquid gases</i>	DM 52.25/100 kg

from 1 January 1972 to 31 December 1973

<i>Fuel oil: other heavy oils</i>	DM 2/100 kg
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from 1 January 1973 until further notice

<i>Fuel oil: other heavy oils</i>	DM 1.50/100 kg
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**DUTY ON TOBACCO (Tabaksteuer)**

*Tobacco Tax Law of 6 May 1953 (BGBL. I, p. 169) 10th Amending Law of 23 July 1971 (BGBL. I, p. 1 051) and 11th Amending Law of 3 March 1972 (BGBL. I, p. 261).*

*Provisions of 5 June 1953 implementing the Tobacco Tax Law (BGBL. I, p. 281) and 14th Regulation of 12 January 1971 amending the Implementing Provisions (BGBL. I, p. 17).*

**B e n e f i c i a r y :**

The Federal Government.

**D u t y p a y a b l e o n :**

- Cigarettes,
- Cigars,
- Pipe and cigarette tobacco,
- Cigarette tubes,  
which are manufactured in the area to which the Tobacco Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area;
- Unmanufactured tobacco,
- Cigarette paper,  
which are withheld or withdrawn from customs control (tobacco equalization tax);
- Unmanufactured tobacco for use in the manufacture of chewing tobacco or snuff (unmanufactured tobacco tax);
- Chewing tobacco,
- Snuff,  
which are imported into the collection area (compensatory tax on unmanufactured tobacco).

**D u t y d u e w h e n :**

Duty on tobacco becomes due when the goods leave the manufacturing enterprise or when they are withdrawn for consumption in the enterprise.

Unmanufactured tobacco tax becomes due when the tobacco is withdrawn for processing. Equalization tax on tobacco becomes due when unmanufactured tobacco or cigarette paper is withheld or withdrawn from customs control for the first time.

## D 19

### Imports :

The circumstances giving rise to liability for the duty, the identification of persons liable, dates when payment is due and tax exemption, are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable.

### Duty payable by :

In the case of tobacco duty and the tax on unmanufactured tobacco, the proprietor of the enterprise (producer).

In the case of equalization tax on tobacco; the person who has to place or store unmanufactured tobacco or cigarette paper under customs control.

### Exemptions :

Exemption from tobacco duty is granted on tobacco products which:

- the producer gives as an allowance in kind to his employees,
- are to be administered for the relief of asthmatic disorders, provided they are medicinal preparations solely dispensed by pharmacists,
- are prepared from smallholders' tobacco and not in a factory and are intended neither for trade nor for industrial use,
- are used for official sampling,
- are consumed in tests in a registered factory,
- are put up in such a manner that they can only be used for display.

In addition to these, cigarettes which are manufactured from dutiable or duty-free tobacco and cigarette shells, if they are not to be disposed of for consideration.

Tobacco products may, without liability for duty and as permitted by the customs authorities, be used, outside a registered factory, for:

- industrial purposes, apart from smoking and manufacturing of tobacco products for commercial ends,
- scientific experiments,
- research into scientific techniques.

### Payment :

Tobacco duty must be paid by means of tax bands.

1. Tax bands bought before or on the 15th day of any month must be paid for
  - (a) in respect of cigarettes and pipe tobacco, by the 12th of the following month but, in the case of cigarette tax bands bought between 1 and 15 December, by 27 December;
  - (b) in respect of cigars, by the 10th day of the next month but one.



2. Tax bands bought after the 15th day of any month must be paid for
  - (a) in respect of cigarettes and pipe tobacco, by the 27th day of the subsequent month;
  - (b) in respect of cigars, by the 25th day of the next month but one.

The unmanufactured tobacco tax which became due in one calendar quarter must be paid by the 18th day of the second month following that calendar quarter.

Tobacco equalization tax must be paid as it becomes due.

R a t e s o f d u t y : (1) (2)

On 1 July 1971

1. On cigars  
18.58 % of the retail price, at least DM 22.50 per 1 000 cigars;
2. On 1 000 cigarettes
  - (a) cigarettes, of which at least 50 % of their tobacco was harvested in the collection area before 1970
    1. at the unit price of between 8 pfg and less than 9 pfg (Section 4 paragraph 1) DM 46.70 and 29% of the portion of the retail price in excess of DM 80
  - (b) other cigarettes
    2. at the unit price of between 8 pfg and less than 9 pfg (Section 4 paragraph 2) DM 45.20 and 29% of the portion of the retail price in excess of DM 80

(1) Pursuant to the Law of 23 July 1971, the following rates of duty are valid as from 1 January 1972:

*On fine-cut smoking tobacco (cigarette tobacco)*

- (a) at retail prices of between DM 28 and DM 36  
DM 2 per kg and 15 % of the retail price,  
at least DM 6.50 per kg;
- (b) at retail prices of above DM 36  
DM 2 per kg and 18.5 % of the retail price;
- (c) on fine-cut chewing tobacco  
DM 4.20 per kg.

*On tobacco other than fine-cut (pipe tobacco)*

- (a) on cut rolled stem tobacco consisting only of cut rolled stems  
DM 1 per kg;
- (b) on cut rolled stem tobacco consisting of at least 50 % cut rolled stems and sold at a retail price of less than DM 20  
DM 1.75 per kg;
- (c) on strand tobacco  
9 % of the retail price;
- (d) on other pipe tobacco  
DM 1.30 per kg and 10 % of the retail price, at least DM 3.80 per kg.

(2) Pursuant to the 11th Amending Law of 3 March 1972, new rates of duty will come into force as from 1 September 1972.

**D 19**

- 3. at the unit price of between 9 pfg and less than 10 pfg  
DM 52.60 and 54 % of the portion of the retail price in excess of DM 90
- 4. at the unit price of between 10 pfg and less than 11 pfg  
DM 58.00 and 39 % of the portion of the retail price in excess of DM 100
- 5. at the unit price of 11 pfg and above  
DM 61.90 and 24 % of the portion of the retail price in excess of DM 110

3. On fine-cut tobacco

- (a) cigarette tobacco of which at least 20 % was harvested in the collection area before 1970

per kg	on one kg
1. from DM 22.00	DM 2.90
2. from DM 28.00 to DM 32.00	DM 6.15
3. from DM 35.00 to DM 38.00	DM 7.35

- (b) fine-cut chewing tobacco

per kg	on one kg
4. from DM 32.00	DM 3.90
5. from DM 35.00	DM 4.30
6. from DM 40.00	DM 4.90

The further tax brackets correspond to tax brackets 8 to 11 of sub-section c following,

- (c) other fine-cut tobacco

per kg	on one kg
7. from DM 40.00	DM 11.00
8. from DM 42.00 to DM 43.00	DM 13.00
9. from DM 45.000 to DM 48.00	DM 15.00
10. from DM 50.00 to DM 55.00	DM 16.65
11. DM 60.00 and above	DM 20.00

4. On smoking tobacco other than fine-cut (pipe tobacco)

- (a) cut rolled stem tobacco made only of cut rolled stems

per kg	on one kg
1. --	DM 0.50

- (b) cut rolled stem tobacco with at least 50 % of cut rolled stems

per kg	on one kg
2. from DM 12.00 to DM 14.00	DM 1.25

- (c) strand tobacco

per kg	on one kg
3. from DM 12.00 to DM 14.00	DM 0.70
4. from DM 15.00 to DM 18.00	DM 1.30
5. from DM 20.00 to DM 24.00	DM 1.90

The further tax brackets correspond to tax brackets 7 to 11 of subsection d following,

(d) other not fine-cut smoking tobacco per kg	on one kg
6. from DM 20.00 to DM 24.00	DM 3.00
7. from DM 25.00 to DM 28.00	DM 3.80
8. from DM 30.00 to DM 34.00	DM 4.70
9. from DM 35.00 to DM 38.00	DM 5.60
10. from DM 40.00 to DM 55.00	DM 6.60
11. DM 56.00 and above	DM 8.25

Under the Law of 23 July 1971, the following rates of duty are applicable as from 1 August 1971:

1. On cigarettes

- (a) at retail prices of 8 pfg to 9 2/5 pfg:  
3.982 pfg per cigarette and 14.60 % of the retail price.
- (b) at retail prices of above 9 2/5 pfg:  
3.982 pfg per cigarette and 15.13 % of the retail price

2. On cigars

18.58 % of the retail price, at least 2.25 pfg per cigar.

R e f u n d :

Granted on dutiable tobacco products which are supplied to a registered factory and on imported tobacco products which are cleared under a particular customs procedure or exported from the collection area.

## DUTY ON MATCHES AND TAPERS (Zündwarensteuer)

*Matches and Tapers Tax Law of 9 June 1961 (BGBL. I, p. 729) and Law of 10 August 1967 amending the penal provisions of the Reich Taxation Ordinance (Reichsabgabeordnung) and other laws (BGBL. I, p. 877); Provisions of 3 August 1961 implementing the Matches and Tapers Tax Law (BGBL. I, p. 1 249 and Regulation of 14 January 1962 amending the Implementing Provisions (BGBL. I, p. 5).*

### B e n e f i c i a r y :

The Federal Government.

### D u t y p a y a b l e o n :

- Matches and all other products serving the same purpose as matches, which are provided with a combustible substance that ignites by friction, or which consists of a combustible substance of this type, and
- Tapers of stearine wax, paraffin wax, or similar substances, which are manufactured in Germany to which the Matches and Tapers Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection areas), or are imported into the collection area.

### D u t y d u e w h e n :

When the dutiable products are removed from the manufacturing enterprise;  
In the case of imported matches: when put into free circulation.

### D u t y p a y a b l e b y :

Proprietor of the manufacturing enterprise (producer) or the person liable for customs duty.

### E x e m p t i o n s :

Matches and tapers exported from a manufacturing enterprise or cleared under a particular customs procedure. Imported matches and tapers are exempt from the duty if they are imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on them upon entry into the customs zone.

P e r i o d f o r s u b m i s s i o n o f d e c l a r a t i o n :

Until the 5th day of the month following the month when tax liability arose.

R a t e s o f d u t y :

For products which can be used only once: DM 0.01 per 100 units. For products which can be used more than once: the duty is assessed according to the number of times the product can be lit.

B e c o m e d u e :

On the 25th day of the month following the month when tax liability arose.

D e f e r m e n t o f p a y m e n t :

None.

R e f u n d :

Allowed on matches and tapers which the producer can prove he has taken back into his enterprise.

## DUTY ON SPIRITS (Alkoholsteuer)

*Spirits Monopoly Law of 8 April 1922 (RGBL. I, pp. 335, 405) and the Amending Law of 23 December 1971 on the spirits monopoly (BGBL. I, p. 2 137); Law on the levying of a special equalization levy on imported spirits of 23 December 1970 (BGBL.I, p. 1 878); Paragraph 132 et seq. of the Spirits Utilization Order of 12 September 1922 and the Regulation of 16 December 1969 amending the Spirits Utilization Order (BGBL. I, p. 2 341).*

### B e n e f i c i a r y :

The Federal Government.

### D u t y p a y a b l e o n :

- Alcohol, i.e. ethyl alcohol (C<sub>2</sub>H<sub>5</sub>OH), which is obtained from the Federal Monopoly Administration. The duty on spirits is included in the Administration's sales price;
- Spirits which are not delivered to the Federal Monopoly Administration but are disposed of by the manufacturer himself. The spirits duty, which allows for the duty on alcohol governed by monopoly and is graduated according to the manufacturing enterprise, is, in this case, called the spirits surcharge.
- Spirits which are imported, as well as alcohol and spirits contained in imported products (in this case, the spirits duty which is designed to correspond to the duty on domestic alcohol governed by monopoly is called the monopoly equalization charge). Where the monopoly equalization charge is not altogether equal to the duty on domestic spirits governed by monopoly contained in the sales price of the Federal Monopoly Administration, an additional special charge is levied in accordance with the EEC Commission's Recommendation of 22 December 1969 on alcoholic beverages from EEC Member States and associated countries and territories.

### L i a b i l i t y :

1. Spirits duty:  
Supply of alcohol by the Federal Monopoly Administration.
2. Spirits surcharge:  
Manufacture of spirits.
3. and 4. Monopoly equalization charge and special equalization charge:  
Transfer of the goods to the open market outside the customs duty area.

## D u t y p a y a b l e b y :

1. Spirits duty:  
The Federal Monopoly Administration.
2. Spirits surcharge:  
The manufacturer.
3. and 4. Monopoly equalization charge and special equalization charge:  
The person liable for customs duty.

## R a t e s o f d u t y :

Per hectolitre of ethyl alcohol	<u>DM</u>
1. Spirits duty on alcohol	
- for drinking and all other purposes not specifically referred to	1 200 (1)
- for use in pharmaceutical preparations and by physicians and hospitals	850 (1)
- for the preparation of medicaments for external use and of toilet articles	600
- for the manufacture of table vinegar	50
- for export, for the manufacture of fuel, for cleaning, heating and lighting as well as for special industrial uses	0
2. Spirits surcharge	923 - 1 463 (1)
3. Monopoly equalization charge	
- for spirits, alcoholic beverages and for medicaments for internal use	1 263 - 1 267 (1)
- for medicaments for external use and for toilet articles	603 - 607
- for other products	0
4. Special equalization charge	65 - 131

(1) Pursuant to the Amending Law of 23 December 1971 on the Spirits Monopoly, the following rates of duty became applicable as from 1 January 1972:

1. on alcohol for drinking purposes and all other purposes not specifically referred to DM 1 500
2. on alcohol, which has not been denatured, for the preparation of medicaments and for medical use by physicians and in hospitals DM 1 200

Accordingly, the following rates apply as from 1 January 1972:

Spirits surcharge	DM 1 232.40 - 1 763
Monopoly equalization charge on spirits and alcoholic beverages	DM 1 567
Monopoly equalization charge on medicaments for internal use	DM 1 267

## D 21

### B e c o m e d u e :

1. Spirits duty:  
Paid in by the Federal Monopoly Administration immediately on receipt of the purchase money
2. Spirits surcharge:  
8 - 38 days after manufacture of the spirits
3. and 4. Monopoly equalization charge and special equalization charge:  
in accordance with the customs regulations.

### D e f e r m e n t o f p a y m e n t :

Provided the full amount of security has been deposited, spirits duty (DM 1 200) spirits surcharge, and the portion of the monopoly equalization charge corresponding to the spirits duty, need not be paid until the 15th day of the 5th month following the month when payment is due.

The period for payment of the monopoly equalization charge and of the special equalization charge is determined by the customs regulations.

### R e f u n d :

In all cases in which no tax exemption is granted on exports.



## DUTY ON SPARKLING WINES (Schaumweinsteuer)

*Law governing Duty on Sparkling Wines of 26 October 1958 (BGBL. I, p. 764) and Law amending the Law governing Duty on Sparkling Wines of 4 June 1971 (BGBL. I, p. 745), Provisions of 6 November 1958 implementing the Law governing Duty on Sparkling Wines (BGBL. I, p. 766), and the second Regulation amending the provisions of 5 February 1965 implementing the Law governing Duty on Sparkling Wines (BGBL. I, p. 47).*

### B e n e f i c i a r y :

The Federal Government.

### D u t y p a y a b l e o n :

- Sparkling wines,
- Beverages classed as sparkling wines,
- Beverages similar to sparkling wines,

which are manufactured in the area of application of the duty, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

### D u t y d u e w h e n :

When the dutiable products leave the enterprise manufacturing them or are set aside for consumption within the enterprise.

### I m p o r t s :

The same rates of duty apply as in the case of domestic products. The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and some other aspects, are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable. Payment cannot be deferred.

### D u t y p a y a b l e b y :

The owner of the manufacturing enterprise (producer).

## D 22

### E x e m p t i o n s :

Sparkling wines and beverages similar to sparkling wines may, on a duty-free basis,

- be exported from a manufacturing enterprise or admitted for clearance under particular customs procedures,
- be dispatched to another manufacturing enterprise for further treatment or processing.

Exemption from duty may be granted in the case of the requisite samples for technical tests and tasting which are provided free of charge in the manufacturing enterprise.

Imported sparkling wines, etc., are exempt from the duty if they are imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on them upon entry into the customs zone.

### P e r i o d f o r s u b m i s s i o n o f d e c l a r a t i o n :

Until the 15th day of the month following the month when liability arose.

### R a t e s o f d u t y :

Duty on sparkling wines amounts to the following :

- Sparkling wines: DM 1.50 per full bottle (0.75 litre) or  
DM 2.-- per litre
- Beverages similar to sparkling wines:  
DM 0.30 per full bottle (0.75 litre) or  
DM 0.40 per litre.

### B e c o m e d u e :

The 25th day of the month following the month when liability arose. Payment cannot be deferred.

### R e f u n d :

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise.

**DUTY ON BEER (Biersteuer)**

*Beer Tax Law of 14 March 1952 (BGBL. I, p. 149), Provisions of 14 March 1952 implementing the Beer Tax Law (BGBL. I, p. 153), and the second Regulation of 5 December 1969 amending the Provisions implementing the Beer Tax Law (BGBL. I, p. 2 169).*

**B e n e f i c i a r y :**

The Länder governments.

**D u t y p a y a b l e o n :**

Beer and beverages similar to beer which are brewed in the area of application of the Beer Tax Law, apart from foreign customs enclaves on German territory and customs-free zones (collections area), or are imported into the collection area.

**D u t y d u e w h e n :**

When the dutiable products leave the brewery or are set aside for drinking within the brewery.

**D u t y p a y a b l e b y :**

The person who produces, or causes to be produced, beer or beverages similar to beer, for his account.

**E x e m p t i o n s :**

- No duty is payable on beer and beverages similar to beer which are exported from a brewery or cleared under a particular customs procedure;
- Distributed against payment or free by a brewery to its workers as the firm's drinks;
- Consumed by a brewery for the requisite technical tests or withdrawn for purposes of fiscal control or brewery inspection.

Imported beer, etc., is exempt from the duty if it is imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on it upon entry into the customs zone.

## D 23

### Period for submission of declaration :

Until the 5th working day of the month following the month when tax liability arose.

### Rates of duty :

- Strong beer (wort content 11 % to 14 % by weight), according to annual output: DM 12 to 15 per hl.
- Medium-strong beer (wort content 7 % to 8 % by weight): 75 % of the rates applicable to strong beer.
- Small beer (wort content 2 % to 5.5 % by weight): 50 % of the rates of duty on strong beer.
- Extra-strong beer (wort content 16 % and above): 150 % of the rates applicable to strong beer.
- Beverages similar to beer: 75 % of the maximum rate applicable to beer having the same wort content.

The quantity of beer is determined by the capacity of the containers. The wort content of beer is the quantity of unfermented wort to be pitched with yeast (original wort) from which the beer is brewed or, according to its quality, could have been brewed, expressed in percentage weight of dissolved substances.

### Imports :

Strong beer	DM 14.40/hl
Medium-strong beer	DM 10.80/hl
Small beer	DM 7.20/hl
Extra-strong beer	DM 21.60/hl

Beverages similar to beer - as above.

The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and some other aspects, are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable. Payment cannot be deferred.

### Become due :

On the 20th day of the month following the month when tax liability arose. Payment cannot be deferred.

### Refund :

Allowed on beer and beverages similar to beer which are taken back into the brewery or sent to another brewery.

## DUTY ON BEVERAGES (Getränkesteuer)

*For Bavaria: Municipal Tax Law of 20 July 1938 (BayBS. I, p. 553),  
for Hesse: Law on the Duty on Beverages and Ice Cream of 6 December 1951 (GVBl. 1970,  
p. 225),  
for Schleswig-Holstein: Municipal Tax Law of 10 March 1970 (GVBl., p. 44).*

### B e n e f i c i a r y :

City boroughs and districts (Landkreise).

### D u t y p a y a b l e i n :

Only in Bavaria, Hesse and Schleswig-Holstein.

### D u t y p a y a b l e o n :

The sale of wines, sparkling wines, spirits, mineral waters, cocoa, coffee, tea, and other beverages made from vegetable matter.

### B a s i s o f a s s e s s m e n t :

The retail price of the beverages sold.

### E x e m p t i o n s :

Sale of beverages in hospitals, welfare homes or works canteens (in the last case, only non-alcoholic beverages are exempted).

### C o l l e c t i o n :

Monthly.

### R a t e s o f d u t y :

At least 5 % of the retail price.

## D 25

### DUTY ON SUGAR (Zuckersteuer)

*Sugar Tax Law of 19 August 1959 (BGBL. I, p. 645) and 3rd Law of 4 June 1970 amending the Sugar Tax Law (BGBL. I, p. 673); Provisions of 19 August 1959 implementing the Sugar Tax Law (BGBL. I, p. 647) and 7th Regulation of 13 July 1971 amending the implementing provisions (BGBL. I, p. 1 009).*

#### B e n e f i c i a r y :

The Federal Government.

#### D u t y p a y a b l e o n :

- Beet sugar
- Starch sugar
- Sugar having the same chemical composition as these kinds of sugar which is manufactured in the area to which the Sugar Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or is imported into the collection area.

#### D u t y d u e w h e n :

When the dutiable products are removed from the manufacturing enterprise or are withdrawn for consumption in the enterprise.

#### I m p o r t s :

The rates are the same as for domestic produce. The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and certain other aspects, are governed by the relevant provisions of the customs law. This is also the case where no customs duty is payable. Payment cannot be deferred.

#### D u t y p a y a b l e b y :

The proprietor of the manufacturing enterprise (producer).

## E x e m p t i o n s :

No duty is payable on sugar

- Exported from a manufacturing enterprise or export depot, or cleared under a particular customs procedure;
- Dispatched to another manufacturing enterprise for further processing, storage, repacking or unpacking;
- Used inside or outside the manufacturing enterprise for investigations and tests required for industrial purposes, or removed for reasons of fiscal control or factory inspection;
- Used for industrial purposes, or for public benefit, other than the production of food or of goods under heading 24.02 of the customs tariff;
- Used in the manufacture of goods for export;
- Beet juices and mixtures thereof with other substances which are exclusively prepared for private household use;

Imported sugar if imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on it upon entry into the customs zone.

## P e r i o d f o r s u b m i s s i o n o f d e c l a r a t i o n :

Until the fifth working day of the month following the month when customs liability arose.

## R a t e s o f d u t y :

- Solid beet sugar and sugar having the same chemical composition as this kind of sugar (e.g. cane sugar) : DM 6.--/100 kg;
- Beet sugar juices extracted, under pressure and without chemical purification, from boiled and crushed fresh beet or high-quality dried slices of beet whose degree of purity is between 70 % and 95 %: DM 1.80/100 kg;
- Other beet-sugar syrups, and sugar syrups of the same chemical composition as beet sugar (e.g. maple syrup)
  - 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;
- Starch sugar and sugar of the same chemical composition (e.g. glucose obtained by the saccharification of wood)
  - of a degree of purity of up to 95 %: DM 2.40/100 kg
  - of a degree of purity exceeding 95 %: DM 5.40/100 kg.

## R e f u n d :

Duty on sugar used for the manufacture of certain exported products is refunded, as is also that on dutiable products which the manufacturer can prove he has taken back into his enterprise.

**DUTY ON COFFEE (Kaffeesteuer)**

*Coffee Tax Law of 23 December 1968 (BGBL. 1969 I, p. 1) and Law of 17 December 1971 amending the Coffee Tax Law (BGBL. I, p. 2 017); Regulation of 4 June 1970 implementing the Coffee Tax Law (BGBL. I, p. 669).*

**B e n e f i c i a r y :**

The Federal Government.

**D u t y p a y a b l e o n :**

- Coffee (unroasted, roasted, whether or not decaffeinated);
- Coffee extracts or essences (solid, liquid, whether or not freed from caffeine);
- Products containing coffee which are imported into the area to which the Coffee Tax Law applies, with the exception of foreign customs enclaves on German territory and customs-free zones (collection area).

**I m p o r t s :**

The customs regulations are applicable to duty on coffee. As an exception to these regulations, at the request of the person liable for duty payment may be deferred until the 15th day of the second month following the month when tax liability arose.

**E x e m p t i o n s :**

In respect of tourist traffic the following quantities of coffee may be imported duty-free:

1. From the open market of a Member State of the European Communities  
500 g of coffee or  
200 g of coffee extracts or essences
2. From other sources  
250 g of coffee or  
100 g of coffee extracts or essences.

This also applies to products containing coffee provided their coffee content does not exceed these quantities.

In other cases, coffee, coffee extracts or essences, and products containing coffee are exempt from the duty if they are imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on them upon import into the customs zone.



## R a t e s o f d u t y :

	<u>per kg net weight</u>
- Unroasted, undecaffeinated coffee	DM 3.60
- Unroasted, decaffeinated coffee	DM 3.80
- Roasted, undecaffeinated coffee	DM 4.50
- Roasted, decaffeinated coffee	DM 4.75
- Solid extracts of undecaffeinated coffee	DM 10.80
- Solid extracts of decaffeinated coffee	DM 11.35
	<u>per kg of content of dry matter</u>
- Liquid extracts or essences of undecaffeinated coffee	DM 10.80
- Liquid extracts or essences of decaffeinated coffee	DM 11.35
Coffee preparations or coffee pastes if, in the manufacture of 1 kg of these products	<u>% of the rates for roasted coffee</u>
- less than 100 g of roasted coffee (whether or not decaffeinated) is used	5
- at least 100 g but less than 200 g of roasted coffee is used	15
- more than 200 g of roasted coffee is used, for every additional 100 g or fraction of 100 g	10
- For other imported products containing coffee (preparations and simple mixtures), the general rates of duty according to coffee content apply.	

## R e f u n d :

On application, manufacturers of products containing coffee are reimbursed or compensated for the duty on the quantity of coffee employed in manufacture if they can prove that the products have been exported under customs control.

## D 27

### DUTY ON TEA (Teesteuer)

*The Tax Law of 23 December 1968 (BGBL. 1969, I, p. 4) and Law of 2 June 1970 amending the Tea Tax Law (BGBL. I, p. 661); Regulation of 4 June 1970 implementing the Tea Tax Law (BGBL. I, p. 671).*

#### B e n e f i c i a r y :

The Federal Government.

#### D u t y p a y a b l e o n :

- Tea
- Extracts (solid or liquid) or essences of tea
- Products containing tea

which are imported into the area to which the Tea Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area).

#### I m p o r t s :

The customs regulations are applicable in the case of duty on tea. As an exception to these regulations payment may be deferred, at the request of the person liable for duty, until the 15th day of the second month following the month in which the tax liability arose.

#### E x e m p t i o n s :

In respect of tourist traffic, up to 100 g of tea or 40 g of tea extracts or essences per traveller may be imported free of duty. This also applies to products containing tea, provided their tea content does not exceed these quantities.

In other cases, tea and tea extracts or essences are exempt from the duty if they are imported in circumstances under which according to the relevant customs regulations, no customs duty would be payable on them upon entry into the customs zone.

#### R a t e s o f d u t y :

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| - Tea                                | DM 4.15/kg net weight                |
| - Solid extracts of tea              | DM 10.40/kg net weight               |
| - Liquid extracts or essences of tea | DM 10.40/kg of content of dry matter |

- Imported mixtures of tea and other substances if, in the manufacture of 1 kg of these products,
- less than 100 kg of tea is used                                 5 % of the rate applicable to tea
- at least 100 g but less than 200 g of tea is used                                 15 % of the rate applicable to tea
- more than 200 g of tea is used, for every additional 100 g of tea or fraction thereof     10 % of the rate applicable to tea
- For other imported products containing tea, the general rates of duty according to tea content apply.

R e f u n d :

The duty applicable to tea, tea residues and products containing tea which are re-exported under customs control can be refunded, under certain conditions. The same applies to tea residues which are destroyed under customs control.

## DUTY ON SALT (Salzsteuer)

*Salt Tax Law of 15 January 1960 (BGBL. I, p. 50) and 2nd Law of 12 August 1968 amending the penal provisions of the Reich Taxation Ordinance (Reichsabgabenordnung) and other laws (BGBL. I, p. 953); Provisions of 25 January 1960 implementing the Salt Tax Law (BGBL. I, p. 52) and Regulation of 14 January 1962 amending the implementing provisions (BGBL. I, p. 15).*

### B e n e f i c i a r y :

The Federal Government.

### D u t y p a y a b l e o n :

- Rock salt, salt obtained chemically, salt obtained by the evaporation of the water of salt marshes and salt springs, sea salt,
- Salt obtained as a by-product in the chemical industry and containing at least 75 % by weight of sodium chloride,
- Unrefined potassium salts and potassium-magnesium salts containing at least 85 % by weight of sodium chloride,
- Salt waste and bath salts containing at least 75 % by weight of sodium chloride,
- Salt liquors, unless used as smelling salts, beverages or bath salts, which are manufactured in the territory to which the Salt Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

### D u t y d u e w h e n :

The dutiable products leave the manufacturing enterprise or are withdrawn for consumption in it, or when denatured (duty-free) salt is purified.

### I . m p o r t s :

The rates are the same as for domestic products. The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and certain other aspects are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable. Payment cannot be deferred.

D u t y p a y a b l e b y :

Proprietor of the manufacturing enterprise (producer) and any person who, outside the manufacturing enterprise, completely or partially removes the denaturing agent from denatured salt or adds to the denatured salt substances which reduce the effect of the denaturing agent on the taste, odour and appearance of the salt.

E x e m p t i o n s :

- Salt exported from a manufacturing enterprise or export depot or cleared under a particular customs procedure;
- Salt sent to another manufacturing enterprise.
- Salt used for the salting of herrings and similar fish, or for purposes other than the preparation of foodstuffs and condiments, provided the relevant stipulations of the Salt Tax Law are observed;
- Imported salt if it is imported in circumstances under which according to the relevant customs regulations, no duty would be payable on it upon entry into the customs zone.

P e r i o d f o r s u b m i s s i o n o f d e c l a r a t i o n :

Until the 5th day of the month following the month when tax liability arose.

R a t e o f d u t y :

DM 12 per 100 kg net weight.

B e c o m e d u e :

On the 20th day of the month following the month when tax liability arose.  
Payment cannot be deferred.

R e f u n d :

Allowed on dutiable products which the producer can prove he has taken back into his enterprise.

**D 30**

**DUTY ON ACETIC ACID (Essigsäuresteuer)**

*Spirits monopoly law of 23 December 1971 (BGBL. I, p. 2 173) paragraphs 160-169.*

**B e n e f i c i a r y :**

The Federal Government.

**D u t y p a y a b l e o n :**

Acetic acid which is produced otherwise than by fermentation, and is manufactured in the area in which duty is payable or is imported into this area, is subject to duty.

**D u t y d u e w h e n :**

When acetic acid is put on the open market in the monopoly area.

**D u t y p a y a b l e b y :**

Duty on acetic acid

- in the case of home-produced acetic acid, the person on whose behalf acetic acid is put on the market;
- in the case of imported acetic acid, the person liable for customs duty.

**R a t e s o f d u t y :**

	DM
The acetic acid duty, per 100 kg of anhydrous acid, is:	
- in the case of acetic acid for use in foodstuffs	173.90
- in all other cases (including export)	0

**B e c o m e d u e :**

- Home-produced acetic acid:  
25th day of the month following the month when the tax liability arose
- Imported acetic acid:  
in accordance with the customs regulations.

D e f e r m e n t o f p a y m e n t :

None.

R e f u n d :

Provided for in all cases in which no exemption is granted on exports.

## DUTY ON LAMPS (Leuchtmittelsteuer)

*Lamps Tax Law of 22 July 1959 (BGBL. I, p. 613) and Law of 10 August 1967 amending the penal provisions of the Reich Taxation Ordinance and other laws (BGBL. I, p. 877); Provisions of 4 August 1959 implementing the Lamps Tax Law (BGBL. I, p. 615) and 2nd Regulation of 28 April 1971 amending the implementing provisions (BGBL. I, p. 380).*

### B e n e f i c i a r y :

The Federal Government.

### D u t y p a y a b l e o n :

- Electric filament lamps and tubes
- Electric discharge lamps and tubes
- Electrodes for arc lamps
- Mantles to improve the illuminating power of flames

which are manufactured in the area to which the Lamps Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area, if they are designed, by character and purpose, to serve for illumination.

### D u t y d u e w h e n :

When the dutiable products leave the manufacturing enterprise or are withdrawn for use in it.

### I m p o r t s :

The rates are the same as for domestic products. The duty here is based on the retail prices of similar home-produced lamps (except for high-tension electric discharge lamps (fluorescent tubes) for advertising purposes).

The circumstances giving rise to liability for the duty, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and some other aspects, are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable. Payment cannot be deferred.

### D u t y p a y a b l e b y :

The owner of the manufacturing enterprise (producer).



## E x e m p t i o n s :

Lamps may, on a duty-free basis:

- be exported from a manufacturing enterprise or admitted for clearance under particular customs procedures,
- be sent from one manufacturing enterprise to another.

Imported lamps may, on a duty-free basis:

- be sent to a manufacturing enterprise for further processing,
- be used, under customs control, in the fitting out, building, conversion or improvement of ships or aircraft.

The following products are exempt from duty:

- Lamps with a luminous flux of not more than 10 lumens
- Electric metallic filament lamps for voltages up to and including 42v, provided their power consumption does not exceed 15w
- Carbon filament lamps
- Spectral rod carbons.

Imported lamps are exempt from the duty if they are imported in circumstances under which, according to the relevant customs regulations, no customs duty would be payable on them upon entry into the customs zone.

## P e r i o d f o r s u b m i s s i o n o f d e c l a r a t i o n :

Until the 15th day of the month following the month when liability arose.

## R a t e s o f d u t y :

- On electric filament lamps and discharge lamps (except for high tension discharge lamps (fluorescent tubes) for advertising purposes), 10 % of the retail sales price, including duty on lamps
- On electrodes, 10 % of the catalogue price on which the manufacturer bases his own prices
- On mantles, 10 % of the gross price, including duty on lamps, on which the manufacturer bases his own prices
- On high voltage discharge lamps (fluorescent tubes) for advertising purposes, DM 1 per linear metre of tube.

## B e c o m e d u e :

The 15th day of the third month following the month when liability arose. Payment cannot be deferred.

**D 31**

R e f u n d :

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise.

**DUTY ON PLAYING CARDS (Spielkartensteuer)**

*Playing Cards Tax Law of 3 June 1961 (BGBL. I, p. 681) and Law of 10 August 1967 amending the penal provisions of the Reich Taxation Ordinance and other laws (BGBL. I, p. 877); Provisions of 3 June 1961 implementing the Playing Cards Tax Law (BGBL. I, p. 684) and Regulation of 14 January 1962 amending the implementing provisions (BGBL. I, p. 11).*

**B e n e f i c i a r y :**

The Federal Government.

**D u t y p a y a b l e o n :**

Playing cards manufactured in the area to which the Playing Cards Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

**D u t y d u e w h e n :**

The dutiable products leave the manufacturing enterprise.

**I m p o r t s :**

The rates are the same as for domestic products. The circumstances giving rise to tax liability, identification of persons liable, personal responsibility, dates when payment is due, taxation procedure and certain other aspects, are governed by relevant provisions of the Customs Law. This is also the case where no customs duty is payable. Payment cannot be deferred.

**D u t y p a y a b l e b y :**

The proprietor of the manufacturing enterprise (producer).

**E x e m p t i o n s :**

- Playing cards may be exported from a manufacturing enterprise, or sent from one manufacturing enterprise to another for further processing, free of duty.
- Imported playing cards are exempt from the duty if they are imported in circumstances under which, according to the relevant customs regulations, no duty would be payable on them upon entry into the customs zone.

**D 32**

P e r i o d f o r s u b m i s s i o n o f t h e d e c l a r a t i o n :

Until the 5th day of the month following the month when liability arose.

R a t e s o f d u t y :

- Each pack of cards where the individual cards are composed:

- of less than three sheets of paper                      DM 0.30

- of three sheets of paper or more                      DM 0.50

- Where the cards are made of materials other than paper DM 1.50.

For packs of cards comprising more than 48 cards, the rates are increased by 50 %.

B e c o m e d u e :

On the 20th day of the month following the month when liability arose. Payment cannot be deferred.

R e f u n d :

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise.

**INSURANCE TAX (Versicherungsteuer)**

*Insurance Tax Law, as amended 24 July 1959 (BGBL. I, p. 539), Taxation Amendment Law 1968 of 20 February 1969 (BGBL. I, p. 141), Law Providing for Continued Wage Payments of 27 July 1961 (BGBL. I, p. 946), Regulation of 20 April 1960 implementing the Insurance Tax Law (BGBL. I, p. 278).*

**B e n e f i c i a r y :**

The Federal Government.

**T a x p a y a b l e o n :**

The payment of insurance premiums.

**B a s i s o f a s s e s s m e n t :**

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

**E x e m p t i o n s :**

Certain kinds of insurance are tax-free.

**C o l l e c t i o n :**

Tax returns and payment are made at regular intervals.

**R a t e s o f t a x :**

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

**D 34**

**FIRE INSURANCE TAX (Feuerschutzsteuer)**

*Fire Protection Tax Law of 1 February 1939 (BGBI. I, p. 113), Regulations of 1 February 1939 implementing the Fire Protection Tax Law (BGBI. I, p. 116).*

**B e n e f i c i a r y :**

The Länder governments.

**B a s i s o f a s s e s s m e n t :**

Total amount of payment received by the insurer for fire insurance.

**C o l l e c t i o n :**

Tax returns and payment are made at regular intervals,

**R a t e s :**

4 % to 12 %.

## ROAD HAULAGE TAX (Strassengüterverkehrssteuer) (1)

*Road Haulage Taxation Law of 28 December 1968 (BGBI. I, p. 1 461) and Amending Law of 23 December 1970 (BGBI. I, p. 1 869).*

### B e n e f i c i a r y :

The Federal Government.

### T a x p a y a b l e b y :

The carrier.

### T a x p a y a b l e o n :

Long-distance carriage of goods by road by haulage contractors or by firms on own account, international road haulage and short-distance carriage of goods by firms on own account within the Federal Republic (including West Berlin).

### B a s i s o f a s s e s s m e n t :

Metric tons/kilometre.

### E x e m p t i o n s :

Carriage in motor lorries, with or without a trailer, with a permissible maximum load below 4 000 kg; combined traffic; certain small-scale transport; transport on behalf of the State authorities; removal transport; outward and return journeys with used packing material and pallets; carriage of certain agricultural products; carriage to and from Berlin by road haulage contractors.

### C o l l e c t i o n :

Carriers resident in Germany must make monthly or quarterly returns including a calculation of tax due, and at the same time pay this amount to the Tax Office. Carriers not resident in Germany must pay the tax due on each load at the border.

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(1) Abolished with effect from 1 January 1972.

## D 36

### R a t e s o f t a x :

Carriage by road haulage contractors: Pf. 1 per metric ton/km. Carriage by firms on own account: between Pf. 3 and 5 per metric ton/kilometre according to the permissible maximum load of the lorry used, with or without trailer.

### R e d u c t i o n :

50 % in the case of transport by firms on own account to and from West Berlin, and in the case of transport to and from the region adjoining the zonal border, the regions receiving freight subsidies, and other regions which are unfavourably situated from the point of view of transport structure.



**ENTERTAINMENTS TAX - Including cinema tax (Vergnügungssteuer - mit Kinosteuer)**

*For Bavaria: Entertainments Tax Law of 22 April 1965 (GVBl. p. 72),  
for Hesse: Entertainments Tax Law of 14 March 1956 (GVBl. 1970, p. 566),  
for North Rhine-Westphalia: Entertainments Tax Law of 14 December 1965 (GVBl. p. 361),  
for Lower Saxony: Entertainments Tax Law of 9 September 1961 (GVBl. 1970, p. 237),  
for Schleswig-Holstein: Entertainments Tax Law of 10 November 1961 (GVBl. 1966,  
p. 257) and other laws for the remaining Länder.*

**B e n e f i c i a r y :**

The municipalities or the districts (Landkreise).

**T a x p a y a b l e i n :**

Only in Bavaria, Bremen, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, the Saarland and Schleswig-Holstein.

**T a x p a y a b l e o n :**

The provision of entertainment. In most Länder this includes, for example, the operation of slot machines or jukeboxes, film shows, dances, sporting events before spectators, circus and theatrical performances, concerts and speeches provided they are given for entertainment purposes only and are not of a predominantly edifying, instructive, advertising or exclusively political, religious, educational or scientific nature.

**B a s i s o f a s s e s s m e n t :**

Generally, the profit from the sale of entrance tickets; however, under certain circumstances, also the gross receipts, the initial purchasing price, the number of gambling machines or jukeboxes available, or the size of the premises used.

**E x e m p t i o n s :**

Frequently, operas, theatrical performances, concerts, ballets, speeches, non-professional sporting events - sometimes, however, only provided that the performance or event in question is recognized as having high artistic value - as well as the showing of films that have been recognized by the film authorities as artistically "valuable" or "highly valuable" works.

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**C o l l e c t i o n :**

Following the performance or event in question.

**R a t e s o f t a x :**

Between 10 % and 25 % of the profit or gross receipts (between 10 % and 20 % of the profit in the case of film shows), between 0.25 % and 2 % per month of initial purchasing prices, between DM 10 and DM 30 per month for each slot machine or jukebox, or between DM 0.20 and DM 0.30 per month for every 10 sq.m of the premises used.

**BETTING AND GAMING TAX (Rennwett- und Lotteriesteuer)**

*Betting and Gaming Law of 8 April 1922 (BGBL. I, p. 393) and Amending Law of 19 March 1964 (BGBL. I, p. 213); Regulations of 16 June 1922 implementing the Betting and Gaming Law (printed in the Sammlung des Bundesrechts - BGBL. III, 611-14-1).*

**B e n e f i c i a r y :**

The Länder governments.

**T a x p a y a b l e o n :**

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

**B a s i s o f a s s e s s m e n t :**

The amount of bets or prizes.

**C o l l e c t i o n :**

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

**R a t e :**

16 2/3 %.

**TAX ON REAL ESTATE (Grundsteuer)**

*Real Estate Tax Law of 1 December 1936, Notification of 10 August 1951 (BGBL. p. 519, Ber. p. 790), Amending Laws of 23 June 1960, 12 April 1961, 10 June 1964, 24 March 1965 and 24 August 1965 (the last-mentioned: BGBL. I, p. 905). Regulation implementing the Real Estate Tax Law, Notification of 29 January 1952 (BGBL. p. 79), Article II of the Law amending real estate tax provisions of 12 April 1961 (BGBL. p. 425) and Article I of the Regulation amending real estate tax provisions of 31 July 1961 (BGBL. I, p. 1118).*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e o n :**

Real estate situated in the municipality concerned.

**B a s i s o f a s s e s s m e n t :**

Standard value (Einheitswert).

**E x e m p t i o n s :**

Real estate belonging to the public authorities and used for municipal purposes; real estate used for public, charitable or religious purposes; land used for sports, etc.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e s o f t a x :**

The rates range from 5 ‰ to 10 ‰ multiplied by the municipal factor fixed by the municipality.

**S p e c i a l f e a t u r e s :**

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

**REAL ESTATE - TRANSFER TAX (Grunderwerbsteuer) (Including surcharges on Transfers of property payable to districts (kreise) or municipalities)**

*Real Estate Transfer Tax Law of 29 March 1940, notified in amended form by most of the Länder; Regulation of 30 March 1940 implementing the Real Estate Transfer Tax Law; Numerous special laws promulgated by the Länder, relating particularly to tax exemption.*

**B e n e f i c i a r y :**

The Länder governments.

**T a x p a y a b l e o n :**

Sales of real estate, investment of assets in a company, etc.

**B a s i s o f a s s e s s m e n t :**

Purchase price or equivalent value, or standard value.

**E x e m p t i o n s :**

There are a large number of exemptions depending on the nature of goods.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e s o f t a x :**

The standard rate is 3 %; in case 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 municipalities.

## CAPITAL DUTY (Gesellschaftsteuer)

*Capital Transactions Tax Law of 24 July 1959 (BGBL. I, p. 530), Law of 9 August 1960 amending the Law on Investment Companies and the Capital Transactions Tax Law (BGBL. I, p. 682), Law of 25 March 1965 amending the Personal Income Tax Law, the Corporation Tax Law and the Capital Transactions Tax Law (BGBL. I, p. 147), Law of 15 August 1969 amending the Corporation Tax Law (BGBL. I, p. 1 182), Regulation of 20 April 1960 implementing the Capital Transactions Tax Law (BGBL. I, p. 243) (1).*

### B e n e f i c i a r y :

The Federal Government.

### T a x p a y a b l e o n :

The first acquisition of shares in joint-stock companies situated in Germany and other capital contributions to companies situated in Germany.

### B a s i s o f a s s e s s m e n t :

Purchase price or equivalent value, or (normal) value of shares.

### E x e m p t i o n s :

- Legal proceedings concerning charitable institutions serving the public interest: Public utilities providing gas, water, electricity or heating and public transport and port authorities, in cases where their shares are held by public authorities and their profits accrue to them exclusively.

### C o l l e c t i o n :

By means of assessment books.

### R a t e s :

2.5 % (1 % in certain cases).

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(1) *The Law of 23 December 1971 amending the Capital Transactions Tax Law (BGBL. I, p. 2 134) came into effect on 1 January 1972.*

**STOCK-EXCHANGE TURNOVER TAX (Börsenumsatzsteuer)**

*Capital Transactions Tax Law and Regulation implementing the Capital Transactions Tax Law.* ) see *Tax on the acquisition of corporate rights*

**B e n e f i c i a r y :**

The Federal Government.

**T a x p a y a b l e o n :**

Stock-exchange transfers of securities in Germany, or abroad, when at least one party is a person having his domicile, ordinary residence or a permanent representative in Germany.

**B a s i s o f a s s e s s m e n t :**

The agreed price, stock-exchange price or market price; occasionally, the value.

**E x e m p t i o n s :**

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

**C o l l e c t i o n :**

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

**R a t e s o f t a x :**

The rates range from 0.1 % to 0.25 %.

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

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**BILL OF EXCHANGE TAX (Wechselsteuer)**

*Law on the Bill of Exchange Tax, as amended on 24 July 1959 (BGBL. I, p. 536);  
Regulation as amended on 20 April 1960, implementing the Bill of Exchange Tax  
(BGBL. I, p. 274).*

**B e n e f i c i a r y :**

The Federal Government.

**T a x p a y a b l e o n :**

The issue of bills of exchange.

**B a s i s o f a s s e s s m e n t :**

Face value of the bill.

**E x e m p t i o n s :**

Bills drawn abroad, cheques, etc.

**C o l l e c t i o n :**

By the use of tax stamps or authorized machines with registering device.

**R a t e s o f t a x :**

DM 0.15 for each DM 100, or part thereof, of face value; in certain cases, the rate is reduced by 50 %.



**TAX ON MOTOR VEHICLES (Kraftfahrzeugsteuer)**

*Motor Vehicles Tax Law of 2 January 1961 (BGBL. I, p. 1), Law of 17 March 1964 amending the Motor Vehicles Tax Law (BGBL. I, p. 145), Amending Laws of 18 March 1965 (BGBL. I, p. 85) and 20 December 1968 (BGBL. I, p. 1 393); Motor Vehicles Tax Implementing Regulation of 14 June 1961 (BGBL. I, p. 764).*

**B e n e f i c i a r y :**

The Länder governments.

**T a x p a y a b l e b y :**

Holder of log-book.

**B a s i s o f a s s e s s m e n t :**

The cylinder capacity or overall weight.

**E x e m p t i o n s :**

Certain vehicles and vehicles for certain uses.

**N o n - r e s i d e n t s :**

The tax is payable by German nationals using vehicles registered abroad.

**C o l l e c t i o n :**

Tax returns and payment are made on an annual, half-yearly, quarterly or monthly basis. Payment for foreign vehicles is also made on a day-to-day basis.

**R a t e s o f t a x :**

DM 3.60 per 25 cc, DM 14.40 or DM 16 per 100 c c for vehicles taxed on the basis of cylinder capacity; as follows in the case of all other vehicles with overall weights of:

**D 48**

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

Reductions are made for certain types of vehicle.

**TAX ON INDUSTRY AND TRADE (Including payroll tax) (Gewerbsteuer  
(mit Lohnsummensteuer))**

*Trade Tax Law 1968 of 20 October 1969 (BGBL. I, p. 2 021), Law of 27 August 1971 amending the Trade Tax Law, (BGBL. I, p. 1 425), Trade Tax Law Implementing Regulation 1968 of 22 October 1969 (BGBL. I, p. 2 037).*

**B e n e f i c i a r i e s :**

The municipalities 60 %, the Federal Government and the Länder governments 20 % each.

**T a x p a y a b l e b y :**

All industrial or commercial undertakings, provided their activities are carried on in Germany.

**B a s i s o f a s s e s s m e n t :**

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). Besides trading profit and trading capital, the total wage bill may be chosen as the basis of assessment (payroll tax) if the Land government agrees.

**E x e m p t i o n s :**

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

**C o l l e c t i o n :**

The tax on industry and trade is levied by assessment based on trading profit and trading capital. The tax offices are responsible for fixing the basis of assessment and establishing and reallocating the standard tax rates; as a rule, the municipalities are responsible for fixing and collecting of tax on industry and trade as well as for specifying periods of grace, reductions and remissions. A monthly or quarterly statement for purposes of the tax must be submitted to the municipal authorities. The tax offices intervene here only in exceptional cases.

## D 49/50

### R a t e s o f t a x :

- (a) 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 DM 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);
- (b) Trading capital: 2 <sup>o</sup>/oo;
- (c) Total wage bill: 2 <sup>o</sup>/oo (there is a tax-free allowance of DM 9 000 if the total wage bill does not exceed DM 24 000 over the year).

These rates are multiplied by the municipal factor fixed by the municipality.

### S p e c i a l f e a t u r e s :

The tax on industry and trade is considered as operating expenditure for the purpose of calculating trading profit.

**TAX ON THE LICENCE TO SELL BEVERAGES (Schankerlaubnissteuer)**

*For Bavaria: Municipal Tax Law of 20 July 1938 (BayBS. I, p. 553),  
 for Hesse: Municipal Tax Law of 17 March 1970 (GVBl. p. 225),  
 for North Rhine-Westphalia: Municipal and/or District Regulation of 11 August  
 1969 (GVBl. p. 670) and Municipal Tax Law of 21 October 1969 (GVBl. p. 712),  
 for Lower Saxony: Prussian Municipal Tax Law of 14 July 1893 (GVBl. 1970, p. 237),  
 for Schleswig-Holstein: Municipal Tax Law of 10 March 1970 (GVBl. p. 44),  
 for Rhineland-Palatinate: Municipal Tax Law of 8 November 1954 (GVBl. p. 185).*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e i n :**

Only in Bavaria (until 1 January 1971), Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate and Schleswig-Holstein.

**T a x p a y a b l e o n :**

The acquisition of a licence to manage a public house, or the management of such an establishment that does not require the aforementioned licence for a period of more than six months.

**B a s i s o f a s s e s s m e n t :**

The annual attainable leasing value or the turnover of the first financial year, account sometimes being taken of the surface area of the premises.

**E x e m p t i o n s :**

Include cases when the licence is granted to the surviving spouse of the late holder, or to the new spouse, the children or the parents of the holder.

**C o l l e c t i o n :**

Upon issue of the licence.

## **D 51**

### **R a t e s o f t a x :**

Between 2 % and 30 % of the attainable leasing value or turnover - in special cases (e.g. where the retail of spirits is predominant, cabarets, etc.) the rate is higher - and between DM 1 and DM 8 for every sq.m of the premises.

**FRANCE**





**PERSONAL INCOME TAX (Impôt sur le revenu)**

*Article 1 of Law No. 59-1472 of 28.12.1959, Article 2 (II) of Law No. 70-1199 of 21.12.1970.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Individuals

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

**B a s i s o f a s s e s s m e n t :**

Total net income (including income from foreign sources in cases where taxpayers are resident in France)

**E x e m p t i o n s :**

They include :

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

**D e d u c t i o n s :**

- All expenses involved in earning or maintaining income. In the case of employed persons, expenses of employment are fixed, as a general rule, at 10% of the wage or salary.
- In the case of salaries, wages, pensions and free life annuities, an allowance of 20% is granted after deduction of expenses of employment, where applicable.

**M a r r i e d c o u p l e s :**

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

## F 01

### N o n - r e s i d e n t s :

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

### C o l l e c t i o n :

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%, or 25% (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 (building permit issued between 1.1.1966 and 31.12.1971). In certain circumstances this levy is in full discharge of personal income tax.

Furthermore, as regards shares, a fraction (50%) of the tax already incurred by the distributed profits as company tax is taken into account in calculating personal income tax. This fraction (tax already paid to the Treasury or tax credit) is deducted from the amount of personal income tax or is refunded.

### R a t e s o f t a x :

3-63%, graduated (2), 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.

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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 and to distributions of profits made by foreign companies operating in France.

(2) In the case of personal income tax for 1971 (payable in 1972), the amount according to the progressive scale is reduced by 2 to 15% where the tax is less than FF 5 000 or increased by 1 to 2% if the tax exceeds FF 15 000.

A tax reduction of 3% is granted on the amount of salaries, wages, pensions, and life annuities as well as on incomes not derived from employment which are less than FF 15 000 per taxpayer, provided they are derived from French sources. This tax reduction is to be abolished in 1973, and the rates reduced accordingly by 3 points.

The limits for exemption and reduction applicable in 1972 are FF 230 and FF 690 for taxpayers having one part, one and a half parts, or two parts, these figures being increased to FF 380 and FF 1 140 when the taxpayers are more than 65 years old (one part and one and a half parts).

**S p e c i a l   f e a t u r e s :**

Agricultural profits are determined by the application of average rates, provided receipts from the farm concerned have not exceeded FF 500 000 for two consecutive years, unless the taxpayer opts to be taxed on the actual profits.

Industrial and commercial profits of small enterprises may be determined by the application of average rates or by a simplified form of taxation on actual profits.

Non-commercial profits may be assessed administratively (if annual receipts do not exceed FF 175 000).

In some cases, the amount of income liable to tax may be determined by external criteria (mode of living) or on the basis of personal expenses which are obvious or well known.

Personal income tax is not deductible.

**C a r r y - o v e r   o f   l o s s e s :**

Five years.

## F 01

### COMPLEMENTARY TAX (Taxe complémentaire) (1)

#### B e n e f i c i a r y :

Central government.

#### T a x p a y a b l e b y :

Individuals.

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

#### B a s i s o f a s s e s s m e n t :

All income on which personal income tax is payable, except salaries, wages, pensions and life annuities;

Most income from movable property; .

Profits from non-commercial activities relating to sums declared by third parties;

The profits of taxpayers who have the status of craftsman (artisan) for taxation purposes.

#### E x e m p t i o n s :

Income derived from foreign sources in general.

#### D e d u c t i o n s :

In general the same deductions are made as in the case of personal income tax.

#### M a r r i e d c o u p l e s :

Total income treated as one.

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(1) Up to 1970, certain categories of income were liable to a complementary tax in addition to income tax. This complementary tax has been abolished in respect of increases for 1970 and following years.

**N o n - r e s i d e n t s :**

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

**C o l l e c t i o n :**

By means of assessment books.

**R a t e o f t a x :**

6%;

a reduction of FF 4 000 or 4 400 is granted on certain forms of income, the latter being the maximum sum granted to any single taxpayer.

**C a r r y - o v e r o f l o s s e s :**

Losses may be carried over for a period of five years.

**F 05**

**TAX ON FURNISHED ACCOMMODATION (Contribution mobilière)**

*Article 1431 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

The departments, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

**T a x   p a y a b l e   b y :**

Any person having furnished accommodation at his disposal.

**B a s i s   o f   a s s e s s m e n t :**

Putative rent assessed by municipal board on the basis of the rental value.

**E x e m p t i o n s :**

- Public, scientific and public assistance establishments, schools and universities;
- the diplomatic corps;
- certain servicemen during their period of service;
- the poor, the lower-income group, invalids and disabled persons.

**D e d u c t i o n s :**

Reductions are made for family expenses and for minimum rent.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e   o f   t a x :**

The rate of tax varies from municipality to municipality.

**CORPORATION TAX (Impôt sur les sociétés)**

*Article 205 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Joint-stock companies and companies having the same status, and certain public undertakings;

public corporations and associations not specifically exempted from payment;

Partnerships (sociétés de personnes) may opt to pay company tax.

**B a s i s   o f   a s s e s s m e n t :**

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

**E x e m p t i o n s :**

Personal: The bodies exempted from payment include, in certain circumstances, Departments, municipalities and their public service authorities, agricultural trade unions and cooperatives, HLM bodies (subsidized housing), investment companies.

Real: Profits made by businesses outside France.

**N o n - r e s i d e n t s :**

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

**C o l l e c t i o n :**

Four quarterly instalments followed by settlement.

**R a t e   o f   t a x :**

50%;

rate reduced to 10% for certain capital gains on disposal of assets;

## **F 07**

special arrangements for building profits.

Rate of 24% for income from land or farming or certain types of income from movable property accruing to public institutions and non-profit-making associations and bodies.

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

### **S p e c i a l   f e a t u r e s :**

Special arrangements apply only to parent companies and their subsidiaries:

receipts from the subsidiary company, less 5% of gross expenses and charges, are deducted from the parent company's net profit.

### **C a r r y - o v e r   o f   l o s s e s :**

Losses may be carried over for a period of five years.



**EXCEPTIONAL LEVY ON BANKS (Prélèvement exceptionnel sur les banques) (1)**

*Article 6 of Law No. 69-872 of 25 September 1969.*

**B e n e f i c i a r y :**

Central government.

**P a y a b l e b y :**

Banks and credit institutions which are bound to keep reserves with the Bank of France, provided they were subject to the first levy introduced in 1969.

**B a s i s o f a s s e s s m e n t :**

Average of the deposits repayable on demand shown in the statements which the establishments liable to the levy have drawn up for calculating the compulsory reserves for the first two quarters of 1969. Only half of the part of this figure not exceeding FF 10 million is counted.

**C o l l e c t i o n :**

The levy is paid automatically by the establishment liable in two equal portions (the renewed levies being due on 30 April and 31 October).

**R a t e s :**

0.75% for the levy introduced in 1969 for 1969 and 1970. The amounts of the renewed levies are calculated as a percentage of the previous payments (20% of the payments introduced in 1969 for each payment of the renewed levies for 1971 and 1972; 25% of each of the payments made in 1971 for the renewed levy for 1973).

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(1) Levy introduced as an exceptional measure in 1969 for 1969 and 1970, partially renewed for 1971 by the Law of 21 December 1970, and again for 1972 and 1973 by the Law of 29 December 1971.

**ADVANCE PAYMENT TO BE MADE BY COMPANIES ON DISTRIBUTED PROFITS (Précompte dû par les sociétés au titre des bénéfices distribués)**

*Articles 3-1, 3 and 44-1 of Law No. 65-566 of 12 July 1965.*

**B e n e f i c i a r y :**

Central government.

**P a y a b l e b y :**

Companies which distribute dividends drawn from sums on which the companies did not pay company tax at the rate of 50% or when the dividends distributed are drawn from the results of financial years closed more than five years previously.

**B a s i s o f a s s e s s m e n t :**

The amount of distributed profits which gives shareholders the right to "avoir fiscal" tax credits and which fall into the above categories. To determine this basis, companies are subject to certain rules as regards the way in which their distributed profits are charged.

**E x e m p t i o n s :**

Companies whose shareholders are not entitled to benefit from the "avoir fiscal" system for distributed profits: foreign companies, investment companies and like bodies, real estate companies for trade and industry, agricultural cooperatives in civil form, mutual agricultural credit funds, HLM (subsidized housing), cooperatives or limited companies, building societies and mutual credit funds.

**N o n - r e s i d e n t s :**

The advance payment is due even if those receiving the distributed profits have neither their domicile nor headquarters in France and are not entitled to benefit from the "avoir fiscal" system. However, the advance payment is refunded if a convention has been concluded with France.

**C o l l e c t i o n :**

The tax must be paid within one month from when the distributed profits are released for payment.

**R a t e s :**

50% of the net dividend paid to the shareholders in respect of the distributed profits involved (advance payment equal to the amount of "avoir fiscal" tax credit attached to the distributed profits). In practice the advance payment is equal to one third of the overall sum (including "avoir fiscal") which the company decides to count as items which, when distributed, give rise to the advance payment.

**S p e c i a l f e a t u r e s :**

The "avoir fiscal" to which shareholders are entitled for dividends distributed by French subsidiaries and the tax credits attached to the proceeds of foreign subsidiaries are counted for the advance payment which might be due when these proceeds are distributed.

## F 13

### SUCCESSION (GIFT) DUTY (Droits de mutation par décès)

*Article 651 et seq. and Article 734 et seq. of the General Tax Code, Law No. 68-1172 of 27 December 1968.*

#### B e n e f i c i a r y :

Central government.

#### T a x p a y a b l e :

Heirs and legatees.

#### B a s i s o f a s s e s s m e n t :

Net share received by each beneficiary.

#### E x e m p t i o n s :

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.

#### D e d u c t i o n s :

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, an allowance may also be granted on the shares inherited by collateral heirs.

Disabled persons may be granted an allowance of FF 200 000, which cannot be added to the other allowances.

#### R e d u c t i o n s :

Reductions are granted to heirs or donees 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).

#### C o l l e c t i o n :

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

#### R a t e s :

- In the case of heirs in direct line:
 

where the net share does not exceed FF 50 000	5%
where the net share is between FF 50 000 and 75 000	10%
where the net share is between FF 75 000 and 100 000	15%
where the net share is more than FF 100 000	20%
- Between spouses:
 

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 between FF 100 000 and 200 000	15%
more than FF 200 000	20%
- Between brothers and sisters:
 

up to FF 150 000	35%
more than FF 150 000	45%
- Between uncles and nephews, great-uncles and great-nephews, first cousins
 

	55%
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- Between others
 

	60%
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#### G i f t s :

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

**VALUE-ADDED TAX (Taxe sur la valeur ajoutée)**

*Article 256 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

Central government. (1)

**T a x p a y a b l e b y :**

Compulsory for:

- Persons who carry out transactions in France connected with an industrial, commercial or small business activity (manufacture, commission processors, craftsmen, suppliers of services, building contractors and builders, wholesalers, commercial intermediaries, retailers, persons letting furnished accomodation, organizers of entertainment (2));
- Importers;
- Agricultural cooperatives;
- Persons who carry out transactions connected with the construction or transfer of buildings (development of land, sale and transfer to a company of building land, certain self-deliveries, sales of buildings completed not more than five years previously and assignment of court rights relating to these buildings);
- Persons buying certain specified products from other persons not liable to the tax.

Optional for:

- Farmers;
- Persons engaged in non-commercial professions;
- Persons letting industrial or commercial property;
- Some specified private activities.

**T a x p a y a b l e o n :**

The delivery, import or purchase of goods (or, in the case of certain transactions,

---

(1) A contribution of 0.60%, the proceeds of which accrue to the supplementary budget for agricultural social benefits, is included in each of the rates of value-added tax.

(2) Most entertainments have now become subject to value-added tax, either since 1 January 1970 (cinema performances) or since 1 January 1971 (theatres, variety shows, travelling shows, etc.).

receipts of payment or transfers).

**B a s i s o f a s s e s s m e n t :**

Price including all charges and taxes (other than value-added tax).

**E x e m p t i o n s :**

Fundamentally, exports.

Exemptions continue for certain special activities, notably:

- Banking and financial activities subject to the tax on financial activities;
- Activities still subject to entertainment tax (sporting events, gambling clubs and houses, automatic machines);
- Certain activities of non-profit-making bodies which have a social or philanthropic character;
- Certain operations carried out by State bodies or local authorities;
- Activities connected with the editing of newspapers and periodicals.

**D e d u c t i o n s :**

Apart from some exceptions, tax paid on investments, services and purchases is deductible from the tax due on business done. In the case of exported goods, the tax paid prior to export may be refunded. (1)

**P a y m e n t :**

By monthly or quarterly payment on the basis of a tax return. Since 1 January 1971 medium-sized firms may, if they wish, pay value-added tax by a simplified system which involves submitting a shortened return each month or quarter and making an advance payment followed by an annual settlement on the basis of a special return.

Small firms may pay the tax under this system or at a flat rate fixed by the administration. In the latter case, the tax due is paid monthly or quarterly without any tax return.

The tax may be waived, either wholly or partially, for very small firms placed under a flat-rate system.

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(1) As from 1 January persons liable to the tax may obtain the refund, each quarter or each calendar year, of any non-chargeable credit surplus which has arisen since that date.

*Credit surpluses existing on 31 December 1971 will be refunded in whole or in part, as appropriate, following a special procedure.*

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## R a t e s o f t a x :

(a) Up to 31 December 1969

- Standard rate:	19%	(real rate, price exclusive of tax 23.456%)
- Reduced rate: (in particular for agricultural products)	7%	(real rate, price exclusive of tax 7.526%)
- Intermediate rate: (in particular for public and residential buildings, certain services, and foodstuffs including processed agricultural products)	15%	(real rate, price exclusive of tax 17.647%)
- Higher rate: (luxury goods)	25%	(real rate, price exclusive of tax 33.333%)

(b) As from 1 January 1970 (1)

- Standard rate:	23%
- Reduced rate: (agricultural products and most solid foodstuffs)	7.50%
- Intermediate rate: (public and residential buildings, certain services, beverages and certain solid foodstuffs)	17.60%
- Higher rate: (luxury goods)	33 $\frac{1}{3}$ %

---

(1) Since 1 January 1970 the tax has been applied to the price exclusive of tax.



**DOMESTIC DUTY ON PETROLEUM PRODUCTS AND PRODUCTS TREATED AS SUCH (Taxe intérieure de consommation frappant les produits pétroliers et assimilés)**

**B e n e f i c i a r y :**

Central government.

**T a x a b l e   p r o d u c t s   a n d   r a t e s :**

Customs tariff heading	Description of products	Rates applicable	
		up to December 1970	from 1 January 1971
27 - 09	Petroleum oils and oils obtained from bituminous minerals, crude	Domestic duty applicable to petroleum oils other than crude oils (tariff heading 27-10) according to the characteristics of the product	
27 - 10	Petroleum oils and oils obtained from bituminous minerals, other than crude (1)		
	A. Light oils (2)		
	(a) Special spirits		
	1. White spirit		
	- fuel	FF 59.01 per hl	FF 59.83 per hl
	- other uses	exempt	exempt
	2. Other		
	- fuel	FF 59.01 per hl	FF 59.83 per hl
	- other uses	exempt	exempt

(1) Domestic duty is levied on the entire product when used as fuel. As regards lubricating preparations, including additives, domestic duty is levied on the amount of petroleum products detectable on analysis.

(2) The total volume of products of this kind used as jet fuel, under specific conditions, is subject to domestic duty at a rate of FF 4.57 per hl.

**F 18**

27 - 10 (cont.)	(b) Spirits		
	- aviation	FF 54.38 per hl	FF 55.20 per hl
	- premium grade	FF 61.88 per hl	FF 62.70 per hl
	- other	FF 59.01 per hl	FF 59.83 per hl
	- light fractions for specific uses	exempt	exempt
	B. Medium oils (2)		
	(a) Kerosene	FF 20.06 per hl	FF 33.20 per hl
	(b) Other	FF 20.06 per hl	FF 33.20 per hl
	C. Heavy oils		
	I. Gas oil (2)		
	(a) For specific uses (pro- duct described as Do- mestic fuel oil No. 1)	FF 0.85 per hl	FF 1.83 per hl
	(b) Unnamed		
	- with a flash-point below 120°C	FF 32.85 per hl	FF 35.40 per hl
	- other	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	II. Fuel oils		
	(1) Domestic fuel oil No. 2		
	- for specific uses	FF 0.85 per hl	FF 1.83 per hl
	- unnamed		
	- with a flash-point below 120°C	FF 32.85 per hl	FF 35.40 per hl
	- other	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	(2) Light fuel oil		
	- for specific uses	exempt	exempt
	- other	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	(3) Heavy fuel oils		
	- for specific uses	exempt	exempt
	- other	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	III. Lubricating oil and other		
	- White oils	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	- Spindle oils	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
	- Other	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net

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(2) *The total volume of products of this kind used as jet fuel, under specific conditions, is subject to domestic duty at a rate of FF 4.57 per hl.*

27 - 11	Petroleum gases and other gaseous hydrocarbons:		
	1. Commercial propane and butane	exempt	exempt
	2. Other gases		
	- intended for use as fuel in motor vehicles	FF 68.83 per 100 m <sup>3</sup>	FF 68.83 per 100 m <sup>3</sup>
	- other	exempt	exempt
27 - 12	- Petroleum jelly	FF 17.50 per 100 kg net	exempt
ex 27-13 B	- Paraffin wax, microcrystal- line wax, other mineral waxes	exempt	exempt
27 - 14	A. Petroleum bitumen	exempt	exempt
	B. Petroleum coke	exempt	exempt
	C. Other residues of petroleum oils or of oils obtained from bituminous minerals	exempt	exempt
ex 27-16 B	Cutbacks, emulsions of petroleum bitumen and the like	exempt	exempt
34.03	Lubricating preparations con- taining less than 70% of petro- leum oils or of oils obtained from bituminous minerals (1)	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net
ex 34.04	Prepared waxes, not emulsified or containing solvents based on products of heading 27-13 B	exempt	exempt
38-14 B I a	Prepared additives for lubri- cants containing petroleum oils or oils obtained from bituminous minerals	FF 27.00 per 100 kg net	FF 27.00 per 100 kg net

---

(1) Domestic duty is levied on the entire product, including additives, when used as fuel. As regards lubricating preparations, domestic duty is levied on the amount of petroleum products detected on analysis.

## **F 18**

D u t y   p a y a b l e   o n   g o o d s   p r o d u c e d   i n   t h e   t e r r i -  
t o r y   i n   w h i c h   t h e   d u t y   i s   l e v i e d   a n d   i m p o r t s :

Domestic consumption duty is levied on petroleum products and products treated as such when the products leave establishments placed under a system of suspension of customs duties; on import; and when they are released for consumption on the domestic market.

**DUES ACCRUING TO SUPPORT FUND FOR HYDROCARBONS (Redevance perçue au profit du fonds de soutien aux hydrocarbures)**

**B e n e f i c i a r y :**

Central government (Support Fund for Hydrocarbons - Fonds de Soutien aux hydrocarbures).

**T a x p a y a b l e o n :**

The Support Fund for Hydrocarbons is financed by dues levied on certain petroleum fuel products.

These dues are considered to be equivalent to domestic consumption taxes, and are levied when petroleum products subject to the dues are consigned to distributors, both on import and on leaving establishments where suspensive customs arrangements apply.

**R a t e s :**

Customs tariff headings	Description of products	Rate applicable on 31 December 1971
Ex 27-10 A	Petroleum spirits (1) (2)	
	- Aviation spirit	FF 2.32 per hl
	- Premium grade	FF 2.32 per hl
	- Other	FF 2.32 per hl
Ex 27-10 CIIc	Light fuel oil for specific uses (1)	FF 0.20 per 100 kg net

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(1) The due is levied on the entire product, including additives.

(2) The due is not levied on fuel for jet or turbine engines to which the reduced rate of domestic consumption duty applies.

## F 19

### DUTY ON TOBACCO (Imposition du tabac)

*Articles 565 to 575 of the General Tax Code. Administered by the SEITA.*

#### B e n e f i c i a r y :

Central government.

#### D u t y   p a y a b l e   o n :

Consignment of tobacco to distributors.

The Monopoly Administration of Tobacco and Matches (SEITA) has exclusive production, import, export and selling rights for manufactured tobacco (cigars, cigarettes, smoking tobacco, chewing tobacco and snuff).

#### B a s i s   o f   a s s e s s m e n t :

Manufactured tobacco is subject to a proportional duty based on the retail sales prices which are fixed by ministerial decree.

#### R a t e s   o f   d u t y :

The rates vary according to the categories of tobacco:

CATEGORY OF PRODUCTS	RATE
Cigars and cigarillos wrapped in natural tobacco	36.7%
Cigars and cigarillos wrapped in reconstituted tobacco	41.7%
Cigarettes	67.9%
Smoking tobacco	53.1%
Snuff	48.7%
Chewing tobacco	32.7%

Corrections can nevertheless be made when the sales prices fixed are below or above the retail price corresponding to certain wholesale price thresholds.

#### I m p o r t s :

Same system as for French production.

**SPECIAL DUTY ON MATCHES (Impôt spécial sur les allumettes)**

*Articles 576 to 579 of the General Tax Code. Administered by SEITA.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

The duty is applied to boxes of matches consigned to distributors by the Monopoly Administration of Tobacco and Matches (SEITA), which has exclusive exploitation rights.

**B a s i s   o f   a s s e s s m e n t :**

Since 1970, matches have borne a specific duty based on the contents of boxes or books of matches.

**R a t e s :**

From FF 0.014 per box containing between 1 and 25 matches  
to FF 0.250 per box containing between 251 and 500 matches.

**I m p o r t s :**

Same system.

**E x p o r t s :**

Exempt.

**DUTY ON SPIRITS (Taxe sur les alcools)**

*Article 401 et seq. of the General Tax Code.*

B e n e f i c i a r y :

Central government.

D u t y   p a y a b l e   b y :

Producers or holders of stocks of alcohol who have not yet paid the tax on alcohol.

T a x a b l e   p r o d u c t s :

which are subject to the consumer tax:

1. Ethyl alcohol and preparations with a basis of undenatured ethyl alcohol; substances belonging to the alcohol group used to replace ethyl alcohol (such as methyl, propyl and isopropyl alcohols).
2. Which are subject to the production tax: (1)
  - (a) Alcoholic beverages resulting from the distillation of cereals, and spirits sold under the same name as these beverages, except for gins; aperitifs other than those with a wine basis and which meet the three following conditions:  
alcoholic strength of at least 18°; spirit content of more than 1/2 gram per litre; and for spirits flavoured with aniseed; a sugar content of less than 400 grams per litre and for bitters, wood tars, gentian bitters and the like, a sugar content of less than 200 grams per litre;
  - (b) All other beverages with an alcohol basis consumed as aperitifs and aperitifs with a wine basis, vermouth; liqueur wine and the like which do not have a registered destination of origin (appellation d'origine contrôlée);
  - (c) Perfumes and toilet articles;
  - (d) Medicaments or products not to be taken orally.

D u e   w h e n   -   i n   t h e   e v e n t   o f   p r o d u c t i o n   i n   t h e  
t e r r i t o r y   i n   w h i c h   t h e   d u t y   i s   l e v i e d :

The consumer tax shall be payable when the taxable products are made available for consumption or in the event of establishment of deficiencies in said products. The pro-

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(1) Tax introduced with effect from 1 January 1971.



duction tax shall be payable as soon as the taxable products leave the place of manufacture either in bulk or in bottles. The tax shall be payable in the event of establishment of deficiencies at the factory.

D u e w h e n - i n t h e e v e n t o f i m p o r t a t i o n i n t o  
t h e t e r r i t o r y i n w h i c h t h e d u t y i s l e v i e d :

The consumer tax shall be payable when the taxable products are made available for consumption. The production tax shall be payable on receipt of the taxable products in the importer's warehouse.

R a t e s o f d u t y :

1. Consumption tax: The alcoholic liquid is taxed on the basis of its pure alcohol content, the minimum taxable content being 15°. There are three rates, depending on the nature of the product:
  - Alcohols used in the preparation of sparkling wines and of natural sweet wines taxed as wines FF 975 per hl of pure alcohol
  - Rums and crème de cassis FF 1 860 per hl of pure alcohol
  - Brandies, liqueurs, French liqueur wines with "appellation d'origine contrôlée", port and Madeira wines, muscat wine, all other alcoholic beverages referred to under (a) and (b) of production tax FF 2 300 per hl of pure alcohol
2. Production tax: Tax is calculated on the basis of the pure alcohol content, the minimum taxable content being 15° in the case of beverages:
  - Products referred to under (a) (including FF 100 which is paid into the supplementary budget for agricultural social benefits) FF 1 150 per hl of pure alcohol
  - Products referred to under (b) FF 390 per hl of pure alcohol
  - Perfumes and toilet articles (c) FF 300 per hl of pure alcohol
  - Medicaments or products not to be taken orally (d) FF 120 per hl of pure alcohol.

I m p o r t s :

The tariff is applicable to all taxable liquids regardless of their origin.

E x p o r t s :

Exports are not taxable.

**CONSUMPTION TAX ON RUM AND SPIRITS - TAX ASSIMILATED TO  
MARITIME DUES (Droits de consommation sur les rhums et spiritueux -  
Droits assimilés au droit d'octroi de mer)**

*Laws Nos. 63-778 of 31 July 1963 and 70-1199 of 21 December 1970, not codified.*

A l l o t t e d t o :

Department.

T a x p a y a b l e i n :

Overseas Departments only.

T a x a b l e p r o d u c t s :

Rum and spirits manufactured in the Department and consumed locally.

E x e m p t i o n s :

Imports and exports.

P a y m e n t :

According to the arrangements for indirect taxes.

R a t e s o f t a x :

1. Guadeloupe, Martinique and Réunion:

The rates per hectolitre of pure alcohol can vary between a minimum and a maximum level and are fixed on the opinion of the General Council. The current limits are FF 120 and FF 360 for Guadeloupe and Martinique, and Frs. CFA 6 000 and Frs. CFA 18 000 for Réunion.

2. French Guiana:

FF 30 per hectolitre of pure alcohol.

**SPECIFIC DUTY ON BEER AND CERTAIN NON-ALCOHOLIC BEVERAGES**  
**(Droit spécifique sur les bières et sur certaines boissons non alcoolisées) <sup>(1)</sup>**

*Article 520a of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   b y :**

- Manufacturers (or sometimes, in the case of beers, firms carrying out the final packaging),
- Importers,
- Owners of springs.

**T a x a b l e   p r o d u c t s :**

The duty is payable on the following beverages:

- Beer of all kinds
- Waters intended for drinking
  - natural or artificial mineral waters
  - table of spa waters having none of the characteristics of mineral water but sold under the same conditions.
- Other non-alcoholic beverages (with an alcoholic content not exceeding 1°).

**D u e   w h e n :**

The duty is payable on the basis of volume (hectolitre) put on the home market.

**E x e m p t i o n s :**

- Syrups and fruit or vegetable juices and fruit essences,
- Milk, in a natural state or flavoured,

---

*(1) Duty introduced with effect from 1 January 1969.*

## F 23

- Beverages on which duty is normally payable but which are consumed by the staff of firms liable to the duty, and also mineral waters given to people taking cures at the springs.

### C o l l e c t i o n :

Payments are made monthly on the basis of a return submitted before the twenty-fifth of the month following deliveries.

### R a t e s   o f   d u t y :

- FF 3.50 per hl for waters and beverages with an alcoholic content not exceeding 1°;
- FF 4.50 per hl for beers not exceeding 4°5 (1) in strength or packed in containers of 65 centilitres to one litre;
- FF 8 per hl for beers other than those mentioned above.

### I m p o r t s :

The duty is applied to imported beverages.

### E x p o r t s :

Exports are duty-free.

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(1) Wort strength or government standard degrees.

**CONSUMPTION DUTY ON WINES AND OTHER FERMENTED BEVERAGES**  
**(Droit de circulation sur les vins et les autres boissons fermentées) (1)**

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e :**

The duty is payable on wine and other fermented beverages: wine; cider, perry, mead and slightly fermented, semi-sparkling grape juices (pétillants de raisin).

**D u e   w h e n -   i n   t h e   e v e n t   o f   p r o d u c t i o n   i n   t h e**  
**t e r r i t o r y   i n   w h i c h   t h e   t a x   i s   l e v i e d   a n d**  
**a l s o   i n   t h e   e v e n t   o f   i m p o r t a t i o n   i n t o   t h e**  
**t e r r i t o r y   w h e r e   t h e   d u t y   i s   l e v i e d :**

As a rule, the consumer tax shall be payable when the taxable products are made available for consumption and also ( - in the event of production in the territory in which the duty is levied - ) deficiencies being established.

**R a t e s   o f   d u t y :**

- |  |             |
|--|-------------|
| - Musts and wines for aperitifs with a wine base, and vermouth   | FF 11.25/hl |
| - Sparkling wines with registered designation of origin (appellation contrôlée), champagne, natural sweet wines (tax system for wines) | FF 22.50/hl |
| - Other wines  | FF 9.00/hl  |
| - Cider, perry, mead and semisparkling grape juice   | FF 3.10/hl  |

**E x p o r t s :**

Exports are duty-free.

**DUTY ON SUGAR (Taxe sur le sucre)**

*Article 1617 of the General Tax Code (1), and Articles 279-297, 422, 563 and 564.*

- (a) Duty on sugar beet;
- (b) and (c) Surcharges on sugar.

**B e n e f i c i a r i e s :**

- (a) Supplementary budget for agricultural social benefits;
- (b) and (c) Central government.

**D u t y p a y a b l e :**

- (a) Duty on sugar beet supplied to sugar refineries or distilleries, paid by the refiners or distillers for the account of the beet producers.
- (b) Surcharge on sugar used to sweeten wine.
- (c) Surcharge on sugar or glucose used in the manufacture of aperitifs with a wine basis and similar products.

**R a t e s :**

- (a) 10% of the basic production price for sugar beet as fixed )  
by decree for each marketing year. This may be reduced by ) (1)  
decree by up to 60%. The rate is at present fixed at 4.50%. )
- (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.

**I m p o r t s :**

- (a), (b) and (c):

The origin of the products is irrelevant, the duty being based solely on the particular use for which they are intended.

**E x p o r t s :**

- (a) No exemptions granted in the case of sugar beet.
- (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.

**DUTY ON COFFEE (Taxe sur le café) (1) (4)****B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e :**

A domestic consumption duty is payable when the goods are cleared through customs.

**R a t e s   o f   d u t y :**

- Unroasted coffee	FF 22.50 per 100 kg (2)
- Roasted coffee, freed of caffeine or not	FF 28.10 per 100 kg (3)
- Coffee extracts, essences	FF 0.81 per 100 kg (3)

**I m p o r t s :**

The duty is payable on imports only.

---

(1) *The single-stage duty was 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).*

(3) *The consumption duty on roasted coffee, coffee extracts and essences has been temporarily suspended (decree of 24 June 1971).*

(4) *Since 1 January 1971 this duty has been under the jurisdiction of the Directorate-General for customs and indirect duties.*

**DUTY ON TEA (Taxe sur le thé) (1) (2)**

B e n e f i c i a r y :

Central government.

D u t y   p a y a b l e :

A domestic consumption tax is payable when the goods are cleared through Customs.

R a t e   o f   d u t y :

FF 23 per 100 kg.

I m p o r t s :

The duty is payable on imports only.

---

(1) *The single-stage duty was abolished as from 1 January 1968 in pursuance of the law of 6 January 1966.*

(2) *Since 1 January 1971 this duty has been under the jurisdiction of the Directorate-General of Customs and Indirect Duties.*



**DUTY ON COCOA AND CERTAIN OTHER TROPICAL PRODUCTS**  
**(Taxe sur le cacao et certaines autres denrées tropicales) (1)**

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e :**

A domestic consumption duty on tropical products is levied by the Customs.

**R a t e s   o f   d u t y :**

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

**I m p o r t s :**

The duty is levied on imports only.

---

(1) Since 1 January 1971 this duty has been under the jurisdiction of the Directorate-General of Customs and Indirect Duties.

**STATE HEALTH TAX ON MEAT (1) (Taxe sanitaire d'état sur les viandes)**

*Articles 302 and 302 bis of the General Tax Code, 102 to 111 of Annex III.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   i n :**

Metropolitan France excluding the Overseas Departments.

**T a x   p a y a b l e   b y :**

Owners of slaughtered animals (or slaughtering enterprises), importers.

**T a x a b l e   o p e r a t i o n s   a n d   p r o d u c t s :**

1. Pre-sale slaughter in private establishments (private or industrial slaughterhouses, butcher's own slaughterhouse):
  - of animals raised for their meat: (beef and veal cattle, goats, sheep; pigs, horses and asses and crosses of these two);
  - of poultry: (cocks, hens, capons-, chicks, ducks, geese, guinea fowl, turkeys).
2. Imports of meat from the abovementioned animals and poultry.

**E x e m p t i o n s :**

None.

**P a y m e n t :**

Following monthly or quarterly declarations of slaughters carried out (in the latter case when the tax due is less than FF 500). The payment of tax at a flat rate and the simplified system of taxation are not applicable .

When import declarations are submitted.

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*(1) See also Inspection and Stamping Tax.*

**R a t e s :**

FF 0.03 (animals raised for their meat) and FF 0.008 (poultry meat) per kg of meat, net.

**INSPECTION AND STAMPING TAX ON MEAT (1) (Taxe de visite et de poinçonnage sur les viandes)**

*Article 203 of the Municipal Administration Code as amended by Law No. 65-543 of 8 July 1965.*

**B e n e f i c i a r i e s :**

Local authorities operating slaughterhouses;  
but these authorities must hand over half the proceeds of the tax to the central government.

**T a x p a y a b l e i n :**

Metropolitan France excluding the Overseas Departments.

**T a x p a y a b l e b y :**

Owners of slaughtered animals.

**T a x a b l e o p e r a t i o n s a n d p r o d u c t s :**

Slaughter of animals raised for their meat carried out in public slaughterhouses (belonging to one or more municipalities).

**P a y m e n t :**

Immediately after the weighing for tax purposes which follows the slaughtering operations.

**R a t e :**

FF 0.03 per kg of meat net.

---

(1) Tax not collected by the Directorate-General of Taxes but which is the counterpart of the state health tax on meat.

**INSURANCE TAX (Taxe unique sur les conventions d'assurance)**

*Art. 66 of the law No. 69 - 1161 of 24 December 1969.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   o n :**

Insurance contracts.

**B a s i s   o f   a s s e s s m e n t :**

Amount of premiums.

**E x e m p t i o n s :**

Industrial accidents, certain types of life insurance, agricultural insurance by mutual association, marine insurance, reinsurances.

**R a t e   o f   t a x :**

The rate of tax ranges from 0.25% to 30% according to contingencies insured against.

**ENTERTAINMENTS TAX (Impôts sur les spectacles, jeux et divertissements)**

*Article 1559 of the General Tax Code.*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e o n :**

Sporting events, gambling clubs and houses, automatic machines installed in public places (1).

**B a s i s o f a s s e s s m e n t :**

- For sporting events, takings;
- For gambling clubs and houses, proceeds from play;
- For automatic machines, annual specific tax based on the population of the municipality concerned.

**E x e m p t i o n s :**

Certain sporting meetings are totally exempted (restrictive list of sports: athletics, swimming, gymnastics, basketball, volleyball, etc.) The others are exempted up to a maximum of FF 10 000 per event.

**C o l l e c t i o n :**

The tax is collected on the spot by tax officers; The annual tax is payable when automatic machines come into operation or in January of each year for machines which were already operating the previous year.

**R a t e s o f t a x :**

- Progressive rates based on monthly takings for sporting events, and annual takings for gambling clubs and houses;
- The rate of the annual tax on automatic machines varies from one municipality to

---

(1) *Since 1 January 1970 cinemas, and since 1 January 1971 other spectacles, have not been subject to entertainments tax. They are, however, subject to value-added tax.*

another.

These rates can be increased by a decision of the Municipal Council.

**F 42**

**TAX ON ELECTROMECHANICALLY CONTROLLED BOWLING ALLEYS  
(Taxe sur les jeux de boules et de quilles comportant des dispositifs  
électromécaniques)**

*Article 1582 bis of the General Tax Code.*

**B e n e f i c i a r y :**

The municipalities (operation tax adopted in each case after consideration by the Municipal Council).

**T a x   p a y a b l e   o n :**

Electromechanically controlled bowling alleys.

**C o l l e c t i o n :**

Tax due in advance when the alley comes into operation, or in January of each year.

**R a t e :**

Annual tax on each alley, varying according to the size of the municipality.



**DUTY ON LEASES (Droit de bail)**

*Article 685 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Leases, subleases and extensions by law or agreement of leases of buildings, generally all kinds of letting or subletting of buildings agreed in writing or by word of mouth. Leasing of fishing and hunting rights.

**E x e m p t i o n s :**

- (a) General - leases to the State;
  - leases for an annual rent not exceeding FF 200.
- (b) From duty at the standard rates:
  - leases subject to value-added tax (leases of furnished premises, certain leases of premises for industrial or commercial uses).
- (c) From the increased duty, in which case duty is due at the standard rate;
  - Leases of fishing rights granted by the State to anglers' associations which undertake not to use nets and other prohibited tackle;
  - Leases of fishing rights by cooperatives of professional fishermen;
  - Leases of hunting or fishing rights to the tenant of the land on which these rights are exercised;
  - Leases of hunting rights on land intended to constitute approved hunting reserves.

**R a t e s   o f   d u t y :**

- (a) Standard rate: 2.5% of the rent involved.
- (b) Increased rate: 18% on the leases of fishing and hunting rights.

**SURCHARGE ON THE DUTY ON LEASES (Taxe additionnelle au droit de bail)**

*Article 6 of Law No. 70-1283 of 31 December 1970.*

**B e n e f i c i a r y :**

National Housing Improvement Agency (l'Agence Nationale pour l'Amélioration de l'Habitat).

**P a y a b l e o n :**

- (a) Premises rented for housing purposes or as a place of work and located in buildings completed before 1 September 1948.
- (b) Premises rented for commercial purposes and located in buildings, half at least of whose total area consists of premises as referred to under (a).
- (c) Premises rented for commercial purposes but which on 31 December 1970 were used for residential purposes.

**E x e m p t i o n s :**

- Rented buildings not subject to the duty on leases.
- Buildings belonging to the State, Departments, municipalities and public establishments appertaining to them.
- Buildings belonging to HLM (subsidized houses) bodies.
- Residential buildings on farms.
- Buildings scheduled for demolition.

**R a t e :**

3.5% of the rent. To be paid by the owner.

However, in the case of premises under (b), half is to be met by the tenant unless there is an agreement to the contrary.

**TAX ON BANKING AND FINANCIAL ACTIVITIES (Taxe sur les activités bancaires et financières)**

*Article 299 of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

- Persons engaged professionally in trade in securities and money; banks, financial institutions, stockbrokers, money changers, discount brokers, intermediate brokers and foreign exchange dealers on behalf of banks.
- Any person engaged principally, though not professionally, in banking or financial operations.

**B a s i s o f a s s e s s m e n t :**

Gross profits excluding the tax (1). This tax is not deductible.

**E x e m p t i o n s :**

- Hire-purchase operations and transfers of holdings of shares on which value-added tax is due;
- Operations subject to stock exchange turnover tax;
- Interest, discount charges and like payments;
- Operations carried out under certain conditions by mutual credit associations;
- Some specified banking operations, connected with transactions concluded outside France.

**C o l l e c t i o n :**

By means of tax returns.

(1) Before 1 January 1970 the amount of tax was included in gross taxable profits when it was claimed from the client. The rate of tax was then 15% (i.e. 17.647% of the price exclusive of tax).

**F 46**

R a t e   o f   t a x :

17.60% of the price exclusive of tax (1)

*(1) Before 1 January 1970 the amount of tax was included in gross taxable profits when it was claimed from the client. The rate of tax was then 15% (i.e. 17.64% of the price exclusive of tax).*

**PROPERTY TAX ON LAND WITHOUT BUILDINGS (Contributions foncière des propriétés non bâties)**

*Article 1399 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

The Departments, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

**T a x p a y a b l e b y :**

Owner or usufructuary.

**T a x p a y a b l e o n :**

Land without buildings (except certain kinds of land taxed as improved land: see under F 48).

**B a s i s o f a s s e s s m e n t :**

Cadastral income.

**E x e m p t i o n s :**

- 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.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e o f t a x :**

The rate of tax varies from municipality to municipality.

**F 48**

**PROPERTY TAX ON BUILDINGS (Contribution foncière des propriétés bâties)**

*Article 1381 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

The Departments, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

**T a x p a y a b l e b y :**

Owner or usufructuary.

**T a x p a y a b l e o n :**

Buildings and the like (in particular, plant and certain kinds of land).

**B a s i s o f a s s e s s m e n t :**

Cadastral income.

**E x e m p t i o n s :**

- The tax is not payable on public buildings and the like, or on farm buildings.
- The tax is not payable for 15 or 25 years on main places of residence completed before 31 December 1972.
- The tax is not payable for 15 years on HLM (subsidized housing).
- The tax is not payable for two years on new buildings used for other purposes.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e o f t a x :**

The rate of tax varies from municipality to municipality.

**STAMP DUTIES (Droits de timbre)**

*Legal basis: see Registration Duties.*

## I. S i z e s t a m p (Timbre de dimension)

B e n e f i c i a r y :

Central government.

D u t y p a y a b l e o n :

Authenticated deeds, deeds submitted voluntarily for registration, deeds pledging the payment or repayment of sums of money or securities.

E x e m p t i o n s :

Bailiff's deeds, statements of cases of appeals in administrative courts, decisions rendered by these courts, general documents concerning public order.

R a t e s o f d u t y :

- |   |       |
|---|-------|
| - Half-sheet or paper, 29.7 by 21 cm    | FF 5  |
| - Sheet of normal paper 29.7 by 42 cm   | FF 10 |
| - Sheet of register paper 42 by 59.4 cm | FF 20 |

Rates reduced by half when only one side is used.

## II. B i l l s t a m p (Timbre des affiches)

B e n e f i c i a r i e s :

Central government and the municipalities.

D u t y p a y a b l e o n :

Bills posted on special hoardings visible from the public highway.

## F 49

### Ex e m p t i o n s :

- Bills posted in towns with at least 10 000 inhabitants;
- Bills giving advance notice on the road of hotels, restaurants, garages and petrol stations;
- Bills with a touristic, artistic, sporting or cultural purpose.

### R a t e s o f d u t y :

- FF 2 000 per square metre and per period of two years;
- FF 4 000 for bills visible from a motorway or a motorway sliproad.

## III. B i l l s o f e x c h a n g e s t a m p s (Timbre des effets de commerce)

### B e n e f i c i a r y :

Central government.

### D u t y p a y a b l e o n :

Negotiable instruments (bills of exchange, promissory notes, bills payable to bearer, warrants, etc.)

### Ex e m p t i o n s :

- Cheques and transfer orders.
- Bills created by transactions subject to the tax on financial activities.

### R a t e s o f d u t y :

Standard rate	FF 1
Reduced rate (domiciled bills)	FF 0.25

## IV. R e c e i p t s t a m p s (Timbres des quittances)

### B e n e f i c i a r y :

Central government.



## D u t y   p a y a b l e   o n :

Receipts for sums of money, securities or objects. Totalizator tickets.

## E x e m p t i o n s :

Payments by cheque or transfer order;

Tickets issued by theatres, public road passenger transport undertakings, the French railways and the independent Paris transport authority;

Entrance tickets to sporting events;

Receipts for transactions subject to the tax on financial activities.

## R a t e s   o f   d u t y :

- Receipts for sums of money - up to FF 2.50	exempted
"   "   "   "   "    between FF 2.51 and FF 4	FF 0.10
"   "   "   "   "    between FF 4.01 and FF 50	FF 0.25
"   "   "   "   "    between FF 50.01 and FF 100	FF 0.50
"   "   "   "   "    above, per fraction of FF 100	FF 0.25
- Receipts for objects	FF 0.25
- Totalizator tickets for horse or greyhound races	2%

## V.   T r a n s p o r t   c o n t r a c t   s t a m p s   (Timbre des contrats de transports)

## B e n e f i c i a r y :

Central government.

## D u t y   p a y a b l e   o n :

Consignment notes, luggage tickets.

## E x e m p t i o n s :

Bills of lading, transport of agricultural parcels weighing less than 50 kg, parcels of newspapers.

**F 49**

R a t e o f d u t y :

FF 0.25

VI. S t a m p d u t y o n t h e i s s u e o f c e r t a i n d o c u -  
m e n t s (Timbre afférent à la délivrance de certains documents)

B e n e f i c i a r y :

Central government.

B a s i s o f a s s e s s m e n t :

(1) Tickets for entrance to clubs and casinos and rate of duty:

- Ticket valid for the day	FF	2
- " " " the week	FF	10
- " " " the month	FF	20
- " " " the season	FF	50

(2) Identity and residence cards:

(a) Professional identity cards for commercial travellers and representatives	FF	20
(b) Frontier workers' identity cards	FF	5
(c) Other identity cards issued by prefects and sub-prefects	FF	10
(d) Residence cards for foreigners (1)	FF	15
Residence cards for nationals of a Member State of the EEC (1)	FF	10
(e) Special cards for foreigners working in commerce or industry:		
- Valid for more than three years	FF	240
- Valid for more than one year but not more than three years	FF	120
- Valid for up to one year, per month	FF	7.50
- Rates reduced to half for people classed as small traders and the like for tax purposes.		

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(1) *The first card is exempted from duty.*

(f) Special cards for foreigners working in agriculture	FF 120
(g) Work permits for foreigners:	
- Renewal of the temporary work permit	FF 5
- Issue of the ordinary temporary work permit	FF 8
- Issue of the ordinary permanent work permit	FF 12
- Issue of the permanent permit for all wage-earning occupations	FF 15
(3) Police record:	
- Issue of "Bulletin No. 3"	FF 5
(4) Administrative formalities:	
(a) Endorsement of registers kept in certain professions lodging-house keepers, innkeepers, hoteliers, second- hand dealers, chemists, jewellers, etc.)	FF 10
(b) Certificates of residence and nationality (in addi- tion to the size stamp)	FF 5
(c) Receipt for the professional declaration by dealers in poisons, second-hand dealers, persons wishing to deal in arms and ammunition	FF 50
(d) Issue of the authorization or of the receipt of de- clarations on the opening of establishments for the sale of beverages of categories 3 and 4, and also on the transferring or changing of these establish- ments	FF 700
(e) Authentication by the Ministry of Justice, Ministry of Foreign Affairs or Secretariat of State re- sponsible for the Overseas Departments and Territories	FF 5
(f) Inland waterways:	
- Registration certificates	FF 5
- Tonnage certificates	FF 20
- Navigation licence	FF 10
- Certificates of capacity	FF 50
(5) Passports - Laissez-passer - travel documents.	
- Ordinary passports (valid five years)	FF 50
- Laissez-passer for abroad (valid two days)	FF 5
- Travel documents for refugees and stateless persons	FF 20
- Visas on foreign passports and travel documents for refugees:	

Valid for exit and re-entry	FF	50
Valid for exit only	FF	5
(6) Duty on documents relating to cars.		
- International certificates for cars	FF	5
- International driving licence	FF	5
- For the test to obtain a driving licence for cars, motor cycles with cylinder capacity exceeding 125 cc, and any other motor vehicles	FF	20
- Driving licence for the above vehicles (duty also due on duplicates)	FF	50
- Grey cards		
Standard rate: per HP	FF	20
Rate reduced by half: per HP	FF	10
For vehicles more than ten years old.		
Rate reduced by half: per HP	FF	10
For commercial vehicles with a carrying capacity of two tons or more; for non-agricultural tractors; for motor cycles;		
these two reductions may be applied to the same vehicle.		
Fixed rates:		
- Trailers, agricultural tractors, vehicles registered in the TT series	FF	30
- Mopeds with a cylinder capacity of 50 to 125 cc	FF	10
- Vehicles registered in the W series	FF	40
- Vehicles registered in the WW series	FF	20
- Duplicates: mopeds with a cylinder capacity of 50 to 125 cc	FF	5
other vehicles	FF	20
The rate for duplicates is applied to first copies issued when the holder of the grey card changes his or her place of residence to a new Department, or changes marital status or titles without, however, becoming a legal entity.		

E x e m p t i o n s :

Demonstration vehicles used by dealers and agents when the total permissible laden weight of the vehicles does not exceed 3.5 tons.

H u n t i n g   l i c e n s e s   (permis de chasse)

B e n e f i c i a r i e s :

Central government, the municipalities and the Higher Hunting Council (Conseil supérieur de la chasse).

R a t e   o f   d u t y :

From FF 60 to FF 200, according to the size of the territory covered by the hunting rights.

**MAIN REGISTRATION TAXES (Principaux droits d'enregistrement)**

*Law No. 69-1168 of 26 December 1969 (re I)*

*Article 714 I bis of the General Tax Code, Article 13 of the Law of )  
12 July 1965, Order No. 67-813 of 28 September 1967, Law No. 65-566 ) re  
of 12 July 1965. ) II*

I. C o n v e y a n c i n g    t a x :

Buildings completed more than five years before, or which, in the five years following their completion, have already been transferred for the benefit of a person other than a dealer in real estate.

B a s i s    o f    a s s e s s m e n t :

Price plus costs, or market value of the property in real terms if this is higher.

R a t e    o f    t a x :

Cadastral tax    13.8%  
Local taxes        2.8%

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

- (Value-added tax is payable on new buildings and the first transfer of a building in the five years following its completion.)

C o l l e c t i o n :

The tax is collected when the deed is registered.

II. R e g i s t r a t i o n    t a x    p a y a b l e    b y    c o m p a n i e s

1. F o r m a t i o n    o f    c o m p a n i e s

- Transfers of capital and movable property: 1% (standard rate);
- 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:

Registration tax or cadastral tax	8.6% (1)
Local taxes	<u>2.8%</u> (1)
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 or cadastral tax: 1%
- Special arrangements for certain companies, e.g. registration at the fixed rate of FF 150 for deeds recording the formation of investment companies (securities and real estate), real estate companies for trade and industry, and certain agricultural companies (cadastral tax of 0.6% in the case of transfers of land and buildings).

## 2. Capital increases :

- By contribution of new capital: same arrangement as for the formation of companies;
- By capitalization of reserves, profits or deposits: standard rate 12%; various special arrangements;
- The rate may be reduced to 7% under certain circumstances (temporary arrangement).

## 3. Mergers (2) :

- On transfer of the net assets of the acquired company: fixed rate of FF 150;
- 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.
- Same arrangements applicable, if approval is obtained, to the splitting of companies and to partial contributions of capital.

## 4. Dissolution and distribution of asset :

- Deed of dissolution: fixed rate of FF 150;
- Instrument of distribution: 1%.

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(1) *The rate of 8.6% is reduced in the case of certain types of property: if the transfer is subject to value-added tax, it is exempt from registration tax, and cadastral tax is charged at the rate of 0.6% (except when land for building purposes and buildings on the same footing are concerned).*

(2) *System applicable until 31 December 1975.*

## F 50

### 5. T r a n s f e r o f s e c u r i t i e s :

- Standard rate: 4.8%.

For transfers of company shares, the tax is payable only if a transfer deed is executed;

but for transfers of partnership shares it is payable irrespective of whether a transfer deed is executed or not.

### B a s i s o f a s s e s s m e n t :

Actual value of the assets.

### C o l l e c t i o n :

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



**SURCHARGES ON REGISTRATION DUTIES OR ON THE CADASTRAL TAX  
(Taxes additionnelles aux droits d'enregistrement ou à la taxe de  
publicité foncière)**

*Legal basis: see Registration Duties.*

**B e n e f i c i a r i e s :**

- (a) Departmental tax: the Department where the property sold is located.
- (b) Municipal tax: the municipality where the property sold is located, when it has more than 5 000 inhabitants; the equalization fund of the Department when the property is located in municipalities with less than 5 000 inhabitants.

**T a x   p a y a b l e   o n :**

Transactions subject to the duty on transfers for valuable consideration, registration duty or cadastral tax, i.e.:

- (a) Transfers for valuable consideration of buildings, real property rights, goodwill, custom, lease rights.
- (b) Contribution of the above to a company liable to company tax by an individual or a company not liable to this tax.
- (c) Transfers by ministerial departments.
- (d) Public sales of movable property.

**E x e m p t i o n s :**

- (a) Transfers of buildings subject to the cadastral tax or the registration duty at 0.6% or exempted from this duty or tax.
- (b) Public sales of:
  - intangible movable assets;
  - livestock, material or crops on a farm;
  - motor vehicles;
  - wholesale goods subject to sales duty of 0.25%.

**R a t e s   o f   t a x :**

- (a) Departmental tax: 1.6%
- (b) Municipal tax: 1.2%

**STOCK - EXCHANGE TURNOVER TAX (Impôt sur les opérations de bourse)**

*Article 974 to 986 of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

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

**B a s i s o f a s s e s s m e n t :**

Negotiating price rounded down to the nearest FF 10.

**R a t e s o f t a x :****- Securities**

cash sale or purchase of debentures	3 ‰
purchase or sale of debentures on account	1.5 ‰
sale or purchase of state annuities (rentes)	exempt
other cash transactions	6 ‰ (1)
other account transactions	3 ‰ (1)
carry-over transactions	1.5 ‰ (1)

**- 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.

**DIFFERENTIAL TAX ON MOTOR VEHICLES (Taxe différentielle sur les véhicules automobiles)**

*Article 999 bis of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Motor vehicles with more than two wheels.

**E x e m p t i o n s :**

- Vehicles over 25 years old and certain other vehicles;
- Taxis and vehicles used to transport groups of persons;
- Vehicles liable to special tax on private cars with engine rating for tax purposes exceeding 16 h.p.;
- Etc.

**P a y m e n t :**

The tax is payable annually (windscreen sticker).

**R a t e o f t a x :**

The rate of tax depends on the vehicle's age and horse-power, and ranges from FF 30 to FF 400 per year.

**F 55**

**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 a 16 CV)**

*Article 999 bis of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   o n :**

Private cars over 16 h.p. less than 6 years old.

**P a y m e n t :**

The tax is payable annually (windscreen sticker).

**R a t e   o f   t a x :**

The rate ranges from FF 250 to 1 000, depending on the vehicle's age.

**S p e c i a l   f e a t u r e s :**

Exemption from differential tax on motor vehicles.

**ANNUAL TAX ON COMPANY CARS (Taxe annuelle sur les voitures de tourisme des sociétés)**

*Article 999 bis A of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   o n :**

Company cars.

**E x e m p t i o n s :**

Cars over 10 years old.

**C o l l e c t i o n :**

By quarterly tax returns.

**R a t e s   o f   t a x :**

FF 1 000 for company cars of 7 h.p. or less.

FF 1 400 for company cars over 7 h.p.

**S p e c i a l   f e a t u r e s :**

The amount of tax may not be deducted from profits liable to company tax; it is payable in addition to the differential tax on motor vehicles and to the special tax on engine rating for tax purposes exceeding 16 h.p.

**PAYROLL TAX (1) (Taxe sur les salaires)**

*Decree of 1 October 1948, Laws of 29 November 1968 and 21 December 1970.*

**B e n e f i c i a r y :**

Central government (sole beneficiary since 1 January 1969)

The Central government pays the local authorities a sum representing the local portion of the payroll tax and thus guarantees them each year revenue equal to that which they would have received under the previous system (compensation for the abolished local tax on turnover).

**T a x   p a y a b l e   b y :**

All employers except:

- Farmers and rural craftsmen;
- Local authorities;
- Those paying value-added tax on more than 90% of their business.

**B a s i s   o f   a s s e s s m e n t :**

Total remunerations paid and benefits in kind, except, in particular, compensation for expenses, pensions, and certain benefits and allowances (e.g. family allowances).

**C o l l e c t i o n :**

Monthly or quarterly payments with final settlement once a year.

**R a t e s   o f   t a x :**

- 4.25% of personal annual income of FF 30 000 or less
- 8.5% for portion of personal annual income between FF 30 000 and 60 000
- 13.6% for portion of personal annual income exceeding FF 60 000

(1) *This tax replaced the flat rate payroll tax (versement forfaitaire sur les salaires) from 1 January 1968.*

**EMPLOYERS' PARTICIPATION IN THE BUILDING EFFORT  
(Participation des employeurs à l'effort de construction)**

*Laws of 11 July 1953, 7 August 1957 and 28 June 1963;  
Decrees of 7 November 1966 and 30 December 1971.*

**B e n e f i c i a r y :**

Central government.

**P a y a b l e b y :**

Employers with at least 10 workers and not in the agricultural sector.

The State, local authorities and their public administrative establishments are not liable to the tax.

**P r i n c i p l e o f a p p l i c a t i o n :**

Employers are bound to invest in house-building in 1972 a sum equal to 0.9% of wages paid in 1971. Those who do not fulfil this requirement are liable to a payment of 2% of the sum of these wages.

**B a s i s o f a s s e s s m e n t :**

Gross wages including benefits in kind paid during the previous year.

**C o l l e c t i o n :**

Declaration: the 2% payment is established by means of assessment books.

**EMPLOYERS' PARTICIPATION IN FINANCING CONTINUOUS VOCATIONAL TRAINING (Participation des employeurs au financement de la formation professionnelle continue)**

*Laws Nos. 71-575 and 71-577 of 16 July 1971.*

**B e n e f i c i a r y :**

Central government.

**P a y a b l e b y :**

As from 1 January 1972 all employers, including those in the agricultural sector, with at least 10 workers.

**P r i n c i p l e o f a p p l i c a t i o n :**

In 1972 employers must devote sums representing at least 0.8% of wages paid during the current year to the financing of training programmes. This rate will rise to 2% in 1976. When the expenditure which the employer can prove he has incurred is less than the fixed percentage, he must pay to the Treasury a sum equal to the difference involved.

**B a s i s o f a s s e s s m e n t :**

Gross wages including payments in kind.

**C o l l e c t i o n :**

By means of statements and payments under the same arrangements as for turnover taxes.



**APPRENTICESHIP TAX (Taxe d'apprentissage)**

*Laws of 13 July 1925, 7 February 1955, 3 December 1966 and 16 July 1971.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Individuals carrying on a business, industrial or craft activity, and companies operating a business for profit, and agricultural cooperatives.

**B a s i s   o f   a s s e s s m e n t :**

Total wage bill, including benefits in kind paid during the previous year.

**E x e m p t i o n s :**

Craftsmen (in certain specific circumstances) and training institutions.

**C o l l e c t i o n :**

Payment is made when the tax statement is returned. (1)

**R a t e   o f   t a x :**

0.60%, reduced to 0.50% with effect from 1 January 1972. Apprenticeship costs and subsidies paid to authorized bodies are deductible.

(1) *Since 1968.*

**BUSINESS TAX (Contribution des patentes)**

*Article 1447 et seq. of the General Tax Code.*

**B e n e f i c i a r y :**

Local authorities and their groupings (Departments, municipalities, urban communities, districts, associations of municipalities).

**T a x   p a y a b l e   o n :**

Any individual or legal person carrying on a commercial, industrial or other professional activity in France.

**B a s i s   o f   a s s e s s m e n t :**

This is given in the business tax tariff and depends mainly on:

- The nature of the occupation concerned;
- The population of the municipality;
- The number of persons employed by the enterprise;
- The rental value of the business premises and plant.

**E x e m p t i o n s :**

Employed persons, certain craftsmen, artists, publishers of periodicals, mine concessionaires, farmers, etc.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e   o f   t a x :**

The rate of tax varies from municipality to municipality.

**SPECIAL TAX ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES**  
**(Taxe spéciale sur les débits de boissons)**

*Article 562 bis of the General Tax Code.*

B e n e f i c i a r y :

Central government.

T a x p a y a b l e b y :

Retailers of alcohol (establishments for the sale of beverages, restaurants, etc.).

E x e m p t i o n s :

Retailers of non-alcoholic beverages.

P a y m e n t :

At the same time as the licence duty.

R a t e o f t a x :

30% of the licence duty actually applied to each establishment (special rates for establishments for the sale of "hygienic" beverages).

**F 59**

**TRANSFER DUTY ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES  
(Droits de transfert des débits de boissons)**

*Article 562 of the General Tax Code.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Transfers of establishments for the sale of beverages authorized by the Code concerning these establishments.

**E x e m p t i o n s :**

Establishments for the sale of non-alcoholic beverages.

**P a y m e n t :**

The duty is collected by the purchaser of the business at the time of transfer.

**R a t e   o f   d u t y :**

Single rate of FF 300.

**LICENCE DUTY ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES (Droit de licence sur les débits de boissons)**

*Article 1568 of the General Tax Code.*

**B e n e f i c i a r y :**

Municipalities.

**D u t y   p a y a b l e   b y :**

Retailers of alcohol (establishments for the sale of beverages, restaurants, etc.).

**E x e m p t i o n s :**

- Retailers of non alcoholic beverages;
- Retailer of "hygienic" beverages (wines, beer, cider, etc.), other than spirits.

**P a y m e n t :**

Duty payable in advance in January of each year.

**R a t e   o f   d u t y :**

Annual rate varies according to the population of the municipality concerned and the decisions of the Municipal Councils.

**SPECIAL TAX ON CERTAIN ROAD VEHICLES (Taxe spéciale sur certains véhicules routiers) (1)**

*Article 16 of Law No. 67-1114 of 21 December 1967, Decree No. 68-448 of 15 May 1968; Article 6 of Law No. 70-601 of 9 July 1970 and Article 25 of Law No. 70-1199 of 21 December 1970, Decree No. 70-1285 of 31 December 1970.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

The tax is intended to meet the cost of maintaining and strengthening roads which arises from the passage of heavy vehicles whose total authorized loaded weight exceeds 16 metric tons.

Vehicles with two or three axles, articulated units, semi-trailers and trailers.

**B a s i s o f a s s e s s m e n t :**

Total authorized loaded weight (as laid down in the French highway code) or actual total weight when permission has been given to exceed this figure.

**E x e m p t i o n s :**

Passenger transport vehicles, agricultural and public works vehicles, and special mobile machines.

**C o l l e c t i o n :**

Choice between quarterly or daily payments in advance.

**R a t e s o f t a x :**

- Quarterly rates:

From FF 50 to FF 3 600 according to the class of vehicle, the number of axles and the total loaded weight.

*(1) With effect from 1 January 1971 this tax has been placed under the jurisdiction of the Directorate-General for Customs and Indirect Duties.*

- Daily rates:

One twenty-fifth of the corresponding quarterly rate.

- The rates are increased by 15% for trailers or semi-trailers, and are reduced:

- when the carrier operates on own account, by 10% if he is hiring the vehicle and by 20% if he is the owner;
- by 50% for vehicles operating within their home area;
- by 75% for vehicles operating to or from railway stations;
- by 5% per stretch of 3 500 km for vehicles using toll motorways.

The same vehicle may benefit from more than one reduction.

I n t e r n a t i o n a l   t r a n s p o r t :

The tax is collected by the Customs from vehicles registered abroad when they cross the frontier. Tax exemptions may be granted under international agreements provided they are reciprocal.

**F 69**

**OPTIONAL SURCHARGE ON MINERAL WATERS (Surtaxe facultative sur les eaux minérales)**

*Articles 1582 and 1697-4 of the General Tax Code.*

**A l l o t t e d   t o :**

Municipalities in which the mineral springs are to be found and which have introduced the surcharge. When the proceeds of the surcharge exceed the amount of the municipality's ordinary resources, the surplus is allotted, with certain restrictions, to the Department.

**P r o d u c t s   a n d   o p e r a t i o n s   l i a b l e   t o   t h e   s u r -  
c h a r g e :**

Sales of mineral waters having therapeutic properties and coming from a spring in a municipality which has introduced the surcharge.

**E x e m p t i o n s :**

Table waters, ordinary spring waters, laboratory waters;  
Mineral waters consumed where they emerge, or exported.

**P a y m e n t :**

On the basis of special monthly or quarterly returns. Payment at a flat rate or on the basis of a simplified system is not provided for.

**R a t e :**

FF 0.005 per litre or fraction of a litre.



**ITALY**



## TAX ON INCOME FROM MOVABLE WEALTH (Imposta sui redditi di ricchezza mobile)

*Consolidated Law relating to direct taxation, passed by Presidential Decree (DPR) No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments, Decree Law No. 976 of 18 November 1966 (G.U. 292 of 19 November 1966 - special issue), amended by Law No. 801 of 28 October 1970 (G.U. 292 of 18 November 1970) (1); Article 272 of the Consolidated Law (2), Article 18 of Law No. 1 177 of 26 November 1955 (G.U. 286 of 13 December 1955); Law No. 356 of 19 May 1967 (G.U. 145 of 12 June 1967) (3).*

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e b y :

Individuals, legal persons and partnerships, whether Italian nationals or not.

### B a s i s o f a s s e s s m e n t :

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/1: income from self-employment;
- C/2: income from employment.

### E x e m p t i o n s :

Certain types of income (e.g. payments made by the Holy See)  
interest on loans to regions, provinces and municipalities, etc.;

certain types of income from the processing of agricultural products, etc.

### D e d u c t i o n s :

Interest paid, general costs, costs spread over several years, depreciation, losses, etc. - as a rule, costs incurred in obtaining the income.

## I 01

### N o n - r e s i d e n t s :

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

### C o l l e c t i o n :

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

### R a t e s :

#### 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). There is an extra surcharge of 15 % of the tax rate on incomes up to Lit. 10 million and 20 % on incomes exceeding this amount.

#### 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:

- Municipal tax "ICAP", and supplementary provincial charges;
- Tax accruing to the Chambers of Commerce (at a maximum rate fixed for each Chamber of Commerce).

The following surcharges assessed to the tax are made:

- 10 % for the local assistance boards (ECA) (2);
- 5 % for Calabria (3);
- 15 % extra surcharge, increased to 20 % for tax on incomes exceeding Lit. 10 million (excluding persons taxed on their balance-sheets for whom the surcharge is fixed at 15 %);
- Collection charges.

#### Category C/1:

- 4 %: For first Lit. 720 000 of taxable income (first Lit. 240 000 is a personal allowance) for artists and professional people;
- 4 %: For first Lit. 660 000 of taxable income (first 360 000 is a personal allowance) for other categories (craftsmen, etc.);

- 8 %: For the next slice (up to Lit. 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/2:

- 4 %: For first Lit. 480 000 of taxable income (first Lit. 600 000 is a personal allowance, settled annually; for subsequent slices the same rates apply as for Category C/1.

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

- 10 %: For local assistance boards (ECA);
- 5 %: For Calabria;
- 15 %: Extra surcharge for sums up to Lit. 10 million;
- 20 %: Extra surcharge for sums exceeding Lit. 10 million.

The extra surcharge does not apply to taxable income coming under Category C/2 for sums of up to Lit. 480 000 and is reduced to 10 % for the next slice of Lit. 1 520 000. For sums exceeding Lit. 2 million the normal rates listed above apply.

**COMPLEMENTARY TAX PROGRESSIVELY LEVIED ON NATURAL PERSONS'  
TOTAL INCOME (Imposta complementare progressiva sul reddito complessivo  
delle persone fisiche)**

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958) and subsequent amendments, Law No. 551 of 27 June 1961 (G.U. 172 of 14 July 1961), Law No. 209 of 18 April 1962 (G.U. 118 of 9 May 1962), DPR No. 67 of 25 May 1962 (ordinary supplement to G.U. 170 of 7 July 1962), Law No. 1 034 of 19 December 1970 (G.U. 323 of 23 December 1970), Law No. 25 of 11 January 1951 - Law on tax assessment (ordinary supplement to G.U. 25 of 31 January 1951), DPR No. 51 of 8 February 1951 (ordinary supplement to G.U. 40 of 17 February 1951), Law No. 361 of 28 May 1959 (G.U. 141 of 16 June 1959).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

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

**B a s i s o f a s s e s s m e n t :**

Total income comprising :

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

**E x e m p t i o n s :**

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

**D e d u c t i o n s :**

Deductions are granted on debit interest, tax on income which is part of total income, expenses and non-deductible liabilities incurred in connection with individual items of income constituting the basis of assessment; there is also a personal allowance of Lit. 240 000 plus an allowance of Lit. 100 000 for each dependent person.

**M a r r i e d c o u p l e s :**

A wife's income is combined with her husband's for taxation purposes except in cases of de jure and de facto separation.

**N o n - r e s i d e n t s :**

On the territoriality principle, non-residents are taxed as residents where the income concerned arises in Italy except where tax is deducted at source and gives rise to a tax credit on income (including dividends) subject to withholding tax.

**C o l l e c t i o n :**

By means of assessment books, but for certain types of income, tax is deducted at source.

**R a t e s :**

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.

**T h e f o l l o w i n g a d d i t i o n a l s u r c h a r g e s a r e m a d e :**

- 10 % for local assistance boards (ECA);
- 5 % for public works in Calabria;
- 15 % extra surcharge for income amounting to Lit. 10 million or less;
- 20 % extra surcharge for income amounting to more than Lit. 10 million;
- Collection fees.

## **TAX ON LANDOWNERS' INCOME (Imposta sul reddito dominicale dei terreni)**

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments, Law No. 1 271 of 18 November 1964 (G.U. 304 of 9 December 1964), Consolidated Law relating to the new cadastral survey of land, passed by Royal Decree No. 1 572 of 8 October 1931 (G.U. 4 of 7 January 1932), and subsequent amendments.*

### **B e n e f i c i a r y :**

Central government.

### **T a x p a y a b l e b y :**

Persons owning, holding long-term building leases on, holding in usufruct or having some other real right in land suitable for production.

### **B a s i s o f a s s e s s m e n t :**

The owner's share of the average ordinary steady income obtainable from the land.

### **E x e m p t i o n s :**

Sites in mountainous areas (over 700 m) and certain land exempted temporarily for improvement purposes.

### **D e d u c t i o n s :**

Tax relief is granted for damage caused by natural disasters.

In the case of abandoned property, tax may be reduced by up to 80 %.

### **C o l l e c t i o n :**

By means of assessment books.

### **R a t e s :**

5 % of taxable income from land.

A number of surcharges are payable by landowners:



- Surcharges made by provinces and municipalities;
- Surcharges made by Chambers of Commerce, amounting to Lit. 0.24 per Lit. 100 of taxable income from land.

A number of further surcharges are payable:

- 5 % for local assistance boards (ECA);
- 5 % for public works in Calabria;
- collection fees.

**TAX ON INCOME FROM FARMING (Imposta sul reddito agrario)**

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Persons owning, holding in usufruct or having some other real right in farmland, who farm the land and are entitled to obtain a refund from partners in farming it of an amount corresponding to the latter's share of income.

**B a s i s o f a s s e s s m e n t :**

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.

**E x e m p t i o n s :**

As for tax on landowners' income.

**D e d u c t i o n s :**

As for tax on landowners' income. Tax relief is granted where land is rented out.

**C o l l e c t i o n :**

By means of assessment books.

R a t e :

10 % of taxable income from farming.

The following further surcharges are payable:

- 5 % for local assistance boards (ECA);
- 5 % for public works in Calabria.

## TAX ON INCOME FROM BUILDINGS (Imposta sul reddito dei fabbricati)

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments, Decree Law No. 652 of 13 April 1939 (G.U. 108 of 6 May 1939), DPR No. 1 142 of 1 December 1949 (G.U. 53 of 4 March 1950); Law No. 1 219 of 4 November 1951 (G.U. 275 of 29 November 1951), Law No. 131 of 23 February 1960 (G.U. 62 of 12 March 1960).*

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e b y :

Owners, usufructuaries or persons having a real right in buildings or parts of buildings of any kind yielding income of their own.

### B a s i s o f a s s e s s m e n t :

Cadastral income updated by coefficients fixed annually or, in the case of leasing, the net income wherever there is a considerable margin between the real gross income and the updated cadastral income.

### E x e m p t i o n s :

No tax is levied on buildings:

- used for public worship;
- located in cemeteries;
- erected on undeveloped public land and other public property;
- erected to supply drinking water;
- belonging to the Holy See, etc.

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

### D e d u c t i o n s :

Repairs, maintenance, etc. are deductible from gross taxable income, except where tax is assessed on the basis of the updated cadastral income.

## C o l l e c t i o n :

By means of assessment books.

## R a t e s :

5 % of taxable income.

In addition, surcharges are payable to :

- the provinces and municipalities;
- Chambers of Commerce, to a maximum amount of 0.055 %.

The following further surcharges are payable:

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

There are also extra surcharges of 15 % for income amounting to Lit. 10 million or less and  
20 % for over Lit. 10 million.

**SPECIAL TAX ON INCOME FROM LUXURY BUILDINGS (Imposta speciale sul reddito dei fabbricati di lusso)**

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments, Law No. 1 013 of 21 October 1964 (G.U. 267 of 30 October 1964).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Same rules as for "tax on income from buildings".

**B a s i s o f a s s e s s m e n t :**

Income, assessed by the standards applicable for tax on income from buildings, 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.

**C o l l e c t i o n :**

Same rules as for tax on income from buildings.

**R a t e :**

20 % of taxable income.

**SEWAGE DISPOSAL TAX (1) (Contributo di fognatura)**

*Consolidated Law on local finance No. 1 175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931) and subsequent changes.*

**B e n e f i c i a r y :**

In cases of acknowledged need, municipalities with a population of not less than 60 000, municipalities with provincial capital status, and municipalities which are considered as holiday or health resorts or tourist centres may be authorized to levy this rate.

**P a y a b l e b y :**

Owners of establishments which directly or indirectly discharge waste matter into drains and sewers.

**C o l l e c t i o n :**

By means of assessment books.

**E x e m p t i o n s :**

Property belonging to the President of the Republic or the Holy See, which is exempt by virtue of Articles 15 and 16 of the Treaty passed by Law No. 810 of 27 May 1929, and property belonging to the Central government, provinces, municipalities and public welfare and charitable institutions.

**R a t e s :**

2 % of taxable income from real estate with buildings, as assessed in the books of the year to which the contribution refers.

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(1) *This tax will be abolished by Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971)*

**FAMILY TAX (1) (Imposta di famiglia)**

*Consolidated Law relating to local finance; Royal Decree (RD) No. 1 175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931) and subsequent amendments.*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

Each family (even if composed only of one person), the head of which is ordinarily resident in the municipality.

**B a s i s o f a s s e s s m e n t :**

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.

**E x e m p t i o n s :**

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

**D e d u c t i o n s :**

Allowances are granted for dependent persons.

**M a r r i e d c o u p l e s :**

The tax is levied on the combined income of the taxpayer and dependent persons.

**C o l l e c t i o n :**

By means of assessment books.

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(1) *This tax will be abolished from 1 January 1973 under Article 1(1)(d) of Law No 825 of 9 October 1971 (G.U. 263 of 16 October 1971) and Article 1, 2nd subparagraph of Law No. 1 036 of 6 December 1971 (G.U. 315 of 14 December 1971).*



## R a t e s :

The rates vary in direct ratio to the family's income and in inverse ratio to the population of the municipality, the highest rate of 12 % being applicable to persons with income of at least Lit. 12 million. The above rates may be raised by two tenths.

**TAX ON RENTAL VALUE OF PROPERTY (1) (Imposta sul valore locativo)**

*Consolidated Law relating to local finance, Royal Decree No. 1 175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931), and subsequent amendments,*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

All Italian nationals and foreigners who, although not having their usual place of residence in the municipality maintain a furnished house there.

**B a s i s o f a s s e s s m e n t :**

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 national rent based on current rental values.

**E x e m p t i o n s :**

The upper and lower limits of allowances are laid down by the provincial authorities (GPA) for each category of municipality; the allowance limit decided upon by each municipality within the limits fixed by the GPA is increased by between 25 % and 50 %, according to the number of children living with and dependent on the taxpayer.

**R e d u c t i o n s :**

The tax may be reduced by 6 % 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.

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(1) *This tax will be abolished from 1 January 1973 under Article 1(1)(d) of Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971) and Article 1, 2nd subparagraph, of Law No. 1 036 of 6 December 1971 (G.U. 315 of 14 December 1971).*

C o l l e c t i o n :

By means of assessment books.

R a t e s :

The municipality fixes the ratio, within the limits laid down by law, depending on the type of municipality and in accordance with the various income brackets, at 5 % to 9 %. These rates may be increased by two tenths.

## CORPORATION TAX (Imposta sulle società)

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958) and subsequent amendments, Law No. 603 of 6 August 1954 (G.U. 182 of 11 August 1954), Law No. 163 of 25 February 1960 (G.U. 67 of 17 March 1960), Law No. 1 745 of 29 December 1962 (G.U. 5 of 7 January 1963), amended by Decree Law No. 22 of 2 February 1967 (G.U. 47 of 22 February 1967) and Law No. 209 of 21 April 1967 (G.U. 101 of 22 April 1967).*

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e b y :

Persons taxable on the basis of their balance sheets, and foreign companies and partnerships conducting a business in Italy through a permanent establishment even if they are not taxable on a balance sheet basis.

### B a s i s o f a s s e s s m e n t :

Capital and income.

Taxable capital is made up of:

- Subscribed and paid-up capital;
- Ordinary and extraordinary reserves;
- Profits carried forward from previous financial years;
- Temporary suspension of depreciation on goods which are retransferable free of charge.

Taxable income is made up of:

- Income from movable wealth, coming under category B;
- Income from undeveloped land (reddito dominicale) and income from farming;
- Income from buildings;
- Sums received as distributed profits;
- Interest on debts, etc.

**E x e m p t i o n s :**

In view of their cooperative 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, municipalities, local assistance boards, etc.

Provision is made for tax reductions in some cases.

**D e d u c t i o n s :**

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 not deductible when the income making up the basis of assessment is fixed;
- Taxes payable on the various types of income;
- Losses during the current financial year.

**C o l l e c t i o n :**

The tax is payable direct to the provincial department of the tax authorities in the district in which the taxpayer is resident for tax purposes. It should be noted that when company tax is being paid the tax on dividends that has been withheld at source (and that will count as tax credits) must also be settled.

Collection by means of assessment books in the case of unpaid tax or when the greater portion of tax is still owed.

**R a t e s :**

0.75 % for taxable capital and 15 % on that part of total income in excess of 6 % of taxable capital. Surcharges amounting to 10 % are made for the benefit of local assistance boards (ECA). There is an extra surcharge of 15 %.

**TAX ON BONDS (Imposta sulle obbligazioni)**

*Consolidated Law relating to direct taxation, passed by DPR No. 645 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments, Law No. 163 of 25 February 1960 (G.U. 67 of 17 March 1960).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Companies with share capital, corporations obliged to show balance sheets or statements of accounts, foreign companies and associations using their capital in Italy and who issue the bonds with entitlement to a refund from the holders.

**B a s i s o f a s s e s s m e n t :**

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

**E x e m p t i o n s :**

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

**R e d u c t i o n s :**

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

**C o l l e c t i o n :**

The tax is payable direct by the taxpayer to the appropriate department of the tax office in the district in which he is domiciled for taxation purposes. When the tax is not paid, or when the greater part of it is still owed, collection takes place by means of assessment books.

**R a t e :**

5 % of the taxable value of the bonds.

**WITHHOLDING TAX ON DIVIDENDS (Ritenuta sugli utili azionari)**

*Consolidated Law relating to direct taxation, passed by DPR No. 465 of 29 January 1958 (ordinary supplement to G.U. 162 of 7 July 1958), and subsequent amendments; Law No. 1 745 of 29 December 1962 (G.U. 5 of 7 January 1963), amended by Decree Law No. 22 of 21 February 1967 (G.U. 47 of 22 February 1967) and by Implementing Law No. 209 of 21 April 1967 (G.U. 101 of 22 April 1967).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Individual and legal persons of Italian or foreign nationality, whether or not they have a permanent establishment in Italy.

**B a s i s o f a s s e s s m e n t :**

Dividends, whatever their form or however described, distributed by joint stock companies, partnerships limited by shares, and partnerships with limited liability.

**C o l l e c t i o n :**

The tax is payable direct to the provincial department of the tax authorities in the district in which the company distributing the dividends is situated. When the tax is not paid, or when the greater part of it is outstanding, the assessment book system is resorted to.

**R a t e s :**

Normal rate: 5 % which counts towards complementary tax or company tax due from residents receiving dividends.

A non-refundable 30 % is made on dividends payable to individuals not resident in Italy and foreign companies and associations which do not have a permanent establishment in Italy.

In the case of individuals subject to complementary tax, this deduction is considered to be an advance payment.

Non-resident legal persons with a permanent establishment in Italy are treated as residents.

Non-residents on whose dividends the non-refundable deduction has been made are entitled to a refund of up to one third of the tax which they can prove has been paid abroad on dividends subject to withholding tax.

**TAX ON INDUSTRIAL, COMMERCIAL, ARTISTIC AND PROFESSIONAL ACTIVITIES  
(ICAP) (Imposta sulle industrie, i commerci, le arti e le professioni (ICAP) <sup>(1)</sup>)**

*Consolidated Law relating to local finance, Royal Decree No. 1 175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931), and subsequent amendments,*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

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 01).

**B a s i s o f a s s e s s m e n t :**

Net income arising in the municipality as assessed for the tax on movable wealth.

**C o l l e c t i o n :**

By means of assessment books.

**R a t e s :**

Up to a maximum of 3.25 % in the case of income falling into category B, and up to 2.6 % in the case of income falling into category C/1.

In the case of income not liable to tax on movable wealth, the municipality 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/1.

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(1) *These taxes were abolished by Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971).*



**BUSINESS TAX (1) (Imposta di patente)**

*Consolidated Law relating to local finance, Royal Decree No. 1 175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931), and subsequent amendments.*

**B e n e f i c i a r y :**

The municipalities.

**B a s i s o f a s s e s s m e n t :**

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.

**R a t e s :**

The tax ranges between Lit. 600 and Lit. 2 400 per year, depending on the category to which the taxpayer belongs.

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(1) *This tax was abolished by Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971).*

**DUTY ON ELECTRICITY PRODUCED BY ENEL (Ente Nazionale Energia Elettrica)  
(Imposta unica sull'energia elettrica prodotta dall'ENEL)**

*Law No. 1 643 of 6 December 1962 (G.U. 316 of 12 December 1962), DPR No. 741 of 17 September 1964 (G.U. 231 of 19 September 1964) (1), Law No. 1 269 of 5 December 1964 (G.U. 303 of 7 December 1964) (2), Law No. 505 of 24 June 1966 (G.U. 170 of 12 July 1966) (3).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e b y :**

ENEL on the electricity it produces, in lieu of payment of direct taxes.

**C o l l e c t i o n :**

As laid down by the relevant law (3) for the years 1963, 1964 and 1965.

**R a t e s :**

For the period up to 31 December 1964, there was a fixed rate (1) of Lit. 1.30 per kWh produced. This rate was maintained (2) for the year 1965 and it was also decided that from 1966 ENEL would be liable to the tax on income from movable wealth, the tax on industrial, commercial, artistic and professional activities and the provincial surcharge, business tax, and company tax.

## TAX ON APPRECIATION OF BUILDING SITES (Imposta sugli incrementi di valore delle aree fabbricabili) (1)

*Law No. 246 of 5 March 1963 (G.U. 77 of 21 March 1963).*

### B e n e f i c i a r y :

The municipalities.

### T a x p a y a b l e b y :

Persons owning or holding buildings land which has appreciated in value. The tax is payable by the sellers jointly.

### B a s i s o f a s s e s s m e n t :

- In cases where the tax is levied for the first time, the basis of assessment is the difference between the market value of the land when disposed of for building purposes 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 *inter vivos* at a later stage, for whatever purpose or when the land was first used for building purposes.

Applying the same criteria, the tax is also levied every ten years on all companies with share capital and on other legal persons or individuals, provided the latter hold building land of a total value of more than Lit. 100 million at the end of the ten-year period.

### E x e m p t i o n s :

"Subjective":

- The Central government, regions, provinces, municipalities, municipal undertakings, municipal welfare institutions, etc.;

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(1) *This tax will be abolished from 1 January 1973 in pursuance of Article 1 (III) of Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971) and Article 1, 2nd subparagraph, of Law No. 1 036 of 6 December 1971 (G.U. 315 of 14 December 1971). Provision has been made for replacing this tax and the property improvement levy by a municipal tax on appreciation of buildings, which is to be introduced with effect from the same date.*

- 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. limited to property used for institutional activities and sites destined for the extension of such activities.

"Objective":

- Land used as parks or gardens and land which - by ministerial decree - may not be built on;
- Certain sites situated in industrial zones;
- Certain sites on which subsidized housing is to be built;
- Land for the use of 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.

D e d u c t i o n s :

The tax on industrial, commercial artistic and professional activities and business tax (see under I 10) are deductible from this tax. The value of land disposed of free of charge to the municipality for the construction of roads, public squares, etc., is also deductible on a "una tantum" basis.

C o l l e c t i o n :

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

R a t e s :

Rates range between 15 % and 50 % according to the extent by which site values appreciate between 30 % and 500 % of the basic value.

**TAX ON IMPROVEMENTS TO PROPERTY (Contributo di miglioria) (1)**

*Law No. 246 of 5 March 1963 (G.U. 77 of 21 March 1963)*

**B e n e f i c i a r y :**

Regions, provinces, municipalities, associations of regional public bodies, and the Central government where it assists in public works carried out by one of these.

**T a x p a y a b l e b y :**

Owners or registered holders of rural and urban real estate which has directly or indirectly appreciated in value owing to public works or changes in detailed improvement plans or through the introduction of public services.

**B a s i s o f a s s e s s m e n t :**

Appreciation in the value of real estate, provided the appreciation occurs under the above preconditions.

**E x e m p t i o n s :**

- The Central government, regions, provinces, municipalities, municipal undertakings, municipal welfare institutions, etc.;
- Independent housing institutions and municipal undertakings for the construction of subsidized housing, etc.;
- Recognized welfare and charitable institutions, legal entities, public corporations concerned with nursing and education, church organizations recognized under civil law, etc.; exemptions are limited to property serving the purposes of the body concerned and sites for extending such activities.

**D e d u c t i o n s :**

The following are deductible from the tax at the specific request of the person or body liable: appreciation in value for reasons connected with the conditions of tax liability; the value of any property bestowed or contributions for public works;

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(1) *This tax will be abolished by virtue of Article 1 (III) of Law No. 825 of 9 October 1971 (G.U. 263 of 16 October 1971) and Article 1, subparagraph 2 of Law No 1 036 of 6 December 1971. This tax and the tax on appreciation of building sites will be replaced from 1 January 1973 by a municipal tax on appreciation of real estate.*

## I 15

any costs incurred or a contribution made by the taxpayer or his family as estimated payment for public works carried out.

### C o l l e c t i o n :

By means of assessment books, in 10 regular annual instalments including interest at the rate of 5 %. Should the improved property be disposed of, the duty or the part thereof which is still owing is collected in a single payment.

### R a t e s :

The rate may not exceed 33 %. However, in cases where more than one entity has assisted in the work, a fixed rate of 33 % is applicable.

**TAX ON DOGS (Imposta sui cani)**

*Consolidated Law on local finance, Royal Decree No. 1 175 of 14 September 1931  
(ordinary supplement to G.U. 214 of 16 September 1931) and subsequent amendments.*

**B e n e f i c i a r y :**

The municipalities.

**L i c e n c e p a y a b l e b y :**

Persons owning or keeping one or more dogs.

**B a s i s o f a s s e s s m e n t :**

Dogs are classified in three categories for the purposes of the licence :

- (a) Pets and show dogs;
- (b) Hunting dogs and watchdogs;
- (c) Working dogs.

**E x e m p t i o n s :**

The following are exempt from the licence:

- Dogs used exclusively as guide dogs for the blind, for transporting disabled poor persons, guarding rural buildings and herding livestock;
- Dogs owned by persons temporarily resident in the municipality whose stay does not exceed two months or who already pay the licence in another municipality;
- Puppies during the period strictly necessary for suckling, but not for more than two months;
- Dogs used by the armed forces and police dogs.

**C o l l e c t i o n :**

By means of assessment books.

## I 16

### R a t e s :

The licence is paid annually on the basis of the following maximum rates:

Dogs in category (a) Lit. 6 000

Dogs in category (b) Lit. 2 000

Dogs in category (c) Lit. 600



## SUCCESSION DUTIES (Imposte di successione)

*Royal Decree No. 3 270 of 30 December 1923 (ordinary supplement to G.U. 117 of 17 May 1924) and subsequent amendments, Royal Decree Law (RDL) No. 434 of 4 May 1942 (G.U. 112 of 11 May 1942), Decree Law No. 90 of 8 March 1945 (G.U. 39 of 31 March 1945), Law No. 206 of 12 May 1949 (G.U. 112 of 16 May 1949), Law No. 551 of 27 June 1961 (G.U. 172 of 14 July 1961).*

### ORDINARY SUCCESSION DUTY

#### B e n e f i c i a r y :

Central government.

#### D u t y p a y a b l e b y :

The heirs jointly, for the entire amount of duty, subject to their right to recoup a portion of this from the co-heirs and legatees. Legatees pay succession duty on their portion only.

#### B a s i s o f a s s e s s m e n t :

The various portions of the succession and legacies.

#### E x e m p t i o n s :

Exemptions are granted:

- In the case of succession in direct line or between husband and wife, the various portions of which amount of Lit. 750 000 or less;
- For certain art collections;
- For gifts to charitable, welfare and religious institutions;
- Portions of successions left by members of the armed forces killed on active service;
- Successions in direct line, and successions devolving upon husband or wife, of land already cultivated by the deceased person. An allowance of Lit. 6 million is granted on each portion; where the succession is not shared, the allowance is Lit. 16 million.

## I 25/26

### D e d u c t i o n s :

Duty payable on the total value of an estate is deductible from taxable assets; in the case of both types of succession duty, debts, liabilities and the cost of medical treatment during the last six months of the deceased's life are deductible from taxable assets.

### C o l l e c t i o n :

The duty is payable direct to the registry offices.

### R a t e s :

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.

**DUTY ON THE TOTAL VALUE OF INHERITED ESTATE  
(Imposta sull'asse ereditario globale)**

*Royal Decree Law No. 434 of 4 May 1942 (G.U. 112 of 11 May 1942).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e b y :**

Jointly by all heirs. Heirs paying the duty have a right to recover from other heirs. Legatees are required to pay only the portion corresponding to the amount of the legacy.

**B a s i s o f a s s e s s m e n t :**

The total net amount of the estate.

**E x e m p t i o n s :**

Exemptions are granted on:

- The total amount of the estate up to a maximum of Lit. 500 000;
- Successions, portions etc. devolving upon ascendants or descendants or upon spouses for estates left by members of the armed forces killed on active service;
- Donations to charitable institutions;
- Art collections, etc.;
- National debt bonds;
- Successions in direct line or devolving upon the husband up to a maximum net amount of Lit. 3 million;
- Successions in direct line, and successions devolving upon husband or wife, of land already cultivated by the deceased.

**R e d u c t i o n s :**

- A 50 % reduction is granted in the case of successions between ascendants and descendants or between husband and wife, provided the sum concerned is less than Lit. 3 million.

## I 26

- A 25 % reduction is granted in the case of succession devolving upon large families (five children or more), provided the sum concerned does not exceed Lit. 20 million.

### D e d u c t i o n s :

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

### C o l l e c t i o n :

The duty is payable direct to the registry offices.

### R a t e s :

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

**TURNOVER TAX (Imposta generale sull'entrata)**

*Law No. 762 of 19 June 1940 (G.U. 160 of 10 July 1940) and subsequent amendments; Law 1 162 of 15 November 1964 (G.U. 284 of 17 November 1964); Law No. 3 of 15 January 1968 (G.U. 12 of 16 January 1968), Law No. 1 036 of 6 December 1971 (G.U. 315 of 14 December 1971).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Individuals or legal persons to whom receipts accrue, but normally they are free to claim the amount of tax from the persons making payment.

**B a s i s o f a s s e s s m e n t :**

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

**E x e m p t i o n s :**

Exemptions include :

- Gifts to religious and similar institutions;
- Such income from exports of materials, goods and products, and from rents and services, as necessarily arises in international commerce;
- Income from railway, tram services, etc., run by private companies;
- Sale of bread and milk, etc., for direct consumption;
- The sale of monopoly goods and stamped paper;
- Salaries, wages, bonus payments, subsidies, etc.

**D e d u c t i o n s :**

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

C o l l e c t i o n :

The tax is payable either by affixing stamps, or by paying the sum concerned into post office accounts. The position in detail is as follows:

- Where the amount of tax does not exceed Lit. 100, payment is made exclusively by affixing stamps;
- Where sums between Lit. 100 and 2 000 are involved, payment is made either into post office accounts or by affixing stamps;
- Where the amount of tax exceeds Lit. 2 000, payment may only be made into post office accounts.

The tax may also be paid direct to the registry office, where this method of payment is laid down by law.

R a t e s :

The standard rate is 3.3 %, provisionally increased to 4 % by a surcharge introduced in 1964 and extended until 1972. However, special rates for each stage of the transaction and single-stage condensed rates varying between 0.8 % and 36 % are applicable in the case of certain products. (1)

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(1) *This tax will be abolished by the VAT from 1.1.1973.*

**COMPENSATORY TAX ON IMPORTS OF INDUSTRIAL PRODUCTS  
(Imposta di conguaglio sui prodotti industriali importati)**

*Law No. 570 of 31 July 1954 (G.U. 177 of 5 August 1954), Decree Law No. 195 of 1 May 1970 (G.U. 111 of 5 May 1970), which became Law No. 415 of 1 July 1970 (G.U. 166 of 4 July 1970).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

The importer.

**B a s i s o f a s s e s s m e n t :**

The customs value of the imports.

**E x e m p t i o n s :**

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

**C o l l e c t i o n :**

The tax is payable to the customs authorities.

**R a t e s :**

The rates are between 0.4 % and 6.5 % (payable in addition to turnover tax - see I 27). (1)

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(1) See I 27

**DUTY ON MINERAL OILS (Imposta sugli olii minerali)**

*Decree Law No. 65 of 27 February 1951 (G.U. 48 of 27 February 1951); Decree Law No. 878 of 3 December 1953 (G.U. 278 of 3 December 1953) and subsequent amendments; Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970 - special issue), which became, by amendments, Law No. 1 034 of 18 December 1970 (G.U. 323 of 23 December 1970), (1) Decree Law No. 249 of 12 June 1971 (G.U. 120 of 12 May 1971), which became Law No. 427 of 1 July 1971 (G.U. 168 of 6 July 1971) and extended until 30 June 1972 by Decree Law No. 1 122 of 28 December 1971 (G.U. 329 of 29 December 1971), (2) Decree Law No. 249 of 12 May 1971, extended until 30 June 1972 by Decree Law No. 1 122 of 28 December 1971 (3).*

**B e n e f i c i a r y :**

Central government.

(Provision is made for sharing the yield with the regions (15 %) and the municipalities (Lit. 10 per litre of petrol).

**E x e m p t i o n s :**

Exemptions and reductions are granted for petroleum products used for certain purposes.

**R a t e s :**

	<u>Lit. per</u> <u>100 kg net</u>
- Crude natural mineral oils	6 000
- Light oils and preparations:	
(a) White spirit (aqua regia minerale)	8 400
(b) Special oils other than white spirit	until 28 August 1970   13 295 from 28 August 1970 until 13 May 1971(1)   15 889 from 13 May 1972(2)   15 482
(c) Petrol	until 28 August 1970   13 295 from 28 August 1970 until 13 May 1971(1)   15 889 from 13 May 1971(2)   15 482



		<u>Lit. per</u> <u>100 kg net</u>
- Medium oils and preparations:		
(a) Paraffin		6 000
Products other than paraffin	until 28 August 1970	13 295
	from 28 August 1970	
	until 13 May 1971	15 889
	from 13 May 1971	15 482
- Heavy oils and preparations:		
(a) Gas oils		12 400
(b) Special fuel oils		5 400
(c) Fuel oils	until 13 May 1971	4 000
	after 13 May 1971(3)	3 800
(d) White lubricating oils		15 700
(e) Other lubricating oils		12 400
- Crude vaseline		2 500
- Vaseline other than crude		5 600
- Crude mineral wax (crude ozokerite)		180
- Refined mineral wax (except that made with ozokerite on which duty has already been paid)		680
- Paraffin wax, microcrystalline wax, shale wax		680
- Aromatic extracts and similar products		12 400

## I m p o r t s :

Same rates as on mineral oils manufactured in Italy. The tax on importation is called "frontier surcharge".

## E x p o r t s :

Exports are duty-free or duty is refunded. Refunds are granted only on mineral oils used in the manufacture of certain exported goods.

**DUTY ON LIQUEFIED PETROLEUM GASES (Imposta sui gas di petrolio liquefatti)**

*Decree Law No. 1 071 of 24 November 1954 (G.U. 270 of 24 November 1954) and subsequent amendments, Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970), which became, by amendments, Law No. 1 034 of 18 December 1970 (G.U. 323 of 23 December 1970).*

**B e n e f i c i a r y :**

Central government.

Provision is made for sharing the yield from the duty with the regions (75 %) and the municipalities (5.40 Lit/kg on liquefied petroleum gas for use as fuel for motor propulsion).

**R a t e s :**

- |  |                                    |
|--|------------------------------------|
| - LPG, in cylinders, used as fuel                                | Lit. 20/kg                         |
| - LPG introduced direct into urban distribution systems          | Lit. 36/cu.m                       |
| - LPG used as fuel for motor propulsion:<br>since 28 August 1970 | Lit. 98.89/kg<br>(amended rate)(1) |

**I m p o r t s :**

Duty at the same rate as on petroleum gases produced in Italy.

**E x p o r t s :**

A refund is granted.

**S p e c i a l f e a t u r e s :**

90 % of manufacturing tax levied in the case of use as fuel is refunded for liquefied petroleum gases used for certain purposes.

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(1) Lit. 54.30 until 27 August 1970.

**DUTY ON NATURAL GAS (Imposta sul metano)**

*Decree Law No. 873 of 6 October 1955 (G.U. 231 of 6 October 1955), which became, after many amendments, Law No. 1 110 of 3 December 1955 (G.U. 280 of 5 December 1955), Decree Law No. 590 of 30 March 1960 (G.U. 159 of 1 July 1960), which became, by amendments, Law No. 825 of 14 August 1961 (G.U. 202 of 19 August 1960), Law No. 305 of 30 May 1969 (G.U. 159 of 26 June 1969), Law No. 311 of 18 May 1970 (G.U. 133 of 30 May 1970), Law No. 360 of 27 May 1959 (G.U. 141 of 16 June 1959).*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e b y :**

Persons producing, extracting or importing natural gas; operators of natural gas pipelines.

**E x e m p t i o n s :**

The following are exempt from the duty :

- (1) Biological natural gas for the producer's own use;
- (2) Natural gas produced by the chemical industry for direct use in the manufacture of other chemical products by synthesis;
- (3) Natural gas used to fuel machinery for extracting gas or compressing it in the pipelines;
- (4) Natural gas obtained in the Province of Ferrara and Rovigo from Quaternary strata lying more than 1 200 m below the ground and used to fuel machinery for extracting and compressing that gas.

**R a t e s :**

Two types of tax exist: consumption tax and government duty.

Consumption tax:

- Lit. 1/cu.m of compressed gas, at 15°C and at a normal pressure.

Government duty: (1)

- Lit. 5/cu.m for gas in bottles;
- Lit. 3/cu.m for gas in bottles for use as motor fuel.

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(1) *The government duty on compressed gas in bottles (see Law No. 360 of 27 May 1959) was abolished by Law No. 311 of 18 May 1970.*

**I 34**

**I m p o r t s :**

Imported liquid natural gas for processing under supervision by the tax authorities is exempt from the frontier surcharge. Natural gas obtained by processing is liable to the government duty.

## **DUTY ON TABACCO (Imposta sul tabacco)**

*Decree Law No. 1 of 22 January 1971 (G.U. 18 of 23 January 1971).*

### **B e n e f i c i a r y :**

Central government.

### **D u t y p a y a b l e b y :**

Consumers of tobacco.

### **B a s i s o f a s s e s s m e n t :**

The retail price fixed for each type of product.

### **C o l l e c t i o n :**

The duty is paid by the retailers when they remove products from the sales offices of the monopoly authorities.

### **R a t e s :**

Normally about 80 % of the retail price net of the retailer's profit. The rates are fixed according to a scale laid down by law.

**TAX ON CIGARETTE PAPERS AND TUBES (Imposta sulle cartine e tubetti per sigarette) (1)**

*Law No. 825 of 13 July 1965 (G.U. 182 of 22 July 1965)*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Consumers of cigarette papers and tubes.

**B a s i s o f a s s e s s m e n t :**

The retail price fixed for each type of product.

**C o l l e c t i o n :**

The tax is paid by retailers when they remove products from the sales offices of the monopoly authorities.

**R a t e s :**

Normally not in excess of 55 % of the retail price net of the retailer's profit.  
The rates are fixed according to a scale laid down by law.

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(1) See I 27

**DUTY ON MATCHES (Imposta di fabbricazione sui fiammiferi)**

*Decree Law No. 560 of 11 March 1923 (G.U. 72 of 27 March 1923) and subsequent amendments, DM of 16 June 1971 (G.U. 162 of 30 June 1971) fixing the rates for the period from 1 July 1971 to 30 June 1973.*

**B e n e f i c i a r y :**

Central government.

**D u t y p a y a b l e b y :**

Consumers of matches.

**B a s i s o f a s s e s s m e n t :**

The retail price fixed for each type of product.

**C o l l e c t i o n :**

The duty is paid by the Association of Match Manufacturing Industries when the matches leave the factories.

**R a t e :**

Normally, approximately 50 % of the retail price net of the retailer's profit margin.  
Rates are usually fixed every two years.

## DUTIES ON SPIRITS (Imposta sugli spiriti)

*Ministerial Decree (DM) of 8 July 1924 (G.U. 195 of 20 August 1924) and subsequent amendments.*

B e n e f i c i a r y :

Central government.

D u t y p a y a b l e o n :

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, still wash, waste from wine production, and fruit. Spirits obtained from these latter 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:

- (a) prior to the declaration of production to be carried out;
- (b) or when the goods leave the warehouses;
- (c) or in fortnightly deferred instalments following monthly payments fixed by the financial offices;
- (d) or when the goods leave the distillery.

2. "Standard duty" covers:

all spirits in the first class and similar spirits; spirits in the second class obtained from dates, dried grapes, their juices and paste, locust beans, figs, other fruit, and all spirits manufactured without supervision by the tax authorities.

The duty is payable together with the manufacturing tax or when the goods leave the distillery.

3. Special duty:

Denatured spirits belonging to the first class and similar spirits.

Duty is payable when the products are denatured or, in the case of spirits, when the products are removed from the distillery.



## R a t e s :

(per hl of pure alcohol)

## 1. Manufacturing tax:

Standard rate: Lit. 90 000 (at 15.56°C)

## 2. Standard duty:

- Spirits belonging to the first class:
 

various (general 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 ("canna gentile") 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 (figs, fruit, etc.).

## 3. Special duty:

Normally, Lit. 6 000 and Lit. 1 000 for alcohol of the first class; Lit. 2 000 for methyl alcohol, propyl alcohol and isorpropyl alcohol, provided such products have been denatured in accordance with current regulations.

## E x e m p t i o n s :

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

## I m p o r t s :

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

## E x p o r t s :

Duty-free. Duty paid is refunded.

## DUTY ON BEER (Imposta sulla birra)

*DM Consolidated Law of 8 July 1924 (G.U. 195 of 20 August 1924) and subsequent amendments.*

### B e n e f i c i a r y :

Central government.

### B a s i s o f a s s e s s m e n t :

The wort, i.e. the intermediate product in the manufacture of beer.

### C o l l e c t i o n :

The duty is payable by the brewer, prior to the manufacturing process, on the basis of his statement of products used.

### R a t e :

Lit. 400 per hl and per degree of extract of the wort as measured by the official saccharometer at 17.50°C (with flat-rate deductions for losses in manufacture).

### I m p o r t s :

The same duty is levied on imported as on Italian beer.

### E x p o r t s :

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

**DUTY ON SUGARS (Imposta sugli zuccheria)**

*DM Consolidated Law of 8 July 1924 (G.U. 195 of 20 August 1924) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

- First-category sugar, with a refined sugar yield of over 94%;
- Second-category sugar, when the refined sugar yield does not exceed the above-mentioned percentage.

**E x e m p t i o n :**

Denatured sugar used in animal feedingstuffs and in a special feed for bees.

**I m p o r t s :**

Duty is levied at the same rate as on home-produced sugar.

**E x p o r t s :**

Exports are duty-free or a refund is granted.

**R a t e s :****Standard rate:**

- |                   |   |
|-------------------|---|
| - First category  | Lit. 3 300/100 kg.  |
| - Second category | Lit. 3 168/100 kg.  |
| - Molasses        | Lit. 1 585/100 kg of sucrose<br>contained in molasses for<br>human consumption. |

**R e d u c e d   r a t e s :**

The duty is levied at reduced rates in the case of sugar used in the manufacture of certain products (jams, etc.)

## DUTY ON SWEETENERS (Imposta sulle materie edulcoranti)

*DM Consolidated Law of 8 July 1924 and subsequent amendments (G.U. 195 of 20 August 1924).*

### B e n e f i c i a r y :

Central government.

### I m p o r t s :

The same amount of duty is payable on imported sweeteners as on home-produced products.

### E x p o r t s :

Exports are duty-free or a refund is granted.

### R a t e s :

- 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 "mostarda" (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 "mostarda" (crystallized fruit in mustard-flavoured syrup)	Lit. 525/100 kg
- Invert sugar in liquid form obtained from grapejuice or locust beans	Lit. 2 475/100 kg
- Invert sugar in liquid form obtained from any other substance	Lit. 2 062/100 kg
- Invert sugar in solid form obtained from any substance	Lit. 2 887/100 kg
- Laevulose (see invert sugar)	

### S p e c i a l f e a t u r e s :

Saccharine used in the pharmaceutical industry (the only use allowed) is liable to duty at a rate of Lit 18 000/kg.

**DUTY ON COFFEE (Imposta sul caffè)**

*Decree Law No. 875 of 6 October 1955 (G.U. 231 of 6 October 1955), which became Law No. 1112 of 3 December 1955 (G.U. 280 of 5 December 1955), and DPR No. 1203 of 31 December 1969 (G.U. 69 of 17 March 1970).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Natural coffee, beans and skins, and roasted coffee, whether ground or not.

**C o l l e c t i o n :**

The duty is paid according to weight when the goods are cleared through customs.

**R a t e s :**

- Natural coffee, beans and skins	Lit. 50 000/100 kg
- Roasted coffee, whether ground or not:	
until 31 December 1969	Lit. 69 000/100 kg
from 1 January 1970	Lit. 62 500/100 kg

**I m p o r t s :**

The duty is levied on importation.

**E x p o r t s :**

Italy does not export coffee.

**DUTY ON COFFEE SUBSTITUTES (Imposta sui surrogati del caffè) <sup>(1)</sup>**

*Consolidated Law of 8 July 1924 (G.U. 195 of 20 August 1924); Decree Law No. 50 of 11 March 1950 (G.U. 59 of 11 March 1950) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

All substances which can be used as a substitute for coffee.

**R a t e :**

Lit. 4 000/100 kg

**I m p o r t s :**

Duty is levied on imports at the same rate as on domestic products.

**E x p o r t s :**

Exempt from duty.

**G O V E R N M E N T   S T A M P S   ( C O F F E E   S U B S T I T U T E S )   ( C O N -  
T R A S S E G N I   D I   S T A T O   -   S U R R O G A T I   D E L   C A F F E )**

**B e n e f i c i a r y :**

Central government.

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(1) See I 27

S p e c i a l   f e a t u r e s :

Coffee substitutes for domestic consumption must be packed in bags or containers weighing 60, 100, 200, 250, 500 or 1 000 g net, sealed and identifiable by stamps (bands) supplied by the authorities.

R a t e s :

The price of these bands is Lit. 2 for packages weighing 1 000 and 2 000 g, Lit. 1 for packages weighing 500 g, and Lit. 0.50 for all others.

## DUTY ON COCÓA (Imposta sul cacao)

*Decree Law No. 50 of 11 March 1950 (G.U. 59 of 11 March 1950) and Law No. 684 of 1 October 1969 (G.U. 267 of 21 October 1969).*

### B e n e f i c i a r y :

Central government.

### D u t y   p a y a b l e   o n :

Cocoa, cocoa butter, and cocoa skins and husks.

### R a t e s :

#### Until 4 November 1969:

- |   |                    |
|---|--------------------|
| - 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, crushed, as<br>paste or powder, and cocoa butter | Lit. 31 250/100 kg |

#### From 5 November 1969:

- |   |                    |
|---|--------------------|
| - Cocoa beans, unroasted, cocoa skins and husks                 | Lit. 18 000/100 kg |
| - Cocoa beans, roasted, unshelled                               | Lit. 20 000/100 kg |
| - Cocoa beans, roasted, shelled, crushed, as<br>paste or powder | Lit. 22 500/100 kg |
| - Cocoa butter  | Lit. 28 000/100 kg |
| - Cocoa powder whose cocoa butter content is<br>less than 1%    | Lit. 17 000/100 kg |

### I m p o r t s :

The duty is payable on importation since no cocoa is produced in Italy itself.

### E x p o r t s :

Italy does not export cocoa.



**DUTY ON BANANAS (Imposta sulle banane)**

*Law No. 986 of 9 October 1964 (G.U. 264 of 27 October 1964) and subsequent amendments, Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970), which became, by amendments, Law No. 1034 of 18 December 1970 (1) (G.U. 323 of 29 December 1970).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Bananas.

**C o l l e c t i o n :**

The duty is payable according to weight when the goods are cleared through customs.

**R a t e s : (1)**

- For fresh bananas until 27 August 1970:
  - Lit. 70/kg net.
- For fresh bananas since 28 August 1970:
  - Lit. 110/kg net;
  - for banana flour and dried bananas Lit. 350/kg.

**I m p o r t s :**

The duty is payable on importation.

**E x p o r t s :**

Bananas are not exported from Italy.

**DUTY ON SALT (Imposta sul sale)**

*Law No. 907 of 17 July 1942 (G.U. 199 of 25 August 1942) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Consumers of salt.

**B a s i s   o f   a s s e s s m e n t :**

The retail price fixed for each type of product.

**E x e m p t i o n s :**

Non-edible salt for use in industry is exempt from the duty.

**D e d u c t i o n s :**

For edible salt used in the manufacture of cheese and for salting fish, offal and rennet, the percentage of duty is reduced as follows:

- |                             |                     |
|-----------------------------|---------------------|
| - Cheese-making             | 30%                 |
| - Salting of fish and offal | 90%                 |
| - Salting of rennet         | 30% (approximately) |

**C o l l e c t i o n :**

The duty is paid by retailers when they remove products from the sales offices of the monopoly authorities.

**R a t e s :**

Between 65% and 70% of the retail price net of the retailer's profit, depending on the quality of the edible salt. The rates are fixed according to a scale laid down by law. (1)

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(1) see I 27

**DUTY ON VEGETABLE AND ANIMAL OILS (Imposta sugli olii vegetali o animali)****I. DUTY ON SEED OILS (Imposta sugli olii de semi)**

*DP No. 1217 of 22 December 1954 (G.U. 5 of 8 January 1955) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Seed oils which are liquid at 15°C.

**E x e m p t i o n s :**

Seed oils, hydrogenated seed oils, acid seed oils, and light fatty acids, for use in certain industries.

**R a t e s :**

- |                |                  |
|----------------|------------------|
| - Crude oils   | Lit. 700/100 kg  |
| - Refined oils | Lit. 760/100 kg. |

**I m p o r t s :**

Same rate of duty as on home-produced oils.

**E x p o r t s**

A refund is granted.

**II. DUTY ON ANIMAL OILS AND FATS, THICK VEGETABLE OILS AND FATTY ACIDS (Imposta sugli olii e grassi animali, sugli olii vegetali concreti e sugli acidi grassi)**

*Decree Law No. 843 of 20 November 1953 (G.U. 267 of 20 November 1953), Decree Law No. 1089 of 26 November 1954 (G.U. 273 of 27 November 1954), Decree Law No. 1194 of 31 November 1956 (G.U. 277 of 2 November 1956) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

- 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.

**R a t e :**

Lit. 25 000/100 kg (exemption in cases where the oils are to be used in certain industries).

**I m p o r t s :**

Same rate as for home-produced oils.

**E x p o r t s :**

Exports are exempt from duty.

### III. DUTY ON OLIVE OIL (Imposta sull'olio di oliva)

*Decree Law No. 912 of 9 November 1966 (G.U. 279 of 9 November 1966) and subsequent changes.*

#### B e n e f i c i a r y :

Central government.

#### D u t y   p a y a b l e   o n :

Edible olive oil obtained by pressing, "lampante", refined olive oil, oil extracted from olive pulp.

#### E x e m p t i o n s :

Olives, olive pulp, olive oil residues for uses, in certain industries, other than extraction of oil.

#### R a t e s :

- Crude oil	Lit. 1 400/100 kg
- Rectified oil	Lit. 1 520/100 kg

#### I m p o r t s :

Same rate as for home-produced oil.

#### E x p o r t s :

A refund is granted.

**DUTY ON MARGARINE (Imposta sulla margarina)**

*Law No. 450 of 11 June 1959 (G.U. 159 of 7 July 1959).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Margarine.

**C o l l e c t i o n :**

Duty is payable when margarine leaves the factory.

**E x e m p t i o n s :**

Margarine for use in the food industry is exempted.

**R a t e :**

Lit. 3 000/100 kg since 14 January 1967.

**I m p o r t s :**

Duty is levied on imported margarine at the same rate as on home-produced margarine.

**E x p o r t s :**

Margarine exported directly is duty-free.

**DUTY ON YARN (1) (Imposta sui filati)**

*Decree Law No. 1 of 3 January 1947 (ordinary supplement to G.U. 3 of 4 January 1947), Law No. 1152 of 19 October 1951 (G.U. 261 of 13 November 1951) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   o n :**

Yarns of all kinds.

**R a t e s :**

The scales laid down for the various classes of yarn are extremely complex.

Two collection systems are used:

1. A tariff system based on the quality of the yarn.
2. An inclusive system based on the annual production capacity for the various types or yarn, laid down annually by decree issued by the Finance Ministry. This system is at present being overhauled.

**I m p o r t s :**

Imports are subject to the same rates as home-produced yarn.

**E x p o r t s :**

A refund based on the duty on home-produced yarn; refunds can also be made by means of a reduction in the instalments of the duty.

**W o o l l e n   y a r n s : (2)**

Suspension from 10 October 1965 until 31 December 1971 of manufacturing tax and

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(1) *The manufacturing tax on yarns will also be abolished when value-added tax enters into force (1.1.1973).*

(2) *See the note (3) overleaf on special transitional arrangements for turnover tax (IGE) on woollen and cotton yarns.*

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):

- Sheep's or lambs' wool, not carded or combed	4%
- Fine animal hair not specified or included elsewhere, not carded or combed, except hair of rabbit, hare, beaver and nutria	4%
- Coarse animal hair of bovine or equine animals (excluding horsehair) and of common or similar goats, and pure or mixed waste thereof	4%
- Waste or sheep's or lambs' wool or of other animal hair (fine), pure or mixed	4%
- Waste of sheep's or lambs' wool or of other animal hair (fine), pulled or garnetted, pure or mixed	4%
- Sheep's or lambs' wool or other animal hair carded or combed	4%
- Rags (scraps, waste and list of textil 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 grinding, for the manufacture of paper pulp, for use as machine wipers or other similar purposes	4%

#### Exemption:

When the above raw materials are to be used by firms manufacturing felt.

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.

#### Cotton yarns: (3)

Application of the manufacturing tax and the frontier surcharge on cotton yarns and on cellulosic and synthetic fibres has been suspended from 3 July 1969 to 31 December 1971. (2)

While the above-mentioned manufacturing tax and frontier surcharge are suspended, a special surcharge, in addition to single-stage turnover tax (IGE), is applied as follows:

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(3) *The suspension which should have been terminated on 31 December 1971 has been extended until the entry into force of value-added tax (Law No. 1054 of 6 December 1971); this concerns both woollen and cotton yarns.*



Tariff heading 662	Cotton, not carded or combed	5%
Tariff heading 664	Waste of cotton and reclaimed cotton, pure or mixed	5%
Tariff heading 665	Carded or combed cotton except cotton wool	5%

E x e m p t i o n s :

The following are exempt from the manufacturing tax:

Products manufactured in the home and in charitable or educational establishments provided they are not manufactured for commercial reasons or on behalf of third parties;

Hemp yarns whose length does not exceed 800 m per kg; manufactured on manual spinning machines for use in the manufacture of rope or string;

Monofils of cellulosic, synthetic and glass fibres, when cut into staples not exceeding 60 cm in length in their place of manufacture under continuous supervision by the tax authorities.

The following are exempt from the frontier surcharge:

Monofils of imported cellulosic and synthetic fibres already cut into staples not exceeding 60 cm in length and articles manufactured from such staples.

## DUTY ON GAS AND ELECTRICITY (Imposta sul gas e sull'energia elettrica)

*Decree Law No. 1199 of 6 October 1948 (G.U. 233 of 6 October 1948) and subsequent changes.*

B e n e f i c i a r y :

Central government.

D u t y   p a y a b l e   o n :

The quantity of gas and electric energy consumed as measured by meters.

Rates:

Electric energy: (1)

(a) Lit. 4/kWh for lighting purposes;

(b) for purposes other than lighting:

1. Lit. 0.50/kWh in dwellings;

2. in buildings and places other than dwellings:

- Lit. 0.50/kWh for 6 000 kWh or less per month;

- Lit. 0.40/kWh for between 6 001 kWh and 200 000 kWh;

- Lit. 0.30/kWh for monthly consumption in excess of 200 000 kWh.

Gas: Lit. 0.20/cu.m. (2)

I m p o r t s   a n d   e x p o r t s :

The law makes no specific provisions for these.

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(1) *Until 31 December 1980, the rates are 50% lower for southern Italy and the islands.*

(2) *Gas, see I 27.*

**DUTY ON LAMPS (Imposta sulle lampadine elettriche) (1)**

*Decree Law No. 954 of 16 June 1938 (G.U. 159 of 15 July 1938) and subsequent amendments.*

**B e n e f i c i a r i e s :**

Central government.

**D u t y   p a y a b l e   o n :**

Incandescent electric bulbs with metal or carbon filaments;  
 Gas or vapour neon lamps;  
 Arc lamps for lighting purposes;  
 Pure carbon, metallized or otherwise prepared, for use in arc lighting.

**C o l l e c t i o n :**

The duty is payable to the provincial tax authorities before the goods leave the factory for distribution.

**R a t e s :**

1. Duty on incandescent electric bulbs 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.

**I m p o r t s :**

Same rate as on apparatus manufactured in Italy.

**E x p o r t s :**

Exports are duty-free.

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(1) See I 27

**GOVERNMENT STAMPS (Spirits) (Contrassegni di Stato - spiriti)**

*Decree Law No. 611 of 29 July 1964 (G.U. 186 of 29 July 1964), which became, by amendments, Law No. 762 of 15 September 1964 (G.U. 234 of 23 September 1964) and Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970 - special issue) which became Law No. 1034 of 18 December 1970 (G.U. 323 of 23 December 1970).*

**B e n e f i c i a r y :**

Central government.

**R a t e s :**

The above-mentioned laws determine the price of government stamps to be affixed to containers of non-denatured spirits, liqueurs, potable spirits, extracts and essences used in the manufacture of liqueurs, vermouth and other aromatized wines for retail sale.

Products	Capacity of containers (in litres) and price of stamps (in Lit.)						
	up to 0.100	0.250	0.500	0.750	1.000	1.500	2.000
Non-denatured spirits	30	75	150	225	300	450	600
Liqueurs and potable spirits	25	25	40	55	60	85	105
Vermouth and aromatized wines	10	10	15	15	30	30	60
Potable spirits obtained from cereals and sugarcane	80	100	220	340	420	560	640

**D E N A T U R I N G   A G E N T S   (DENATURANTI)**

Denaturing agents are supplied by the government, at a price equivalent to the cost of their preparation by the "Laboratorio Chimico Denaturanti dello Stato" in Milan.

**CONSUMPTION TAX (1) (Imposte di consumo)**

*Consolidated Law relating to local finance No. 1175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931) and subsequent amendments.*

**B e n e f i c i a r y :**

The municipalities.

**T a x   p a y a b l e   b y :**

In general, retailers.

**T a x   p a y a b l e   o n :**

A number of items, according to the municipality concerned, which fall into two groups:

- Items consumed in large quantities (liqueurs, aerated waters, meat, fish, perfumery, cheese, gas, lighting, electricity, etc.);
  - Items consumed in smaller quantities (sports equipment, footwear, paper, electrical household equipment, carpets, china, sweets, gas in cylinders, etc.);
- Certain items of prime necessity (bread, pasta, paper for certain uses, sewing machines, etc.) are tax-free.

**E x e m p t i o n s :**

There are subjective and objective exemptions.

**C o l l e c t i o n :**

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

- For beverages, the tax is normally levied on purchase by the retailer;
- For beverages transported from one municipality to another, the tax is payable in the municipality where the beverages are consumed;
- Tax on beef and veal, lamb and mutton, pigmeat and horsemeat is levied when the animals are slaughtered;
- Tax on gas for lighting and electricity is levied on the producer, who may pass

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(1) *Law No. 825 of 9 October 1971, amended by Law No. 1036 of 6 December 1971, abolished municipal consumption tax with effect from 1 July 1972.*

it on to the consumer;

- Tax on building materials is levied on the basis of the materials account for the completed construction;
- In certain cases the tax may be compounded for.

R a t e s :

Minimum and maximum rates are fixed on the basis of a single tariff drawn up by the Finance Ministry.

**TAX ON GRAMOPHONE RECORDS AND OTHER AIDS TO SOUND REPRODUCTION  
(Imposta sui dischi fonografici e gli altri supporti atti alla riproduzione del suono) <sup>(1)</sup>**

*Law No. 569 of 1 July 1961 (G.U. 177 of 19 July 1971).*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Manufacturers and importers.

**B a s i s   o f   a s s e s s m e n t :**

The price of record, etc., as shown on the invoice.

**C o l l e c t i o n :**

The tax is paid into the postal cheque account of the registration office (IGE) in Rome. In the case of imports, payment is made to the customs office.

**R a t e :**

10%.

**E x e m p t i o n s :**

Recorded lessons which may be used as teaching aids in schools.

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(1) See I 56

**DUTY ON PLAYING CARDS <sup>(1)</sup> (Imposta sulle carte da gioco)**

*Royal Decree No. 3277 of 30 December 1923 (G.U. 177 of 17 May 1924), Royal Law No. 1070 of 24 November 1954 (G.U. 270 of 24 November 1954).*

**B e n e f i c i a r y :**

Central government.

**B a s i s o f a s s e s s m e n t :**

Playing cards if they are larger than 32 x 45 mm.

**C o l l e c t i o n :**

Duty is collected by affixing a stamp to a playing card.

**R a t e s (per pack) :**

1. Playing cards made of paper:
  - Lit. 300 for ordinary playing cards;
  - Lit 500 for de luxe cards.
2. Playing cards made of materials other than paper:
  - Lit. 600 for ordinary playing cards;
  - Lit. 1 000 for de luxz cards.

**I m p o r t s :**

Duty is at the same rate on imported playing cards as on those manufactured in Italy.

**E x p o r t s :**

Exports are duty-free.

*(1) This duty will be abolished when value-added tax enters into force (1.1.1973).*



**INSURANCE TAX (Imposta sulle assicurazioni)**

*Decree Law No. 3281 of 30 December 1923 (ordinary supplement to G.U. 117 of 17 May 1924), Law No. 990 of 24 December 1969 (G.U. 2 of 3 January 1970).*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

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.

**T a x   p a y a b l e   o n :**

Insurance policies taken out on Italian territory by both Italian and foreign companies, societies or firms, however constituted, or by private individuals;

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;

- Life annuities taken out in Italy and those taken out by foreign insurance companies referred to above on behalf of persons domiciled in Italy;
- 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;
- 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.

**B a s i s   o f   a s s e s s m e n t :**

The amount of the premium and any additional sum paid by the policyholder to the insurer or in the case of mutual benefit insurance, the sum, under whatever name, paid by the insured to the mutual benefit society; contributions towards guarantee funds for the payment of indemnities are tax-free.

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### **C o l l e c t i o n :**

Direct payment by the insurer to the registration office of the district in which the company, society or firm or any other insurer is domiciled or represented; direct payment by the policyholder to the registry office in cases where the policyholder is responsible for payment of the tax.

### **R a t e s :**

Vary between 1% and 15%, according to type of insurance or of annuity contract (third-party insurance for motor vehicles and vessels: 5%).

**ENTERTAINMENTS TAX (Imposta sugli spettacoli)**

*Decree Law No. 3276 of 30 December 1923 (ordinary supplement to G.U. 117 of 17 May 1924) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Persons holding a licence to organize entertainments.

**B a s i s o f a s s e s s m e n t :**

The gross takings from each performance.

**E x e m p t i o n s :**

Certain kinds of free tickets.

**C o l l e c t i o n :**

The tax is levied directly by the representatives of SIAE (the Italian authors' and publishers' society), which has been officially authorized to collect it.

**R a t e s :**

The rates range from 3% to 45% depending on the nature of the entertainment, and there are a number of surcharges for certain types of entertainment.

**DUTY ON LOTTO (Tributo di gioco relativo al lotto)**

*RDL No. 1933 of 19 October 1938 (G.U. 298 of 30 December 1938), which became Law No. 973 of 5 June 1939 (G.U. 164 of 15 July 1938) and subsequent amendments.*

**B e n e f i c i a r y :**

The Central government; which controls lotto through a monopoly.

**D u t y   p a y a b l e   o n :**

Lotto players. Winners receive less than the amount in prizes to which they would be entitled if the duty did not exist.

**C o l l e c t i o n :**

The gross takings from lotto are paid weekly to the receivers at the provincial tax offices.

**S p e c i a l   f e a t u r e :**

The net profit collected by the Central government; after deduction of administrative costs and sums paid out to winners, includes an amount corresponding to movable wealth tax on winnings, from which players are exempt.

**DUTY ON STATE-CONTROLLED BETTING (Tributi di giuoco relativo ai concorsi pronostici esercitati dallo stato)**

*Decree Law No. 496 of 14 April 1948 (G.U. 118 of 22 May 1948), Law No. 849 of 28 July 1961 (G.U. 216 of 1 September 1961), Law No. 1117 of 29 September 1965 (G.U. 254 of 9 October 1965), DPR No. 1074 of 26 July 1965 (G.U. 235 of 18 September 1965).*

**B e n e f i c i a r y :**

The Central government, which controls betting through a monopoly (except betting on sporting events, which is controlled by CONI and UNIRE). A portion of the duty levied on betting in Sicily is allotted to that region.

**D u t y   p a y a b l e   b y :**

Persons placing bets. Winners receive less than the amount to which they would be entitled if the duty did not exist.

**C o l l e c t i o n :**

Net proceeds are paid weekly to the provincial tax offices in Rome for the account of the Finance Ministry, except the portion which is paid to Sicily.

**S p e c i a l   f e a t u r e s :**

The net profit collected by the government, after deduction of administrative costs and the percentage of takings for winnings (38%), allows for a portion (12.25% of receipts) which replaces movable wealth tax and complementary tax on winnings paid out.

The government is currently running Enalotto betting, which is connected with drawings from lotto.

**DUTY ON BETTING CONTROLLED BY CONI AND UNIRE (Imposta unica sui concorsi pronostici esercitati dal CONI e dall'UNIRE)**

*Decree Law No. 496 of 14 April 1948 (G.U. 118 of 22 May 1948), DPR No. 581 of 18 April 1951 (G.U. 173 of 31 July 1951), Law No. 1117 of 19 September 1965 (G.U. 254 of 9 October 1965).*

**B e n e f i c i a r y :**

Central government. By Presidential Decree No. 1074 of 26 July 1965, a portion of the duty levied on betting in Sicily is allotted to that region.

**D u t y   p a y a b l e   b y :**

CONI and UNIRE (Comitato Olimpico Nazionale Italiano and Unione Nazionale Incremento Razze Equine), as the bodies which control betting and are responsible for Totocalcio (football matches and other sporting contests) and Totip (horse-racing), respectively.

**C o l l e c t i o n :**

CONI and UNIRE pay the duty on each event to the provincial tax offices in Rome on a weekly basis.

**R a t e s :**

The duty is payable at a fixed rate of 26.5% calculated on total bets. In the case of Totip betting, UNIRE is granted an allowance of 28.30188% on paid-up duty; in practice, the duty is reduced to 19% for this form of betting.

**S p e c i a l   f e a t u r e :**

The duty replaces all taxes connected with the organization and running of betting payable by CONI and UNIRE as well as the movable wealth tax and complementary tax otherwise payable by winners of their winnings.

**STATE LOTTERIES (Lotterie nazionali)**

*Law No. 722 of 4 August 1955 (G.U. 191 of 20 August 1955), DPR No. 1143 of 30 December 1970 (G.U. 111 of 5 May 1971).*

**B e n e f i c i a r y :**

The Central government, which controls lotteries through a monopoly. The duty is transferred to social, welfare and cultural institutions.

**T a x   p a y a b l e   b y :**

Persons buying lottery tickets.

**C o l l e c t i o n :**

By a special accounting method.

**S p e c i a l   f e a t u r e :**

The net profit from lotteries is calculated on the basis of the relevant regulation. After deduction of certain portions, 50% is set aside as winnings and the remaining 50% is transferred to certain social, welfare and cultural institutions to be specified by Presidential Decree on a proposal by the Prime Minister, acting in cooperation with the Ministers responsible for the Budget, Finance, Internal Affairs and the Treasury.

**LOTTERY DUTY AND LICENCE FOR EVENTS CARRYING PRIZES (Tassa di  
lotteria e tassa di licenza sulle manifestazioni a premio)**

*RDL No. 1933 of 19 October 1938 (G.U. 298 of 30 December 1938) on competitions and operations carrying prizes, which became Law No. 973 of 5 June 1939 (G.U. 164 of 15 July 1939).*

**B e n e f i c i a r y :**

Central government.

**P a y a b l e b y :**

Commercial and industrial firms.

**B a s i s o f a s s e s s m e n t :**

The total value of the prizes.

**C o l l e c t i o n :**

Paid to the Treasury.

**R a t e s :**

Competitions involving chance: proportional lottery duty of 30%;

Competitions involving skill: proportional lottery duty of 10%;

Operations: fixed licence;

proportional licence.

**LOTTERY DUTY ON LOCAL RAFFLES AND SIMILAR  
EVENTS (TASSA DI LOTTERIA SULLE MANIFESTAZIONI DI SORTE LOCALI)**

*RDL No. 1933 of 19 October 1938 on tombolas, lotteries and lucky dips for charity, which became Law No. 973 of 5 June 1939 (as mentioned above).*



B e n e f i c i a r y :

Central government.

P a y a b l e b y :

Legal entities, welfare and charitable committees.

B a s i s o f a s s e s s m e n t :

Gross takings.

E x e m p t i o n s :

Lotteries and lucky dips financed by municipalities, provinces and other legal bodies where the sum provided for prizes does not exceed Lit. 100 000.

C o l l e c t i o n :

Paid to the Treasury.

R a t e :

10%.

**DUTY ON OFFICIAL CONCESSIONS (Tassa sulle concessioni governative)**

*DPR No. 121 of 1 March 1961 (ordinary supplement to G.U. 73 of 22 March 1961).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   b y :**

Persons who apply for the issue of:

- (a) Government concessions, administrative licences, deeds, certificates and other documents. The duty payable is known as duty on official concessions (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 secretariat duties (diritti di segreteria).

**E x e m p t i o n s   a n d   r e d u c t i o n s :**

As a rule they are listed in Schedules A and B annexed to the relevant Consolidated Law.

**C o l l e c t i o n :**

Ordinarily by the registry office, using revenue stamps.

**R a t e s :**

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

**SPECIAL DUTY ON MOTORWAY TOLLS (Diritti speciali sui pedaggi autostradali) (1)**

*Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970 - special issue), which became Law No. 1034 of 18 December 1970 (G.U. 323 of 23 December 1970).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   b y :**

Motorway concessionaires, who are entitled to claim a refund from users, except in the case of motor vehicles licensed to transport goods.

**B a s i s   o f   a s s e s s m e n t :**

The gross amount of tolls collected.

**C o l l e c t i o n :**

Paid direct to the Treasury.

**R a t e s :**

10% of the gross amount of tolls collected.

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(1) see I 27

## ADVERTISING TAX (Imposta sulla pubblicità)

*DPR No. 835 of 28 July 1961 (G.U. 215 of 31 August 1961).*

### B e n e f i c i a r y :

The municipalities.

### T a x p a y a b l e b y :

Persons advertising goods or services by whatever visual or aural means when the advertising is wholly visible or audible in public thoroughfares or squares and does not take the form of publicity subject to the duty on bills.

### B a s i s o f a s s e s s m e n t :

The tax is levied on the basis of the duration of the advertising and, with a few exceptions, the surface area of the advertisement, according to a tariff fixed by each municipality within the limits laid down by law for the various types of advertising and for the category to which the municipality belongs on account of its population.

### E x e m p t i o n s :

- Advertisements whose surface area does not exceed 50 square decimetres, displayed in the windows of trading establishments or on the price lists or in the entrances of such establishments, when the advertisement relates to business conducted or to products manufactured there;
- Tourist posters and other forms of advertising of an objective or general nature displayed in the windows of or inside the offices of travel agencies and tourist organizations;
- Advertisements placed or posted up on the walls of buildings used for public entertainments;
- All types of advertising outside built-up areas, beside highways and motorways, on motorway property, or beside railway lines, whether state-owned or operated under concession by private enterprise; advertisements inside stations and other railway buildings;
- Advertisements at offices of the postal authorities
- Notices on commercial vehicles when they state only the name, address and activity of the firm owning the vehicle, provided such notices appear no more than twice on it and each notice is no more than 1/2 sq. m. in size;
- Advertising by political parties at election time.

**C o l l e c t i o n :**

The duty is paid direct to the municipal tax office.

**STAMP DUTY ON LAND, SEA, RIVER, LAKE AND AIR TRANSPORT DOCUMENTS  
(Imposta di bolle sui documenti di trasporto terrestri, marittimi, fluviali, lacuali ed  
aerei) (1)**

*Decree Law No. 1173 of 7 May 1948 (ordinary supplement to G.U. 223 of 24 September 1948).*

**B e n e f i c i a r y :**

Central government.

**D u t y   p a y a b l e   b y :**

Carriers.

**B a s i s   o f   a s s e s s m e n t :**

Income derived from the above-mentioned types of transport.

**E x e m p t i o n :**

International goods transport documents.

**C o l l e c t i o n :**

The tax is paid to the Treasury, but payment is also made to the registration offices, and stamps or seals are affixed.

**R a t e s :**

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.

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(1) see I 27

**STAMP DUTY (Imposta di bollo)**

*DPR No. 492 of 25 June 1953 (ordinary supplement to G.U. 155 of 10 July 1953); DPR No. 1343 of 14 February 1963 (G.U. 249 of 14 October 1963), Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970 - special issue), which became, by amendments, Law No. 1034 of 18 December 1970 (G.U. 323 of 23 December 1970).*

**B e n e f i c i a r y :**

Central government.

**B a s i s   o f   a s s e s s m e n t :**

The duty is payable on the documents on which administrative, judicial or extra-judicial instruments have been drawn up and on all registered documents, whether printed or in writing, and drawings listed in the official tariff.

**E x e m p t i o n s :**

Deeds and documents relating to compulsory acquisition of property for public purposes by the government or public authorities; national debt bonds.

**C o l l e c t i o n :**

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

**R a t e s :**

Rates may be fixed, graduated or proportional.

Fixed rates range between                      Lit. 10 and 5 000

Graduated rates range between                Lit. 10 and 1 200

Proportional rates range between            0.1% and 2.4%

## REGISTRATION TAX (Imposta di registro)

*Royal Decree No. 3269 of 30 December 1923 (ordinary supplement (3) to G.U. 117 of 17 May 1924) and subsequent amendments, Law No. 408 of 2 July 1949 (G.U. 162 of 18 July 1949) (2), Law No. 1744 of 29 December 1962 (G.U. 5 of 7 January 1963 (4), Law No. 1317 of 27 September 1963 (G.U. 260 of 4 October 1963) (1).*

### B e n e f i c i a r y :

Central government.

### T a x p a y a b l e b y :

All persons who execute, or for whom there is executed, a deed establishing a specific economic relationship.

### B a s i s o f a s s e s s m e n t :

Determined according to two basic criteria:

- The market value of the goods transferred;
- The price agreed between the parties.

For free transfers, only the market value may apply.

### E x e m p t i o n s :

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.

### C o l l e c t i o n :

The tax is normally payable when the deed or declaration is registered, unless an increase in value has been noted.

### R a t e s :

The rates may be progressive, proportional, graduated or fixed.

- Tax is levied on transfers of real estate for money's worth, for whatever purpose and under whatever name, at the following rate: 7.50% (1).



(Where a transfer takes place within three years of another transfer of the same building for money's worth, the rate is reduced by one quarter).

Except:

- |  |          |
|--|----------|
| - Transfers of cheap housing of recent construction                          | 1.5% (2) |
| - Transfers of buildings located abroad                                      | 1 % (1)  |
| - Transfers of movable property and goods, whether<br>between dealers or not | 2 %      |
| - Loans, etc.  | 1.5% (3) |

Renting of buildings:

- |  |         |
|--|---------|
| - Based on cadastral income  | 6 % (4) |
| - Based on the rent (if there is no entry in the cadastral survey) | 4 % (4) |

**STOCK-EXCHANGE TURNOVER TAX (Imposta sui contratti di borsa)**

*Royal Decree No. 3278 of 30 December 1923 (ordinary supplement to G.U. 117 of 17 May 1924) and subsequent amendments.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Persons effecting stock-exchange transactions.

**B a s i s o f a s s e s s m e n t :**

The sum involved in the transaction.

**C o l l e c t i o n :**

When the taxpayer purchases the paper bearing stamps for stock exchange transactions or the stamps themselves; when the seals are affixed by the registry office; or by direct payment to the registry office by banks authorized to make payments in this way.

**R a t e s :****1. Transactions involving bonds, stocks and shares:**

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 amount of tax varies, according to whether cash transactions or transactions for the account are involved, as follows:

- for transactions concluded directly between persons authorized to negotiate on the official market (brokers) from Lit. 20 to 900;
- for transactions concluded directly between parties authorized to negotiate by word of mouth from Lit. 40 to 1 800;

- for transactions concluded by or through  
persons authorized to negotiate on the  
official market or by word of mouth

from Lit. 60 to 2 700.

**MORTGAGE TAX (Imposta ipotecaria)**

*Law No. 540 of 25 June 1943 (ordinary supplement to G.U. 149 of 30 June 1943).*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Persons applying for the registration 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.

**B a s i s   o f   a s s e s s m e n t :**

For registration or renewals, the basis of assessment is the capital and incidental expenses covered by the mortgage; for transcriptions, the basis of assessment is the value fixed or to be fixed for the purposes of registration tax. In the case of transfers mortis causa, the basis of assessment is the same as in the case of succession duty.

**C o l l e c t i o n :**

Tax on the transcription of deeds or of decisions concerning transfers of property is payable to the registry office within the period laid down for the payment of registration duty or succession duty; other types of duty (see under I 69) are payable to the real estate registry when an application for transcription, renewal, etc., is made.

**R a t e s :**

Rates range from 1% to 2.5%, depending on the nature of the application.

**TAX ON MOTOR VEHICLES (Tassa sulla circolazione degli autoveicoli)**

*Decree Law No. 745 of 26 October 1970 (G.U. 272 of 26 October 1970 - special issue), which became, by amendments, Law No. 1034 of 18 December 1970 (G.U. 323 of 23 December 1970).*

**B e n e f i c i a r y :**

Central government.

(By decree issued by the Treasury and the Finance Ministry, one third of the tax is allocated to the provinces).

**T a x p a y a b l e b y :**

Owners of motor vehicles.

**B a s i s o f a s s e s s m e n t :**

The basis of assessment depends on type of vehicle, cylinder capacity, engine rating, number of seats, total authorized laden weight, number of persons the vehicle can carry.

**E x e m p t i o n s :**

- Certain types of motor vehicles used for public services are permanently tax-free;
- Vehicles imported temporarily are tax-free for a limited period.

**R e d u c t i o n s :**

Reductions are made in the case of certain motor vehicles used for special kinds of transport or having certain specific characteristics.

**C o l l e c t i o n :**

The tax is payable to the registration offices. However, by agreement with the Italian Government, at present the Automobile Club of Italy collects the tax, which is paid direct into a post office account.

## R a t e s :

- Motor-cycles and cycle-cars: between Lit. 4 800 and 10 000, depending on engine rating;
- Bicycles with auxiliary motor: the annual amount of tax is Lit. 1 500;
- Light motor-cycles and cycle-cars with a cylinder capacity of up to 125 cc: the annual tax is Lit. 4 200;
- 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 hp, it is Lit. 8 500 for each hp in excess of 45;
- Motor coaches: the annual tax ranges from Lit. 9 000 to 124 000, depending on engine rating; over 45 hp, the tax is Lit. 3 000 for each hp in excess of 45;
- 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 hp, the tax is Lit. 6 000 for each hp in excess of 45; from 26 October 1970 the rate is 50% higher;
- Motor lorries, motor vans, trailers and light motor vans: depending on the total authorized laden weight, annual tax ranges from Lit. 7 500 to 157 500, and from Lit. 8 250 to 171 000 in the case of trailers;
- 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 vehicles.

**DUTY ON BILLS (Tassa sulle insegne)**

*Consolidated Law on local finance No. 1175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931.*

**B e n e f i c i a r y :**

The municipalities.

**D u t y   p a y a b l e   b y :**

Persons displaying, on the premises of industrial, commercial, artistic or professional undertakings situated in built-up areas, notices, lists and the like, of a permanent character and on material other than paper, which can be seen by the public and which indicate the name of the proprietor or the firm, the nature of the undertaking or of its activities, and specific detail on the goods for sale.

**B a s i s   o f   a s s e s s m e n t :**

The duty is payable annually and is based on the number of letters appearing on the sign, its surface area and the importance of the roads on which such signs are displayed, according to a tariff fixed by each municipality within the minimum and maximum limits laid down by law for the category to which the municipality belongs on account of its population.

**E x e m p t i o n s :**

Port areas and, generally speaking, maritime zones belonging to the State are exempt from the duty.

**C o l l e c t i o n :**

By means of assessment books.





**LUXEMBOURG**



**PERSONAL INCOME TAX (Fixed by assessment) (Impôt sur le revenu des personnes physiques - Fixé par voie d'assiette)**

*Law of 4 December 1967 on income tax, Title I, Articles 1 to 157 (Mémorial A, 1967, pp. 1228-1275), Budget Law of 29 December 1971 (Mémorial A, 1971, p. 2539 et seq.), and about 21 important Grand Ducal Regulations.*

**B e n e f i c i a r y :**

Central government

**T a x p a y a b l e b y :**

All individuals whose domicile for fiscal purposes or usual place of residence is in Luxembourg or who receive taxable income there.

**B a s i s o f a s s e s s m e n t :**

Total net income (= profits or excess of receipts over costs of acquisition) from 8 categories of income, less special expenses.

**E x e m p t i o n s :**

- Payments in cash from legal insurance against sickness, accidents and unemployment;
- Certain allowances (e.g. family allowances);
- Certain types of pension (e.g. war pensions);
- Interest on certain types of government loan;
- Capital received from payment of a life insurance;
- Income on a savings bank account = Lfrs. 8 000 per year. (1)

**D e d u c t i o n s :**

- Special expenses (in particular, social insurance contributions, insurance premiums, interest on debts, certain donations: automatic personal allowance of Lfrs. 6 000 is granted, (2), and the taxpayer must produce evidence of additional special expenses);

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(1) *The first slice of exempted income was raised to Lfrs. 12 000 at the beginning of the 1972 tax year.*

(2) *The minimum automatic allowance was raised to Lfrs. 9 000 at the beginning of the 1972 tax year (Budget Law of 29 December 1971).*

## L 01/04

- Reduction for extraordinary costs;
- Reduction for income from farming;
- Reduction for retired persons;
- Reduction for a profit made in the transfer or termination of a one-man business.

### M a r r i e d c o u p l e s :

Incomes of married couples are treated as a single income for tax purposes and tax due is determined by the "splitting" system.

### N o n - r e s i d e n t s :

Only income accruing in Luxembourg is taxable. Deductions at source extinguish the tax debt and are also made in the case of self-employed literary and artistic activities (10% of gross receipts), income derived from the leasing of licences and patents (12% of gross receipts), and remuneration received by boards of directors (10% of remuneration after prior deduction of tax on company directors' fees).

### C o l l e c t i o n :

Tax is payable annually on the basis of tax returns; tax is withheld at source on income from employment and income from pensions; tax is withheld at source on income from capital.

Annual adjustment of tax withheld on wages and pensions; when tax is calculated by assessment, tax withheld at source is deductible against final income tax liability.

### R a t e s o f t a x :

Taxpayers are divided into three classes according to the number of their dependants.

There is a graduated scale with 22 income bands, to each of which corresponds a rate of tax ranging from 0% to 57%; application of the rates varies according to the class to which the taxpayer belongs. For the first band from 0 to Lfrs. 28 200, the rate is 0%; for the second band from Lfrs. 28 200 to Lfrs. 36 600, the rate is 12%. The rate then increases by 2% or 3% per band. For income exceeding Lfrs. 531 000, there is a uniform rate of 57%. This basic scale is adjusted periodically to variations in the weighted consumer price index (1)

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(1) A new scale was applied with effect from the beginning of the 1972 tax year (Article 3 of the Budget Law of 29 December 1971).

The income bands were adjusted to the rise in the weighted consumer price index:

- First band: 0% taxable income less than Lfrs. 30 600
- Second band: 12% taxable income between Lfrs. 30 600 and Lfrs. 41 400
- Final band: 57% taxable income exceeding Lfrs. 576 000.

As regards extraordinary income, the rates applied range from 12% to 34.2%.

C a r r y - o v e r o f l o s s e s :

Losses suffered by business firms, farmers, foresters or persons practising a liberal profession may be carried over for a period of five years, provided the persons running the enterprise or other persons involved keep regular accounts.

**TAX ON WAGES, SALARIES AND PENSION (Impôt sur les salaires et pensions)**

*Law of 4 December 1967 on income tax, Title I, Articles 136-145 (Mémorial A, 1967, pp. 1268-1270), Budget Law of 29 December 1971 (Mémorial A, 1971, p. 2539 et seq.) and about 11 important Grand Ducal Regulations.*

T a x   p a y a b l e   b y :

Workers receiving income from employment or former employment;

Persons in receipt of retirement of old-age pensions from an independent retirement fund.

C o l l e c t i o n :

Income tax due on wages, salaries and pensions is withheld at source.

The tax is to be withheld by the employer of the pension fund for the account of the worker or the pensioner in accordance with tables of monthly or daily amounts which are drawn up on the basis of the general scale for personal income tax and allow for the standard deductions for costs of acquisition (= Lfrs. 12 000 per year for workers in paid employment and Lfrs. 6 000 per year for persons in receipt of pensions) and special expenses (= Lfrs. 6 000 per year) (1)

There is an annual adjustment of tax withheld. When tax is calculated by assesment, tax withheld is deductible from tax liability.

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(1) *The minimum standard deduction for special expenses was raised to Lfrs. 9 000 per year at the beginning of the 1972 tax year (Budget Law of 29 December 1971).*

**WITHHOLDING TAX ON INCOME FROM CAPITAL (Impôt retenu sur les revenus de capitaux)**

*Law of 4 December 1967 on income tax, Title I, Articles 146-151 (Mémorial A, 1967, pp. 1271-1273) and Budget Law of 29 December 1971 (Mémorial A, 1971, p. 2539 et seq.).*

**T a x   p a y a b l e   o n :**

Dividends and interest on bonds which are subject to income tax. The tax is withheld at source for the beneficiary's account by the distributor in Luxembourg.

Where tax is calculated by assessment, tax withheld is deductible from tax liability.

**R a t e s   o f   t a x :**

15% of gross dividends

5% of gross interest on bonds.

L 05

**SPECIAL TAX ON COMPANY DIRECTORS' FEES (Impôt spécial sur les tantièmes)**

*Regulation of 31 March 1939 on the tax on company directors' fees.*

B e n e f i c i a r y :

Central government.

T a x p a y a b l e b y :

Members of boards of directors receiving fees.

B a s i s o f a s s e s s m e n t :

All fees.

N o n - r e s i d e n t s :

As for residents.

C o l l e c t i o n :

The tax is withheld at source by the company concerned.

R a t e o f t a x :

20% (or 25% in cases where a company pays the tax).

S p e c i a l f e a t u r e s :

This tax cannot be deducted from personal income tax itself, but may be deducted from the basis of assessment of personal income tax.



**CORPORATION TAX (Impôt sur le revenu des collectivités)**

*Law of 4 December 1967 on income tax, Title II, Articles 158-174 (Mémorial A, 1967, pp. 1276-1281) and Articles 14-60 of the same law; Article 170, paragraph 4 LIR of Grand Ducal Regulation of 3 December 1969 on the splitting-up of companies (Mémorial A, 1969, p. 1334); Article 161, No. 6 LIR of Grand Ducal Regulation of 15 April 1969 (Mémorial A, 1969, p. 531 and Mémorial A, 1970, p. 379).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Joint-stock companies, cooperative societies, religious associations, non-profit making organizations, foundations and establishments for public utility, funds for special purposes, mutual insurance associations, industrial and commercial undertakings incorporated under public law.

**B a s i s o f a s s e s s m e n t :**

Profits; these are assessed on the basis of the regulations governing personal income tax.

**E x e m p t i o n s :****"Personal" exemptions:**

Certain corporate bodies whose direct or exclusive objectives are cultural, charitable or of general interest;

Establishments supplying water, gas and electricity and belonging to the State, municipalities or groups of municipalities;

Post office authorities;

State savings bank, national lottery, national low-cost housing corporation, independent employers' pension and provident funds;

Holding companies;

Agricultural associations and exclusively occupational associations.

**"Real" exemptions: (Privilege of parent companies and subsidiaries - Schachtelprivileg.)**

The income of a resident joint-stock company which is fully liable to tax and which has a direct continuous holding of at least 25% in the capital of another joint-stock company, is exempted:

## L 06/04

Wholly, if the other company is resident and fully liable to tax;

Half, if the other company is non-resident but fully liable to a tax corresponding to company tax (although more extensive exemptions may be granted where conventions exist to prevent double taxation).

### D e d u c t i o n s :

In addition to the deductions as for personal income tax, the other expenses which may be deducted are:

Funds earmarked for the technical reserves of insurance companies;

Refunds made to members by cooperatives and certain agricultural associations;

Amounts due to partners in partnerships limited by shares for rent, interest on assets, or fees for an activity in the service of the company.

### N o n - r e s i d e n t s :

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.

### R a t e s o f t a x :

20% when taxable income does not exceed Lfrs. 400 000;

Lfrs. 80 000 plus 50% of income in excess of Lfrs. 400 000 when taxable income is between Lfrs. 400 000 and Lfrs. 600 001;

30% when taxable income is between Lfrs. 600 000 and Lfrs. 1 000 001;

Lfrs. 300 000 plus 72% of income in excess of Lfrs. 1 000 000 when taxable income is between Lfrs. 1 000 000 and Lfrs. 1 313 000;

40% when taxable income is in excess of Lfrs. 1 312 000.

### C a r r y - o v e r o f l o s s e s :

Five years.

**BETTING TAX (Taxe sur les paris sportifs)**

*Law of 15 June 1903 on the exploitation of games of chance, plus the Law of 21 January 1948 aimed at regulating betting on sporting events, Grand Ducal Decree of 20 September 1948 implementing the Law of 21 January amended by the Grand Ducal Decree of 16 February 1950.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Bookmakers

**B a s i s o f a s s e s s m e n t :**

An initial fixed duty is payable when the office is opened, and a proportional tax is levied on bets and winnings.

**C o l l e c t i o n :**

The proportional tax is payable within a fortnight of the time when the bets are settled.

**R a t e s o f t a x :**

In the case of the fixed duty, the maximum payable is Lfrs. 10 000. In the case of the proportional tax, the rates are 8% of bets and 10% of winnings.

**WEALTH TAX (Impôt sur la fortune)**

*Wealth Tax Law of 16 October 1934, Regulation of 31 October 1939 amending the Wealth Tax Law, Regulation implementing the Wealth Tax Law of 2 February 1935 and Ministerial Regulation of 16 April 1969 on the exemption of employers' pension and provident funds from wealth tax (Mémorial A 1969, p. 534).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Individuals and legal persons except partnerships (sociétés de personnes), members of which are taxed individually on the value of their participation.

**B a s i s o f a s s e s s m e n t :**

Total property, gross (farms and forestry holdings, all other movable and immovable, tangible and intangible property), less debts.

**E x e m p t i o n s :**

Savings banks properly so-called, pension funds, employers' pension and provident funds, etc.;

Non-profit-making associations of a religious and/or charitable nature or such associations serving the public interest;

Non-profit-making housing enterprises;

Holding companies;

State and municipal enterprises.

**D e d u c t i o n s :**

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).

**M a r r i e d c o u p l e s :**

Tax is aggregated.

N o n - r e s i d e n t s :

Only assets located in Luxembourg are taxed.

C o l l e c t i o n :

General assessment every three years.

R a t e o f t a x :

0.5%.

S p e c i a l f e a t u r e s :

The minimum taxable net wealth of companies is Lfrs. 500 000 (Lfrs. 200 000 for a private limited company).

## L 09

### ESTATE DUTY (Droits de succession)

*Law of 27 December 1817 on the levy of estate duty, Laws of 18 August 1916, 7 August 1920 and 31 January 1921 increasing the estate duties, amending law of 16 June 1950 and law of 13 May 1964 and various other Grand Ducal laws and regulations.*

#### B e n e f i c i a r y :

Central government.

#### T a x p a y a b l e b y :

Heirs and legatees of persons domiciled in Luxembourg.

#### B a s i s o f a s s e s s m e n t :

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.

#### E x e m p t i o n s :

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 inherited exceeds Lfrs. 20 000.

#### C o l l e c t i o n :

By means of assessment books.

#### R a t e s o f d u t y :

In direct line: Apart from the "legal portion", 2.5% in the case of the disposable share and 5% for the remainder;

To spouse without children or common descendants: 6%.

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% to 220% (portion in excess of Lfrs. 17.5 million).

Legacies left to municipalities, public undertakings, charitable institutions and relief committees: 4% whatever the sum;

Legacies left to non-profit-making organizations, undertakings for public purposes, church funds, consistories and synagogues: 6% whatever the sum.

N o n - r e s i d e n t s :

Where the deceased person was not domiciled in Luxembourg, transfer duty on death (droit de mutation par décès) and not estate duty is levied.

B a s i s o f a s s e s s m e n t :

Market value of real estate located in Luxembourg at the time of decease. There are no allowances, and debts are not deductible.

R a t e s o f d u t y :

In direct line: 2% of the "legal portions";

To spouse with children or common descendants: 5%;

Other rates are the same as in the case of estate duty;

As in the case of estate duty, the rate is increased progressively by 10% to 220% (see above).

**VALUE-ADDED TAX (Taxe sur la valeur ajoutée) <sup>(1)</sup>**

*Law of 5 August 1969 on value-added tax (Mémorial A 1969, p. 954 et seq.), Laws of 24 December 1969, 29 December 1970 and 29 December 1971 on the budget of public receipts and expenditure for 1970, 1971 and 1972 respectively (Mémorial A 1969, p. 1730 et seq.; Mémorial A 1970, p. 1480 et seq. and Mémorial A 1971, p. 2539 et seq.), and 23 Grand Ducal Decrees and sundry circulars.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

- Any natural or legal person who habitually performs independent activities connected with an economic activity;
- Importers.

**T a x d u e w h e n :**

- Goods are delivered and services rendered against payment within Luxembourg;
- Goods are used for purposes not connected with the running of the enterprise;
- Goods are imported.

**B a s i s o f a s s e s s m e n t :**

- For goods delivered and services rendered: the remuneration received (exclusive of VAT);
- For goods used for private purposes: the normal value (exclusive of VAT);
- For imports: the purchase price or normal value (exclusive of VAT) plus all duties, taxes, charges and incidental expenses involved up to the first point of destination of the goods within Luxembourg.

**D e d u c t i o n s :**

As a general rule, tax paid at earlier stages is deductible.

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(1) Came into force on 1 January 1970.



E x e m p t i o n s :

- No tax is due, and tax paid at earlier stages is deducted, on exports of goods and services and international transport.
- No tax is due, but tax paid at earlier stages is not deducted, on activities of the postal services, the transfer and letting of real property, banking and insurance transactions, and certain social and cultural activities.

C o l l e c t i o n :

Monthly, quarterly or annual tax returns and payments.

R a t e s o f t a x :

From 1 January 1970 to 31 December 1970: 2%, 4% and 8%.

From 1 January 1971: 2%, 5% and 10%.

E x p o r t s :

See under "Exemptions".

**TURNOVER TAX (Taxe sur le chiffre d'affaires) (1)**

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Any natural or legal person engaged in commercial, industrial or profit-making activity of any kind, on his own account.

**T a x p a y a b l e o n :**

- Transfers of merchandise and rendering of services for gain in Luxembourg;
- Goods used by a person liable to the tax for purposes not connected with the running of his business;
- Imports.

**B a s i s o f a s s e s s m e n t :**

- For transfers of merchandise and rendering of services, the remuneration actually received;
- In the case of goods used for private purposes, the purchase price payable by the enterprise;
- In the case of imports, the purchase 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 duty.

**E x e m p t i o n s :**

Numerous.

**C o l l e c t i o n :**

Both returns and payment are made on a quarterly basis, while assessment (by books) is annual.



*(1) Turnover tax was replaced by VAT on its introduction on 1 January 1970.*

R a t e s o f t a x :

From 0.50 to 3.75%.

Flat 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 delivery;

1% for manufactured tobacco;

3.25% for solid mineral fuels;

0.5% for fuel oils;

2% for patent medicines.

I M P O R T S :

The rate is generally 3%.

E x p o r t s :

Export drawback is granted to compensate for the cumulative amount of turnover tax levied earlier.

## L 12

For excise duties see the section  
B E L G I U M which includes the harmonized  
excise duties in force in the Belgo-Luxembourg  
Economic Union (BLEU)

B 11	relates to	L 14/15
B 12	" "	L 12
B 13	" "	L 12
B 14/15	" "	L 16/17
B 16/17	" "	L 12
B 18	" "	L 12
B 20	" "	L 12

**FIRE SERVICE TAX (Contribution dans l'intérêt du service d'incendie)**

*Law on fire protection tax of 1 February 1939 (RGL. I, p. 113). Provisions of 1 February 1939 implementing the Law on fire protection tax (RGL. I, p. 116) and Grand Ducal Decree of 23 July 1945.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Fire insurance underwriters.

**B a s i s o f a s s e s s m e n t :**

Total amount received by the insurance company (premiums plus incidental expenses).

**C o l l e c t i o n :**

Returns and payment are made on a quarterly basis.

**R a t e :**

4%.

**INSURANCE TAX (Taxe sur les assurances)**

*Law on insurance tax of 9 July 1937 (RGL. I, p. 793). Provisions implementing the Law on insurance tax of 13 July 1937 (RGL. I, p. 797), and Grand Ducal Decree of 23 July 1945.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Insured persons, guaranteed by the underwriter.

**T a x p a y a b l e o n :**

Payments of premiums for certain types of insurance contracts (e.g. hail, theft, glass, civil liability, accident, fire, building, transport, marine, aircraft, motor, life, sickness, old age, disability, dowry, capitalization contracts, etc.).

**B a s i s o f a s s e s s m e n t :**

Generally, the premium including incidental expenses;  
For hail, the sum insured.

**E x e m p t i o n s :**

Certain types of insurance contract, notably compulsory contracts with social insurance institutions.

**C o l l e c t i o n :**

Returns and payments are made on a quarterly basis by the underwriter.

**R a t e s :**

0.2‰ of the insured sum in the case of hail insurance;  
In other cases: 2 to 10% of the premium according to the contingency insured against.

**TRANSPORT TAX (Impôt sur les transports) (1)****B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Persons liable to pay fares or transport rates. The tax is guaranteed by the carrier.

**T a x p a y a b l e o n :**

Passenger and goods transport by rail, and passenger transport by road by motor vehicles, in Luxembourg (turnover tax is payable on road haulage).

**B a s i s o f a s s e s s m e n t :**

Transport rates and fares (in general).

**E x e m p t i o n s :**

Reduced-rate motor-vehicle transport of workers, schoolchildren and servicemen.

**C o l l e c t i o n :**

Returns and payment are made on a quarterly basis by the carrier.

**R a t e s o f t a x :**

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 Lfrs. 0.03 per person and per kilometre 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 2% rate to 1.961%.

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(1) Transport tax was replaced by VAT on its introduction on 1 January 1970.

**CHARGES FOR LANDING AND PARKING ON AERODROMES (Taxes d'atterrissage et de stationnement aéroport)**

*Article 7 of the Law of 31 January 1948 on the regulation of air traffic (Mémorial 1948, p. 203). Grand Ducal Regulation of 17 May 1967 (Mémorial A 1967, p. 509). Grand Ducal Regulations of 24 March 1970, 19 March 1971 and 2 February 1972 (Mémorial A 1970, p. 457; Mémorial A 1971, p. 332; Mémorial A 1972, p. 207).*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e b y :**

Owners of aircraft.

**T y p e s o f c h a r g e s :**

- (a) Landing charges for commercial traffic plus additional charge for passenger transport.
- (b) Parking charges.

The charges apply to all Luxembourg and foreign aircraft except government aircraft.

**B a s i s o f a s s e s s m e n t :**

- (a) Landing and additional charges:
  - the maximum authorized weight;
  - the number of passengers on board the aircraft at the moment of take-off.
- (b) Parking charges:
  - weight per ton and duration of parking.

**E x e m p t i o n s :**

Direct transit passengers, children below the age of two, and holders of a service ticket are exempt from the additional charge.

The Minister of Transport may grant exemption from landing or parking charges for reasons of public interest.

No landing charges are due for test flights.



## R e d u c t i o n s :

The Minister of Transport may grant reductions for reasons of public interest.

## C o l l e c t i o n :

Landing and parking charges are payable in general in cash, through an airport official, to the Department for Registration and Public Land.

## R a t e s :

## (a) Landing charges:

Commercial non-passenger traffic:

Aircraft weighing less than 2 metric tons, per ton or fraction of a metric ton;	Lfrs.	50
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Aircraft weighing 2 tons or more but less than 60 tons, per ton or fraction of a ton;	Lfrs.	75
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Aircraft weighing 60 tons or more, per ton or fraction of a ton;	Lfrs.	100
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Commercial passenger traffic:

In addition to the charge given above, the additional charge amounts to:

in cases where the passenger's airport of destination is located in a European country within a 2 000 km radius;	Lfrs.	50
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in all other cases.	Lfrs.	100
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## (b) Parking charges:

Lfrs. 10 per ton and 24-hour period;

each fraction of a ton and of a 24-hour  
period is counted as a full ton or  
24-hour period;

the six first hours of parking are free;

Maximum charge:	Lfrs.	50 000
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## TAX ON LAND AND BUILDINGS (Impôt foncier)

*Law on tax on land and buildings of 1 December 1936, Law amending Article 29 of the Law on tax on land and buildings, Grand Ducal Regulation of 21 December 1962 amending certain provisions of the tax on land and buildings (Mémorial A, 1962, p. 1186), Law of 1 February 1967 modifying the provisions of the Law on tax on land and buildings as regards the municipal rates (Mémorial A, 1967, p. 51), Grand Ducal Regulation of 27 June 1967 (Mémorial A, 1967, p. 712), Grand Ducal Regulation of 18 December 1967 amending certain provisions relating to standard valuation and the tax on land and buildings for one-family houses (Mémorial A, 1967, p. 1539) and 6 other regulations.*

### B e n e f i c i a r y :

The municipalities.

### T a x p a y a b l e b y :

Owners of real estate located in the municipalities.

### B a s i s o f a s s e s s m e n t :

Standard value of all real estate, whether buildings or land without buildings, assessed on the basis of the valuation law.

### E x e m p t i o n s :

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.

### N o n - r e s i d e n t s :

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 in Luxembourg.

C o l l e c t i o n :

The amount of tax is fixed annually without tax returns.

R a t e s o f t a x :

A basic taxable amount is first of all fixed, varying between 7 and 10<sup>0</sup>/‰ of the standard value. This basic taxable amount is then multiplied by a factor fixed by the municipal authorities between 0.8 and 6, depending on the nature of the building. In the case of farms, this factor varies from 1 to 5.

S p e c i a l f e a t u r e s :

The tax may be deducted from taxable income or profits.

**STAMP DUTY (Droit de timbre)**

*Law of 23 December 1913 on registration, Laws of 7 August 1920 and 28 March 1938, on the increase of stamp duties, Ministerial Decrees of 19 April 1950, 18 October 1950 and 29 February 1968, and various other laws and Grand Ducal Decrees.*

**B e n e f i c i a r y :**

Central government.

**B a s i s o f a s s e s s m e n t a n d r a t e s o f d u t y :**

- Stamp duty ranging from Lfrs. 5 to 60, depending on the size of the paper, is payable on all public and private documents intended to have probative 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 Fr. 1 per Lfrs. 1 000 of the sum mentioned or of the nominal value, is payable on bills of exchange, promissory notes or bearer bills, drafts, abstracts, all other negotiable and non-negotiable bills and bonds.

**E x e m p t i o n s :**

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.

Shares or bonds issued by companies are exempt from stamp duty.

**C o l l e c t i o n :**

By affixing of stamps or by payment of the duty when it becomes due.

**REGISTRATION TAXES (Droits d'enregistrement)**

*Laws of 23 December 1913 and 7 August 1920 on registration, Law of 18 September 1933, Grand Ducal Decree of 12 May 1945 fixing certain duties and taxes, Laws of 28 January 1948 and 13 July 1949, Law of 29 December 1971 concerning the tax on the assembling of capital in companies governed by civil law or commercial law (sociétés civiles et commerciales) and revising certain legal provisions on the collection of registration taxes, and various other Laws and Grand Ducal Decrees.*

**B e n e f i c i a r y :**

Central government.

**B a s i s o f a s s e s s m e n t :**

Market value of property transferred or sums and securities for which legal acts are executed.

**E x e m p t i o n s :**

Certain types of legal acts are exempt from registration taxes because of the nature or purpose of the legal procedure in question or of the status of the parties.

**C o l l e c t i o n :**

As a general rule, the taxes are collected when civil, judicial or extra-judicial acts are registered.

**R a t e s :**

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 act, 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 payment in respect 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 the fixed duty.

## L 24/26

### D u t y   l e v i e d   o n   s a l e s   o f   r e a l   p r o p e r t y :

Standard rate: 6%.

Reduced rate applicable to sales of real estate in cases of bankruptcy and, in certain circumstances, to rural properties and low-cost housing: 1.2%.

### D u t y   l e v i e d   o n   c o m p a n i e s : (1)

- Real or personal estate invested: 0.6%.
- New capital invested: 0.6%.
- Capitalization of reserves: fixed duty of Lfrs. 20.

#### Mergers:

- in the case of capital invested in 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 invested in the new company.
- In the case of holding companies, the transfer duty is reduced to 0.32% (minimum Lfrs. 3 000) and in the case of family companies (sociétés familiales) to 0.3%;
- Transfer of shares in commercial partnerships (sociétés en nom collectif), limited partnerships (sociétés en commandite simple) and companies governed by civil law (sociétés civiles): 1.2%.

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(1) *The duty levied on companies from 1 January 1972, as amended by the Law of 29 December 1971, is as follows:*

*Real or personal estate invested: 1%.*

*In the case of assets transferred to a company for a valuable consideration: 0.24% to 6%, according to the nature of the assets invested.*

*New capital invested: 1%.*

*Capitalization of reserves: fixed duty of Lfrs. 20.*

#### *Mergers:*

*in the case of capital invested in a new company: 0.5%;*

*in the case of assets transferred to a company for a valuable consideration (assets with a liability counterpart): exempted because the assets invested are the contributor's total assets;*

*in the case of family companies (sociétés familiales) the duty is reduced to 0.5%; the same applies to holding companies from the period 1 January 1972 to 31 December 1972.*

*Transfer of shares of associates: exempted.*

D r o i t d ' a b o n n e m e n t o n s h a r e s a n d b o n d s :

A compulsory annual duty (droit d'abonnement) is payable on shares and bonds issued by limited liability companies (sociétés anonymes) and partnerships limited by shares (sociétés en commandite par actions) and on participations in limited liability partnerships, the minimum being Lfrs. 500 a year and the rates being as follows:

- 0.36% in the case of limited liability companies (sociétés anonymes) and partnerships limited by shares (sociétés en commandite par actions);
- 0.18% for limited liability partnerships.

The compulsory annual duty (droit d'abonnement) is payable on the bonds of holding companies at a rate of 0.16% (minimum Lfrs. 1 500 a year).

**MORTGAGE TAX** (Registration of mortgage, renewal of registration and transfer) (**Droits d'hypothèque - droits d'inscription, de renouvellement d'inscription et de transcription**)

*Law of 18 April 1910 and Grand Ducal Decree of 19 April 1910 on mortgage arrangements, Law of 7 August 1920 on the increase of duties, Law of 14 July 1966 and Grand Ducal Regulation on the registration and mortgaging of inland waterway vessels, and various other Laws and Grand Ducal Decrees.*

**B e n e f i c i a r y :**

Central government.

**B a s i s   o f   a s s e s s m e n t :**

- 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 over).

**E x e m p t i o n s :**

- The following are exempt from mortgage registration tax: legal mortgages on property belonging to minors, persons under judicial disability, married women, and the central government, and mortgages guaranteeing municipal loans, loans made by the State Savings Bank, the land mortgage institution (crédit foncier), the subsidized housing department and social insurance institutions, etc.
- The following are exempt from mortgage 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.

**C o l l e c t i o n :**

Mortgage tax is collected when the relevant legal documents concerning the mortgage are presented.

**R a t e s   o f   t a x :**

- Registration and renewal of registration (in principle every ten years): 0.5°/∞∞.
- Transfer: as a general rule 1%; this rate is reduced to 0.5% in the case of some real property (rural property, low cost housing) and in the case of certain



legal acts (exchanges, sales of real property following bankruptcy).

S p e c i a l   f e a t u r e s :

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; 1/5 of this sum is paid to the mortgage registrars by way of compensation for their responsibility.

**TAX ON MOTOR VEHICLES (Taxe de circulation sur les vehicules automobiles)**

*Law on motor vehicle tax of 23 March 1935, implementing provisions of 5 July 1935 for the Law on motor vehicle tax, Articles 4 and 5 of the Law of 24 March 1967 (Mémorial A 1967, p. 210 et seq.), Grand Ducal Regulation of 19 June 1967 on the tax system for motor vehicles (Mémorial A 1967, p. 636), Article 4 of the Law of 23 December 1967 (Mémorial A 1967, p. 1558), Grand Ducal Regulation of 24 December 1969 (Mémorial A 1969, p. 1918), Article 4 of the Law of 29 December 1970 (Mémorial A 1970, p. 1480) and various other Grand Ducal and ministerial regulations.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   o n :**

Motor vehicles, trailers and semi-trailers using the public highway, other than those running on rails.

**T a x   p a y a b l e   b y :**

The person in whose name the vehicle is registered.

**B a s i s   o f   a s s e s s m e n t :**

Tax is calculated on the basis of the cylinder capacity of the engine or the weight of the vehicle, depending on the class of the vehicle.

**E x e m p t i o n s :**

Vehicles used by the Central government, the municipalities or public enterprises or for public benefit; ambulances, and tractors used exclusively for agricultural purposes; vehicles used by the diplomatic corps, and invalid vehicles.

**C o l l e c t i o n :**

Returns and payments are made annually or by instalments.

## R a t e s   o f   t a x :

## I. On the basis of cylinder capacity:

- Private cars with engines running on light mineral oils:

up to 2 400 cc: Lfrs. 126 per 100 cc

from 2 401 to 3 600 cc: Lfrs. 3 030

3 601 cc and over: Lfrs. 3 030 plus Lfrs. 84 per 100 cc

- For private cars with engines running on fuels other than light mineral oils or electricity: these rates are increased by 50%.

## II. On the basis of weight:

	up to 2 400 kg	above 2 400 kg
- Private cars driven by a rotary piston engine or an electric or turbine engine	Lfrs. 315 per 200 kg of unladen weight	Lfrs. 3 780 plus Lfrs. 105 per 200 kg in excess of 2 400 kg
- Buses and coaches	Lfrs. 315 per 200 kg of unladen weight	Lfrs. 3 780 plus Lfrs. 105 per 200 kg in excess of 2 400 kg
- Lorries, vans, tractors, and truck tractors	Lfrs. 320 per 200 kg of unladen weight	Lfrs. 3 840 plus Lfrs. 400 per 200 kg in excess of 2 400 kg
- Trailers and semi-trailers	Lfrs. 280 per 200 kg of unladen weight	Lfrs. 3 360 plus Lfrs. 350 per 200 kg in excess of 2 400 kg

## TRADE TAX (Impôt commercial)

*Law on trade tax of 1 December 1936, Regulations of 31 March and 16 January 1943 on the levying of trade tax in simplified form, third Regulation of 31 January 1940 implementing the trade tax law, Amending Law of 11 December 1967 (Mémorial A 1967, p. 1323), Amending Law of 16 August 1968 concerning the payroll tax (Mémorial A, p. 652), four other laws on trade tax, and various other Grand Ducal and ministerial regulations.*

### B e n e f i c i a r y :

The municipalities.

### T a x   p a y a b l e   b y :

Business, industrial, mining or handcrafts undertakings located in Luxembourg.

### B a s i s   o f   a s s e s s m e n t :

- Trading profits, with certain increases (in particular, interest on long-term debts and other permanent costs, half the rent paid for movable assets) and certain reductions (10% of the standard value of buildings, the percentage of profits received from partnerships (sociétés de personnes) which is itself liable to trade tax);
- Operating capital with certain increases (in particular, long-term debts) and certain reductions (standard value of buildings, value of holdings in partnerships (sociétés de personnes) which is itself liable to trade tax);
- In some cases, total wages (special payroll tax). If this total does not exceed Lfrs. 400 000 per taxpayer and per tax year, it is not taken into consideration. If it is between Lfrs. 400 000 and Lfrs. 1 200 000, it is reduced by half of the amount by which it falls short of Lfrs. 1 200 000.

### D e d u c t i o n s :

An allowance of Lfrs. 250 000 is granted on profits made by natural persons and partnerships (sociétés de personnes) and of Lfrs. 100 000 on profits made by companies having a share capital (sociétés de capitaux).

An allowance of Lfrs. 500 000 is granted on operating capital of natural persons and partnerships (sociétés de personnes); the capital of companies having a share capital (sociétés de capitaux) is not taxable if it is below Lfrs. 30 000.

**E x e m p t i o n s :**

As a general rule, those persons or companies are exempted which are also exempted from corporation tax.

**N o n - r e s i d e n t s :**

The same as for residents, since the tax is levied on the enterprise by virtue of the fact that it is located in Luxembourg, regardless of who the owner is.

**C o l l e c t i o n :**

Annually by means of tax returns.

**R a t e s o f t a x :**

(a) Trade tax proper:

4% of profits

2% of operating capital

A municipal factor varying between 1.4 and 3.75 is then applied.

(b) Payroll tax levied by large municipalities:

2% of the payroll multiplied by a municipal factor which is usually 6.

**S p e c i a l f e a t u r e s :**

This tax may be deducted from taxable income or profits.

**C a r r y - o v e r o f l o s s e s :**

Losses may be carried over for a period of 2 years.

**TAX ON THE LICENCE TO SELL BEVERAGES (Taxe des cabarets)**

*Law of 22 December 1970 amending Article 1 of the Law of 12 August 1927 (Mémorial A 1927, p. 332), on the system for taverns, etc., including the coordinated text of all legal provisions in force on the matter (Article II/ Mémorial A 1970, p. 1459).*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Holders of licences to sell beverages.

**T a x   p a y a b l e   o n :**

The licence.

**C o l l e c t i o n :**

- A once-and-for-all tax payable when a bar or café is opened or transferred;
- An annual tax payable thereafter.

**R a t e s   o f   t a x :**

- 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 when 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 27 July 1912.  
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.

**ENTERTAINMENTS TAX (Taxes sur les amusement publics)**

*Organic Regulation of charitable boards of 11 December 1846 (Mémorial 1846, p. 694), Law of 28 May 1897 (Mémorial 1897, p. 401), Grand Ducal Decree of 22 October 1923, and various municipal regulations.*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

Organizers of public entertainments.

**T a x p a y a b l e o n :**

Cinema shows, fairs, lotteries, fancy dress balls, skittles, juke-boxes, etc.

**C o l l e c t i o n :**

By means of tax returns.

**R a t e s o f t a x :**

There is a fixed duty varying from Lfrs. 200 to 300 annually in the case of skittles and from Lfrs. 200 to 600 in the case of juke-boxes, and a proportional duty varying from 5 to 15% of the entrance charge.





**NETHERLANDS**



**PERSONAL INCOME TAX (Inkomstenbelasting)**

*Income Tax Law 1964 / Staatsblad 519.*

**B e n e f i c i a r y :**

Central government (1).

**T a x p a y a b l e b y :**

All individuals resident in the Netherlands, and non-residents deriving income from Dutch sources.

**B a s i s o f a s s e s s m e n t :**

For residents: total income from all sources (business profits plus net income from work, from capital or from 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, deductible gifts and certain deductible losses.

For non-residents: total income from Dutch sources (business profits made in the Netherlands plus net income from an occupation which is or was carried on in the Netherlands, from real estate located in the Netherlands, from mortgages secured on such real estate, 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 and deductible losses.

**E x e m p t i o n s :**

Income from the following sources is not deemed to form part of gross total income:

- appreciation of farming land unless the appreciation has resulted from farming activities;
- profits from forestry undertakings;
- 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;
- an allowance of Fl. 10 000 in cases where businesses are, partly or wholly, sold

(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970 and 0.851% in 1971 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

## N 01

- or wound up;
- winnings from games of chance not forming part of a business's profits;
- benefits from savings premiums resulting from certain laws on savings applying to lower-income groups.

### M a r r i e d   c o u p l e s :

Married couples are assessed jointly unless they live apart permanently. For assessment purposes (for 1971), the wife's income resulting from paid employment, or from profits from her activity in a firm of her own or of her husband's, is reduced by not less than Fl. 850, but by not more than the sum of the said income, and in any case not by more than Fl 2 500.

### C h i l d r e n :

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 parent's income and liabilities.

### C a r r y - o v e r   o f   l o s s e s :

Losses are deducted from the income in the last calendar year and six following calendar years. Under certain circumstances, the period of six years may be extended indefinitely as regards the losses of an undertaking incurred during the first six years following the setting-up of the undertaking (initial losses).

### C o l l e c t i o n :

1. Personal income tax is levied annually by the tax department. It is assessed on the basis of the taxpayer's declaration. If no such declaration is submitted, the amount due is assessed directly by the tax department.
2. The following taxes count towards it:
  - tax on wages (deducted at source by employer);
  - dividend tax (deducted at source by paying company);
  - tax on games of chance where the winnings form part of the income;
  - further provisional assessments.

### R a t e s :

- A. The graduated scale covers three groups of taxpayers:

Group I:        for single persons below the age of 40, and persons not belonging to the other groups; the scale begins at Fl. 3 870 (1969: Fl. 3 300; 1970: Fl. 3 540);

- Group IA: for single persons from the age of 40 not belonging to either II or III, the scale begins at Fl. 4 470 (1969: Fl. 3 840; 1970: 4 140);
- Group II: for married taxpayers without dependent children, single persons from the age of 65, and certain classes of persons who are no longer married, the scale begins at Fl. 5 220 (1969: Fl. 4 500; 1970: Fl. 4 800);
- Group III: for taxpayers with dependent children, the scale begins at Fl. 6 240 (1969: Fl. 5 400; 1970: Fl. 5 790).

The maximum rate is 70.5%.

B. Proportional rates:

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);

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.

In order to meet the needs of the changing economic situation, personal income tax rates may be increased by up to 5%.

**N 02**

**TAX ON WAGES (Loonbelasting)**

T a x   p a y a b l e   b y :

- Persons resident in the Netherlands receiving a wage or salary from an employer established in the Netherlands;
- Persons resident abroad receiving a wage or salary from an employer established in the Netherlands for work they are doing or have done in the Netherlands;
- Persons resident abroad who are member of the board of management of the supervisory board of a company established in the Netherlands;
- Persons resident abroad receiving a wage of salary from a Dutch public corporation.

**DIVIDEND TAX (Dividendenbelasting)**

T a x   p a y a b l e   b y :

Persons holding - directly or in the form of certificates - shares and profit-participation bonds of Dutch joint-stock companies.

T a x   p a y a b l e   o n :

Income from such securities, including the issue of bonus shares from profit reserves and liquidation dividends for the amount by which they exceed the paid-up capital.

**DIRECTORS' TAX (Commissarissenbelasting) (1)**

*Directors' Tax Order 1941 / Staatsblad 21.*

**B e n e f i c i a r y :**

Central government (2).

**T a x p a y a b l e b y :**

Directors (individuals and legal persons) of companies and other legal persons liable to payment of company tax, established in the Netherlands.

**B a s i s o f a s s e s s m e n t :**

Any remuneration paid to directors for administrative services (supervision of corporate management).

**C o l l e c t i o n :**

Deducted at source by the company.

**R a t e s :**

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.

**S p e c i a l f e a t u r e s :**

This tax is not deductible from personal income tax or from company 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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(1) *Directors' tax was abolished with effect from 1 January 1970.*

(2) *Through the Provincial Fund, in 1969 and 1970 the provinces received 0.829% of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969 and 14.57 % in 1970.*



## INHABITED HOUSE TAX (Personele belasting)

*Law on Inhabited House Tax 1950 / Staatsblad K. 598.*

### B e n e f i c i a r y :

The municipalities.

### T a x p a y a b l e b y :

Persons using a building in the Netherlands for accommodation, pleasure or recreation.

### B a s i s o f a s s e s s m e n t :

Rental value of the property and sales value of the furniture it contains.

### E x e m p t i o n s :

This tax is not payable on property used for industrial, commercial and charitable purposes or for the public benefit.

### D e d u c t i o n s :

Deductions are allowed for dependants.

### N o n - r e s i d e n t s :

The tax is not payable by persons living abroad if they use premises for less than three months.

### C o l l e c t i o n :

The tax is assessed and collected by the central government.

### R a t e s :

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.

**CORPORATION TAX (Vennootschapsbelasting)**

*Corporation tax law 1969 / Staatsblad 469.*

**B e n e f i c i a r y :**

Central government (1).

**T a x   p a y a b l e   b y :**

Joint-stock companies, cooperative societies, mutual insurance and credit companies, foundations and other legal persons incorporated under civil law, when they administer an enterprise, funds for common account, 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.

**B a s i s   o f   a s s e s s m e n t :**

Profits in the widest sense, with a number of additions or deductions. The taxable profits correspond largely to profits taxable under personal income tax.

**E x e m p t i o n s :**

- Legal persons whose activities are of social or charitable nature or otherwise in the public interest;
- Dividends on a holding by a company of at least 5% in a subsidiary (tax concession for parent companies); this concession is sometimes also applicable in the case of holdings in foreign companies.

**N o n - r e s i d e n t s :**

See under "Tax payable by" above.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

**C o l l e c t i o n :**

Annual assessment by the tax department on the basis of the taxpayer's declaration. If no such declaration is submitted, the amount due is assessed directly by the tax department.

**R a t e s :**

For 1969 the following rates were applied:

45% where the taxable amount exceeded F1 50 000;

43% where the taxable amount was F1 40 000 or under;

F1 17 200 plus 58% for the slice between F1 40 000 and F1 50 000 where the taxable amount was over F1 40 000 but under F1 50 000.

For 1970 and 1971, the rate is 46% of the taxable amount or, if the amount is under F1 50 000, 43% plus 15% of the slice of the taxable amount exceeding F1 40 000.

In order to meet the needs of the changing economic situation, the rate of company tax may be increased by up to 5%.

**C a r r y - o v e r   o f   l o s s e s :**

As for personal income tax (see N 01).

**N 07**

**TAX ON GAMES OF CHANCE (Kansspelbelasting)**

*Law governing the Tax on Games of Chance, 14 September 1961 / Staatsblad 313.*

**B e n e f i c i a r y :**

Central government (1).

**T a x   p a y a b l e   b y :**

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.

**B a s i s   o f   a s s e s s m e n t :**

All prizes distributed to participants (either in kind or in cash).

**E x e m p t i o n s :**

Prizes to a maximum amount of Fl 1 000 and prizes not exceeding the participants' outlay are tax-free.

**C o l l e c t i o n :**

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 the prize-winner himself.

**R a t e :**

15%.

*(1) Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970 and 0.851% in 1971 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

S p e c i a l   f e a t u r e s :

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.

## **N 08**

### **TAX ON DOGS (Hondenbelasting)**

*Municipal by-laws based on Article 277 (h) of the Law on Municipalities.*

#### **B e n e f i c i a r y :**

The municipalities.

#### **T a x p a y a b l e b y :**

Owners of one or more dogs.

#### **B a s i s o f a s s e s s m e n t :**

The taxpayer's income and capital or the rental value of his dwellings as assessed for inhabited house tax. Other bases of assessment may also be applied.

#### **E x e m p t i o n s :**

No tax is due on young dogs, police dogs, and guide dogs for the blind.

#### **R e d u c t i o n s :**

The rates for watchdogs and working dogs are lower than those for pet dogs.

#### **N o n - r e s i d e n t s :**

As residents.

#### **C o l l e c t i o n :**

The tax due is assessed and collected by the tax departments of the municipalities.

#### **R a t e s :**

Varying rates are applied by the municipalities; they are often progressive. The following may serve as an example:

Dogs kept as pets	from Fl. 10	to Fl. 60
Watchdogs	from Fl. 7	to Fl. 40
Dogs used for profes- sional purposes	from Fl. 3.50	to Fl. 20

**COMMUTER TAX (Forenzenbelasting)**

*Municipal by-laws based on Articles 277(0) and 288 of the Law on Municipalities (since the adoption of the Law of 24 December 1970/Staatsblad 608. Articles 272(f) and 275).*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

Individuals whose main residence is not in the municipality in question but who spent more than ninety nights of the tax year in that municipality, or kept a furnished dwelling available for themselves or their family in that municipality for more than ninety days of the tax year.

**B a s i s o f a s s e s s m e n t :**

The duration of the stay, the rental value of the furnished dwelling, or another basis of assessment specified in the taxation by-laws; the amount of tax payable should in no case be dependent on income.

**E x e m p t i o n s :**

Patients in hospitals, disabled persons, invalids or the elderly, and persons who, for the purpose of carrying out work for the government, are temporarily residing outside the municipality where they normally live.

**R e d u c t i o n s :**

The municipalities may lay down reductions.

**N o n - r e s i d e n t s :**

As for residents.

**C o l l e c t i o n :**

The tax is assessed and collected by the municipalities.



**R a t e s :**

As the municipalities are competent to determine the rates of this tax, rates differ according to municipality.

**WEALTH TAX (Vermogensbelasting)**

*Wealth Tax Law 1964 / Staatsblad 520.*

**B e n e f i c i a r y :**

Central government (1).

**T a x p a y a b l e b y :**

Individuals resident in the Netherlands and possessing assets there, and individuals resident abroad possessing certain types of assets in the Netherlands.

**B a s i s o f a s s e s s m e n t :**

Net wealth at the beginning of the year (= difference between assets and liabilities).

**E x e m p t i o n s :**

Non-taxable items include pension rights and the following items, provided they do not form part of the assets of an enterprise: furniture and works of art, legal usufruct rights, certain life insurance policies, life annuities, goodwill, jewels, etc.

**D e d u c t i o n s :**

Single persons	F1. 40 000;
Married couples, widowers, widows	F1. 55 000;
For each dependent child	F1. 13 500.

An additional allowance of F1. 35 000 is granted to persons over 65 years of age and to invalids.

**M a r r i e d c o u p l e s :**

Tax is levied on the combined wealth of married couples, unless they are living apart permanently.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

N o n - r e s i d e n t s :

Persons resident abroad are liable to taxation if they possess, on Dutch territory, real estate developed or undeveloped, 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.

C o l l e c t i o n :

By means of assessment books, on the basis of the taxpayer's returns.

R a t e :

For 1966-71 the rate has been increased from 5 to 6%.

**SUCCESSION DUTIES (Successierechten)**

*Law on succession Duties 1956 (28 June 1956), Staatsblad 362, amended through law 24 December 1970 / Staatsblad 611.*

**B e n e f i c i a r y :**

Central government (1).

**D u t i e s   p a y a b l e   b y :**

Persons receiving inheritances, legacies and gifts.

**B a s i s   o f   a s s e s s m e n t :**

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.

**E x e m p t i o n s :**

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.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands, through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

D e d u c t i o n s :

Abatements for dependants are granted to taxpayers with wives and children to support, but only for property inherited.

N o n - r e s i d e n t s :

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 N 10 under "Non-residents".

C o l l e c t i o n :

On the basis of returns by the taxpayers.

R a t e s :

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 is 17% for children and spouses and 54% for unrelated persons.

**TURNOVER TAX - VALUE-ADDED TAX (Omzetbelasting - Belasting over de toegevoegde waarde)**

*Law on Turnover Tax 1968 / Staatsblad 329.*

**B e n e f i c i a r y :**

Central government (1).

**T a x p a y a b l e b y :**

Entrepreneurs (producers, merchants, and suppliers of services) and anyone importing goods into the Netherlands.

**T a x p a y a b l e o n :**

1. Deliveries of goods in the Netherlands as part of the activities of an enterprise.
2. Services rendered in the Netherlands by an entrepreneur.
3. Imports.

**B a s i s o f a s s e s s m e n t :**

- The amount of the payments made for goods delivered or services supplied in the Netherlands.
- The amount charged on delivery to persons for whom the imported goods are destined.

**E x e m p t i o n s :**

- Certain deliveries of and services with regard to real estate;
- Certain services supplied by banks, insurance companies and the post office, medical services, etc.;
- The activities of youth organizations, sports clubs, non-profitmaking institutions of a social nature, schools and universities, composers, writers, etc.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

## C o l l e c t i o n :

Under the value-added tax system:

Returns are submitted monthly or quarterly; payments are made when the returns are submitted (within one month of the period concerned).

- (a) Within the Netherlands: on the basis of taxpayers' returns;
- (b) In the case of imports:
  - as import duties;
  - for certain entrepreneurs and for imports from Belgium and Luxembourg, as under (a) above.

## R a t e s :

As from 1 January 1971 the normal rate has been 14% (formerly 12%). A rate of 4% is applicable to goods and services which can, in general, be regarded as necessities.

## E x p o r t s :

A rate of 0% applies to goods exported by an entrepreneur and services supplied to a person resident abroad.

**DUTY ON MINERAL OILS (Accijns van minerale oliën)**

*Law governing Duty on Mineral Oils, 25 June 1964 / Staatsblad 207.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

Duty is payable on petrol, kerosene, diesel oil and other mineral oils. The following are considered as "other mineral oils":

- (a) Fuel oil and other products derived from crude petroleum and lignite tars which are not petrol, kerosene or diesel oil and are either liquid at 50°C or have a kinematic viscosity not exceeding 3 000 centistokes at 100°C;
- (b) Substances other than the products referred to under (a) but having the same characteristics as these products.

**D u t y p a y a b l e o n :**

The manufacture in and import into the Netherlands of mineral oils.

**D u t y d u e w h e n :**

The products are released for consumption.

**E x e m p t i o n s :**

- Mineral oils used as raw materials;
- Mineral oils, other than petrol, used by private individuals for heating or lighting purposes;
- Mineral oils used for heating in order to speed up the growth of horticultural products for export.

**C o l l e c t i o n :**

The duty is paid on the fifteenth day of the month following that for which declaration is made.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*



## R a t e s :

- Petrol (at 15°C)	<u>from 1 July 1969</u> per hl	<u>from 1 January 1971</u> per hl	<u>from 1 January 1972</u> per hl
	F1. 36	F1. 37.08	F1. 39.75 (2)
- Paraffin (at 15°C)	<u>from 1 July 1969</u> per hl		
	F1. 2.80		
- Diesel oil (at 15°C)	<u>from 1 July 1969</u>		
	F1. 4.40/hl		
- Fuel oil and other mineral oils:	F1. 1.40/100 kg.		

## R e d u c e d   r a t e s :

The rate of duty levied on paraffin (F1. 2.80 per hl) is also levied on petrol used in industry, agriculture, horticulture or cattle-raising otherwise than as raw material (see "Exemptions") or as motor fuel.

## E x p o r t s :

Exported mineral oils are duty-free.

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(2) + 5% (= F1. 1.99) under the Regulator Tax.

**DUTY ON TOBACCO (Tabaksaccijns)**

*Law governing Duty on Tobacco Products, (25 June 1964) / Staatsblad 208.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

Cigars, cigarettes, smoking tobacco, dry chewing tobacco, and snuff, regardless of the proportion of tobacco-like products or substitutes used in their manufacture. No duty is levied on cigarette paper in the Netherlands.

**D u t y p a y a b l e o n :**

The manufacture or import of tobacco products.

**D u t y d u e w h e n :**

The goods enter into free circulation.

**C o l l e c t i o n :**

The duty is settled by affixing tax bands supplied by the central government against payment of the appropriate amount of duty.

**R a t e s :**

In percentages of the retail price:

	until 31 December 1970	from 1 January 1971
1. Cigars weighing 3 kg or more per 1 000	10	8.43
2. Other cigars (cigarillos)	16	14.43

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

	until 31 December 1970	from 1 January 1971
3. Smoking tobacco, chewing tobacco, snuff	from 30 - 37.4	28.43 - 35.83
4. Cigarettes	59	52.3 + Fl. 2 per 100 provided the minimum excise duty paid is at least Fl. 34.43 per 1 000.

## I m p o r t s :

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.

## E x p o r t s :

Exports are duty-free or duty is refunded.

**DUTY ON WINE AND DUTY ON SPARKLING BEVERAGES (Wijnaccijns en accijns van mousserende dranken)**

*Law governing Duty on Products containing Alcohol, 13 May 1963 / Staatsblad 240.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

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.

**D u t y p a y a b l e o n :**

The manufacture in, and import into the Netherlands of, the above products.

**D u t y d u e w h e n :**

The goods are released for consumption.

**C o l l e c t i o n :**

A declaration is made when the goods are released, and the duty is paid at the same time.

**R a t e s :**

Re item 2 above: duty levied on sparkling fermented beverages (per hectolitre)  
- Cider, perry: F1. 10.86

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

- Beverages other than cider and perry, manufactured from fruit other than fresh or dried grapes:	F1. 54.30
- Other sparkling fermented beverages:	F1. 108.60

## I m p o r t s :

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):	F1. 43.44
- with a strength of more than 12° but not more than 15°, for each 0.1% over 12°	F1. 0.78
- with a strength of more than 15° but not more than 22°, for each 0.1% over 12°	F1. 1.23
B. Other non-sparkling fermented beverages made from fruit	nil

2. Sparkling fermented beverages imported from countries other than Belgium and Luxembourg are liable to duty at another rate (per hectolitre):

Wine of fresh grapes and beverages manu- factured from dried grapes and currants	F1. 152.04
Cider and perry	F1. 10.86
Mead	F1. 108.60
Other fermented beverages	F1. 54.30

## E x p o r t s :

Re item 2 (duty on sparkling fermented beverages): for taxation purposes, beverages leaving the manufacturers for export to Belgium or Luxembourg are classed as beverages intended for consumption in the Netherlands, and are therefore liable to duty. Exports to other countries are duty-free.

**DUTY ON BEER (Bieraccijns)**

*Law governing Duty on Beer, (13 May 1963) Staatsblad 241.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

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.

**D u t y p a y a b l e o n :**

The manufacture of beer in, or its import into, the Netherlands.

**D u t y d u e w h e n :**

The brewing process starts, and at the moment of import.

**C o l l e c t i o n :**

A declaration is made by the taxpayer, and the duty is paid within two months and twenty days.

**R a t e s :**

Per hectolitre/degree (from 1 July 1969):

for the first 50 000 hectolitre/degrees	Fl. 4.12
for quantities between 50 000 and 1 250 000 hectolitre/degrees	Fl. 4.50
for quantities exceeding 1 250 000 hectolitre/degrees	Fl. 4.75

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of the revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

## I m p o r t s :

The excise duty payable on imported beer depends on the quantity of wort per hectolitre used in beer manufacture in the Netherlands, according to the following table:

- less than 4 hectolitres of wort	F1. 17.90
- between 4 and 5.6 hectolitres of wort	F1. 25.10
- between 5.7 and 6.4 hectolitres of wort	F1. 30.35
- over 6.4 hectolitres of wort	F1. 34.80

## E x p o r t s :

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.

**DUTY ON SPIRITS (Alcoholaccijns)**

*Law governing Duty on Products containing Alcohol, (13 May 1963) Staatsblad 240.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

Ethyl alcohol and products containing ethyl alcohol (2), except:

- Beer;
- 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);
- Sparkling wines and other sparkling fermented beverages;
- Products (other than beverages) containing ethyl alcohol, provided their alcohol content does not exceed 5 litres of pure ethyl alcohol per hectolitre.

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.

**D u t y p a y a b l e o n :**

Manufacture of the above products in the Netherlands, and imports.

**D u t y d u e w h e n :**

The products leave the distillery or warehouse for consumption.

**C o l l e c t i o n :**

A declaration is made by the distiller or merchant when the products leave the distillery or warehouse, and the tax due is paid at the same time.

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

(2) *By Royal Decree the following provisions also apply to methyl alcohol, isopropyl alcohol and products containing such alcohols.*



## R a t e s :

- Per hectolitre of pure alcohol at 15°C  
(as from 1 July 1969) Fl. 1 700;
- Alcohol for industrial and pharmaceutical uses,  
fuel alcohol and, in general, all types of al-  
cohol not intended for drinking exempt;
- Alcohol for the manufacture of perfumes and  
toilet waters duty is levied at a  
reduced rate (50%  
of the normal rate)

## I m p o r t s :

A duty of Fl. 17 per hectolitre per degree of strength is levied on imported products containing alcohol.

## E x p o r t s :

No duty is levied on alcohol exported by distilleries and merchants possessing a warehouse for goods on which customs duties have been remitted.

**DUTY ON SUGAR (Suikeraccijns)**

*Law governing the Duty on Sugar, (25 June 1964) Staatsblad 206.*

**B e n e f i c i a r y :**

Central government (1).

**B a s i s o f a s s e s s m e n t :**

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.

**D u t y p a y a b l e o n :**

The manufacture of the above products in, and their import into, the Netherlands.

**D u t y d u e w h e n :**

The goods are released for consumption.

**C o l l e c t i o n :**

The excise duty has to be paid within two months after the Monday following the day on which the manufacturer or importer made his declaration.

**R a t e s :**

	<u>until 31 July 1969</u>	<u>from 1 August 1969</u>
	Fl./100 kg	Fl./100 kg
- Raw and brown sugar in solid form, other than "white sugar":	18.25	4.30

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(1) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

	<u>until 31 July 1969</u>	<u>from 1 August 1969</u>
	Fl./100 kg	Fl./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:	0.19	0.045
- Other sugars not in paste or liquid form	19	4.50

## I m p o r t s :

The same duty is payable on imported sugar and products containing sugar.

## D e f i n i t i o n :

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 to 22.07 or 22.09 (alcoholic liquids), are deemed to be products not containing sugar.

## R a t e s :

- Sugars - see above.
- Products containing sugar are liable to duty as follows, according to sugar content:

	<u>until 31 July 1969</u>	<u>from 1 August 1969</u>
	Fl./100 kg	Fl./100 kg
More than 5% but not more than 15% of sugar	1.90	0.45
More than 15% but not more than 25% of sugar	3.80	0.90
More than 25% but not more than 40%	3.20	1.45
More than 40% but not more than 60%	9.50	2.25
More than 60% but not more than 75%	12.85	3.05
More than 75% but not more than 90%	15.70	3.40
More than 90%	18.05	4.30

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**E x p o r t s :**

Exported sugars are duty-free; duty is refunded on sugar contained in certain exported products and beverages.

**SPECIAL TAX ON MOTOR CARS (Bijzondere verbruiksbelasting op personenauto's)**

*Article 50 of the Law on Turnover Tax 1968.*

**B e n e f i c i a r y :**

Central government.

**T a x   p a y a b l e   b y :**

Manufacturers and importers of motor cars.

**T a x   p a y a b l e   o n :**

- Delivery by the manufacturer;
- Import of motor cars.

**E x e m p t i o n s :**

- Vehicles seating more than eight passengers;
- Special vehicles for the transport of sick persons or prisoners;
- Police vehicles, military vehicles and fire engines;
- Motor tricycles for disabled persons.

**C o l l e c t i o n :**

The tax is payable only once; it is levied together with turnover tax on the sales price minus turnover tax of a new or imported motor car.

**R a t e :**

15%.

**E x p o r t s :**

The rate for motor cars exported by an entrepreneur is nil.

**MUNICIPAL TAX ON FIRE INSURANCE (Gemeentelijke assurantiebelasting -  
Belasting op verzekering tegen brandschade)**

*Municipal by-laws based on Article 277(1) of the Law on Municipalities.*

**B e n e f i c i a r y :**

The municipalities.

**T a x   p a y a b l e   b y :**

Owners of movable and immovable property in the municipality even if the property is not covered by fire insurance.

**B a s i s   o f   a s s e s s m e n t :**

Possible bases of assessment are:

- The insurance premium;
- The insured value;
- Taxable income according to the land registry.

**E x e m p t i o n s :**

The tax is usually limited to buildings.

**N o n - r e s i d e n t s :**

As for residents.

**C o l l e c t i o n :**

The tax is assessed and collected by the municipalities on the basis of the taxpayers' returns.

**R a t e s :**

A certain percentage of the premium, the insured value or the taxable income according to the land registry.

## ENTERTAINMENTS TAX (Vermakelijkheidsbelasting)

*Municipal by-laws based on Article 277(k) of the Law on Municipalities.*

### B e n e f i c i a r y :

The municipalities.

### T a x p a y a b l e b y :

Organizers of entertainments.

### B a s i s o f a s s e s s m e n t :

Usually the gross proceeds from entrance fees;

by way of exception, the surface area of the place of entertainment plus a standard rate for each category.

### E x e m p t i o n s :

Exhibitions and religious, political, scientific and social meetings, sports competitions; school treats, children's playgrounds and other entertainments that are non-profit-making and for the public benefit, and charitable activities.

### R e d u c t i o n s :

A reduced rate may be applied for local clubs and associations.

### N o n - r e s i d e n t s :

As for residents.

### C o l l e c t i o n :

The tax is assessed and collected by the municipalities on the basis of the taxpayers' returns.

### R a t e s :

Usually a fixed percentage (e.g. 20%) of the gross proceeds. Rates based on surface

**N 25**

area of places of entertainment vary with municipality and category of entertainment.



**LAND TAX (Grondbelasting) (1)**

*Land Tax Law, 26 May 1870 / Staatsblad 82.*

**B e n e f i c i a r y :**

The municipalities.

**T a x   p a y a b l e   b y :**

Persons owning or holding in usufruct land with or without buildings, located in the Netherlands, on 1 January of the year in question.

**B a s i s   o f   a s s e s s m e n t :**

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.

**E x e m p t i o n s :**

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.

**D e d u c t i o n s :**

Tax relief is granted in cases of loss of income or usufruct.

**N o n - r e s i d e n t s :**

See under "Tax payable by" above.

**C o l l e c t i o n :**

The tax is assessed and collected by the central government.

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(1) *Land tax will cease to exist when the new municipal taxation provisions are put into effect (see Law of 24 December 1970 (Staatsblad 608)).*

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### **R a t e s :**

- 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 (land with buildings);
- A maximum of 30% by the municipalities (land without buildings);
- 130% by the central government on land with buildings.

**REGISTRATION DUTY (Registratierecht)**

*Registration Law 1917 (1).*

**B e n e f i c i a r y :**

Central government (2).

**D u t y   p a y a b l e   o n :**

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.

**E x e m p t i o n s :**

- Sales of real estate to municipalities and to companies for building low-cost housing, together with certain sales for purposes of economic development.
- Assets brought into joint-stock companies serving the public interest whose shares are held exclusively by legal persons incorporated under public law.
- Certain documents are subject only to a standard rate of duty instead of a proportional rate.

**C o l l e c t i o n :**

On the basis of the document or a tax return.

**R a t e s :**

Proportional rates:

- Transfers of real estate with or without buildings, 5%;
- Assets brought into companies (subscription to, payment or increase of capital), 2.5%;
- Auctions of movable goods, 1%.

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(1) *As from 1 January 1973, the Registration Law will be replaced by the Law governing Duties on Legal Transactions.*

(2) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all the taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30% in 1971.*

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Standard rates:

- Fl. 3 or Fl. 0.50 in the case of non-legal documents and on which proportional duty is not payable.

## STAMP DUTY (Zegelrecht) (1)

*Stamp Law 1917.*

### B e n e f i c i a r y :

Central government. (2)

### B a s i s o f a s s e s s m e n t :

#### 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 varying duties.
2. Fixed duties are levied on certain documents, such as receipts, bills of lading, warehouse warrants, acknowledgements of debts, 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.

(1) *As from 1 January 1973, the Stamp Law of 1917 will be replaced by the Law Governing Duties on Legal Transactions.*

(2) *Through the Provincial Fund, the provinces received 0.829% in 1969 and 1970, and 0.851% in 1971, of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities received 13.14% of this revenue in 1969, 14.57% in 1970 and 14.30 in 1971.*

**TAX ON MOTOR VEHICLES (Motorrijtuigenbelasting)**

*Law governing Tax on Motor Vehicles, 21 July 1966 / Staatsblad 332 amended through the law 18 December 1969 / Staatsblad 548.*

**B e n e f i c i a r y :**

Central government.

**T a x p a y a b l e o n :**

Use of motor vehicles (except motor-assisted bicycles and vehicles running on rails) on the public roads.

**B a s i s o f a s s e s s m e n t :**

The unladen weight of the vehicle (including the weight of the trailer attached to the vehicle).

**C o l l e c t i o n :**

Annually or quarterly, on the basis of the taxpayers' returns.

**R a t e s :**

	<u>until 15 January 1970</u> per 100 kg	<u>from 16 January 1970</u> per 100 kg
- Motor cars	Fl. 8	Fl. 8.80
minimum charge	Fl. 35	Fl. 38.85
- Buses and coaches	Fl. 70	Fl. 77.70
plus, over the first 1 000 kg	Fl. 12	Fl. 13.32
- Lorries, etc.: progressive scale, starting from a number of standard charges, for the lightest class of vehicles and then ranging from	Fl. 9 to Fl. 15	Fl. 9.99 to Fl. 16.65
with a minimum charge of	Fl. 72	Fl. 99.90

## Higher rates :

- For vehicles with solid tyres harder than pneumatic tyres (100% where in metal)
- For vehicles using fuels other than petrol

<u>until 15 January 1970</u>	<u>from 16 January 1970</u>
255%	230%

A 134% surcharge is levied as a contribution to the Road Fund, with a maximum of Fl. 155 per vehicle per year.

## Reductions :

	<u>until 15 January 1970</u>	<u>from 16 January 1970</u>
Reduced rates for taxis:		
total weight	Fl. 6 per 100 kg	Fl. 6.60 per 100 kg
the minimum charge being	Fl. 30	Fl. 33.30

## 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, provided they are not otherwise exempt.

**TAX ON THE SALE OF SPIRITS (Licences) (Belasting op het verstrekken van sterke drank - Vergunningen en verlofrecht)**

*Levied under the Law on hotels, restaurants and cafés and the sale of liquor, 7 October 1964 / Staatsblad 386.*

**B e n e f i c i a r y :**

The municipalities.

**T a x p a y a b l e b y :**

Entrepreneurs in whose name a licence to sell spirits has been issued and persons running an undertaking or carrying out an activity during the tax year consisting in the supply, other than to the general public or gratis, of alcoholic beverages for consumption on the premises.

**B a s i s o f a s s e s s m e n t :**

The turnover of spirits during the calendar year.

**N o n - r e s i d e n t s :**

As for residents.

**C o l l e c t i o n :**

The tax is assessed and collected by the municipalities on the basis of the taxpayers' returns.

**R a t e s :**

- For licences of hotels, restaurants, cafés and canteens: Fl. 5 to Fl. 7.50 per 50 litres of spirits.
- For holders of licences for the sale of spirits for consumption off the premises: Fl. 3 to Fl. 5 per 50 litres of spirits.



**"WATERSCHAP" LEVIES (Waterschapslasten)**

*Levied under Waterschap by-laws based on Article 207 of the Constitution of the Kingdom of the Netherlands.*

**B e n e f i c i a r y :**

The "Waterschappen" (1).

**T a x p a y a b l e b y :**

Persons holding rights in rem as regards land and waters, and sometimes built-up land, within the area of jurisdiction of the Waterschap concerned.

**B a s i s o f a s s e s s m e n t :**

Surface area of the property.

**E x e m p t i o n s :**

None, except for a few traditional cases laid down in the Statutes.

**R e d u c t i o n s :**

In some Waterschappen, the land is classified according to the amount of care it requires. Under this system, owners of high land pay less.

**C o l l e c t i o n :**

The tax is collected on the basis of assessments made by the authorities.

**R a t e s :**

Rates vary with the Waterschap concerned. Costs are apportioned per hectare. The minimum amount paid, to cover collection costs, is Fl. 5.

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(1) *(Waterschappen (pl.) are public corporations responsible for drainage, dykes, roads, bridges, etc. in a particular area.)*

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