

**COMMISSION
OF THE EUROPEAN COMMUNITIES**

**DIRECTORATE-GENERAL:
FINANCIAL INSTITUTIONS
AND TAXATION**

DIRECTORATE OF TAXATION

INVENTORY OF TAXES

1979 Edition



COMMISSION
OF THE EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL
'FINANCIAL INSTITUTIONS AND TAXATION'

Directorate of taxation

Inventory of taxes

levied by the State and the local authorities
(Länder, départements, régions, districts,
provinces, communes) in the Member States
of the European Communities

1979 EDITION

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INTRODUCTORY NOTE

The Commission of the European Communities - Directorate-general XV "Financial Institutions and Taxation" publishes a survey of the duties and taxes in force in the Member States of the EEC.

The present edition reflects the situation on 31 December 1978 and replaces the previous edition which was based on the situation on 1st July 1976.

This publication aims to provide all those interested in tax law - public servants, university staff, students, businessmen, tax advisers, etc. - with a general view of the tax systems of the nine Member States.

The terminology used is that of the Tax Statistics Yearbook of the Statistical Office of the European Community.

Directorate-general XV will be pleased to receive any remarks or suggestions with a view to the improvement of this work.

200 Rue de la Loi
Brussels - January 1979

ABBREVIATIONS

M.b.	=	Moniteur belge
B.S.	=	Belgisch Staatsblad
BGBL	=	Bundesgesetzblatt
VO.	=	Verordnung
AO.	=	Abgabenordnung
BayBS	=	Bayrische Bereinigte Sammlung
GVBL	=	Gesetz - und Verordnungsblatt
RGBL	=	Regierungsblatt
DL	=	Decreto legge
RDL	=	Regio Decreto legge
GU	=	Gazzetta Ufficiale della Repubblica italiana
T.U.	=	Testo unico
L.	=	Legge
DPR	=	Decreto del presidente della Repubblica
DM	=	Decreto ministeriale
RD	=	Regio decreto
Mémorial	=	Journal officiel du grand-duché de Luxembourg
Stb.	=	Staatsblad

B 01	Personal income tax (Impôt des personnes physiques/ Personenbelasting)
B 02	Corporation tax (Impôt des sociétés/Vennootschapsbelasting)
B 02.1/2/37	Tax on legal persons (Impôt des personnes morales/ Rechtspersonenbelasting)
B 01.5/02.4	Tax on non-residents (Impôt des non-résidents/Belasting der niet-verblijfhouders)
B 06	Succession duty and transfer duty (Droits de succession et de mutation par décès/Successierechten en recht van overgang bij overlijden)
B 06	Compensatory tax for succession duty (Taxe compensatoire des droits de succession/Belasting tot vergoeding der successierechten)
B 07	Value added tax (VAT) Taxe sur la valeur ajoutée (TVA)/ Belasting over de toegevoegde waarde (BTW)
B 08	Registration tax (Taxe à l'immatriculation/Inschrijvingstaks)
B 08	Tax on bills (Taxe d'affichage/Aanplakkingsbelasting)
B 08	Hunting tax (Taxe sur la chasse/Belasting op de jacht)
B 11 L 14/15	Excise duty on mineral oils (Accise sur les huiles minérales/ Accijns op minerale oliën)
B 12 L 16	Excise duty on liquefied petroleum gases and other liquefied gaseous hydrocarbons (Accise sur les gaz de pétrole et autres hydrocarbures gazeux, liquéfiés/Accijns op vloeibare aardgas en andere vloeibare koolwaterstoffen)
B 12 L 17	Excise duty on benzole and similar products (Accise sur le benzol et les produits analogues/Accijns op benzol en gelijksoortige produkten)
B 13 L 18	Excise duty on manufactured tobacco (Accise sur les tabacs fabriqués/Accijns op gefabriceerde tabak)
B 14/15 L 19/20/21/26	Excise duty and consumption tax on ethyl alcohol (Accise et taxe de consommation sur l'alcool éthylique/Accijns op ethylalcohol)
B 16/17 L 22/23	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)
B 18 L 24	Excise duty on beer (Accise sur les bières/Bieraccijns)
B 19	Excise duty on non alcoholic beverages (Accise sur les boissons non alcoolisées/Accijns op alcoholvrije dranken)

BELGIUM

Belgique - België

- B 20 L 25 Excise duty on sugar (Accise sur les sucres/Accijns op suiker)
- B 21 Annual tax on insurance contracts (Taxe annuelle sur les contrats d'assurance/Jaarlijkse belasting 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 ontspanningstoestellen)
- B 24/25/26/32 Main registration taxes (Principaux droits d'enregistrement /Voornaamste registratierechten)
- B 27 Tax on Stock Exchange and carry-over transactions (Taxe sur les opérations de bourse et de report/Belasting op beursverrichtingen en de reporten)
- B 28 Annual tax on securities quoted on the Stock Exchange (Taxe annuelle sur les titres cotés en bourse/Jaarlijkse belasting op de ter beurs genoteerde titels)
- B 29 Tax on motor vehicles (Taxe de circulation sur les véhicules automobiles/Verkeersbelasting op de autovoertuigen)
- B 30 Tax on the opening of establishments for the sale of fermented beverages (Taxe d'ouverture sur les débits de boissons fermentées/openingsbelasting 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)

SUMMARY

DK 01	State income tax (Indkomstskat til staten)
DK 01	County income tax (Amtskommunal indkomstskat)
DK 01	Municipal income tax (Kommunal indkomstskat)
DK 01	Dividend tax (Udbytteskat)
DK 01	Tax on employee's shares and bonds (Afgift af medarbejderaktier og -obligationer)
DK 01	Seamen's tax (Sømandsskat)
DK 02	Pensions contribution (Folkepensionsbidrag)
DK 02	Special pensions contribution (Særligt folkepensionsbidrag)
DK 02	Contribution to the sickness per diem fund (Bidrag til dagpengefonden)
DK 03	Church tax (Kirkeskat)
DK 04	Special income tax (Særlig indkomstskat)
DK 05	Corporation tax (Selskabsskat)
DK 06	Tax on lottery winnings (Afgift af gevinster ved lotterispil)
DK 08	Levy on hunting licenses (Jagttegnafgift)
DK 09	Wealth tax (Formueskat)
DK 10	Inheritance and gift tax (Afgift af arv og gave)
DK 10.1	State income tax on estates of deceased persons (Beskatning af dødsboer)
DK 11	Value added tax (Merværdiafgift)
DK 15	Excise duty on petrol (Benzinafgift)
DK 15	Excise duty on certain petroleum products (Afgift af visse olieprodukter)
DK 15	Tax on electricity (Afgift af elektricitet)
DK 16	Registration tax on motor vehicles (Registreringsafgift af motorkøretøjer)
DK 17	Excise duties on tobacco (Tobaksafgift)
DK 18	Duty on matches and lighters (Afgift af tændstikker og cigartændere)
DK 19	Excise duties on spirits (Afgift af spiritus)
DK 21	Excise duty on wine and fruit wine (Afgift af vin og frugtvin)
DK 22	Excise duty on beer (Afgift af øl)
DK 23	Excise duty on mineral waters (Afgift af mineralvand)
DK 24	Excise duty on tea and tea extracts (Afgift af te og teekstrakter)
DK 24	Excise duty on coffee, coffee extrancts and coffee-substitute (Afgift af kaffe, kaffeekstrakt og kaffeerstatning)

DENMARK

Danmark

DK 25	Excise duty on chocolate and sweets (Afgift af chokolade og sukkervarer)
DK 26	Tax on ice-cream (Afgift af konsumis)
DK 27	Tax on perfumes, toiletries (Afgift af parfume og toiletmidler)
DK 28	Tax on radio receivers, etc. (Afgift af radio m.v.)
DK 28	Tax on television receivers (Afgift af fjernsynsmodtagere)
DK 30	Tax on incandescent lamps and electric fuses (Afgift af glødelamper og sikringer)
DK 31	Tax on certain retail packaging (Afgift af visse detailsalgspakninger)
DK 31	Tax on playing cards (Afgift af spillekort)
DK 31	Tax on sugar (Afgift af sukker)
DK 35	Tax on totalisator betting (Afgift på spil ved totalisator)
DK 36	Taxes on football-pool betting (Afgift af tipning)
DK 38	County land tax (Amtskommunal grundskyld)
DK 38	Municipal land tax (Kommunal grundskyld)
DK 38	Supplementary land tax (Tillægsgrundskyld)
DK 38	Fixed state property tax (Fikseret ejendomsskyld til staten)
DK 38	Fixed real property municipal tax (Fikseret ejendomsskyld til kommunen)
DK 38	Financial levy on public property (Dækningsafgift af offentlige ejendomme)
DK 38	Financial levy on commercial premises (Dækningsafgift af forretningsejendomme)
DK 38	State institutions' income tax (Indkomstskat af statsinstitutioner)
DK 38	Tax on rents released from landlords investment fund (Grundejernes investeringsfond)
DK 39	Real property disposal tax (Afståelsesafgift)
DK 39	Stamp duty (Stempelafgifter)
DK 39	Stock exchange stamp duty (Børsstempelafgift)
DK 40	Weight tax on motor vehicles (Vægtafgift af motorkøretøjer)
DK 41	Tax on third-party insurance for motor vehicles, etc. (Afgift af ansvarsforsikringer for motorkøretøjer m.v.)

DK 41	Tax on pleasure craft insurance (Afgift af lystfartøjsforsikringer)
DK 41	Levy on banks and savings banks (Afgift af banker og sparekasser)
DK 41	Levy on insurance business (Afgift af forsikringsselskaber)
DK 39/42	Legal action tax, including estate administration tax (Retsafgifter)
DK 46	Capital duty (Kapitaltilførselsafgift)
DK 47	Real property derestriction tax (Frigørelsesafgift)
DK 48	Charter flight tax (Afgift af charterflyvning)

SUMMARY

D 01/04	Income taxes (Einkommensteuer)
D 02/04	Wages tax (Lohnsteuer)
D 03	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 levy (Lastenausgleichsabgaben)
D 11	Succession duty (Erbschaftsteuer)
D 12	Turnover tax - Value added tax (Umsatzsteuer-Mehrwertsteuer)
D 18	Excise duty on mineral oils (Mineralölsteuer)
D 19	Duties on tobacco (Tabaksteuer)
D 20	Excise duty on matches and tapers (Zündwarensteuer)
D 21	Duties on spirits (Alkoholsteuer)
D 22	Excise duty on sparkling wines (Schaumweinsteuer)
D 23	Duty on beer (Biersteuer)
D 24	Duty on beverages (Getränksteuer)
D 25	Excise duty on sugar (Zuckersteuer)
D 26	Excise duty on coffee (Kaffeesteuer)
D 27	Excise duty on tea (Teesteuer)
D 28	Excise duty on salt (Salzsteuer)
D 30	Excise duty on acetic acid (Essigsäuresteuer)
D 31	Excise duty on lamps (Leuchtmittelsteuer)
D 32	Excise duty on playing cards (Spielkartensteuer)
D 33	Insurance tax (Versicherungssteuer)
D 34	Fire insurance tax (Feuerschutzsteuer)
D 37/38	Entertainments tax - including cinema tax (Vergnügungssteuer mit Kinosteuer)
D 39	Betting and gaming tax (Rennwett -und Lotteriesteuer)

GERMANY*Deutschland*

D 41	Tax on real estate (Grundsteuer)
D 42.1/2	Real estate-transfer tax (Grunderwerbsteuer)
D 44	Capital duty (Gesellschaftsteuer)
D 45	Stock exchange turnover tax (Börseumsatzsteuer)
D 47	Bills of exchange tax (Wechselsteuer)
D 48	Tax on motor vehicles (Kraftfahrzeugsteuer)
D 49/50	Tax on industry and trade (including payroll tax) (Gewerbsteuer mit Lohnsummensteuer)
D 51	Tax on the licence to sell beverages (Schankerlaubnis- steuer)

SUMMARY

F 01	Personal income tax (Impôt sur le revenu)
F 02	Flat rate corporation tax (Imposition forfaitaire sur les sociétés)
F 02	Exceptional tax payable by financial institutions (Contribution exceptionnelle à la charge des institutions financières)
F 05	Tax on furnished accomodation (Taxe d'habitation)
F 07	Corporation tax (Impôt des sociétés)
F 08	Exceptional levy on banks (Prélèvement exceptionnel sur les banques)
F 09	Advance payment to be made by companies on distributed profits (Précompte 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 support fund for hydrocarbons (Redevance perçue au profit du Fonds de soutien aux hydrocarbures)
F 19	Duty on tobacco (Imposition du tabac)
F 19	Manufacturing duty on matches (Droit de fabrication sur les allumettes)
F 20	Duty on manufactured tobaccos (Taxe sur les tabacs fabriqués)
F 23.1	Duty on spirits (Taxe sur les alcools)
F 23.1	Taxes assimilated to maritime dues (Droits assimilés au droit d'octroi de mer)
F 23.2	Specific duty on beer and certain non-alcoholic beverages (Droit spécifique sur les bières et sur certaines boissons non alcoolisées)
F 23.2	Optional surcharge on mineral waters (Surtaxe facultative sur les eaux minérales)
F 24	Consumption duty on wines and other fermented beverages (Droit de circulation sur les vins et les autres boissons fermentées)
F 25	Duties on sugar beet and on sugar (Taxes sur les betteraves et le sucre)
F 26	Duty on cocoa and certain other tropical products (Taxe sur le cacao et certaines autres denrées tropicales)
F 26	Duty on coffee (Taxe sur le café)
F 26	Duty on tea (Taxe sur le thé)

FRANCE

- F 28 Duty on cereals (Taxe sur les céréales)
- F 29 Health protection tax and tax on the organization of the markets in meat (Taxe de protection sanitaire et d'organisation des marchés des viandes)
- F 30 Special duty on oils intended for human consumption (Taxe spéciale sur les huiles destinées à l'alimentation humaine)
- F 35/38 Insurance Tax (Taxe sur les conventions d'assurance)
- F 41 Special surcharge on the price of cinema seats (Taxe spéciale additionnelle au prix des places dans les cinémas)
- F 42 Entertainments tax (Impôt sur les spectacles, jeux et divertissements)
- F 42 Tax on electromechanically controlled bowling alleys (Taxe sur les jeux de boules et de quilles comportant des dispositifs électromécaniques)
- F 45 Duty on leases (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 (Taxe foncière sur les propriétés non bâties)
- F 48 Property tax on buildings (Taxe foncière sur les propriétés bâties)
- F 49 Stamp duties (Droit de timbre)
- F 50 Main registration taxes (Principaux droits d'enregistrement)
- F 52 Surcharges on registration duties or 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 cars with engine rating for tax purposes exceeding 16 HP (Taxe spéciale sur les voitures d'une puissance fiscale supérieure à 16 CV)
- F 55 Annual tax on company cars (Taxe annuelle sur les voitures des sociétés)
- F 55 Surcharge on registration certificates for motor vehicles (Taxe additionnelle sur les certificats d'immatriculation des véhicules à moteur)
- 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 57	Apprenticeship tax (Taxe d'apprentissage)
F 58	Business tax (Taxe professionnelle)
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	Employers' participation in financing continuous vocational training (Participation des employeurs au financement de la formation professionnelle continue)
F 71	Taxes on forestry products (Taxes sur les produits forestiers)
F 71	Local equipment tax and supplementary tax (Taxe locale d'équipement et taxe complémentaire)
F 73	Payment for exceeding the legal density limit (Versement pour dépassement du plafond légal de densité)
F 74	Dues accruing to the "National book fund" (Redevances instituées au profit du "Fonds national du livre")
F 75	Special surcharge on the price of entrance tickets to sporting events (Taxe spéciale additionnelle au prix des billets d'entrée dans les manifestations sportives)

SUMMARY

IRL 01	Income tax
IRL 03	Corporation tax
IRL 05	Inheritance tax and gift tax
IRL 06	Capital gains tax
IRL 08	Value added tax
IRL 12	Excise duty on hydrocarbons
IRL 11/14	Excise duty on tobacco products
IRL 11/15	Excise duty on matches
IRL 11/16	Excise duty on ethyl alcohol
IRL 11/17	Excise duty on wine
IRL 11/17	Excise duty on made wine
IRL 18	Excise duty on beer
IRL 11/19	Excise duty on cider and perry
IRL 11/20	Excise duty on table waters
IRL 11/21	Excise duty on tyres and tubes
IRL 25	Betting duty
IRL 27	Rates
IRL 28	Stamp duties
IRL 30	Vehicles excise duties
IRL 11/30	Excise duties on motor vehicles
IRL 31	Licences

SUMMARY

I 00	Personal income tax (Imposta sul reddito delle persone fisiche)
I 00	Tax on incomes of legal persons (Imposta sul reddito delle persone giuridiche)
I 00	Local income tax (Imposta locale sui redditi)
I 10	Communal tax on appreciation of immovable property (Imposta comunale sull'incremento di valore degli immobili)
I 16	Duty on state-controlled betting (Tributo di gioco relativo ai Concorsi pronostici esercitati dallo Stato)
I 16	Duty on betting controlled by CONI and UNIRE (Imposta unica sui concorsi pronostici esercitati dal CONI e dall'UNIRE)
I 18	Tax on dogs (Imposta sui cani)
I 22/23	Succession and gifts duty (Imposta sulle successioni e donazioni)
I 24	Value added tax (Imposta sul valore aggiunto)
I 30	Duty on mineral oils (Imposta di fabbricazione sugli oli minerali)
I 31	Duty on liquefied petroleum gases (Imposta sui gas di petrolio liquefatti)
I 32	Duty on methane used as fuel for motor propulsion (Imposta di consumo sul gas metano per l'autotrazione)
I 32	Duty on methane when used as fuel for non-industrial purposes (Imposta di consumo sul gas metano per uso combustibile per impieghi diversi da quelli industriali)
I 33	Consumption tax on manufactured tobacco (Imposta sul consumo dei tabacchi lavorati)
I 35	Duty on mechanical lighters (Imposta di fabbricazione sugli apparecchi d'accensione)
I 35	Duty on matches (Imposta di fabbricazione sui fiammiferi)
I 36	Duty on spirits (Imposta sugli spiriti)
I 37	Duty on beer (Imposta sulla birra)
I 38	Duty on sugars (Imposta sugli zuccheri)
I 39	Duty on sweeteners (Imposta sulle materie edulcoranti)
I 40/41	Duty on coffee (Imposta sul caffè)
I 43	Duties on firearms, ammunition and explosives (Imposta di fabbricazione sulle armi da sparo, sulle munizioni e sugli esplosivi)
I 44	Duty on seed oils (Imposta sugli oli di semi)
I 45	Duty on margarine (Imposta sulla margarina)
I 49	Duty on cocoa (Imposta sul cacao)
I 50	Duty on bananas (Imposta sulle banane)
I 53	Duty on electricity (Imposta sull'energia elettrica)
I 55	Government stamps (spirits) (Contrassegni di Stato-spiriti)
I 60	Entertainments tax (Imposta sugli spettacoli)

ITALY

Italia

I 61	State Lotteries (Lotterie nazionali)
I 61	Lottery duty and licence for events carrying prizes (Tassa di lotteria e tassa di licenza sulle manifestazioni premio)
I 61	Lottery duty on local raffles and similar events (Tassa di Lotteria sulle manifestazioni di sorte locali)
I 62	Duty on official concessions (Tassa sulle concessioni governative)
I 67	Insurance tax (Imposta sulle assicurazioni)
I 70	Communal tax on advertising (Imposta comunale sulla pubblicità)
I 72	Stamp duty (Imposta di bollo)
I 73	Stock Exchange turnover tax (Imposta sui contratti di borsa)
I 74/75	Registration tax (Imposta di registro)
I 76	Mortgage tax and cadastral duty (Imposte ipotecarie e catastali)
I 77	Tax on motor vehicles (Tassa sulla circolazione degli autoveicoli)

SUMMARY

L 01/04	Personal income tax (Impôt sur le revenu des personnes physiques)
L 02	Withholding tax on wages and salaries (Retenue d'impôt sur les traitements et salaires)
L 03	Withholding tax on income from capital (Retenue d'impôt sur les revenus de capitaux)
L 04/06	Corporation tax (Impôt sur le revenu des collectivités)
L 05	Special tax on company director's fees (Impôt spécial sur les tantièmes)
L 07	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 14/15/16/17/18/19/ 20/21/22/23/24/25/26	Excise duties (Accises)
L 27	Fire service tax (Impôt dans l'intérêt du service d'incendie)
L 27	Insurance tax (Impôt sur les assurances)
L 31	Tax on land and buildings (Impôt foncier)
L 32	Stamp duty (Droit de timbre)
L 33/35	Registration taxes (Droits d'enregistrement)
L 34	Mortgage tax (Droits d'hypothèque)
L 36	Tax on vehicles (Taxe sur les véhicules)
L 37/38	Trade tax (Impôt commercial)
L 39	Tax on the licence to sell beverages (Taxe des cabarets)
L 43	Entertainments tax (Taxe sur les amusements publics)

SUMMARY

N 01	Personal income tax (Inkomstenbelasting)
N 02	Tax on wages (Loonbelasting)
N 03	Dividend tax (Dividendbelasting)
N 04	Municipal tax on immovable property (Gemeentelijke belasting op onroerend goed)
N 05/27	Inhabited house tax (Personele belasting)
N 06	Corporation tax (Vennootschapsbelasting)
N 07	Tax on games of chance (Kansspelbelasting)
N 08	Commuter tax (Forenzenbelasting)
N 09	Wealth tax (Vermogensbelasting)
N 10	Succession duties (Successierechten)
N 11/12	Turnover tax - Value added tax (Omzetbelasting - Belasting over de toegevoegde waarde)
N 15/16	Duty on mineral oils (Accijns van minerale oliën)
N 17	Duty on tobacco (Tabakaccijns)
N 18	Duty on wine and duty on sparkling beverages (Wijnaccijns en accijns van mousserende dranken)
N 19	Duty on non-alcoholic beverages (Accijns van alcoholvrije 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 personenauto's)
N 24	Municipal tax on fire insurance (Gemeentelijke assurantie- belasting - Belasting op verzekering tegen brandschade)
N 25	Entertainments tax (Vermakelijkheidsbelasting)
N 26/27	Land tax (Grondbelasting)
N 28/29/30/31	Tax on legal transactions (Belastingen van rechtsverkeer)
N 32	Tax on motor vehicles (Motorrijtuigenbelasting)
N 34	Tax on air pollution (Heffingen Luchtverontreiniging)
N 37	Tax on the sale of spirits (Belasting op het verstrekken van sterke drank)
N 38	"Waterschap" levies (Waterschapslasten)
N 39	Administrative levy for the benefit of public professional organisations (Administratieve heffingen krachtens ver- orderingsbesluiten van publiekrechtelijke bedrijfsorganen)
N 43	Tax on dogs (Hondenbelasting)

SUMMARY

UK 01	Income tax
UK 01.1	Income tax - employment income
UK 04	Corporation tax
UK 05	Capital gains tax
UK 07	Capital transfer tax in the United Kingdom
UK 10/11	Excise duties on hydrocarbon oil
UK 12.2	Excise duty on tobacco products
UK 10/13/14	Excise duty on matches and mechanical lighters
UK 10/15	Excise duty on spirits
UK 16.1	Excise duties on wines and made-wines
UK 16.1.2	Excise duties on cider
UK 10/17	Excise duty on beer
UK 18	General and pool betting duties
UK 19	Bingo duty
UK 20	Rates - England and Wales
UK 20	Rates - Scotland
UK 20	Rates - Northern Ireland
UK 21/22	Stamp duty
UK 23	Vehicle excise duty
UK 27	Gaming licence duty
UK 27	Gaming machine licence duty
UK 31	Value added tax
UK 32	Car tax

BELGIUM
Belgique/België

PERSONAL INCOME TAX

(Impôts des personnes physiques/Personenbelasting)

Articles 3 to 93 of the Income Taxes Code.

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

The State (plus a possible surcharge on individuals for the benefit of the agglomerations and the municipalities).

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

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

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

All net income, irrespective of origin and nature. However, certain capital gains and certain benefits and allowances of a social or cultural nature are exempt.

The tax paid is not an allowable expense for the purposes of any other tax.

D e d u c t i o n s :

Under certain conditions, charges for collection and custody in connection with income from capital, interest on certain debts, maintenance allowances, and gifts to certain bodies are deductible from total net income of the various categories ; reductions are made in tax payable by aged persons.

Married couples :

The total taxable income of the couple, and of their children when the couple are legally entitled to the income of the latter, is aggregated ; a fixed deduction is granted in respect of the earned income of a spouse assisting. A married woman's earned income may, however, be taxed separately if the combined earned incomes of the husband and wife do not exceed Bfrs. 375 000.

Non-residents :

See Tax on non-residents (B 01.5/02.4).

Collection :

By means of assessment 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 usually 3% in the case of real estate, (2% in some cases) plus an accruing surcharge due to the local authorities. The advance payment in the case of income from capital is normally 20%. The advance payment for wages, salaries, pensions, etc. is calculated from tax scales.

Rates :

Taxpayers without dependants whose total taxable incomes are less than Bfrs. 75 000 are exempt ; over and above this amount, progressive rates are applied, reaching a maximum of 60% for that part of income exceeding Bfrs. 4 million. That part of the tax which is applicable to earned income other than employees' wages and pensions is generally increased by an amount which varies from year to year. However, no increase is applied in the case of advance payments of up to a quarter of the amount of the tax made, at the latest, on the 10 April, 10 July, 10 October and 10 December of the year

preceeding the tax year. A rebate is allowed on advance over-payments. There is a 10% surcharge on that part of taxable income in excess of Bfrs. 500.000 and another 10% surcharge on that part of taxable income exceeding Bfrs. 1.500.000. The tax, not including the above-mentioned surcharges, may not exceed 50% of the taxable income.

A municipal surcharge (a maximum of 6% of the tax) may also be imposed.

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 :

Income from real estate in Belgium consists of :

- for non-rented real estate : normally the income according to the land register ;
- for rented real estate, used by the tenant for his work : the income according to the land register, plus the net amount of rent over and above 200% of the income according to the land register ;
- for rented real estate which is not need by the tenant for his work : twice the income according to the land register, except where the net amount of the rent is less than twice the income according to the land register.

Tax on income from a foreign source (sometimes on condition that it has been effectively taxed abroad) is reduced by half (for income from real estate, earned income and certain other forms of income) or reduced by 15% (for income from capital received before the advance payment, possibly due on dividends and interest, has been deducted).

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

Five years; no 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 :

The State.

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 managed or administered from headquarters in Belgium and are engaged in an activity for pecuniary reward. Some, however, are expressly exempt from corporation tax (intercommunal associations, etc., which are liable for the tax on legal persons).

Subject to certain conditions, some partnerships may opt to have their profits taxed under the personal income tax régime, the tax being payable by the participants.

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

All expenses not allowed for tax purposes, all distributed and undistributed profits and certain percentages of profits and remunerations paid to directors and official of Companies. Tax paid is not an allowable expense for the purposes of any other tax.

E x e m p t i o n s a n d a l l o w a n c e s :

Either 95 or 90% of the amount of the net dividends plus the real or fictitious advance payment on capital, accruing to companies from permanent shareholdings (i.e. those owned by the taxpayer during the whole of the taxable period) are exempt from tax.

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 :

Standard rate : 48%. (See Personal Income Tax B 01 for the application of an increase where advance payments are not made or are insufficient).

Except for certain holding companies and companies of which at least half of their shares are held by one or more other companies the tax is reduced to 33% (when the taxable income does not exceed Bfrs. 1 000 000) or to 40% (when the taxable income does not exceed Bfrs. 3 000 000).

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

- The tax is reduced to a quarter in the case of profits made and taxed abroad, and in the case of income from property situated abroad. In the case of foreign interest and license fees, which have in fact been taxed abroad, the tax is reduced by 15% of the amount of these incomes, before the advance payments on capital, possibly due in Belgium, have been deducted.
- If the profits are distributed, the shareholder receives a tax credit (57,5% of the dividend after the advance payment is made), which may be set off against personal income tax, but is not refundable.

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 and from 1 January 1972 onwards.

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 i e s :

The State (also the local authorities for the part corresponding to the advance payment).

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

- Central government, local authorities 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 or administrated from headquarters in Belgium and are not engaged in an activity for pecuniary reward.
- Companies, associations, establishments or any other bodies expressly exempt from corporation tax.

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

Income from land, capital, certain other sources (such as certain capital gains), secret commissions, and unjustified payments and awards (1); income from land is sometimes exempt.

C o l l e c t i o n :

By advance payment in the case of income from land and capital (see under B 01).

By means of assessment books in the case of certain capital gains, secret commissions and unjustified payments and awards.

R a t e s :

- The amount of tax is equivalent to the advance payments and the tax credit in the case of income from land and capital.
- The rates of tax payable on certain capital gains are 33% and 16 5% depending on the case in question or the period during which the goods disposed of were held.
- The rate of tax payable on secret commissions and unjustified payments and awards is 67 5%.

(1) The State and the local authorities are not liable for the tax payable on capital gains, secret commissions and unjustified payments or awards.

TAX ON NON-RESIDENTS

(Impôt 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 :

The State.

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

Individuals not resident in Belgium, companies, associations, etc. who do not have their registered office or principal establishment in Belgium, nor are actually managed or administrated from headquarters in Belgium, as well as foreign States and their political subdivisions.

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

- Income produced or accrued in Belgium. Tax paid is not an allowable expense for the purposes of any other tax.
- The tax is assessed on all income from real estate and earned income, when the non-resident (individual or legal person) has an establishment or a dwelling-place at his disposal in Belgium for at least 183 days in the year, or earns income in Belgium as an active partner or director carrying on a real and permanent activity, or as a partner in a partnership, which has opted for profits to be subject to personal income tax.

The tax applicable to other income of those concerned is the amount of the advance payments of tax, tax credit, etc.; this is in fact the general rule for all other non-residents.

D e d u c t i o n s :

See under B 01 (with certain restrictions).

B 01.5/02.4

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, and note the distinction made under the heading "Basis of assessment".

R a t e s :

For non-resident individuals : see under B 01.

For foreign legal persons : 54%.

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

None.

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

See under B 01 or B 02, as the case may be.

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

Royal Decree N° 308 of 31 March 1936 establishing the Succession Duty Code, confirmed by the Law of 4 May 1936 (M.b., 7 April 1936) and modified in particular by the provisions of the first chapter of Royal Decree N° 12 of 18 April 1967 amending the Succession Duty Code (M.b., 20 April 1967) and of Chapter I, Section 7 of the Law of 22 December 1977 concerning the 1977/78 budget proposals (M.b., 24 December 1977)

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

The State.

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. 500 000).

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 :

The rate of duty is progressive according to the share of the succession⁽¹⁾:

- 3 to 25 % in direct line or to spouse;

- 20 to 65 % to brother or sister ;
- 25 to 70 % to uncles, aunts, nephews or nieces ;
- 30 to 80 % 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 or real estate located in Belgium : usually, registration duty at the same rate as for successions).

(1) Reductions and rates in force : Law of 22 December 1977.

COMPENSATORY TAX FOR SUCCESSION DUTY

(Taxe compensatoire des droits de succession/Belasting tot vergoeding der successierechten)

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

The State.

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 :

Annual rate of 0,17 %.

VALUE ADDED TAX (VAT)

(Taxe sur la valeur ajoutée – TVA/Belasting over de toegevoegde waarde – BTW)

VALUE ADDED TAX (VAT)

(Taxe sur la valeur ajoutée - TVA/Belasting over de toegevoegde waarde - BTW)

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) and 22 June 1972 (M.b., 7 July 1972) and 28 December 1973 (M.b., 29 December 1973) and 23 December 1974 (M.b., 31 December 1974), 5 January 1976 (M.b., 6 January 1976), 24 December 1976 (M.b., 28 December 1976), 29 November 1977 (M.b., 2 December 1977), 22 December 1977 (M.b., 24 December 1977) and 27 December 1977 (M.b., 30 December 1977) as well as various Implementing Decrees (36 Royal Decrees and 14 Ministerial Decrees)

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

The State.

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

- Any person engaged habitually and in an independent capacity, as a main or subsidiary activity, whether for pecuniary reward or not, in supplying goods or services referred to in the VAT Code ;
- Taxable capacity arises automatically without reference to the nationality or the place of domicile or business of the subject.

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

- the supply of goods referred to in the VAT Code in Belgium by a taxable person in the course of his trade or business ;
- the supply of services in Belgium by a taxable person in the course of his trade or business ;
- the importation of goods by any person;
- certain transactions ranking under the law with a supply of goods or services.

T a x a b l e a m o u n t :

- Generally, the tax is based on everything that the supplier of the goods or services receives or is to receive in payment from the persons to whom the goods or services are supplied or from a third party, including subsidies directly linked to the price paid in respect of those transactions ;
- In the case of imported goods, the taxable amount must include the duties, levies and other taxes payable abroad, the duties, levies and other taxes payable in Belgium in respect of importation (excluding the VAT due), and ancillary costs such as costs relating to commission, customs formalities, packaging, transport and insurance to the place of destination within Belgium.

S p e c i a l P r o v i s i o n s :

- In the case of the supply of goods, the taxable amount is equal to the purchase price of the goods or of similar goods or, where there is no purchase price, the cost price calculated on the basis of the date on which the goods were supplied;
- In the case of the supply of services or in the case of the importation of goods with no price being paid, the basis of assessment is the normal value of the services or imported goods;
- A minimum taxable amount has been laid down for :
 - supplies of private cars;
 - supplies of new buildings;
 - building work relating to the erection of buildings;
 - imported goods (customs value).

D e d u c t i o n s :

- A taxable person may deduct from the tax for which he is liable on goods and services supplied by him the tax charged on goods and services supplied to him and on goods imported by him where he uses those goods and services in connection with :

1. transactions liable to VAT;
2. transactions exempted because they relate to exports or international transport;
3. transactions which are carried out abroad and in respect of which an entitlement to deduction would arise if they were carried out in Belgium;
4. insurance and reinsurance transactions, exempt banking and financial transactions, foreign exchange transactions, issue of securities, and stock exchange transactions and carry-over transactions, provided the other party is established outside the European Economic Community or, subject to conditions to be laid down by the Minister for Finance, the said transactions relate directly to goods intended for export to a country outside the Community;
5. brokerage and agency services in connection with the transactions listed in 4. above.

L i m i t a t i o n o f d e d u c t i o n s :

1. In the case of the supply or importation of private cars and the supply of goods and services relating to such vehicles, the deduction may not exceed 50% of the VAT paid.
2. No deduction in respect of VAT previously paid is allowable for :
 - supplies of manufactured tobacco;
 - supplies of spirituous beverages;
 - the cost of accomodation, food and drink;
 - entertainment expenses.
3. The deduction of VAT levied on capital goods in 1978 is limited to 5% where the tax in question was levied on investments other than job-creating or ancillary investments.

Lastly, there are special provisions governing the deduction of VAT for persons who are taxable persons for VAT purposes in respect of only part of their trade or business.

E x e m p t i o n s :

Without deduction of input tax.

This applies in particular to :

- lawyers (notaires and avocats) and bailiffs (huissiers de justice);
- doctors and the exercise of certain para-medical professions;

- hospitals, clinics, old people's homes that are regarded as serving a social purpose;
- school or university education, vocational training and retraining at establishments recognized by the authorities;
- museums and similar establishments;
- services which, subject to certain conditions, are provided to their members by non-profit institutions with aims of a political, trade union, religious, philosophical, patriotic, philanthropic or civic nature or which are engaged in a sporting or physical recreational activity.

With deduction of input taxes, but where the other party is established outside the European Economic Community or where the transactions in question are related directly to goods intended for exportation to a country outside the Community :

- (a) insurance and reinsurance transactions;
- (b) credit transactions;
- (c) payment and receipt transactions (the supplier of the services may, however, opt for taxation);
- (d) foreign exchange transactions, the issue of transferable securities, and stock transactions and carry-over transactions;
- (e) services supplied by brokers or agents and related to the services referred to at (a), (b), (c) and (d).

With deduction of input taxes :

- exports;
- international transport and ancillary services;
- supply and importation of ships, boats and aircraft and the supply of certain goods and services relating to these means of transport;
- supply of certain goods and services to embassies, consulates and international organizations.

C o l l e c t i o n :

Generally, VAT is paid using monthly or quarterly returns. Taxable persons pay the amount of VAT shown on their returns by lodgement, by transfer or through of the bank or post office current account of the VAT administration.

Taxable persons who submit only quarterly returns are required to pay in the second and third months of each quarter a sum on account equal to one-third of the amount of VAT payable that is shown on the return for the previous quarter.

R a t e s :

The current rates are :

- 6% for foodstuffs (excluding beverages), slaughter animals, poultry, fertilizers, water, tobacco (excluding cigarettes); industrial ores, scrap and waste; household fuels; pharmaceuticals; soap and detergent; printing materials; unspun textile materials; orthopaedic appliances, artificial limbs and the like; agricultural services; transport of persons; the cleaning, repair and maintenance of clothing and goods charged at 6%; the granting of admission to cultural, sporting or recreational establishments; the letting or leasing of rights to cinematographic films; the supply of accomodation and the provision of ground on camping sites by institutions engaged in welfare tourism; the letting of orthopaedic appliances, artificial limbs and the like; services supplied by undertakers and the publication of obituaries;
- 25% for motor vehicles, minibuses and motor cycles (excluding mopeds); vehicles specially equipped for camping; aeroplanes, helicopters and other like craft; pleasure boats and outboard motors; tyres and inner tubes; real pearls, natural precious stones and articles consisting of such pearls and stones; jewellery; jewels, and goldsmiths' or silversmiths' wares of precious metal or rolled precious metal; clocks and watches with cases made wholly or partly of precious metals or an alloy containing such metal; furs (other than hare or rabbit furs); arms for hunting, self-defence or shooting, and ammunition for such arms; certain ornamental objects and fancy articles, thermometers; radio and television sets, sound reproducers and combined sound recorders and reproducers; gramophone records, magnetic tapes and other recording media; perfumery and toilet preparations and cosmetic products (excluding shaving cream and oral hygiene products); certain photographic and cinematographic cameras, film projectors, certain photographic and cinematographic films, photographs and slides; fermented beverages (excluding beer), spirituous beverages, alcoholic preparations, caviar; leather goods, clothing and gloves;
- 16% for other goods and services.

S p e c i a l s y s t e m s :

There are four special systems of applying VAT :

1. flat-rate bases of assessment for small enterprises with an annual turnover not exceeding Bfrs. 15 000 000
2. an equalisation tax for small retailers whose annual purchases do not exceed Bfrs. 4 500 000 in the food sector and Bfrs. 2 500 000 in the textile, footwear, bookshop and pharmaceutical sectors;
3. a special flat-rate scheme for farmers;
4. a special flat-rate scheme for travel agents' profit margins.

REGISTRATION TAX
(Taxe à l'immatriculation/Inschrijvingstaks)

Law of 27 December 1977 (M.b., 30 December 1977); Royal Decree of
27 December 1977 (M.b., 31 December 1970)

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

The State.

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

1. the registration of certain self-propelled motor vehicles (private cars, dual-purpose vehicles, minibuses, motor cycles, vehicles specially equipped for camping) and aircraft;
2. use of a caravan for the first time on the public highway in Belgium by the owner or by a third party acting with the consent of the owner;
3. use of a pleasure craft for the first first time in Belgium by the owner or by a third party acting with the consent of the owner.

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

The open-market value of the self-propelled vehicle, aircraft, caravan or pleasure craft. A minimum taxable amount has been fixed for private cars and dual-purpose vehicles.

R a t e :

25%.

E x e m p t i o n s :

1. Registration or use for the first time following a transaction chargeable to VAT (purchase, importation, letting, etc.) or following an inheritance;
2. Use for the first time of a motor vehicle intended for community transport;
3. Registration of aircraft used by the State or by airlines engaging primarily in international air transport for a financial consideration;

4. Registration of private vehicles in the name of certain categories of invalid or handicapped persons;
5. Registration of self-propelled motor-vehicles intended for diplomatic missions or consular posts, for international organizations, for the armed forces of other countries belonging to the North Atlantic Treaty Organization, for the North Atlantic Assembly, and for organizations entrusted by a foreign government with the task of establishing and maintaining cemeteries and memorials for persons who lost their lives in wartime and for members of its armed forces buried in Belgium.

C o l l e c t i o n :

Upon presentation of a return that must be made prior to registration or use for the first time.

M e t h o d s o f c o l l e c t i o n :

1. affixing complete fiscal stamps to the return;
2. transfer to or lodgment with the post office account of a collection office.

TAX ON BILLS

(Taxe d'affichage/Aanplakkingsbelasting)

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 :

The State.

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 :

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

HUNTING TAX**(Taxe sur la chasse/Belasting 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) ; amending Law of 27 December 1965 (M.b., 29 December 1965) ; amending Law of 20 December 1974 (M.b., 31 December 1974)

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

The State.

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 :

- Shot-gun licence : Bfrs. 6 000 for shooting the whole year, Bfrs. 4 200 for shooting on Sundays only, and Bfrs. 1 500 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.

EXCISE DUTY ON MINERAL OILS

(Accise sur les huiles minérales/Accijns op minerale oliën)

Royal Decree of 20 November 1963 coordinating the legal provision 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) ; Law on the excise system for mineral oils of 16 June 1973 (M.b., 20 June 1973) ; Royal Decree of 26 September 1974 amending the excise system for mineral oils (M.b., 27 September 1974) ; Royal Decree of 21 November 1974 amending the excise system for mineral oils (M.b., 22 November 1974); Royal Decree of 25 March 1977 (M.b., 29 March 1977); Royal Decree of 21 December 1977 (M.b., 30 December 1977).

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

The State.

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 on importation, or on delivery from customs or excise duty free warehouse.

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 or the licensee of the customs or excise duty-free warehouse must submit not later than the Thursday of each week a written declaration stating the quantities released for consumption during the preceding week.

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 :

Annex V to the Tariff of
Import Duties (BLEU)

	<u>Excise duty</u>	<u>Special excise duty (1)</u>
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	
2. Others :		
21. Light oils :		
211. for industrial use	duty-free	nil
212. for other uses :		
2121. Special petrols :		
21211. white spirit	Frs. 565 per hl at 15°C	Bfrs. 195 per hl at 15°C
21212. other	Frs. 565 per hl at 15°C	Bfrs. 195 per hl at 15°C
2122. unnamed	Frs. 565 per hl at 15°C	Bfrs. 195 per hl at 15°C
22. Medium oils :		
221. for industrial use	duty-free	nil
222. for other uses :		

(1) Levied in Belgium only and also due on imports of mineral oils into Belgium from Luxembourg.

<u>Annex V to the Tariff of Import Duties (BLEU)</u>	<u>Excise duty</u>	<u>Special excise duty (1)</u>
2221. paraffin oil	Frs. 45 per hl at 15°C	nil
2222. unnamed	Frs. 45 per hl at 15°C	nil
23. Heavy oils :		
231. Fuel oils :		
2311. Heavy gas oil (2) :		
23111. used as raw material in industry	duty-free	nil
23112. for other uses	Frs. 25 per hl at 15°C	Bfrs. 20 per hl at 15°C (3)
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 fores- try 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. 145 per hl at 15°C	Bfrs. 135. 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. 25 per hl at 15°C	Bfrs. 20 per hl at 15°C (3)
231322. other	Frs. 10 per 100 kg	nil

(1) Levied in Belgium only and also due on imports of mineral oils into Belgium from Luxembourg.

(2) Levied also in Luxembourg.

(3) A special excise duty of Lfrs. 20 per hl at 15° C is levied in Luxembourg on heavy gas oil for other uses (n° 23112) and medium fuel oil for heating (n°231321).

Annex V to the Tariff of
Import Duties (BLEU)

	<u>Excise duty</u>	<u>Special excise duty</u> ⁽¹⁾
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
2332. for other uses	Frs. 10 per 100 kg	nil
234. other :		
2341. intended for use as fuel	Frs. 10 per 100 kg	nil
2342. not designated	duty-free	nil

I m p o r t s :

Imported mineral oils are subject to the same system as similar products manufactured within the country.

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> ⁽¹⁾
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

(1) Levied in Belgium only and also due on imports of mineral oils into Belgium from Luxembourg.

	<u>Excise duty</u>	<u>Special excise duty (1)</u>
3) Products containing more than 5% by volume of light mineral oils which could be used as fuel for engines : per hectolitre and per %	Frs. 5.65	Bfrs. 1.95
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 %	Frs. 0,45	nil
6) Products containing more than 5% by volume of heavy gas oil : per hectolitre and per %	Frs. 0.25	Bfrs. 0.20
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. 0,25	Bfrs. 0.20
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

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

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 second 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.

B 12
L 16

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) ; Amending Law of 6 February 1970 (M.b., of 8 April 1970) ; Amending Law of 26 January 1976 (M.b., 13 August 1976)

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

The State.

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 or are declared offered for consumption or importation.

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 or the licensee of the customs or excise duty-free warehouse must submit not later than the thursday of each week a written declaration stating the quantities released for consumption during the preceding week.

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 :

Excise duty :	Frs. 90 per hectolitre at 15°C
Special excise duty (1) :	Bfrs. 185 per hectolitre at 15°C

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 second 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.

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 within the country.

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

(1) Levied in Belgium only and also due on imports of fuel for motor vehicles into Belgium from Luxembourg.

B 12
L 17

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 benzole and similar products (M.b., 19 December 1963) ; Law of 29 June 1966 (M.b., 6 August 1966) ; Amending Law of 26 January 1976 (M.b., 13 August 1976); Royal Decree of 21 December 1977 (M.b., 30 December 1977).

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

The State.

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 or approved depot, or are declared offered for consumption upon importation.

E x e m p t i o n s :

Benzole intended for uses other than as fuel for motor vehicles using the public highways 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 or the licensee of the customs or excise duty-free warehouse must submit not later than the Thursday of each week a written declaration stating the quantities released for consumption during the preceding week.

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.

R a t e s :

Excise duty :	Frs. 565 per hectolitre at 15°C
Special excise duty (1) :	Bfrs.195 per hectolitre at 15°C

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 second 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.

(1) Levied in Belgium only and also due on imports of benzole products into Belgium from Luxembourg.

B 12
L 17

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 within the country.

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); Law of 16 June 1973 on the tax system for tobacco (M.b., 20 June 1973); Royal Decree of 28 June 1973 (M.b., 29 June 1973); Royal Decree of 29 March 1974 (M.b., 13 April 1974); Royal Decree of 1 October 1974 (M.b., 11 October 1974); Royal Decree of 10 February 1976 (M.b., 14 February 1976); Royal Decree of 30 March 1976 (M.b., 1 April 1976); Royal Decree of 5 May 1976 (M.b., 8 May 1976); Royal Decree of 10 September 1976 (M.b., 15 September 1976); Royal Decree of 20 December 1976 (M.b., 28 December 1976); Royal Decree of 15 April 1977 (M.b., 30 April 1977); Royal Decree of 10 October 1977 (M.b., 15 October 1977); Royal Decree of 21 December 1977 (M.b., 31 December 1977)

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

The State.

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

With the exception of moist chewing tobacco, 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, or are imported.

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 written declaration must be submitted prior to the release from a factory of any tobacco products. Products released for consumption must bear a tax band or stamp.

B 13
L 18

C o l l e c t i o n :

The excise duty is payable by the manufacturer or the importer when the tax bands or stamps that are to be affixed to the products are purchased.

B a s i s a n d r a t e s o f "a d v a l o r e m" e x c i s e d u t y :

- Cigars weighing 3 kg or more per 1000	11.5%	} of the retail sales price, according to a scale laid down by the Minister of Finance.
- Other cigars (cigarillos)	16 %	
- Cigarettes	55.5%	
- Smoking tobacco, snuff and dry chewing tobacco	31.5%	

In addition cigarettes are subject to a specific excise duty of Bfrs. 0.048 each, and a two element special excise duty : 6.5 per cent of the retail selling price plus Bfrs. 0.011 per piece.

Note : The total "ad valorem" specific duties may not be less than Bfrs. 0.42 per cigarette and total excise duty (special, ad valorem and specific duty) may not be less than Bfrs 0.968 per piece.

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

Provided sufficient security is available, 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.

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 tobacco .
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 within the country. For the purpose of implementing the above provisions, an importer ranks as a manufacturer in all respects.

B 14/15
L 19/20/21/26

EXCISE DUTY AND CONSUMPTION TAX ON ETHYL ALCOHOL

(Accise et taxe de consommation sur l'alcool éthylique/Accijns en Verbruikstaks 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); Royal Decree of 26 September 1974 amending the consumption tax on ethyl alcohol (M.b., 27 September 1974); Royal Decree of 15 December 1975 amending the consumption tax on ethyl alcohol (M.b., 24 December 1975)

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

The State.

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

Ethyl alcohol and products containing ethyl alcohol, except for beer and beverages fermented from fruits.

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

Release for consumption from the distillery or from a customs or excise duty-free warehouse or for importation.

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 :

A written declaration must be submitted prior to release from a distillery or from a customs or excise duty-free warehouse.

C o l l e c t i o n :

The excise duty and consumption tax are levied on the basis of the declaration of release for consumption or on the basis of the import declaration.

R a t e s :

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

Reduced tax for alcohol designated for the making of perfumes at 100° at a temperature of 15°C Bfrs. 6 200 per hl at a strength of 100°
2. Consumption tax :
Belgium
 - Undenatured ethyl alcohol Bfrs. 21 500 per hl at a strength of 100°
 - Ethyl alcohol denatured and used :
 - (a) for the manufacture of raw materials used in the perfumery industry and of cosmetic and toilet articles Bfrs. 3 800 per hl at a strength of 100°
 - (b) for other uses exempted

Luxembourg

- Undenatured ethyl alcohol Lfrs. 8.000 per hl
at a strength of 100°
- Ethyl alcohol denatured and used :
 - (a) for the manufacture of raw materials used in the perfumery industry and of cosmetic and toilet articles Lfrs. 1 000 per hl
at a strength of 100°
 - (b) for other uses exempted

I m p o r t s :

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 hl
- 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 hl
 - (b) other exempted

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

Belgium

- Undenatured ethyl alcohol, brandies, liqueurs and other spirituous beverages Bfrs. 215
- All other products containing undenatured ethyl alcohol Bfrs. 215
- 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. 38

- 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 Bfrs. 38
 - (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

Period for payment :

Belgium

Provided sufficient security is available, a period of grace up to the fifteenth day of the fourth month following that in which the consumption declaration was submitted is granted for payment.

Luxembourg

Provided sufficient security is available, a credit period is granted

- in the case of non-warehoused alcohol, the period is six months from the submission of the statement of work to be carried out;
- in the case of warehoused alcohol, the period is two months from delivery from warehouse

Exports :

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. Consignments from Luxembourg are not exempt from consumption tax.

B 16/17
L 22/23

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 12 February 1937 on the tax system for fermented sparkling beverages; 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) ; Ministerial Decree of 12 April 1972 (M.b., 14 April 1972) ; Law of 5 January 1976 (M.b., 6 January 1976).

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

The State.

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

- Beverages fermented from grapes of a strength not exceeding 22° of alcohol and beverages fermented from fruit other than fresh or dried grapes and similar beverages of a strength not exceeding 15° of alcohol.
- Fermented sparkling beverages, except beer and beverages subject to the excise duty on alcohol.

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

Dutiable beverages are manufactured or imported.

E x e m p t i o n s :

Under certain conditions relating to packing and labelling, beverages fermented from fruit other than grapes and similar beverages of a strength not exceeding 15° of alcohol are exempt from excise duties.

Where beverages fermented from grapes or any other fruit have not been manufactured, have suffered loss or destruction or have been used for industrial purposes, an exemption from excise duty may be obtained.

B. Beverages fermented from fruit other than fresh or dried grapes and similar fermented beverages of a strength not exceeding 15°, at a temperature of 15°C are subject to :

- a) an excise duty of Bfrs. 600 per hl
- b) a special excise duty of Bfrs. 600 per hl (1)

If these beverages are of a strength exceeding 12°, a supplementary excise duty is also charged on each tenth of a degree of alcohol exceeding 12° at Bfrs. 10,60 per hl.

<u>2. Fermented sparkling beverages</u>	<u>Excise duty</u>	<u>Special excise duty (1)</u>
a) beverages of a strength not exceeding 6° at a temperature of 15°C	Bfrs. 150 per hl	none
b) beverages of a strength exceeding 6° at a temperature of 15°C :		
(1) manufactured from fresh or dried grapes :	Bfrs. 1 500 per hl	Bfrs. 1 500 per hl
(2) others :	Bfrs. 750 per hl	none

Sparkling beverages fermented from fruit are subject to the excise duty and the special excise duty on beverages fermented from fruit as well as to the excise duty and the special excise duty on sparkling fermented beverages.

I m p o r t s :

The above duties also apply to domestic and imported products.

(1) Levied in Belgium only and also due on imports of beverages into Belgium from Luxembourg.

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

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

- Beverages fermented from fruit : 6 months
- 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.

E x p o r t s :

Beverages fermented from fruit and sparkling fermented beverages which are exported or sent to a destination equivalent to exportation are exempt from all excise duties and special excise duties.

Where goods are sent to Luxembourg, they are exempt only from special excise duties.

B 18
L 24

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) ;
Law of 16 June 1973 on the excise system for beer (M.b., 20 June 1973) ;
Royal Decree of 27 November 1973 (M.b., 30 November 1973) ; Royal Decree
of 24 January 1974 (M.b., 26 January 1974) ; Royal Decree of 28 November
1974 (M.b., 29 November 1974).

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

The State.

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
substance 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 or on importation.

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. At the brewer's request, however, the quantities produced in the same week may be given on a single declaration.

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.

On importation, duties are payable when the declaration of release for consumption is made.

R a t e s :

For home production 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>
- For the first 10.000 hectolitre-degrees	Bfrs. 31.90	Bfrs. 11.90
- From 10 001 to 50 000 hectolitre-degrees	Bfrs. 38.10	Bfrs. 14.20
- From 50 001 to 300 000 hectolitre-degrees	Bfrs. 46.00	Bfrs. 17.30
- From 300 001 to 1 250 000 hectolitre-degrees	Bfrs. 46.00	Bfrs. 18.50
- More than 1 250 000 hectolitre-degrees	Bfrs. 52.20	Bfrs. 16.80

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

(1) Levied only in Belgium.

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 (1)</u>
Beers with a density of :		
- Less than 3°9	Bfrs. 183.90 per hl	Bfrs. 69.00 per hl
- From 3°9 to less than 5°6	Bfrs. 262.60 per hl	Bfrs. 98.70 per hl
- From 5°6 to less than 6°4	Bfrs. 315.20 per hl	Bfrs. 118.30 per hl
- 6°4 and over	Bfrs. 362.40 per hl	Bfrs. 136.20 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 :

- 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 ;
- Other beers :
payment may be deferred until the fifteenth day of the third month following that in which the brewing declaration was submitted.

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.

(1) Levied in Belgium only and also due on imports of beer into Belgium from Luxembourg.

EXCISE DUTY ON NON ALCOHOLIC BEVERAGES (*)**(Accise sur les boissons non alcoolisées/Accijns op alcoholvrije dranken)**

Royal Decree N° 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) ; Law of 24 November 1972 on the tax system for table waters and lemonades (M.b., 16 December 1972)

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

The State.

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

1. Waters, hereafter called "mineral waters" including :
 - (a) 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 ;
 - (b) Aerated or sterilized waters ;
 - (c) Ordinary waters sold in packages which carry indications suggesting one of the waters mentioned in (a) and (b) above ;
2. Lemonade, which includes :
 - (a) Aerated or sparkling beverages consisting essentially of sweetened or aromatized water, fruit juices or a mixture of water and fruit juices ;
 - (b) Beverages which are neither aerated nor sparkling and which are essentially :
 - either of sweetened or aromatized water, with the exception of preparations such as coffee and tea ;
 - or a mixture, sweetened or not, of water and fruit juices.

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

Release for consumption from the factory or for importation.

(*) Renamed with effect from 1 January 1973.

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 not later than the second working day in each week a written declaration stating the quantities released for consumption during the preceding week.

C o l l e c t i o n :

The excise duty is payable by the manufacturer in accordance with the quantity of the chargeable products (mineral waters and lemonade) delivered from the factory for consumption following the weekly declaration. This declaration gives rise to the duties.

On importation, the excise duty is payable when the declaration of release for consumption is made.

R a t e s :

- Mineral waters :	Bfrs. 1 per litre
- Lemonade :	Bfrs. 2 per litre

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

Against sufficient security, the payment of the excise duty can be deferred until Thursday of the week following that when the weekly declaration has to be transmitted to the excise officer concerned (and not later than the second working day in the week following that to which the declaration applies).

I m p o r t s :

Non alcoholic beverages (mineral waters and lemonade) which are imported for consumption (including those from Luxembourg) are levied with the

same excise duty as those included under the heading "Rates of duty".

Exports :

Excise duty is not payable on exports of non alcoholic drinks (mineral waters and lemonade) including exports to the Grand Duchy of Luxembourg.

B 20
L 25

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) ; Amending Law of 24 February 1971 (M.b., 19 March 1971)

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

The State.

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

Release for consumption from a factory or from a customs or excise duty-free
warehouse.

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 :

The manufacturer or the refiner must submit not later than the last working
day of each month a written declaration stating the quantities released for
consumption during the month in question. A written declaration has to be
submitted prior to release for consumption from another excise duty-free
warehouse or from a customs duty-free warehouse.

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 syrup declared for consumption. It is payable by the importer on the basis of the quantities of sugar declared for consumption on importation.

R a t e s :

- Crude or refined sugar	Bfrs. 60 per 100 kg
- Refined syrups	Bfrs. 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	Bfrs. 60.-
- Sucrose sugar in other forms, caramel, invert sugar and artificial honey per % of sugar content	Bfrs. 0-60
- Products containing added sucrose sugar, caramel, invert sugar or artificial honey in the following proportions :	
- 5% to 15%	Bfrs. 6.-
- more than 15%, but not more than 25%	Bfrs. 12.-
- more than 25%, but not more than 40%	Bfrs. 19.50
- more than 40%, but not more than 60%	Bfrs. 30.-
- more than 60%, but not more than 75%	Bfrs. 40.50
- more than 75%, but not more than 90%	Bfrs. 49.50
- more than 90%	Bfrs. 57.-

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

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

ANNUAL TAX ON INSURANCE CONTRACTS

(Taxe annuelle sur les contrats d'assurance/Jaarljkse belasting op de verzekeringscontracten)

Royal Decree of 29 September 1938 (M.b., 21 October 1938) ; Law of 19 February 1969 (M.b., 1 March 1969) ; Law of 22 December 1977 (M.b., 24 December 1977)

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

The State.

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, fire insurance exclusively on buildings or furniture situated abroad, insurance of ships and aircraft principally used for international public transport.

C o l l e c t i o n :

Annual payment.

R a t e s :

The standard rate is 8.25%.

The rate is reduced to 4% in the case of life assurance and annuities 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 the Code of Taxes with equivalent effect to income taxes

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

The State

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 ;
- Regular bookmaking on horse races run in Belgium ;
- Under certain conditions, certain popular amusements, pigeon races and competitions where participants must have some linguistic, historical, geographical or artistic knowledge or skill.

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 :

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

(b) Special cases :

- 13 %⁽¹⁾ of sums involved in bets on non-exempted horse races ;
- 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 %⁽²⁾ 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 %⁽²⁾ of the net amount of these prizes when they exceed Bfrs. 250 000 per winner and per competition.

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

-
- (1) A portion of the yield of this tax is assigned to the National Sports Fund, to ensure that, having taken into account the payments which the organisers of betting on horse races must make to its account, it receives an income of not less than 1/6 of this tax or Bfrs. 150.000.000.
- (2) 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 93 of the Code of Taxes with equivalent effect to income taxes

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

The State.

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.

P a y m e n t :

Annual or by instalments.

R a t e s :

Official assessment of Bfrs. 200 000 for gaming machines that are found to be in operation in violation of the law.

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

Royal Decree N° 64 of 30 November 1939 containing the Code of the Registration Taxes, Mortgage duty and Count Dues (M.b., 1 December 1939) confirmed by the Law of 16 June 1947 (M.b., 14 August 1947 and amended by the provisions of Ch. II of Royal Decree N° 12 of 18 April 1967 (M.b., 20 April 1967)(1) and by the Laws of 14 April 1965 (M.b., 20 April 1965), of 3 July 1972 (M.b., 1 August 1972) and of 1 March 1977 (M.b., 31 March 1977) (2)

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

The State.

R a t e s :

Sale of land and buildings located in Belgium (except for building 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 modest dwellings	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)	1 %	

G i f t s : (See under B 06)

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

A - Companies actually managed from headquarters in Belgium or with their statutory seat in Belgium but actually managed from headquarters outside EEC territory :

- movable assets or real estate invested in Belgian companies, in general	1 %
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- Assets contributed to Belgian companies, either by way of mergers, takeovers or split-ups, in one or more forms of activity :
 - (a) by companies with a statutory seat or a seat of effective management in EEC territory 0 5%
 - (b) by other companies 1%
- Increase of capital without further assets being invested (e.g. by incorporation of reserves, profits or deposits) : normally 1%
- 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. 225

B - Other companies :

No registration tax (apart from the fixed duty of Bfrs. 225 where applicable).

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.

C O U R T D U E S (DROITS DE GREFFE/GRIFFIERECHTEN) (1)

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

The State.

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 judgements ;
- Authentication of and search for certain acts ;
- Entries in the register of commerce or the register of non-commercial companies which have taken the form of commercial companies or the register of Artisans.

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

Regent's Decree of 26 June 1947 containing the Code of Stamp Duties (M.b., 14 August 1947), confirmed by the Law of 14 July 1951 and amended, in particular, by the provisions of Chapter III of Royal Decree N° 12 of 18 April 1967 (M.b., 20 April 1967) and Chapter I, Section 5 of the Law of 22 December 1977 (M.b., 24 December 1977)

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

The State.

(1) Chapter II of Royal Decree N° 12 of 18 April 1967.

B 24/25/26/32

R a t e s :

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%

Letting of furnished holiday accomodation 7.5%

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

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

The State.

R a t e :

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

TAX ON STOCK EXCHANGE AND CARRY-OVER TRANSACTIONS**(Taxe sur les opérations de bourse et de report/Belasting op beursverrichtingen en de reporten)**

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; Law of 27 December 1965 (M.b., 29 December 1965)

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

The State.

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 belasting 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 :

The State.

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 stocks, shares, bonds etc. and public funds 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 :

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 Code of Taxes with equivalent effect to income taxes

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

The State (plus 10 % additional tax for agglomerations, federations of municipalities and 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, or weight of the motor vehicle, as the case may be.

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, or for successive periods of twelve consecutive months.

R a t e s :

- For passenger vehicles the rate ranges from Bfrs. 720 to 18 300 per year ; for vehicles over 20 HP the rate of duty is Bfrs. 18 300 plus Bfrs. 1.000 per HP over 20 HP ;
- Motor cycles of a cylinder capacity exceeding 250 cc, and motorised three-wheelers and four-wheelers : Bfrs. 420 ;
- For vehicles used for goods transport, a graduated scale ranging from Bfrs. 150 to 346 per 100 kg of weight is applicable.

O t h e r t a x e s :

Provinces may levy tax on boats, motorboats and on motor cycles with a cylinder capacity not exceeding 250 cc ;

Agglomerations, federations of municipalities and municipalities benefit from the yield of the 10% surcharge on the national tax.

TAX ON THE OPENING OF ESTABLISHMENTS FOR THE SALE OF FERMENTED BEVERAGES
(Taxe d'ouverture sur les débits 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 :

The State.

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

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

S c o p e :

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 :

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.

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)

(See the legal instruments relating to the tax on the opening of establishments for the sale of fermented beverages)

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

The State.

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

Operators with legal personality (companies)

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

S c o p e :

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.

R a t e :

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.

DENMARK

Danmark

STATE INCOME TAX (Indkomstskat til staten)

Statutory Notice N° 461 of 13 September 1978.

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

Tax on individuals : the State.

Tax on estates : the State and Local Government. The Local Government share of the tax amounts to 1/3rd.

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

Individuals resident and estates administered in Denmark.

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

The ordinary taxable income including income from foreign sources.

E x e m p t i o n s :

Estates which are administered immediately following a person's decease are exempted from income tax, provided the following conditions are fulfilled :

- The value of the estate's assets at the time of decease must not exceed DKr. 400 000 ;
- The net value of the estate at the time of decease must not exceed DKr. 300 000 ;
- The value at which assets are paid out to heirs etc. must not exceed DKr. 350 000 ;

D e d u c t i o n s :

Individuals :

The taxes calculated on the net income are reduced by a percentage of a personal allowance. The basic amount for the allowance is DKr. 9.000 but it is adjusted yearly in accordance with the national consumer price.

Estates :

The income is reduced by an annual deduction of DKr. 48 000.

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

The wife is taxed jointly with the husband, except on certain income.

Children are liable to tax independently.

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

Individuals are taxable on their income in Denmark from employment, pensions or grants etc., according to the same rules as residents, apart from a certain standardisation of the rules on personal allowance and certain restrictions as to the allowance on assessment, depending on whether those concerned have been living in the country for more or less than 6 months.

C o l l e c t i o n :

The employer or employing authority is required to withhold from the remuneration paid for personal work of a service nature and from certain other types of income, such as pensions a provisional tax known as A-Tax.

Distributed dividends are subject to a provisional dividend tax of 30%. Other income, primarily from self-employment and capital normally pays a provisional tax according to a demand note, known as B-Tax.

T a x a t s o u r c e :

A-Tax is withheld from every person who receives a salaried income in Denmark from employment there or who receives a pension or allowance from Denmark.

The basis of assessment of tax is the taxpayer's gross income minus all deductions other than the personal allowance. However, a further deduction is made of a sum equal to the figure which would be obtained if the personal allowance were taxed at the lowest rate.

The provisional taxation of married couples is levied on each of them separately. If one of the spouses has no income or otherwise cannot make full use of his or her allowances (general deductions on assessment + personal allowance) it is transferred to the other spouse.

R a t e s :

Individuals :

The basic amount of tax is calculated according to the following scale of income less personal allowances etc.

- On the first Dkr. 71 000	16%
- On the next Dkr. 56 800	32%
- On the remainder	44%

The percentage rate of tax to be levied on the basic amount is laid down by law every calendar year. The maximum rate at which State Income Tax may be levied is 105% of the basic amount. The percentage to be levied for the calendar years 1978 and 1979 is 90 %.

The single income steps are regulated according to the national consumer price index.

Should the combined total of a person's State Income Tax, contributions to old age pension, County and Local Income Tax exceed 66 2/3% of his scale income, the State Income Tax is reduced by the amount in excess.

Should the combined total of a person's State Income and Capital Tax, contributions to old age pension, County and Local Income Tax, after any reduction that may apply under the rule given in the previous paragraph, exceed 70% of his taxable income for the income year in question, the State Income Tax is reduced so that the combined total of taxes equals 70% of the aforesaid income.

Estates :

The tax amounts to 40% of the income after deducting the estate allowance.

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

If the total ordinary taxable income for any income year shows a loss, this loss may be deducted from the special taxable income for the same income year. If the loss exceeds the special income, this loss may be deducted from the taxable income in the five immediately succeeding income years.

The loss of a jointly taxed spouse has to be deducted from the taxable income at the other spouse before any carrying forward.

During the five year period, the deduction in question may not be carried forward to the second income year, if it can be deducted in full from the taxable income for the first year.

DK 01

COUNTY INCOME TAX
(Amtskommunal indkomstskat)

Decree N° 534 of 30 October 1974 ;
Ministry of the Interior's Circular N° 34 of 5 March 1971

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

The country in which the tax municipality of the taxpayer is situated.

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

The same group of people who are liable to municipal income tax.

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

The taxable income for State income tax.

C o l l e c t i o n :

Collection and accounting to the county for county income tax is carried out according to the same rules as those on municipal income tax.

R a t e :

The county income tax corresponds to a percentage levy fixed by the County Council for the calendar year in question.

MUNICIPAL INCOME TAX
(Kommunal indkomstskat)

Decree N° 101 of 20 February 1973 and Decree N° 548 of 7 November 1974 relating to the Law on Municipal income tax ; Ministry of the Interior's Circular N° 121 of 18 June 1969 on municipal income tax

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

The income tax of a person fully liable for municipal income tax is normally payable to his tax municipality i.e. the municipality in which the person in question is resident or - if he has no place of residence - to the municipality in which he was staying on 5 September before the calendar year in question. The same rule applies for married women. However, another municipality can be fully or partly entitled to tax, since a stay of at least three months in a municipality gives that municipality a right to part of the municipal income tax to which the taxpayer is liable, calculated in proportion to the length of the stay.

Persons who are only partly liable to tax usually pay income tax to the municipality in which they receive their income.

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

All persons liable to State income tax.

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

The taxable income for State income tax.

C o l l e c t i o n :

See State Income Tax (DK 01).

R a t e s :

The municipal authorities fix the percentage of the levy for one calendar year at a time. Non-residents pay 15 % municipal income tax on the limited income.

DIVIDEND TAX
(Udbytteskat)

Paragraphs 65-67 of Law N° 100 of 31 March 1967 concerning Collection of Income and Capital Taxes on individuals (Tax at source) with later amendments ;
The Tax Department's Circular N° 110 of 8 May 1970 on the setting-off and repayment of Divident Tax, as amended by Circular of 3rd November 1972 ;
Paragraph 2 of the Law concerning Income Tax on Joint-stock Companies etc. : see Statutory Notice N° 509 of 23 September 1975 ;
A provisional withholding tax on the dividends of shares from limited companies resident in Denmark.

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

See under Income Tax and Corporation Tax (DK 01 and DK 05).

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

In the case of shareholders fully liable to tax, the Dividend Tax is set off against their finally calculated tax. Any amount in excess is repaid. Shareholders who are not liable to pay any tax obtain repayment of the Dividend Tax on demand.

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

The Divident Tax withheld is a definitive tax. Shareholders residing abroad may be able to claim a refund of the Dividend Tax in so far as an agreement for the avoidance of double taxation would justify the refund.

C o l l e c t i o n :

Whenever a decision is taken to pay out or credit dividends, the Dividend Tax becomes due and is paid to the State by the company which distributes the dividends.

R a t e :

30%.

TAX ON EMPLOYEE'S SHARES AND BONDS
(Afgift af medarbejderaktier og obligationer)

Paragraph 16 of Statutory Notice N° 454 of 19 July 1977.

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

The State and the Municipality.

1/3rd of the tax devolves to the Municipality.

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

Employers who pay out profits in the form of shares or bonds to employees in their business.

The conditions under which such shares or bonds are issued, must be approved by the State Tax Directorate.

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

The value of the shares or bonds.

C o l l e c t i o n :

The tax must be paid before the expiry of a term laid down in the approval from the State Tax Directorate.

The collection is made by the District Inspectorate of Taxes.

R a t e :

50% of the amount by which the value of each share exceeds DKr. 200.

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

Employees are not required to include the value of such shares or bonds nor the amount of the tax thereon in their taxable income.

The employer may deduct the value of the shares or bonds and the amount of tax thereon when calculating his ordinary taxable income.

SEAMEN'S TAX
(Sømandsskat)

Statutory Notice N° 378 of 4 July 1977.

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

State and Municipality.

10 1/2% of the tax withheld is to be regarded as contribution for old age pension and the sickness per diem fund. The municipal share of Seamen's Tax amounts to 55% of the first Dkr. 18.000 of the Seamen's Tax and 45% of the excess over this amount.

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

Seamen serving on Danish vessels in foreign or domestic trade.
Seamen's tax is deducted at source from the remuneration,

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

The monthly pay earned on board. The value of free food etc. on board included.

D e d u c t i o n s :

In calculating taxable income, a fixed monthly allowance of Dkr. 520 for expenses is deductible. Seamen sailing in foreign trade are furthermore granted a monthly allowance of Dkr. 700. In the calculated taxes the same percentage of a personal allowance is deducted as for other taxable persons. See Income Tax (DK 01).

DK 01

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

Married couples are taxed separately.

Children are taxed separately.

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

Residents of Finland, Norway and Sweden are taxed under the same regulations as those mentioned above for Danish residents.

For other non-residents, tax is paid according to the scale below. Besides the above mentioned deductions these non-resident seamen are granted a monthly deduction of DKr. 300.

C o l l e c t i o n :

At the end of each month, or on the seamen's discharge other than at the month end.

R a t e s :

Seamen's taxes are calculated after making the deductions listed in heading "Deductions".

<u>Residents of Denmark, Finland, Norway and Sweden :</u>	<u>Others :</u>
- On the first DKr. 5 000 at the rate of 37%	34%
- On the next DKr. 4 000 at the rate of 56%	53%
- On the remainder 63%	60%

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

So far as earnings on board are concerned, the Seamen's Tax replaces State, District and Local Income Tax, Church dues and old age pension contributions.

A seaman who has been liable to Seamen's Tax for less than 150 days may claim the income on board taxed according to rules for persons inland.

PENSIONS CONTRIBUTION
(Folkepensionsbidrag)

Statutory Notice N° 155 of 15 April 1970, amended by Law N° 416
of 5 September 1972

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

The State.

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

Individuals with unrestricted tax liability.

R a t e a n d b a s i s o f a s s e s s m e n t :

1,2% of the basis of assessment of State income tax.

The contribution is paid and collected at the same time as the
ordinary State income tax.

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

Individuals with restricted tax liability do not pay the national
pensions contribution.

SPECIAL PENSIONS CONTRIBUTION
(Særligt folkepensionsbidrag)

Law No. 270 of 4 June 1970 concerning the social fund

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

The State (the social pension fund).

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

Individuals with unrestricted tax liability and who do not reach the age of 67 in the income year concerned.

R a t e s :

2 % of the basis of assessment applied for the pensions contribution.
The contribution is paid and collected at the same time as the pensions contribution.

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

Individuals with restricted tax liability do not pay the special pensions contribution.

DK 02

CONTRIBUTION TO THE SICKNESS PER DIEM FUND
(Bidrag til dagpengefonden)

Law N° 262 of 7 June 1972 on Daily Allowances during sickness or
Maternity

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

The State (the Sickness Per Diem Fund).

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

Individuals with unrestricted tax liability.

R a t e a n d b a s i s o f a s s e s s m e n t :

1% of the basis of assessment of State Income Tax.

The contribution is paid and collected at the same time as the ordinary
State Income Tax.

CHURCH TAX
(Kirkeskat)

Law No. 294 of 18 June 1969

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

The churches in each municipality.

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

The members of the "Established Church" of Denmark.

R a t e , b a s i s o f a s s e s s m e n t a n d c o l l e c t i o n :

The rate varies from 0.4 % to 2 % in the different municipalities and is levied on the same basis as municipal income tax.

Collection takes place jointly with municipal income tax.

SPECIAL INCOME TAX
(Særlig indkomstskat)

Statutory Notice N° 454 of 19 July 1977 as amended by Law N° 604
of 14 December 1977.

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

The State and Municipalities.

1/3 of the Special Income Tax devolves to the Municipality.

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

- a) Persons and estates who are liable to State Income Tax ;
- b) Companies, associations, corporations and autonomous institutions
etc. which are liable to Income Tax under the rules of Corporation
Tax Law.

Estates and joint-stock companies etc. are required to include special
income calculated in accordance with the rules in the Law on Special
Income Tax in their ordinary taxable income, instead of paying special
income tax.

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

- Profit or loss on disposal of machinery, equipment etc., ships,
buildings and buildings installations used for trading and covered
by the Law on Depreciation ;
- Profit or loss on the disposal of goodwill, patent rights etc.,
time-limited rights, rights in virtue of dividend contracts and
lease or hire contracts ;

- Profit or loss on the disposal of shares, bonds and the rights in such securities;
- Profit or loss on the distribution of liquidation assets of joint-stock companies and cooperative societies during the calendar year in which the company was finally liquidated;
- Certain compensation and bonuses, received from the taxpayer's employer;
- Some payments pertaining to pension funds;
- Exgratia payments made from public funds, from charities and from cultural funds;
- Profit on the disposal of property. Exceptions to this are one and two family houses occupied by the owner, on conditions which are specified in detail;
- Capital goods acquired for purposes of trade or speculation are not covered by the Law on Special Income Tax.

Ex e m p t i o n s :

Profit realised on the disposal of property is not included under special income, where such disposal attracts Disposal Tax under the rules of the Law on Property Derestriction Tax etc.

Profit realised on the receiving of damages or insurance amounts is exempt from special income tax, if rebuilding is undertaken.

D e d u c t i o n s :

Certain types of special income are subject to special rules for the calculation of profit and loss.

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

The wife is taxed jointly with the husband.

However, the wife is assessed separately for special income deriving from the disposal of personal property belonging to her own business, as well as for some kinds of special income deriving from her occupation as employer or employee.

Children are taxed separately.

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

Those taxpayers who have limited tax liability, are only taxed on special income deriving from personal goods covered by the limited tax liability pertaining to the exercise of a trade or to property transactions.

C o l l e c t i o n :

Special income tax is payable in 3 instalments on 1st September, 1st October and 1st November in the year in which the tax is assessed, the last date for payment being the 20th of the month in which it falls due.

R a t e s :

Before calculating Special Income Tax, the special income is reduced by Dkr. 6 000.

On the income thus reduced, tax is calculated at 50%.

Supplementary tax :

If the proper annual declaration is not submitted on time, the tax is increased in accordance with the rules of the Law on Tax Control.

Special circumstances :

When a person's liability to tax in Denmark ceases, because of his departure abroad etc., he is required, before the end of the month following the date on which his tax liability ceases, to submit a declaration of special income during the current income year. Persons concerned are required, before the end of the month following the date on which their tax liability ceases, to calculate and pay the Special Income Tax.

Regarding merger of joint-stock companies and cooperative societies etc., special regulations are provided in Law N° 143 of 2 May 1967 as amended by Law N° 586 of 13 December 1972 and Law N° 647 of 19 December 1975 and the Ministry of Finance's Decree N° 126 of 1 April 1966.

Special income tax is not levied on disposals of property which are subject to real property disposal tax (DK 39 - see p. 203).

Carry - over of losses :

In certain cases it is permitted to calculate special income so as to produce a negative amount, in so far as the rules of calculation show a loss.

In so far as the special taxable income is negative, an amount equal to the negative special income may be deducted when calculating the ordinary taxable income.

In so far as the ordinary taxable income calculated for any income year shows a loss, this loss may be deducted from the special taxable income for the same income year. If this loss is in excess of the special income, the excess amount may be carried forward to the five immediately succeeding income years.

CORPORATION TAX
(Selskabskat)

Statutory Notice N° 463 of 13 September 1978.

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

The State and Municipalities.

3/20ths of the tax goes to the Municipality.

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

I. Companies resident in Denmark :

- (a) Registered joint-stock companies and similar companies,
- (b) Co-operatives,
- (c) Buying Associations and Production and Sales Associations,
- (d) Mutual Insurance Associations,
- (e) Other associations, foundations, trusts or self-owned institutions.

II. Companies mentioned above, but resident in Greenland, the Faroes or abroad in so far as they :

- (a) Carry on business from a permanent establishment in Denmark or participate in a trading activity from a permanent establishment in Denmark or are otherwise entitled to share in the profits of such undertakings ;
- (b) In their capacity as owner, co-owner, or beneficiary of the use or income thereof, they derive income from real property situated in Denmark ;
- (c) Derive income from dividends.

III. The following are exempted from liability to the tax :

- (a) The State and its institutions,
- (b) Municipal Authorities and Institutions,
- (c) Recognised religious communities, and church institutions, connected with the national church,
- (d) Harbours, airports, and power stations providing public services,
- (e) The National Bank of Denmark,
- (f) The Labour market's supplementary pension fund.

The following institutions etc. listed under g)-m) are wholly or partially exempt from tax liability :

- (g) Schools, hospitals, convalescent and children's homes, libraries and museums,
- (h) Credit institutions, the Building Industries Property Credit Fund and other property credit institutions,
- (i) The Building Societies Guarantee Fund, the Rural Building Fund for house building and building associations for the benefit of the general public,
- (j) Certain finance institutions,
- (k) Pension Funds,
- (l) Auctions held by agricultural or smallholder associations covered by Law No. 80 of 4th March 1949,
- (m) Reconstruction companies covered by the Law on Reconstruction.

IV. The Minister of Finance may decide to grant complete or partial concessionary exemption from tax to companies and associations whose objects as laid down in their articles of association are for the benefit of the general public.

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

- (a) The ordinary taxable income during the income year is calculated in general according to the same rules as for personal State Income Tax. Included along with the ordinary income is special income calculated according to the rules of the Law on Special Income Tax;
- (b) Those institutions etc. mentioned under heading I (e) above are only liable to tax on their trading income and special income pertaining to trading. Expenses may only be deducted when they relate to sources of income, which are included in the taxable income;
- (c) In the case of buying associations etc. which are liable for tax as mentioned in heading I (c) above, the taxable income is calculated as a percentage of the associations' capital at the end of the income year. The capital is calculated according to the same rules as apply to personal capital tax. When calculating the association's capital, any profit distributed for the income year is disregarded.

The income is calculated as 6 % of that part of the capital corresponding to the ratio between turnover with non-members and members, plus 4 % of the balance.

E x e m p t i o n s :

If the taxable income of joint-stock companies etc. included under heading I (a) above comprises dividends from other companies or if a joint-stock company's sole activity is to own shares in another company, permission may be given for the tax to be reduced.

See also heading IV above.

D e d u c t i o n s :

See "Basis of Assessment".

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

See heading II, "Tax payable by".

C o l l e c t i o n :

The tax is due for payment on 1st November or on the first day of the month following issue of the demand-note.

R a t e s :

1. The companies and associations etc. mentioned in heading I a, b, d and e, and foreign companies etc. mentioned in heading II pay income tax at 37%.
2. Buying associations and production or sales associations (heading I c) pay income tax at 15% of the taxable income.

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

Losses may be deducted from the taxable income for the five immediately succeeding income years.

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

Part-owners and partners are taxed according to the same rules as individuals. If the profits are distributed, the shareholder (if resident in Denmark) receives a tax credit (representing part of the corporation tax paid by the company) equal to 15% of the dividend. This credit is set off against personal income tax, any excess being paid to the shareholder.

When dividends are paid out of profits on which the company has not paid tax, or which were earned before the present system came into force, the company must pay a compensatory tax corresponding to the tax credit attached to the dividends.

TAX ON LOTTERY WINNINGS
(Afgift af gevinster ved lotterispil)

Law No. 23 of 27 January 1956 as amended by Law No. 331 of 19 December 1959

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

The State.

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

Persons and companies who hold public lotteries and prize and guessing competitions in Denmark.

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

The market value of prizes.

C o l l e c t i o n :

The tax is settled following each lottery draw or competition.

R a t e s :

The tax on cash prizes is included in the prize and amounts to 15 % thereof in excess of DKr. 200. In the case of other prizes the tax is 17 $\frac{1}{2}$ % of the market value.

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

In case of late settlement the taxpayer pays a supplement amounting to 50 % of the tax.

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

Income tax is not payable on paid out prizes.

In the case of lotteries not covered by the law, the winner pays income tax instead of lottery tax.

LEVY ON HUNTING LICENCES
(Jagttegnsafgift)

Law N° 221 of 3 June 1967 concerning hunting ;
Statutory Notice N° 51 of 1 February 1973 concerning levies on
hunting licences and N° 34 of 17 February 1975

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

The State.

T a r i f f :

Hunting licence :

- | | |
|-------------------------------------|---------|
| - all land where hunting is allowed | 80 DKr. |
| - one's own land | 25 KKr. |

DK 09

WEALTH TAX
(Formueskat)

Statutory Notice N° 461 of 13 September 1978.

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

The State.

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

Individuals and estates taxable in Denmark, as a result of residence in Denmark.

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

The taxable capital at the end of the income year calculated according to the same rules as those applicable to the calculation of ordinary taxable income.

D e d u c t i o n s :

See "Basis of assessment".

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

The wife is taxed jointly with the husband.

Children are taxed separately.

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

Tax is only payable with regard to permanent establishments, land and buildings.

C o l l e c t i o n :

See Income Tax (DK 01).

An annual declaration is submitted by the taxpayer. The correctness of this declaration is checked in accordance with the rules in the Law on Tax Control.

R a t e s :

The tax amounts to 0.9 % on that part of the capital in excess of DKr. 630 000 , up to 2 mill. DKr., and 1.1 % of further capital.

When the tax on capital is relatively large compared with the size of the income, the following reduction rules become applicable :

The calculated Capital Tax is reduced by 5 % for every 0.4 % or part thereof, by which the total taxable income for the income year in question is less than 6 % of the assessed taxable capital.

If the taxpayer has no taxable income, the capital tax is reduced by 80 %.

INHERITANCE AND GIFT TAX
(Afgift af arv og gave)

1. I n h e r i t a n c e t a x :

Law N° 149 of 10 April 1922, as amended by Law N° 256 of 26 May 1976.

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

The State.

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

Heirs, including those entitled under interest usufructs, life insurances, etc.

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

The value of what the heir receives ; in principle, the market value.

E x e m p t i o n s :

- estates of less than DKr. 500,
- insurances where the beneficiary is a spouse, provided the insured sum is less than DKr. 3 000 ,
- if the heir dies and there is a fresh liability to pay inheritance tax within 6 months.

D e d u c t i o n s :

In calculating the value of the inheritance, deduction may be made of the deceased's debts, as also of expenses connected with the administration of the estate.

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

If the deceased is resident outside the state, inheritance tax is payable in Denmark only if the inheritance includes real estate, entailed property under Danish State control or benefits under Danish family endowments or foundations.

C o l l e c t i o n :

Via the Probate Courts or District Tax Inspectorates.

R a t e s :

Vary according to the family or marriage relationship between deceased and heir and to the size of the inheritance. The scales are progressive.

Minimum tax 1.2 % on amounts between DKr. 8 000 and 10 000.

Maximum tax approx. 70 % on DKr. 1 000 000, 90 % on the balance.

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

In certain cases where the calculation is not submitted on time, the inheritance tax may be increased by 1/10th, alternatively 1/3rd.

2. Tax on gifts :

Part III of Law No. 147 of 10 April 1922 on Tax on Inheritance and Gifts, as amended by Law N° 256 of 26 May 1976.

Beneficiary :

The State.

Tax payable on :

Gifts made to a spouse, provided the gifts are separate property, to issue, parents and grandparents.

Basis of assessment :

The commercial value of the gift after deduction of debts and other costs connected with acquisition of the gift.

Exemptions :

- Gifts of a value of less than DKr. 8 000 p.a. ;
- Maintenance in the giver's home ;
- Gifts to issue of furniture and other chattels up to a value of DKr. 5 000 p.a.

Non-residents :

In cases where neither giver nor receiver is resident in Denmark, gift tax is only paid on real estate situated in Denmark.

C o l l e c t i o n :

On the basis of gift declarations submitted by giver and receiver.

R a t e s :

The tax rates vary between $\frac{1}{2}$ % and 90 %.

There are three classes of tax, where the tax rate depends on the family relationship between giver and receiver.

The tax is progressive in each tax class.

**STATE INCOME TAX ON ESTATES OF DECEASED PERSONS
(Beskatning af dødsboer)**

Statutory Notice N° 461 of 13 September 1978.

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

The State and local authorities.

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

Estates which pass in Denmark.

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

The taxable income and fortune of the estate, broadly speaking calculated as per the rules applying to persons.

E x e m p t i o n s :

Estates with assets of not more than DKr. 400 000 and net value not exceeding DKr.300 000 are tax-free. However, this freedom from tax ceases if, for example, the sum of the net values paid as inheritance (legacies) etc. exceeds DKr. 350 000.

D e d u c t i o n s :

Estate allowance of DKr.48 000 p.a.

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

The law only covers estates which pass in Denmark.

C o l l e c t i o n :

As arranged by the Tax Commissions.

R a t e s :

Income Tax 40 % ;

Capital Tax 0.9 % on a capital exceeding DKr. 630 000, but not exceeding 2 mill. DKr., and 1.1 % of further capital.

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

The estate's or the deceased's losses can be carried forward for a maximum of 5 years. If the estate is found to be in loss and this loss cannot be utilised, it is possible under certain conditions to ask that an amount equal to 30 % of the non-utilised loss be paid from public funds.

DK 11.

VALUE ADDED TAX
(Merværdiafgift)

Law on General Turnover Tax (Value Added Tax), cf. proclamation
Nº 305 of 26 May 1978

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

The State.

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

Liability to this tax covers all new and second-hand goods.
Gas, water, electricity, heating, etc. are regarded as goods.
Liability to the tax also covers all services, unless exempted
as for example :

- Hospital treatment, medical practice, dentistry.etc ;
- Public assistance, kindergartens etc ;
- School and university teaching etc ;
- Cultural activities, except performances etc ;
- Sports activities, except professional games ;
- Passenger transport ;
- Postal services ;
- Renting, letting leasing and administration of real property, except
rooms in hotels etc ;
- Insurance activities ;
- Banking and savings banking ;
- Lotteries etc ;
- Artistic activities ;
- Services of travel agencies and tourist offices
- Services of undertakers.

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

The tax is levied on businesses which sell goods or render taxable services. Such businesses are required to register with the Customs Service. However, businesses with an annual turnover not exceeding DKr. 10 000 per annum are not liable to pay tax and are therefore not required to register.

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

The price charged excluding Value Added Tax.

E x e m p t i o n s :

- exports ;
- sale of newspapers which are normally published at least once weekly ;
- sale and hire of aircraft and of ships of 5 GRT and over (except sports aircraft and pleasure boats).

C o l l e c t i o n :

Registered businesses are required within 1 month and 20 days following the end of each tax period to declare to the Customs service the amount of the business's output and input tax (see below) during the period.

Registered businesses are required for each tax period to pay to the Treasury the difference between the output tax (tax on the business's taxable turnover during the period) and the input tax (tax on the business' purchases of goods and taxable services for the business' use).

The tax period corresponds to the quarter-year, and the tax must be paid within 1 month and 20 days of the end of the quarter.

For businesses engaged in agriculture, fishing, etc. the tax period is the half-year. One half of the tax due for a tax period is payable not later than by the 20th day of the sixth calendar month and the other half not later than by the 20th day of the ninth calendar month following the end of the tax period.

R a t e s :

20.25% of the taxable value.

I m p o r t s :

Taxable on entry.

The tax due on goods imported during any month must be paid before the end of the following month.

**EXCISE DUTY ON PETROL
(Benzinafgift)**

Law N° 510 of 18 December 1970 amended by Law N° 415 of 15 September 1972, by Law N° 518 of 13 December 1972, by Law N° 532 of 15 October 1973, by Law N° 441 of 16 September 1975, by Law N° 69 of 25 February 1976, by Law N° 408 of 20 August 1976, by Law N° 166 of 27 April 1977, and by Law N° 435 of 6 September 1977, by Law N° 192 of 3 May 1978 and by Law N° 634 of 13 September 1978

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

The State.

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

Petrols, blends of petrol and other products which can be used for the propulsion of motor vehicles.

T a x p a y a b l e w h e n :

When goods are delivered from registered businesses or taken into stock.

E x e m p t i o n s :

Petrol used (inter alia) for agricultural tractors, stationary motors, aircraft and fishing vessels is exempt from tax.

D e c l a r a t i o n a n d p a y m e n t :

Importers and wholesalers of taxable goods are required to register with the Customs service. Registered businesses are required, not later than the 15th day of each month to declare to the Customs service the quantity liable to tax for the previous month.

Payment of tax must be made not later than the last day of the month following the month of declaration.

R a t e :

132 öre per litre of product at 15°C.

DK 15

EXCISE DUTY ON CERTAIN PETROLEUM PRODUCTS
(Afgift af visse olieprodukter)

Law N° 453 of 7 September 1977, as amended by Law N° 109 of 29 March 1978.

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

The State.

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

Gas oil and fuel oil.

T a x p a y a b l e w h e n :

When goods leave the manufacturer.

E x e m p t i o n s :

Oil used for the production of electricity in power stations and combined power and district heating stations which sell electricity.

Businesses which are registered under the V.A.T. Law may obtain repayment of duty paid on oil they have consumed. Duty will not be repaid to district heating stations and the like.

D e c l a r a t i o n a n d p a y m e n t :

Businesses which manufacture taxable oil are required to register with the Customs Service. After the end of each month, and at the latest by the 15th of the following month, registered businesses must declare to the Customs Service the amount of the goods on which they are required to pay tax. The duty on sales in one month is to be paid before the end of the following month.

R a t e s :

Gas oil : 7 öre per litre.

Fuel oil : 8 öre per kg.

TAX ON ELECTRICITY
(Afgift af elektricitet)

Law N° 89 of 9 March 1977.

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

The State.

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

Electricity consumed in Denmark.

T a x p a y a b l e w h e n :

When power is supplied from its place of origin.

E x e m p t i o n s :

Businesses which are registered under the VAT law may obtain repayment of any tax paid in excess of Dkr. 100 000.

Electricity which is produced in small plants, in emergency generators and in vehicles, or by wind or water power, and which is consumed exclusively by the producer, is also exempt from tax.

D e c l a r a t i o n a n d p a y m e n t :

Businesses which produce taxable electricity are required to register with the Customs Service. After the end of each month, and at the latest by the 15th of the following month, registered businesses must declare to the Customs Service the amount of power on which they are required to pay tax.

The tax on power supplied in one month must be paid before the end of the following month.

R a t e :

2 öre per Kwh.

REGISTRATION TAX ON MOTOR VEHICLES
(Registreringsafgift af motorkøretøjer)

Law relating to Registration Tax on Motor Vehicle, etc., cf. proclamation of Law N° 659 of 28 December 1977.

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

The State.

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

Motor vehicles liable for registration under the Road Traffic Act and on trailers and semi-trailers for such motor vehicles.

T a x p a y a b l e w h e n :

As a general rule when the vehicle is registered with the police for the first time.

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

The value of a new vehicle on which tax is payable is the usual consumer selling price, including Value Added Tax, but excluding Registration Tax.

In the case of passenger motor cars and vans with a permitted total weight not exceeding 2 tons, which are imported second-hand and which are not considered as part of a personal removal of household goods, the taxable value is 90% (or 100%) of the price of a corresponding motor vehicle when new.

Ex e m p t i o n s :

Among others :

- commercial goods lorries and goods vans with a permitted total weight exceeding 4 tons ;
- buses and tractors ;
- bicycles with an auxiliary motor (mopeds).

R e d u c t i o n s :

Tax reductions are available for passenger motor vehicles and vans with a permitted total weight not exceeding 2 tonnes, which are fitted with certain safety equipment.

D e c l a r a t i o n a n d p a y m e n t :

The tax is normally payable by motor-dealers registered with the Customs service.

Registered businesses are required to declare not later than the 15th day in any month the tax due for the previous month.

The tax for any month must be paid not later than by the 20th day of the following month. The Customs service is empowered to grant up to 3 months' respite for payment of tax due against security.

DK 16

R a t e s :

The tax on ordinary passenger motor-cars amounts to the following :

Price excluding the tax :

Not exceeding DKr. 15 000	105 % of the value
Over DKr. 15 000	DKr. 15 750 on DKr. 15 000 and 180 % of the remainder

The tax on motor cycles amounts to the following :

Price excluding the tax :

Not exceeding DKr. 12 500	DKr. 0 on DKr. 1 500 and 120 % on the remainder
Over DKr. 12 500	DKr. 13 200 on DKr. 12 500 and 180 % on the remainder.

In the case of commercial lorries and vans not exceeding 4 tons permitted total weight and specifically built and equipped for the transport of goods, the scale of tax is as follows :

- permitted total weight not exceeding 2 tons	100 % of the taxable value
- permitted total weight over 2 tons but not exceeding 3 tons	DKr. 12 000
- permitted total weight over 3 tons	DKr. 7 500.

In the case of motor-coaches specifically built and equipped for the transport of more than 10 persons including the driver, taxis and hackney carriages the tax amounts to 20 % of the vehicle's selling price excluding the tax.

EXCISE DUTIES ON TOBACCO
(Tobaksafgift)

Law on taxes on tobacco, of proclamation of Law N° 236 of 26 May 1978 as amended by Law N° 448 of 13 September 1978.

1. Tax on cigarettes, smoking tobacco,
chewing tobacco and snuff

Beneficiary:

The State.

Tax payable on:

- Cigarettes ;
- Cigarette paper ;
- Smoking tobacco (pipe-tobacco and fine cut tobacco) ;
- Chewing tobacco ;
- Snuff.

Tax payable when:

Before the goods leave the factory.

Collection:

Businesses which import or manufacture tobacco are required to register with the Customs service.

The tax is payable by means of a stamp affixed to the packet by the manufacturer. The stamps are bought from the Customs service at a price equal to the tax on the goods in question.

By providing a security, however, businesses may be granted 3 months' credit for the purchase of these stamps.

DK 17

R a t e s :

The cigarette tax is payable at 33.5 öre per cigarette plus 22.41% of the retail price including tax and VAT.

The tax on cigarette paper for one cigarette amounts to 2 öre.

The tax on sliced tobacco, known as cut plug, granulated and similar tobacco, and also for other smoking tobacco with width of cut at least 1.5 mm, amounts to DKr. 73 per kg.

For smoking tobacco other than that mentioned above, i.e. fine cut (cigarette tobacco) : DKr 250 per kg.

The tax on chewing tobacco and snuff is calculated on the retail price less Value Added Tax. For packeted chewing tobacco and snuff the tax amounts to 39% of this price. For other chewing tobacco it amounts to 23%.

I m p o r t s :

The tax on imported goods is payable on entry. The regulation relating to tax rates, payment of tax by means of stamps and credit for the payment of the tax are the same as those which apply to domestic products.

2. Tax on cigars, cheroots and cigarillos

Beneficiary:

The State.

Tax payable on:

Cigars, cheroots and cigarillos.

Basis of assessment:

The taxable value of the goods is the retail price including tax and VAT.

Tax payable when:

The goods are delivered from the producer or wholesaler to the retailer.

Declaration and payment:

Importers, manufacturers and wholesalers of cigars, cheroots and cigarillos are required to register with the Customs service.

Businesses which pay tax on these goods are required to declare to the Customs service not later than the 15th of each month, their total taxable turnover during the previous month.

The tax payable on taxable turnover during any month must be paid before the end of the following month. By providing security, however, the business may be allowed to defer payment for 2 months. In such cases, therefore, the tax on any month's taxable turnover must be paid not later than by the end of the third month thereafter.

DK 17

R a t e s :

The tax on cigars, cheroots and cigarillos amounts to 19.8 öre each, plus 10 % of the retail price including tax and V.A.T.

I m p o r t s :

The tax is payable by the importer or wholesaler on the same terms as for domestic products.

DUTY ON MATCHES AND LIGHTERS
(Afgift af cigartændere og tændstikker)

Law on Sundry Excise Duties, cf. proclamation of Law N° 129 of 21 March 1978.

1. Tax on cigar and cigarettes lighters

Beneficiary:

The State.

Tax payable on:

Cigar and cigarette lighters of any kind.

Tax payable when:

When the goods are delivered from the producer.

Declaration and payment:

Businesses producing goods liable to the tax are required to register with the Customs service.

The businesses are required, after the end of a tax month, to declare to the Customs service, not later than the 10th of the following month, the quantity of goods delivered during that month.

Tax goods delivered during any month must be paid before the end of the following month.

Rate:

DKr. 2 per lighter.

Imports:

The tax on imported goods is payable on entry. Tax on goods imported during any month must be paid before the end of the following month.

2. Tax on matches

Beneficiary:

The State.

Tax payable on:

Matches in retail packs.

Tax payable when:

When the goods are delivered in retail packs from the registered businesses.

Declaration and payment:

Businesses manufacturing or importing matches are required to register with the Customs service. The packing of matches in retail packs is regarded as manufacturing.

The businesses are required after the end of a tax period of one month and not later than by the 10th day of the following month do declare to the Customs service the month's taxable quantity.

The tax for any month must be paid before the end of the following month.

R a t e s :

Retail packs of :

- | | |
|----------------------------|--|
| - not exceeding 35 matches | 1 öre per pack |
| - 36 - 55 matches | 2 öre per pack |
| - 56 matches or over | 2 öre per unit of 55 matches
or part thereof. |

I m p o r t s :

On goods imported in retail packs, tax is payable on entry.

The tax on goods imported during any month must be paid before the end of the following month.

When goods are imported in other packs, tax is payable by the business which packs the goods in retail packs within the State.

EXCISE DUTIES ON SPIRITS
(Afgift af spiritus)

Law on Tax on Spirits etc., cf. proclamation of Law N°151 of 4 April 1978.

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

The State.

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

As a general rule, spirits, including ethyl alcohol and other drinks with an ethyl alcohol content of more than 2.5% volume, except beer, wine, fruit-wine and the like, are taxable. In addition, wines with an ethyl alcohol content exceeding 23% volume and wines which, because they contain bitter or aromatic substances, sugar, etc., have the character of spirits, are taxable. The same applies to fruit-wines with a specific gravity of more than 1.06 or an ethyl alcohol content of more than 20% volume and to lemonades, mineral waters and the like to which spirits have been added. Extracts, essences, etc. containing ethyl alcohol, which without the addition of spirits or wine, can be used to make drinks with a significant ethyl alcohol content, are also taxable.

T a x p a y a b l e w h e n :

On delivery of the goods from the registered business or alternatively when a tax-band is affixed to the goods (to the neck of the bottle).

D e c l a r a t i o n a n d p a y m e n t :

Businesses which manufacture or import taxable goods are required to register with the Customs service.

Registered businesses are required to declare to the Customs service at the end of the tax month and at the latest by the 10th of each month the quantity of taxable goods delivered during the previous month.

The tax on the taxable quantity for any month must be paid before the end of the following month.

E x e m p t i o n s :

Denatured spirits (common spirits) and taxable goods which are not tax-banded and after some form of denaturing are used for technical, scientific, educational, medical, etc. purposes or for the commercial production of non-taxable goods, may be exempted from the tax.

R a t e s :

For acquavit and snaps the tax amounts to DKr. 167.50 per litre of 100% ethyl alcohol strength and for other goods DKr. 257.15 per litre of 100% ethyl alcohol strength.

I m p o r t s :

In addition to tax on spirits, imported goods are subject to an equalization supplement amounting to either 2 or 3 1/2% of the tax payable on spirits, depending upon the size of the container used.

The equalisation supplement is intended to produce equality in taxation between imported goods and goods produced in Denmark since the Danish goods are subject to tax on the wastage occurring during production, storage and bottling.

The spirits and equalisation taxes are payable on entry. Registered businesses are, however, allowed to take the goods into stock without payment of tax at the time of entry.

Various edible or potable imports which contain spirits are chargeable with tax in proportion to their spirit content.

EXCISE DUTY ON WINE AND FRUIT-WINE
(Afgift af vin og frugtvin)

Law on Tax on Wine and Fruit-Wine etc., cf. proclamation of Law No 153
of 4 April 1978.

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

The State.

T a x p a y a b l e o n a n d r a t e s :

1. Goods falling under customs tariff items 22.04 - 22.06 (grape-wine etc.) with an ethyl alcohol content of 23% maximum volume and specific gravity of 1.07 maximum at 15°C.
2. Goods falling under customs tariff item 22.07 (fruit-wine etc.) with an ethyl alcohol content of 20% maximum volume and - except in the case of mead produced without the addition of ethyl-alcohol - a specific gravity of 1.06 maximum at 15° C and
3. Other goods with an ethyl alcohol content of 23% maximum volume and a specific gravity of 1.07 maximum at 15°C, in so far as the goods are drinkable and are produced using wine or fruit-wine etc. falling under customs tariff items 22.04 - 22.07.

The tax on goods covered by paragraphs 1 and 3 above amounts to :

	<u>per litre</u>
A. Table wine and goods of table wine type (non-sparkling)	DKr. 7.50
B. Sparkling wine	DKr. 13.95
C. Other	DKr. 13.95

The tax for goods covered by paragraph 2 above amounts to :

A. Goods of table wine type having an ethyl alcohol content of 14% maximum volume and not containing ingredients derived from grapes, grape wine or raisin wine	DKr. 4.85
B. Other	DKr. 7.70

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing or importing taxable goods are required to register with the Customs service.

Registered businesses are required to declare to the Customs service no later than by the 15th of any month the quantity for the previous month on which tax is payable.

The tax due for any month is payable at the end of the following month and must be paid within 20 days maximum thereafter.

T a x p a y a b l e w h e n :

Tax is payable when the goods are delivered from the registered business, alternatively at the time of the tax-banding of the goods (affixing a tax band on the neck of the bottle), the business being able to choose between several methods of accounting for the quantity of goods on which tax is payable during the tax period (month).

E x e m p t i o n s :

Exemption from the tax applies to goods (inter alia) with an ethyl alcohol content of 2.5% maximum (volume). Goods which, because they contain bitter or aromatic substances, sugar etc., have the character of spirits, are taxable as spirits.

Due regard being paid to the control regulations, exemption from tax may be granted in the case of goods used for technical, scientific, medical purposes etc., or for the commercial production of goods which are not liable to tax under the Law on Tax on Wine and Fruit-wine, etc. Permission for tax exemption can be given provided that the goods are added to substances which render them unsuitable for drinking or for the production of drinks.

I m p o r t s :

The same rates of tax apply to imported goods as to goods produced in this country.

The tax is paid on entry. Registered businesses are, however, allowed to take the goods into stock without tax being paid at the time of entry.

On goods imported bottled etc. an equalisation supplement is levied which amounts to 3% of the tax mentioned above.

On imported lemonade, mineral waters etc., which are added to taxable goods and on various imported articles of food which contain taxable goods there is a financial levy on entry. The levy is paid at the abovementioned rates and in proportion to the quantity of taxable goods used in the manufacture.

EXCISE DUTY ON BEER
(Afgift af øl)

Law on Tax on Beer, cf. proclamation of Law N° 132 of 21 March 1978.

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

The State.

T a x p a y a b l e o n a n d r a t e s :

Beers with an alcohol content of 2 1/4 % by weight or over (known as strong beers) :

- beer brewed with an extract content of 10 3/4 Balling or less (tax class I) is taxable at the rate of DKr. 309.55 per hl.
- beer brewed with an extract content of more than 10 3/4 Balling but not more than 13 % Balling (luxury beer, class A) is taxable at the rate of DKr. 386.75 per hl.
- beer brewed with an extract content of more than 13 % Balling (luxury beer, class B) is taxable at the rate of DKr. 458.80 per hl.
- beer with an alcohol content of less than 2 1/4 % by weight (known as weak beer, tax class II) is taxable at the rate of DKr. 39.50 per hl.

R e d u c t i o n s :

The smaller breweries in Denmark and other Member States of the European Communities are accorded some reliefs in the treatment of beer tax. In the case of strong beer the relief amounts to a maximum annual allowance of DKr. 86.45 per hl for the first deliveries up to a total of 2 000 hl.

Tax payable when :

On delivery from the place of production.

Exemptions :

Exemption from the tax applies to top-fermented beers of the ordinary white beer (mild ale) type, provided the goods are sold with the clear description of the words "White Beer" or "Ship's Beer".

Declaration and payment :

Businesses which produce or import beer of any kind are required to register with the Customs service.

After the end of a tax period of 1 month, but not later than by the 10th day of the following month, the breweries are required to send a tax declaration to the Customs service covering the quantities delivered during the month, broken down by tax classes.

The tax due on goods delivered during any month is payable to the Customs service before the end of the following month.

Imports :

Imported beer is taxed on entry at the same rates as beer produced in Denmark.

The tax on goods imported during any month is payable before the end of the following month.

EXCISE DUTY ON MINERAL WATERS
(Afgift af mineralvand)

Law on Sundry Consumption Taxes, cf. proclamation of Law N°129 of
21 March 1978.

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

The State.

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

Mineral waters, lemonade and similar non-alcoholic beverages.

T a x p a y a b l e w h e n :

On delivery of the goods from the registered business.

E x e m p t i o n s :

Juice and must and similar fruit drinks.

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing taxable goods are required to register with the
Customs service.

The businesses are required, following the end of a tax period of one
month and not later than by the 10th of the following month to declare
to the Customs service the taxable quantity delivered during the month.

The tax on goods delivered during any month is payable before the end
of the following month.

R a t e :

80 öre per litre.

I m p o r t s :

The tax on imported goods falls due on entry. The tax on goods imported during any month must be paid before the end of the following month.

EXCISE DUTY ON TEA AND TEA EXTRACTS
(Afgift af te og teekstrakter)

Law on Sundry Consumption Taxes, cf. proclamation of Law N^o 129 of
21 March 1978.

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

The State.

T a x p a y a b l e o n , a n d r a t e s :

The following goods attract a tax on entry amounting to :

	<u>Tax per kg net</u> <u>weight</u>
1. Tea (Tariff No. 09.02)	DKr. 5.00
2. Tea extracts and preparations with those extracts as a basis (Tariff No. 21.02.B)	DKr. 12.50

T a x p a y a b l e w h e n :

The tax becomes due on importation of the goods.

P a y m e n t :

The tax on goods imported during one month must be paid before the end of
the following month.

EXCISE DUTY ON COFFEE, COFFEE EXTRACTS AND COFFEE-SUBSTITUTE
(Afgift af kaffe, kaffeekstrakt og kaffeerstatning)

Law on Sundry Consumption Taxes, cf. proclamation of Law N°129 of
21 March 1978.

I. Excise duty on coffee and coffee extracts

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

The State.

T a x p a y a b l e o n a n d r a t e s :

The following goods attract a tax on entry amounting to :

	<u>tax per kg nett weight</u>
- Raw coffee (Tariff N° 09.01.AI)	DKr. 4.35
- Roasted coffee (Tariff N° 09.01.AII)	DKr. 5.40
- Coffee extracts not containing ingredients other than coffee (Tariff N° 21.02.A)	DKr. 13.05

Goods coming under Tariff N°s 09.01.C and 21.02.A which are not themselves taxable as shown above, but which contain coffee or coffee extract, attract tax on entry at the above rates, calculated on their content of coffee or coffee extract.

T a x p a y a b l e w h e n :

The tax becomes due on importation of the goods.

P a y m e n t :

The tax on goods imported during any month must be paid before the end of the following month.

II. Excise duty on coffee-substitute

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

The State.

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

Coffee-substitute and coffee-additive, including mixtures of these products with coffee.

T a x p a y a b l e w h e n :

On delivery of the goods from the registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing taxable goods are required to register with the Customs service.

The businesses are required, after the end of a tax period of 1 month but not later than the 10th of the following month, to declare to the Customs service the quantity delivered during the month.

The tax on goods delivered during any month must be paid before the end of the following month.

R a t e s :

64 öre per kg net weight of the content of coffee-substitute and coffee-additive in the goods.

I m p o r t s :

The tax on imported goods becomes due on importation ; the tax on goods imported during any month must be paid before the end of the following month.

EXCISE DUTY ON CHOCOLATE AND SWEETS
(Afgift af chokolade og sukkervarer)

Law on Tax on Chocolate and Sweets, cf. proclamation of Law No. 131 of 21 March 1978.

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

The State.

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

Chocolate and chocolate products, liquorice products, marzipan, sweets, effervescent products, chewing gum etc.

T a x p a y a b l e w h e n :

As a general rule on the delivery of the goods from the registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing taxable goods are required to register with the Customs service. Wholesale businesses are not bound, but are entitled to register.

Registered businesses are required, after the end of a tax period of one month but not later than by the 8th of the following month, to declare to the Customs service the weight of the goods on which the business is required to pay tax.

Producers calculate the tax on the basis of the weight of goods delivered by the business in any month, and the tax must be paid before the end of the following month. Wholesale businesses calculate the tax on the basis of the weight of goods taken into stock by the business during any month, and the tax must be paid before the end of the 2nd month following receipt of the goods.

Both producer and wholesale businesses may, by providing security, obtain 2 months' grace on the above-mentioned payment time-limits.

R a t e :

DKr. 6 per kg on the net weight of the goods.

I m p o r t s :

The tax on imported goods becomes due on entry. Registered businesses are, however, allowed to take the goods into stock without being assessed for tax at the time of entry.

T a x o n r a w m a t e r i a l s :

Certain products which can be used for the production of chocolate and sweets, such as almonds, nuts and cocoa nuts, are subject to raw materials tax on import into this country. The tax is not payable on nuts etc. which are imported by the production businesses registered with the Customs service and used by them for the manufacture of chocolate and sweets subject to turnover tax. The rates of tax vary from DKr. 1.80 per kg to DKr. 10.80 per kg.

F i n a n c i a l l e v y :

At the entry of certain articles of food which contain stimulants e.g. cakes, which are not themselves subject to tax as above, but which contain ingredients e.g. chocolate or nuts, which are taxable according to these regulations a duty is levied on the basis of the weight of the appropriate taxable ingredients. When the ingredient is cocoa the levy amounts to DKr. 1.80 per kg ; otherwise DKr. 6 per kg.

TAX ON ICE-CREAM
(Afgift af konsumis)

Law on Tax on Ice-cream, cf. proclamation of Law N° 141 of 1 April 1971,
as amended by Law N° 518 of 13 December 1972.

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

The State.

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

Ice-cream, either made in the country or imported.

T a x p a y a b l e w h e n :

On delivery of the goods from the registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Businesses are required to register with the Customs service.

The businesses are obliged, after the end of a tax period of 1 month and not later than the 15th of the following month, to declare to the Customs service, the quantity of goods delivered during the month.

The tax on goods delivered during any month must be paid before the end of the following month. The businesses may, however, by providing security obtain a 2 month extension of this payment time-limit.

R a t e :

DKr. 1.45 per litre.

I m p o r t s :

The tax on imported goods becomes due on entry, and is payable before the end of the month following that in which the goods were imported. Registered businesses are, however, allowed to take the goods into stock without being assessed for tax at the time of entry.

TAX ON PERFUMES, TOILETRIES
(Afgift af parfume og toiletmidler)

Law on Tax on perfumes, Toiletries etc., cf. proclamation of Law
No. 152 of 4 April 1978.

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

The State.

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

Perfumes, cosmetics and toiletries.

T a x p a y a b l e w h e n :

On delivery of the goods from registered businesses.

A s s e s s m e n t o f t h e t a x :

Assessment of the tax is the responsibility of the business producing or importing the product. These businesses are required to register with the Customs service. The tax is assessed by affixing to the packing a stamp provided by the Customs service, which states the maximum retail price of the product, including perfume tax and Value Added Tax. Retailers are forbidden to sell taxable goods at a price higher than that marked on the price-stamp.

E x e m p t i o n s :

Amongst others soap and toothpaste.

D e c l a r a t i o n a n d p a y m e n t :

The businesses are required, at the end of a tax period of 1 month and not later than by the 15th day of the following month, to declare to the Customs service their delivery of taxable goods during the tax period.

Tax on the goods delivered during the tax period must be paid before the end of the following month. The businesses may, by providing security, obtain a 2 month extension of this time-limit.

R a t e :

34% of the business's highest retail price for the product, including this tax but after deduction of Value Added Tax.

TAX ON RADIO RECEIVERS, ETC.
(Afgift af radio, m.v.)

Law on measures to limit consumption, cf. proclamation of Law N°130
of 21 March 1978.

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

The State.

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

1. Magnetic video and sound recorders, and television picture and sound reproduction equipment
2. Radiogramophones and other radio receivers, record players, gramophones and loudspeakers
3. Magnetic sound reproducing and recording equipment
4. Vacuum cleaners
5. Washing machines, driers, spin driers, drying cabinets including pressing and ironing machines - all for textiles
6. Dishwashers
7. Refrigerators, ice boxes and deep freezers
8. Electric and gas stoves, electric and gas ovens for grilling, roasting and baking, electric cookers and roasters and gas appliances
9. Electrical food mixers, beaters, mincers, slicers, cutters, grinders, squeezers and peelers, including accessories
10. Electric fans and fume hoods with electric fans
11. Electric hair dryers and rollers, including curlers
12. Electric shavers
13. Gramophone records

T a x p a y a b l e w h e n :

On sale to retailers by registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Any businesses producing or wholesaling taxable goods are required to register with the Customs service.

The businesses are required, after the end of a tax period of one month and not later than by the 15th day in the following month to declare to the Customs service, the taxable turnover during the tax period and the amount of the tax.

The tax due on taxable turnover from the goods listed under 2-13 above in any month must be paid not later than the 15th day of the 3rd month following that in which the turnover occurred. By providing security the businesses may obtain a 2 month extension of time-limit.

The tax due on taxable turnover from gramophone records in any month must be paid before the end of the following month.

I m p o r t s :

Registered businesses must take imports into stock without paying tax at the time of entry.

R a t e s :

For goods listed under 1 and 4-12 : $1/6$ th of the wholesale value, including this tax but excluding value added tax.

For goods listed under 2 and 3 : $1/11$ th of the wholesale value, including this tax, but excluding value added tax.

For goods listed under 13 : $3/13$ ths of the wholesale value, including this tax, but excluding value added tax.

E x e m p t i o n s :

Goods of a kind used solely for commercial purposes may be exempt from the tax .

TAX ON TELEVISION RECEIVERS
(Afgift af fjernsynsmodtagere)

Law on Sundry Consumption Taxes, cf. proclamation of Law No. 129
of 21 March 1978.

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

The State.

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

Television receivers.

T a x p a y a b l e w h e n :

The tax is payable when goods leave registered businesses.

E x e m p t i o n s :

Goods of types which must be deemed to be exclusively for use for
business purposes.

R e g i s t r a t i o n , d e c l a r a t i o n a n d p a y m e n t :

Businesses which manufacture or import and wholesale taxable goods are
required to register with the Customs Service.

At the end of a tax period of one month, and not later than the 15th day
of the following month, these businesses are required to declare to the
Customs Service their taxable turnover and the amount of tax due.

Tax on the goods which leave the business during one month must be paid to
the Customs Service by the 15th of the third month after the month in which
the goods left the business.

Business may, by providing security, obtain a two-month extension of this
time limit.

R a t e s :

Colour television receivers with a screen more than 22 in. wide	Dkr. 700 each
Colour television receivers with a screen 22 in. wide or less	Dkr. 600 each
Other television receivers	Dkr. 140 each

I m p o r t s :

Registered businesses take imports into stock and pay tax when they leave the business.

TAX ON INCANDESCENT LAMPS AND ELECTRIC FUSES
(Afgift af glødelamper og sikringer)

Law on Sundry Consumption Taxes, cf. proclamation of Law N° 129 of
 21 March 1978.

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

The State.

T a x p a y a b l e o n a n d r a t e s :

Electric light bulbs with a maximum width of over 19 mm or a maximum length of over 35 mm	DKr. 1.-- each
Other electric light bulbs	DKr. 0.20 each
Vapour lamps including luminescent lamps	DKr. 4.-- each
Neon tubes and similar lighting tubes	DKr. 4.-- each
Fuses for power current appliances	DKr. 0.20 each

Fuses for high tension appliances are exempt from the tax

T a x p a y a b l e w h e n :

On delivery of the goods from the registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing or importing taxable goods are required to register with the Customs service.

The businesses are required, after the end of a tax period of 1 month but not later than the 10th of the following month, to declare to the Customs service the quantity of taxable goods delivered during the month.

The tax for goods delivered during any month must be paid before the end of the following month.

I m p o r t s :

The goods can either be added to the businesses' untaxed stocks and assessed on delivery from the businesses, or they can be assessed for tax on entry. In the latter case the tax on goods imported during any month must be paid before the end of the following month.

TAX ON CERTAIN RETAIL PACKAGING
(Afgift af visse detailsalgspakninger)

Law N° 634 of 31 December 1977 on tax on certain retail packaging
as supplemented by Law N° 634 of 13 December 1978.

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

The State.

T a x p a y a b l e o n a n d r a t e s :

The tax is payable on retail packaging for :

1. Spirits, wine and fruitwine, and beer
2. Mineral water, lemonade and similar non-alcoholic beverages, and concentrates used for the production of such drinks
3. Juice and must, and concentrates used in their production
4. Vinegar and edible oil
5. Denaturated spirits

The tax on containers made of glass, plastic, etc., amounts to :

	Per item
1. with a capacity of not less than 10 cl and not more than 60 cl	20 öre
2. with a capacity of over 60 cl but not more than 106 cl	65 öre
3. with a capacity of over 106 cl	90 öre

The tax on metal containers amounts to : 25 öre

The tax on containers (packaging) of cardboard, with a capacity over 25 cl, amounts to 15 öre

DK 31

T a x p a y a b l e w h e n :

The tax is payable when the goods leave a registered business.

R e g i s t r a t i o n , d e c l a r a t i o n a n d p a y m e n t :

Businesses which produce taxable goods are required to register with the Customs Service.

After the end of a tax period of one month, and at the latest by the 15th of the following month, businesses are required to declare to the Customs Service the amount of taxable goods delivered during the month. The tax on goods declared must be paid within two months of the month of declaration.

I m p o r t s :

Tax is due on the import of containers, whether empty or full.

The tax on goods imported in one month must be paid before the end of the following month.

TAX ON PLAYING CARDS
(Afgift af spillekort)

Law on Sundry Consumption Taxes, cf. proclamation of Law N° 129 of
21 March 1978.

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

The State.

T a x p a y a b l e o n a n d r a t e s :

Playing cards DKr. 2.-- per pack.

T a x p a y a b l e w h e n :

On delivery of the goods from the registered businesses.

D e c l a r a t i o n a n d p a y m e n t :

Businesses producing or importing playing cards are required to register with the Customs service.

Businesses are required, after the end of a tax period of 1 month and not later than the 10th day in the following month, to declare to the Customs service, the taxable quantity delivered during the month.

The tax on goods delivered during any month must be paid before the end of the following month.

I m p o r t s :

Imported goods may either be added to a registered business's untaxed stock and assessed on delivery from the business or they may be assessed on entry. In the latter case the tax on goods imported during any month must be paid before the end of the following month.

TAX ON SUGAR
(Afgift af sukker)

Law No. 406 of 20 August 1976 on sugar tax etc.

B e n e f i c i a r y

The State.

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

1. Sugar (beet and cane sugar)
2. Glucose
3. Invert sugar
4. Artificial honey
5. Syrup made from the goods listed at 1 to 4.

Natural honey is not taxable.

T a x p a y a b l e w h e n :

The tax is payable when the goods leave a registered manufacturer.

In the case of registered wholesalers, tax is paid on such purchases as have not already been taxed.

E x e m p t i o n s :

The main rule is that sugar for industrial use (manufacture of foodstuffs, animal feed, technical or chemical products) is exempt from sugar tax.

R e g i s t r a t i o n , d e c l a r a t i o n a n d p a y m e n t :

Businesses which manufacture or refine taxable goods are required to register with the Customs Service.

Businesses which wholesale taxable goods may register with the Customs Service. After the end of a tax period of one month and at the latest by the 15th of the following month, registered businesses must declare to the Customs Service the amount of goods on which they are required to pay tax.

Manufacturers pay tax on the goods sold in one month by the end of the following month.

Wholesalers pay tax on the goods purchased in a month by the end of the following month.

R a t e :

The tax amounts to DKr. 3 per kg nett weight.

I m p o r t s :

The tax is payable on import. Registered businesses may, however, take goods into stock without paying tax on import.

On the import of goods which as a result of their content of taxable sugar and the like may replace sugar in households, a compensatory tax is paid on the amount of taxable goods which has been used in their manufacture.

TAX ON TOTALISATOR BETTING
(Afgift på spil ved totalisator)

Statutory Notice N° 444 of 28 August 1974, as amended by Law N° 216 of 28 April 1976.

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

The State.

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

Companies and associations with permission to operate totalisator betting on horse racing, pigeon racing and cycle racing.

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

Total stakes paid for the bets.

C o l l e c t i o n :

The tax is settled after each race-meeting.

R a t e s :

In case of horse races, the tax is calculated on fixed percentages which vary according to the type of wager. The lowest rate is 1 % of the stake and the highest is 15 %. A basic deduction is allowed, before tax, varying from Dkr. 6 000 to Dkr. 20 000.

The tax is calculated on a progressive scale from 10 - 30 % depending on the size of the total stakes. The total tax cannot exceed 25 % of the total stake.

From the tax calculated as per the above rules, 10% of that part of the stake placed on a winner or place is deducted.

In the case of cycle races a further deduction is allowed which may not exceed Dkr. 5 000 per race-day.

TAXES ON FOOTBALL-POOL BETTING
(Afgift af tipping)

Statutory Notice N^o 66 of 25 February 1977.

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

The State and sports organizations and certain cultural and general welfare purposes.

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

Pursuant to the Law on Football Pools : A/S Dansk Tipstjeneste and pools winners.

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

The company pays tax on the total stakes and the winners pay tax on their winnings.

C o l l e c t i o n :

Settlement is made with each Pool that takes place.

R a t e s :

20% (from 1 June 1976 - 30 June 1978 only 19%) is paid on the total stakes. Winnings are taxed at 15% of the amount in excess of DKr. 200.

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

Income tax is not payable on paid-out winnings. The majority of A/S Dansk Tipstjeneste's profit goes to promote sport, the remainder to cultural, public utility and charitable objects.

COUNTY LAND TAX
(Amtskommunal grundskyld)

Decree of 30 May 1973 relating to the Law on tax payable to municipalities on real property; Decree No. 103 of 21 February 1973

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

The county in which the property is situated.

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

Real property in Denmark except for property situated in the municipalities of Copenhagen and Frederiksberg.

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

See "Municipal Land Tax" (DK 38).

E x e m p t i o n s :

See "Municipal Land Tax" (DK 38).

C o l l e c t i o n :

County land tax is collected by the municipality together with municipal property tax.

R a t e s :

1 ‰ of the land value multiplied by not more than 20. The rate is fixed by the County Council but the law stipulates that the counties' expenditure should be provided for partly by means of the land tax and partly by levying income tax in the counties.

MUNICIPAL LAND TAX
(Kommunal grundskyld)

Decree of 30 May 1973 relating to the Law on tax payable to municipalities on real property;
Ministry of the Interior's Circular No. 80 of 31 March 1962 on municipal property tax and county tax.

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

The municipality in which the property is situated.

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

Real property situated in Denmark with certain exceptions mentioned below.

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

The land value after deducting an allowance for improvements.

E x e m p t i o n s :

Municipal land tax may not be remitted or reduced in any other way without express statutory authority. The most important exemptions are as follows :

- (a) Properties which are exempted from public assessment (cemeteries, public streets and roads, squares, railways etc.) receive obligatory exemption from municipal land tax, as well as property owned by the State or the Municipalities, with the exception of those which are used commercially, the embassies and consulates of foreign states and property belonging to certain international organisations.

(b) The municipal council may give partial or full exemption from land tax to private or other non-profit making institutions and to power stations, gasworks, waterworks and district heating stations.

C o l l e c t i o n :

In two or more equal instalments in accordance with more detailed provisions laid down by the municipal authorities.

R a t e :

1 ‰ of the land value multiplied by a factor fixed in accordance with the municipality's estimated levy requirements. There is no limit on this factor.

SUPPLEMENTARY LAND TAX
(Tilfølggrundskyld)

Decree of 30 May 1973 relating to the Law on tax payable to the municipalities on real property

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

The municipality in which the property is situated.

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

The municipal authorities in a municipality may stipulate that a supplementary land tax is payable on properties which are used for agriculture, horticulture, nursery gardening or fruit growing, unless the owner (tenant) pays income tax to the municipality.

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

The land value.

E x e m p t i o n s :

Properties owned by companies, or by the State or its institutions.

C o l l e c t i o n :

By the municipality together with the municipal property taxes.

R a t e s :

1 0/00 multiplied by the supplementary land tax factor fixed by the municipal authorities which may amount to one half of the municipality's general land tax factor but not more than 10.

FIXED STATE PROPERTY TAX
(Fikseret ejendomsskyld til staten)

Statutory Notice No. 183 of 30 April 1970 as amended by Law No 127 of 30 March 1977.

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

The State.

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

Property situated in Denmark.

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

See "Rates".

E x e m p t i o n s :

- property belonging to the State and local authorities ;
- schools, hospitals, sports and athletic grounds etc.;
- electricity, gas, and water works;
- foreign embassy and consulate properties;
- orchards and moorland.

Moreover, this property tax does not apply, or is reduced if the differential value (as a general rule = the construction value) is inconsiderable or is permanently reduced.

C o l l e c t i o n :

Collection, which in most cases occurs quarterly, is made by the local authorities.

R a t e s :

The property tax is fixed at the amount of the State Property Tax for the fiscal year 1965-1966. The tax is, however, reduced every 4th year and will disappear entirely by 1990.

The property tax fixed for 1965-66 was calculated at 4.5 % of the differential value after various deductions.

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

Property tax may be deducted when calculating taxable income.

FIXED REAL PROPERTY MUNICIPAL TAX
(Fikseret ejendomsskyld til kommunen)

Decree of 30 May 1973
Ministry of the Interior's Circular No. 80 of 31 March 1962

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

The municipality in which the property is situated.

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

All properties for which there are fixed values i.e. values established on the basis of assessments made before the 11th general assessment (1 September 1956) in the towns and assessments made before the 12th general assessment (1 September 1960) in other municipalities. Property tax is therefore not payable on properties built after these dates.

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

The fixed values referred to under "Tax payable on".

E x e m p t i o n :

If a property is exempted from municipal land tax it is also exempted from municipal property tax.

C o l l e c t i o n :

Municipal property tax is collected by the municipality.

R a t e s :

The 10% used in financial year 1960/61 which was reduced by 1/7 on and after 1965/66 and reduced again by 1/7 on and after 1970/71. Similar reductions were made after the 15th general assessment (1 April 1973) and will be made for every subsequent general assessment so that property tax will completely disappear at the end of financial year 1989/90.

FINANCIAL LEVY ON PUBLIC PROPERTY
(Dækningsafgift af offentlige ejendomme)

Decree of 30 May 1973 relating to the Law on tax on real property payable to the municipalities.

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

In all municipalities the municipal authorities or the County Council may stipulate that a financial levy is to be made on assessed properties which are exempted from land tax and property tax because they belong to the state or the municipality. The financial levy is payable to the municipality/county in question.

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

See "Beneficiaries".

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

The financial levy is payable on the land value and the difference in value between the land value and the value of the property with a building on it.

E x e m p t i o n s :

Properties belonging to a municipality are exempted from paying a financial levy to the county concerned. The municipal authorities may exempt from the financial levy properties which belong to the county in question.

C o l l e c t i o n :

The financial levy is collected by the municipality together with the municipal property taxes.

R a t e s :

The financial levy on the land value is 10/00 multiplied by half the municipality's general land tax factor but this may not exceed 10.

The financial levy on the "difference value" is fixed by the municipal authorities or County Council and may not exceed 10/00 multiplied by 5 and 3.75 respectively.

FINANCIAL LEVY ON COMMERCIAL PREMISES
(Dækningsafgift af forretningsejendomme)

Decree of 30 May 1973 relating to the Law on tax on real property payable to the municipalities

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

The municipality in which the premises are situated.

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

The municipal authorities may stipulate that properties used as offices, shops, hotels, factories, workshops or for similar purposes shall pay a financial levy as a contribution towards expenditure. A condition of this is that at least half the difference in value of the property is used for the purpose given above.

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

The above mentioned difference in value.

E x e m p t i o n s :

Properties which are exempted from land tax.

C o l l e c t i o n :

The financial levy is collected by the municipality.

R a t e :

1^o/oo multiplied by the financial levy factor fixed by the municipal authorities and which must not exceed 10.

STATE INSTITUTIONS' INCOME TAX
(Indkomstskat af statsinstitutioner)

Decree No. 101 of 20 February 1973 relating to the Law on municipal income tax ;
Ministry of the Interior's Circular No. 121 of 18 June 1969 on municipal income tax

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

The State and its institutions are liable to pay municipal income tax to the municipality where the taxable establishment operates.

If an establishment operates in several municipalities then the tax is divided up in proportion to the revenue which is regarded as emanating from each of the municipalities.

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

The State and its institutions.

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

Revenue from rented property, agricultural property, forests or manufacturing industries.

C o l l e c t i o n :

According to a decision by the municipal administration the tax is collected on one particular date or on several dates.

R a t e :

The tax corresponds to the amount of the levy (in percent) by the municipality in question.

TAX ON RENTS RELEASED FROM LANDLORDS INVESTMENT FUND
(Grundejernes investeringsfond)

Para 14 C of Statutory Notice No. 306 of 29 May 1973 on the Assessment of State Income and Capital Tax as amended by Law No. 383 of 15 June 1973 ;
The Tax Department's circular of 28 September 1967 on State Tax on Release of Blocked Rent Increases

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

The State and the local authority.

1/3rd of the tax devolves to the local authority.

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

The person entitled to the released rent.

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

Owners of rented properties are obliged to pay part of any rent increases into a blocked account in the Landlords' Investment Fund. These amounts plus accrued interest, are normally released after being blocked for a 20-year period or to meet additional expenditure on upkeep, in which event they are included as part of taxable income. The amounts paid in are deductible when calculating ordinary taxable income.

Earlier release may take place in special cases ; for example when the owner of the property dies or has bankruptcy proceedings taken against him or compounds with his creditors. Also in the event of a building society's liquidation. These amounts are then not reckoned as part of ordinary taxable income.

The tax is calculated on the amount freed.

C o l l e c t i o n :

The Landlords' Investment Fund deducts the tax from the amount released and pays the tax to the Treasury.

R a t e :

The tax amounts to 40% of the amount released.

REAL PROPERTY DISPOSAL TAX
(Afståelsesafgift)

Statutory Notice No. 301 of 12 June 1970 on Real Property Derestriction Tax etc. ;
Decree No. 389 of 24 August 1970 on Real Property Derestriction Tax etc.

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

The Disposal Tax is divided equally between the municipality and county.

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

The owner of the property, in so far as he is liable for State Income Tax in the income year in which the property is disposed of and the property has not been acquired for business or speculative purposes.

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

The profit arising from the first disposal of properties on which there has been an obligation to pay Derestriction tax.

This profit is calculated as the difference between the consideration and the final amount used for calculating the derestriction value (the property value at the time of the first valuation following transfer to an urban or week-end cottage area or to another use).

The purchase price may be used instead of the final amount. Conveyance to the owner's spouse or heirs, arising from administration of the deceased owner's estate is regarded as the equivalent of disposal.

A declaration must be submitted according to the same rules as apply to ordinary income tax.

E x e m p t i o n s :

Estates exempted from Income Tax are also exempted from Disposal Tax.

Disposal Tax is not payable on one or two family houses etc. covered by the Law on Special Income Tax, Para 2 A. This regulation in the law relates to the disposal of one and two family houses etc. occupied by the owner.

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

Married couples are taxed jointly in the same way as for tax in accordance with the Law on Special Income Tax.

Children are taxed separately.

C o l l e c t i o n :

Disposal Tax is payable in 3 instalments on the 1st of September October and November in the year in which the tax is assessed, the last date for payment being the 20th day of the month in which payment falls due.

In the case of late payment, interest is charged in accordance with the rules applicable to State Income Tax.

Disposal Tax is collected by the local authority assessing the tax.

R a t e :

Disposal Tax amounts to 60 % of the difference, calculated as capital gains.

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

Disposal Tax operates instead of the tax on profit realised on the disposal of real property in accordance with the rules of the Law on Special Income Tax, Para 2, No. 13. (DK 04 - see p. 127).

STAMP DUTY
(Stempelafgifter)

Statutory Notice N° 5 of 5 January 1978 as last amended by Law N° 77 of 8 March 1978.

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

The State.

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

The parties to the legal relationship to which the document liable to stamp duty relates.

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

The consideration agreed in the document, alternatively the document's face value. In case of real property the basis of assessment may not be lower than the last assessed value of the property.

E x e m p t i o n s :

Numerous, e.g. :

- contracts for the sale of goods in which the buyer trades ;
- contracts for the sale of personal property the value of which does not exceed Dkr. 10 000 ;
- insurance documents where the insured sum does not exceed Dkr. 10 000 ;
- documents relating to the establishment and standing orders of joint-stock companies, institutions and partnerships ;
- contributions to joint-stock companies and similar organisations, not consisting of real property ;
- "mass" instruments of debt, when negotiable, unless security is provided by a mortgage on real property ;
- securities for the payment of customs and excise duties to Denmark or another Member State of the Community ;
- bank securities for the "EEC-Directorate" relating to the import or export of certain agricultural products through the external frontiers of the EEC.

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

The documents are subject to stamp duty only when either

- (a) the parties are resident in Denmark or
- (b) one of the parties is resident in Denmark and the document is signed in Denmark. On the other hand, all documents pertaining to Danish real estate and all officially registered documents etc. are subject to stamp duty.

C o l l e c t i o n :

By excise stamps or by stamping in specially authorised machines with adding mechanism.

R a t e s :

Between 0.1 % and 2 % depending on the document's consideration or face value.

STOCK EXCHANGE STAMP DUTY
(Børsstempelafgift)

Law No. 313 of 20 December 1915 as amended by Law No. 135 of 30 March 1946

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

The State.

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

Buyers and sellers of shares.

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

Consideration for the shares.

E x e m p t i o n s :

The duty is not payable on deals conducted between two brokers who both trade on a commission basis.

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

The duty presupposes that one of the parties is resident in Denmark.

C o l l e c t i o n :

By excise stamps affixed to the transfer deeds, alternatively by direct settlement by certain brokers who have received special permission to do so.

R a t e s :

0.5 % of the consideration (it is customary for the duty to be shared between buyer and seller).

WEIGHT TAX ON MOTOR VEHICLES
(Vægtafgift af motorkøretøjer)

Law relating to Weight Tax on Motor Vehicles etc., cf. proclamation of Law N° 658 of 28 December 1977.

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

The State.

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

The tax applies to registerable motor vehicles, tractors, trailers, semi-trailers used for passenger transport, and trailer equipment, e.g. caravans. All vehicles are liable to weight-tax. Vehicles equipped to use a fuel other than petrol or towed by such a vehicle pay an equalisation tax in addition to weight-tax.

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

In the case of passenger motorcars, buses and taxis, the vehicle's own weight. In the case of vans and lorries the tax basis is the vehicles' permitted total weight. Tax is levied on certain vehicles at a fixed amount per vehicle.

P a y m e n t :

The tax is paid periodically (1 or 2 or 4 times a year) by the person in whose name the vehicle is registered at the time of payment.

E x e m p t i o n s :

Vehicles need by the Defence authorities, fire engines, vehicles equipped exclusively for the transport of sick persons and vehicles used exclusively as buses on fixed routes are exempt from weight-tax and equalisation tax. No weight tax is payable on taxis. Invalid vehicles may be exempted from weight-tax. No tax is payable on bicycles with auxiliary motors (mopeds).

R a t e s :

The annual amount of tax on petrol-driven passenger motor vehicles is as follows :

<u>Weight</u>			
Motorcycles	-	600 kg	DKr. 291.60
Other passenger motor vehicles	-	600 kg	DKr. 874.80
601	-	800 kg	DKr. 1 067.20
801	-	1,100 kg	DKr. 1 458.00
1,101	-	1,300 kg	DKr. 1 944.00
1,301	-	1,500 kg	DKr. 2 527.20
1,501	-	2,000 kg	DKr. 3 499.20
2,001	-		DKr. 194.40 per 100 kg own weight.

Special scales of tax apply to motor-coaches and taxis.

The tax on vans and lorries increases with the vehicle's permitted total weight. The tax is lower than that applying to private motorcars.

Diesel-driven vehicles, the fuel for which is not taxed - as is petrol -, are liable to an equalisation tax as specified earlier. In the case of motor-coaches and vans and lorries as a general rule the equalisation tax is equal to 2-3 times the weight-tax.

TAX ON THIRD-PARTY INSURANCE FOR MOTOR VEHICLES, etc.
(Afgift af ansvarsforsikringer for motorkøretøjer m.v.)

Law N° 174 of 7 May 1975, as amended by Law N° 412 of 20 August 1976.

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

The State.

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

Third-party insurance for motor vehicles, tractors, trailers, semi-trailers, side-cars and towed appliances registered in accordance with the Road Traffic Act. Tax is also payable on third-party insurance for motor-assisted cycles (mopeds).

R a t e s :

The tax amounts to 50% of the premium for third-party insurance, exclusive of tax.

However, the tax on insurance for commercial or delivery vehicles having a permissible total weight exceeding 6 000 kg, and for trailers used for road-haulage purposes amounts to 25% of the premium.

The tax amounts to Dkr. 230 annually for motor-assisted cycles (mopeds).

D e c l a r a t i o n a n d p a y m e n t :

The tax is paid by the motor-vehicle insurers, who must therefore present themselves for registration with the customs administration. Such companies must quote the amounts due for the previous month by the 15th of each month at the latest, and must pay the taxes for a given month by the end of the following month.

TAX ON PLEASURE CRAFT INSURANCE
(Afgift af lystfartøjsforsikringer)

Law N° 413 of 20 August 1976.

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

The State.

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

Insurance on pleasure craft registered in Denmark.

E x e m p t i o n s :

Accident and third party liability insurance, and insurance on commercial craft.

D e c l a r a t i o n a n d p a y m e n t :

Companies which write insurance for pleasure craft are required to register with the Customs Service. After the end of each month, and at the latest by the 15th of the following month, the companies must declare to the Customs Service the amount of taxable premium income and the amount of tax due.

Tax on the premium income in each month is to be paid before the end of the following month.

R a t e :

The duty amounts to 50 % of each insurance premium, not including the tax.

LEVY ON BANKS AND SAVINGS BANKS
(Afgift af banker og sparekasser)

Statutory Notice N° 199 of 2 April 1976 concerning banks ;
Statutory Notice No. 8 of 15 January 1960 concerning savings banks

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

The State (to meet its expenses incurred in the supervision of the activities of banks and savings banks).

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

The total debits of a bank or savings bank.

R a t e s :

1/25‰ of the total debits.

LEVY ON INSURANCE BUSINESSES**(Afgift af forsikringselskaber)**

Law No. 147 of 13 May 1959 concerning Insurance Business
Statutory Notice N° 544 of 27 October 1976

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

The State (to meet its expenses incurred in the supervision of the activities of Insurance Companies and branches of foreign Insurance Companies situated in Denmark to which the law refers).

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

The gross sum of insurance premiums received by the Insurance Company from direct insurance in Denmark.

R a t e s :

Life Insurance Companies	1.39‰
Indemnity Insurance Companies	0.61‰

but in neither case less than 200 DKr.

Mutual indemnity insurance companies with special limited purposes pay only 50 % of the normal levy.

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

Companies authorised to insure against accidents must pay a further levy in accordance with the provisions of Statutory Notice No. 137 of 16 April concerning accident insurance.

**LEGAL ACTION TAX, INCLUDING ESTATE ADMINISTRATION TAX
(Retsafgifter)**

Statutory Notice N° 643 of 30 December 1976 as amended by Law N° 77 of 8 March 1978.

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

The State.

However, tax payments recovered by a Municipal bailiff go to the local authority.

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

The person issuing the writ.

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

Generally speaking, the amount involved in the case is the decisive factor.

E x e m p t i o n s :

- Certain kinds of action, e.g. cases dealing with adoption, marriage, paternity etc. ;
- Among others, State institutions and persons who have been granted legal aid.

C o l l e c t i o n :

The Courts collect these taxes.

R a t e s :

These vary according to the type of action and the amount involved. Civil cases are, for example, taxed at the rate of DKr. 50 + 1 % of the amount in excess of DKr. 3 000.

With particular regard to estate administration tax, this is paid
at the rate of :

2 % on amounts dealt with by the Probate Courts

1 % on amounts dealt with by executors.

CAPITAL DUTY
(Kapitaltilførselsafgift)

Statutory Notice N° 604 of 10 December 1975, as amended by Law N° 216 of 28 April 1976.

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

The State.

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

- companies incorporated with limited liability and kommandit-aktieselskab;
- other companies where members have the right to dispose of their shares to third parties without prior authorisation and are only responsible for the debts of the company to the extent of their shares ;
- companies or associations whose shares are registered on the Stock Exchange in Copenhagen or on the Stock Exchange of another Member State of the European Community.

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

- The formation of a company ;
- the increase in capital of a company ;
- the increase in capital of a company by incorporating profits, reserves or reserve funds ;
- the transfer of the registered office or of the effective centre of management of a company to Denmark under certain conditions.

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

The actual value of the contribution, after the deduction of liabilities assumed and of expenses borne by the company in connection with the contribution. A contribution made by a member with unlimited liability for the obligations of the company is not included in the basis of assessment.

Where capital is increased by an incorporation of profits, reserves or reserve funds, the basis of assessment is the nominal amount of the increase.

E x e m p t i o n s :

- companies which supply public services, such as transport, water, gas or electricity, when at least half the capital is owned by the State or regional or local authorities;
- the Minister of Finance may exempt a company where its object, exclusively and directly, is charity.

D e c l a r a t i o n a n d d a t e o f p a y m e n t :

Companies must make a declaration to the tax authorities within four weeks of becoming liable.

The tax must be paid four weeks after the declaration is made.

R a t e s :

5.8 %

The rate is reduced by 50 % for certain merger transactions.

REAL PROPERTY DERESTRICTION TAX
(Frigørelsesafgift)

Statutory Notice No. 301 of 12 June 1970 on Real Property Derestriiction Tax etc. ;
Decree No. 389 of 24 August 1970 on Real Property Derestriiction Tax etc.

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

The tax is divided equally between the municipality and county where the property is situated.

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

The owner of the property.

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

The law comprises two categories of derestriiction values (I and II).

I. The derestriiction value of property used for agriculture, market gardening, nurseries or orchards.

The derestriiction value arises when the properties in question are, pursuant to Law on Urban and Rural Zones, transferred to an urban zone or week-end cottage district.

The derestriiction value is the amount by which an end amount exceeds a basic amount.

The final amount is the value of the property at the time of its first valuation following transfer to the urban zone or week-end cottage district.

The basic amount is the value of the property at the time of the last valuation prior to transfer, less any difference arising pursuant to the Law on Valuation, Para 14, subpara 6 increased by 50 %.

The value of the property at the time of the 13th general valuation as at 1 August 1965 may be used as the basic amount.

It is possible when calculating the derestriction value to deduct certain expenses incurred for improvements to the property and any loss in the value of the buildings.

- II. The derestriction value of properties used for agriculture, market gardening, nurseries or orchards and covered by Para 14, subpara 7, of the Law on Valuation of Danish Real Property. That is to say where the properties were situated prior to 1 January 1970 in the middle or inner zone of an approved urban development plan.

The income of derestriction value is conditional upon the property owner's having made a declaration pursuant to Para 6 B of the Law on Local Taxation of property, to the effect that the property is covered by Derestriction Tax and Disposal Tax (this declaration also involves a reduction of land tax payable to the municipality and to the county).

The derestriction value arises when the property is put to a different use.

The derestriction value is calculated in the same way as for properties mentioned in heading I.

I and II. Declaration of the taxable derestriction value is made at the request of the public authorities concerned.

C o l l e c t i o n :

The Derestriction tax is payable one month following the taxpayer's receipt of notice of calculation of the tax.

The tax is collected by the local authorities in which the property is situated.

R a t e s :

The Derestriction tax amounts to 40 % of the first DKr. 200 000 of the derestriction value and 60 % of the balance.

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

It is possible for the taxpayer to require that the local authority purchases the property.

CHARTER FLIGHT TAX
(Afgift af charterflyvning)

Law No. 441 of 6 September 1977 on charter flight tax.

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

The State.

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

Charter flights carrying passengers abroad from Danish airports. The tax is also payable on equivalent flights by aircraft normally used for scheduled flights.

D e c l a r a t i o n a n d p a y m e n t s :

Any business which operates taxable charter flights is required to register with the Customs Service. After the end of a tax period of one month, and not later than by 15th day of the following month, registered business are required to declare to the Customs Service the number of passengers on which tax is due and the amount of the tax.

The tax due on the number of passengers carried in one month is to be paid to the Customs Service before the end of the following month.

R a t e :

DKr. 50 per passenger.

GERMANY

Deutschland

INCOME TAXES
(Einkommensteuer)

Income Tax Law for 1977 of 5 December 1977 (BGBL. I, p. 2365);
Income Tax Implementing Regulation 1977 of 5 December 1977
(BGBL. I, p. 2443).

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

The Federal Government the Länder governments and the municipalities.
For the 1978 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 (unlimited tax liability). Individuals of German nationality, who are neither domiciled nor ordinarily resident in Germany, but who work for State institutions (unlimited tax liability). Individuals to whom income accrues in Germany, but who are not domiciled or ordinarily resident in Germany (limited tax liability).

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, expenses for consultations with tax experts, the surcharge for church funds, etc.) at a flat rate ; if great expense has been incurred, documentary proof is required. Allowance for taxpayers over a certain age, and exceptional expenses, special tax allowances for single persons who are over 50 or who have at least one dependant child.

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.

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

Tax on such income is assessed individually.

N o n - r e s i d e n t s (limited tax liability) :

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, capital yield tax and, in certain cases, corporation tax are credited at the time of final settlement.

R a t e s :

Tax is payable at a rate of 22% on the first DM 16 000 (DM 32 000 in the case of married couples assessed jointly) ; the rate ranges from 30,8% to about 56% for income, between DM 16.000 (DM 32.000 in the case of married couples) and DM 130 000 (DM 260 000 in the case of married couples) ; a maximum rate of 56% is payable where income exceeds DM 130 000 (or DM 260 000 in the case of married couples).

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.

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

Losses which are not offset by positive income accruals when the total amount of income is determined may be deducted for the preceding year and for the five following years.

WAGES TAX

(Lohnsteuer)/Special method of collection of income tax chargeable on income from paid employment

Income Tax Law 1977, paragraphs 38 - 42f ;
Wages Tax Implementing Regulation of 21 February 1978 (BGBL. I, p. 307).

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

See under "Income Taxes" (D 01/04).

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 persons who, in consideration of a past or present employment relationship, are in receipt of income from a German public fund or agency.

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

Wages less 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 social insurance payments by the employer, excluding "fringe" benefits.

D e d u c t i o n s :

As for income tax ; especially an allowance for Christmas, an allowance for employed persons and a flat-rate allowance for social insurance expenses.

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

The combined income of a married couple is taxed according to the "splitting" system. In some cases, depending on the classification in wages-tax brackets, tax will be deducted at source.

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

Taxation of employees by "P.A.Y.E." procedure with 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. These tables incorporate the basic personal allowance of DM 3.300, the employed person's allowance of DM 480, the general allowance, the allowances for head of household, and the lump sums for expenses, social insurance payments and certain special expenses.

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 calendar year, the adjustment of wages tax will be made. Any wages tax withheld in excess may thus be refunded. In certain cases, an income tax assessment may be found necessary after the end of the year, and additional tax payments may be required.

Rates:

As for income tax

CAPITAL YIELDS TAX

(Kapitalertragsteuer) Special method of collection of income tax and corporation tax

Paragraphs 43 to 45b of the Income Tax Law 1977.

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

The Federal Government (50%) and the Länder governments (a total of 50%).

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 equities, other shares 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 constitute operating receipts of a domestic permanent establishment; in the latter case, the tax is set off against income tax/corporation tax.

2. Old-type coupon tax (30%)

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

- (a) The amount withheld constitutes 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 coupon tax (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.

The amount withheld constitutes settlement of income tax, unless the interest constitutes the operating receipts of a domestic permanent establishment or complete or partial refund is claimable under a double taxation agreement.

In the case of a domestic permanent establishment, the coupon tax withheld is deducted from or refunded on income tax/corporation tax.

D i s c l a i m e r s / R e f u n d s :

1. In respect of ordinary capital yield tax :

- (a) individuals resident in Germany, where there is no assessment for income tax (certification procedure).
- (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 on tax-free interest terms;

2. In respect of old-type coupon tax :

- (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 (for example : a 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 pay out or credits the interest to the seller.

CORPORATION TAX
(Körperschaftsteuer)

Corporation Tax Law 1977 of 31 August 1976 (BGBL. I, p. 2597), as amended by the Tax Amendment Law 1977 of 16 August 1977 (BGBL. I, p. 1586); Corporation Tax Law Implementing Regulation 1977 of 14 June 1977 (BGBL. I, p. 848).

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

Corporation Tax : the Federal Government (50%) and the Länder governments (a total of 50%).

Supplementary levy : the Federal Government.

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, co-operatives, other legal persons incorporated under private law, associations not possessing legal personality, institutions, foundations and other private special-purpose funds, enterprises of an industrial and commercial nature run by legal persons 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.

Tax is calculated on total income received during the year.

E x e m p t i o n s :

The bodies exempted include the Federal Postal Administration ; the Federal Railways ; the Bundes bank ; corporations, associations, trusts and funds which, according to their charters, statutes or memoranda of association and their actual management, are conducted for non-profit-making, charitable or religious purposes; housing and settlement associations recognized as working for the public good ; professional and trade associations not conducted for commercial ends ; pension and similar social funds ; and, under certain conditions, agricultural cooperatives and certain non profit-making associations.

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 ;

- 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;
- Donations to political parties, up to a certain maximum sum.

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

If a joint-stock company whose management and head office are in Germany (subsidiary company) undertakes to remit its total profits to another commercial 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 :

Deduction of losses as for income tax.

For corporations taxable under the imputation system the right to carry back losses to the preceding assessment period is limited in certain cases.

C o l l e c t i o n :

By annual assessment.

Assessment is not made in the case of corporations, associations, trusts and funds for which the corporation tax liability is considered to be settled by deduction at source.

R a t e s :

1. Standard rate 56%
(Article 23 paragraph 1, of the Corporation Tax Law)
 - (a) Joint-stock companies and other corporations within the meaning of Article 43 of the Corporation Tax Law, i.e. corporations taxable under the imputation system;
 - (b) Foundations within the meaning of Article 1, paragraph 1, points 4 and 5 of the Corporation Tax Law, with the exception of income derived from the commercial business of a foundation exempt from corporation tax;
 - (c) Persons with limited tax liability, with the exception of income derived from a domestic firm.

2. Reduced rate 50%
(Article 23, paragraphs 2 and 3 of the Corporation Tax Law)
 - (a) Corporations, associations, trusts and funds within the meaning of Article 1, paragraph 1, points 3 to 6 of the Corporation Tax Law, i.e. corporations not taxable under the imputation system;Exceptions :
 - (aa) where one such corporation or association is taxable under the imputation system (e.g. a commercial association), the rate of 56% applies in accordance with Article 23, paragraph 1 of the Corporation Tax Law.
 - (bb) For foundations within the meaning of Article 1, paragraph 1, points 4 and 5 of the Corporation Tax Law, the rate of 56% also applies in accordance with Article 23, paragraph 1 of the Corporation Tax Law, unless the income is derived from the commercial business of a foundation exempt from corporation tax.
 - (b) Persons with limited liability to corporation tax, where the income is derived from a domestic firm.

3. Reduced rate 46%
(Article 23, paragraph 4 of the Corporation Tax Law)
 - credit institutions engaged in long-term credit operations
 - State banks
 - credit cooperatives
 - regional central institutions of credit cooperatives.No distinction is made between credit institutions taxable under the imputation system and those which are not.

4. Reduced rate

(Article 23, paragraph 5 of the Corporation Tax Law)

- public or State-supervised savings banks.

5. Special rate for das Zweite Deutsche Fernsehen (second German television channel) (Article 23, paragraph 9 of the Corporation Tax Law)

- 8% of the remuneration (Article 10, paragraph 1 of the Turnover Tax Law) received for television advertising.

T a x o n d i s t r i b u t e d p r o f i t s

For distributed profits of joint-stock companies with unlimited tax liability and certain other corporations with unlimited tax liability (in particular, trading and business cooperatives), corporation tax amounts to a uniform rate of 36% of profits calculated before deduction of corporation tax. Where the corporation tax to be calculated according to the tax rate provisions is more than 36% (e.g. where the abovementioned tax rates of 56% or of 46% are applicable), the distribution of profits entails a reduction in corporation tax. Where the corporation tax to be calculated in accordance with the tax rate provisions is lower than 36% (e.g. in the case of tax-free incomes), the corporation tax is raised in the event of distribution of profits.

In order to determine the tax on the distribution of profits, corporations must give a breakdown of their capital resources which can be used for the distribution of profits, in accordance with the taxation of such capital resources under the tax rate provisions. The breakdown is to be calculated on a continuously adjusted basis separate from the balance sheet.

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 Bremen : Tax on Dogs Law of 2 April 1968 (GBL. 1968, p. 29) ;
For Hamburg : Tax on Dogs Law of 9 January 1973 (GVBL. 1973, p. 1) ;
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. Sb. III, p. 46), Article 44 of the first Adapting Law of 24 June
1970 (Nieders. GVBL. 1970, p. 237) ;
For Rhineland-Palatinate : Tax on Dogs Law of 2 February 1951 (GVBL. 1964,
p. 76) ;
and other laws for the remaining Länder

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

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 :

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 (RGBl. 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) ; Regulation of 3 April 1975 on the level of the Hunting Tax (GVBl. 1975, p. 352) ;
For Lower Saxony : Prussian Municipal Tax Law of 14 July 1893 (Nieders. GVBl. Sb III, p. 46), Article 44 of the first Adapting Law of 24 June 1970 (Nieders. GVBl. 1970, p. 237) ;
For Rhineland-Palatinate : Municipal Tax Law of 8 November 1954 (GVBl. 1968, p. 276),
and other laws for the remaining Länder.

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

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.

Ex 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 :

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

FISHING TAX
(Fischereisteuer)

The same laws and amendments as for Hunting Tax

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

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 :

At least DM 10 per year for each fishing district.

WEALTH TAX (Vermögensteuer)

Wealth Tax Reform Law of 17 April 1974 (BGBL. I, p. 949),
as amended by :

1. Article 6 of the Law of 5 August 1974 reforming income tax, the equalization of family burdens and savings promotion (Income Tax Reform Law) (BGBL. I, p. 1769);
2. Article 22 of the Law of 19 December 1974 improving private firm's retirement schemes (BGBL. I, p. 3610).
3. Article 43 of the Law of 18 December 1975 improving the Budget structure (BGBL. I, p. 3091).
4. Article 9 of the Law of 6 September 1976 introducing the Cooperation Tax Reform Law (BGBL. I, p; 2641).
5. Article 14 of the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341)
6. Article 6 of the Law of 16 August 1977 amending the Turnover Tax Law, the Federal Children's Allowance Law, the Income Tax Law and other laws (Tax Amendment Law 1977) (BGBL. I, p. 1586).

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

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

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

All natural and legal persons.

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

Residents :

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

Non-residents :

Assets situated in Germany (certain assets only).

E x e m p t i o n s :

The bodies exempted include the Federal Postal Administration, the Federal Railways, certain 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 70 000 is granted for each taxpayer, his wife and children; allowance are also granted to taxpayers over a certain age, and taxpayers unable to work.

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.

C o l l e c t i o n :

By means of assessment books.

R a t e s (1 January 1978) :

For natural persons the rate is 0.5%.

For legal persons the rate is 0.7%

EQUALIZATION OF BURDENS LEVIES

(Lastenausgleichsabgaben) - (Property levy, levy on mortgage profits, levy on profits from credits)

Equalization of Burdens Law of 14 August 1952 (BGBl. N° 34 of 18 August 1952) with 28 Amending Laws and 29 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.

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, interest and tax contributions are paid on a quarterly basis ; as regards the levy on mortgage profits, interest and tax contributions 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 up to 31 December 1979.

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 with interest up to 10 January 1974.

SUCCESSION DUTY
(Erbchaftsteuer)

Succession Duty and Gift Tax Reform Law of 17 April 1974 (BGBl. I, p. 933), as amended by Article 16 of the Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p. 3341).

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 assets by inheritance or gift.

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

Inheritances, legacies, legal portions,⁴ credits from insurance, gifts inter vivos, and family endowments every 30 years.

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, notably those made for religious or charitable objectives or for the public benefit.

D e d u c t i o n s :

For inheritances : certain charges on the estate, such as the debts of the deceased, funeral expenses, etc.

For gifts : debts taken over with the gift ; allowances.

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.

R a t e s :

The rates range from 3 % to 70 %. The scale contains four 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)

Turnover Tax Law of 16 November 1973 (BGBL. I, p. 1682) as last amended by the Tax Amendment Law 1977 of 16 August 1977 (BGBL. I, p. 1586) as well as implementing regulations

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

The Federal Government (67.5), the Länder governments(32.5%).

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).

C h a r g e a b l e e v e n t :

- 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;
- "Own" consumption.

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

- The remuneration received for sales of goods or services (before tax);
- As regards imports : customs value (the remuneration in the case of imports purchased from EEC countries) plus import duties (minus import value added tax) and cost of carriage to the first destination in Germany;
- In the case of "own consumption by domestic producers" : the value of the goods (before tax).

Ex e m p t i o n s :

Without input 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 etc.) ;

With input tax deduction :

- Deliveries for export, the making up of customers' own materials on one's premises, and certain other services made on behalf of foreign principals.

D e d u c t i o n s :

Input tax paid is deducted from tax received and only the difference is handed over to the revenue.

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 :

- | | |
|----------------|------|
| - Normal rate | 12 % |
| - Reduced rate | 6 % |

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, exporter claiming back whole of input tax or deducting it from other liabilities.

EXCISE DUTY ON MINERAL OILS
(Mineralölsteuer)

Mineral Oil Tax Law 1964, Notification of 20 December 1963 (BGBl. I, p. 1003), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p. 3341/3362) and the Regulation of 9 November 1977 authorizing identification materials for light heating oil and adjusting the Mineral Oil Tax Law 1964 (BGBl. I, p. 2069); Regulation of 26 May 1953 implementing the Mineral Oil Tax Law (BGBl. I, p. 237, 280), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBl. I, p. 1450)

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 Law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

C h a r g e a b l e e v e n t (home-produced) :

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.

C h a r g e a b l e e v e n t (imports) :

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 (BGBl. 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.

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 in which liability arose.

R a t e s :

- Light oils and medium oils	DM 44/hl
- Heavy oils (gas oils, lubricating oils) and cleansing oils	DM 49.65/100 kg
- Liquid gases	DM 61.25/100 kg
- Products listed under N°s 27.12, 27.13-B, 27-14 and 27.16-B of the Customs Tariff	DM 1.50/100 kg
- Fuel oils	
Gas oils	DM 1/100 kg
Other heavy oils	DM 2.50/100 kg

Duty is also payable on the proportion of mineral oil contained in some preparations listed under N° 27.10, lubricating oils listed under N° 34.03, graphites listed under N° 38.19 and additives listed under sub-headings N° 38.14 B-I-a and B-III of the Customs Tariff.

B e c o m e d u e :

Counting from the date of chargeable event, 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.

R e f u n d :

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

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DUTIES ON TOBACCO
(Tabaksteuer)

Tobacco Tax Law of 1 September 1972 (BGBl. I, p. 1633), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p. 3341); Implementing Provisions on Tobacco Tax Law of 1 September 1972 (BGBl. I, p. 1645), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBl. I, p. 1450)

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).

C h a r g e a b l e e v e n t (home-produced) :

The chargeable event occurs when the goods leave a manufacturing enterprise registered with the customs authority 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.

C h a r g e a b l e e v e n t (imports) :

The chargeable event, the identification of persons liable, the taxation procedure etc., are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable.

No deferment of payment is allowed.

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

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.

E x e m p t i o n s :

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 registered 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 a 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.

P a y m e n t :

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, pipe tobacco and cigarette paper, 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, pipe tobacco and cigarette paper, 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 :

1. Cigarettes :
4.92 pfg. per unit and 24.3% of the retail price ;
2. Cigars :
18.58 % of the retail price, at least 2.6 pfg. per unit ;
3. Fine-cut tobacco :
 - (a) fine-cut chewing tobacco :
DM 5.30 per kg ;
 - (b) other fine-cut tobacco :
DM 4.70 per kg and 18.27% of the retail price, at least DM 11.90 per kg ;
4. Smoking tobacco other than fine-cut (pipe tobacco) :
 - (a) Pipe tobacco made only of cut rolled stems :
DM 1.50 per kg ;
 - (b) Pipe tobacco containing at least 30 % of cut rolled stems and at a retail price less than DM 32²
DM 4.70 per kg;
 - (c) Strand tobacco :
DM 3.50 per kg;
 - (d) Other pipe tobacco :
DM 1.30 per kg and 16.97 of the retail price, at least DM 7.30 per kg;
5. Cigarette paper and tubes :
DM 1.30 per 1 000 units ;
6. Unmanufactured tobacco and cigarette paper, which are withheld or withdrawn from customs control (tobacco equalization tax) :
 - (a) Unmanufactured tobacco : DM 7 per kg ;
 - (b) Cigarette paper : DM 0.50 per m²

7. Unmanufactured tobacco for use in the manufacture of chewing tobacco or snuff (unmanufactured tobacco tax) :
DM 1 per kg of tobacco ready for use ;
8. Chewing tobacco and snuff which are imported into the collection area (compensatory tax on unmanufactured tobacco) :
DM 0.50 per kg.

The minimum retail price is 12.5 pf. for cigars and DM 34 for fine-cut tobacco.

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.

**EXCISE DUTY ON MATCHES AND TAPERS
(Zündwarensteuer)**

Matches and Tapers Tax Law of 9 June 1961 (BGBL. I, p. 729), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341);
Provisions of 3 August 1961 implementing the Matches and Tapers Tax Law (BGBL. I, p. 1249), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 1450)

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 consist of a combustible substance of this type, and
- Tapers of stearine wax, paraffin wax, or similar substances, which are manufactured in the area to which the Matches and Tapers Tax Law applies, apart from foreign customs enclaves on German territory and customs-free zones,(collection area) or are imported into the collection area.

C h a r g e a b l e e v e n t (home-produced goods) :

Removal of products from the manufacturing enterprise.

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

Proprietor of the manufacturing enterprise (producer).

R a t e s :

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.

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 in which the chargeable event occurred.

B e c o m e s d u e :

On the 25th day of the month following the month in which the chargeable event occurred.

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.

R e f u n d :

Allowed on matches or tapers which the manufacturer can prove he has taken back into his enterprise.

I m p o r t s :

The same rates apply as for home-manufactured products.

The circumstances giving rise to liability for the duty, the identification of persons liable, the taxation procedure etc., are governed by the relevant provisions of the Customs Law. This is also the case where no customs duty is payable. No deferment of payment is allowed.

Imported matches and tapers are generally 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.

DUTIES ON SPIRITS
(Alkoholsteuer)

Spirits Monopoly Law of 8 April 1922 (BGBL. I, pp. 335, 405), as last amended by the Cosmetics Regulation of 16 December 1977 (BGBL. I, p. 2589)

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 (ethyl alcohol C_2H_5OH) 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 duty 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 duty is called the monopoly equalization charge.

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. Monopoly equalization charge :
Transfer of the goods to the open market.

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. Monopoly equalization charge :
The person liable for customs duty.

R a t e s :

Per hectolitre of ethyl alcohol	<u>DM</u>
1. Spirits duty on alcohol	
- for drinking and all other purposes not specifically referred to	1 950.--
- undenatured for use in pharmaceutical preparations and for medical purposes by physicians and hospitals	1 200.--
- for the preparation of medicaments for external use and of toilet articles	600 --
- for the manufacture of table vinegar	50 --
- for exports, for the manufacture of fuel, for cleaning, heating and lighting as well as for special industrial uses	0 ---

Per hectolitre of ethyl alcohol		<u>DM</u>
2. Spirits surcharge	1 355.25	1 950
3. Monopoly equalization charge		
- for spirits and alcoholic beverages		1 950.-
- for medicaments for internal use		1 200.-
- for medicaments for external use and for toilet articles		600.-
- for other products		0.-

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. Monopoly 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 1 950.-), spirits surcharge, and the monopoly equalization charge need not be paid until the 15th day of the 3rd month following the month when payment is due.

R e f u n d :

On export.

EXCISE DUTY ON SPARKLING WINES
(Schaumweinsteuer)

Law governing Duty on Sparkling Wines of 26 October 1958 (BGBL. I, p. 764), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341); Provisions of 6 November 1958 implementing the Law governing Duty on Sparkling Wines (BGBL. I, p. 766), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 1450).

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.

C h a r g e a b l e e v e n t :

When the dutiable products leave the enterprise manufacturing them or are set aside for consumption within the enterprise.

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

The owner of the manufacturing enterprise (producer).

R a t e s :

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.

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.

B e c o m e s d u e :

The 25th day of the month following the month when liability arose.
Payment cannot be deferred.

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 a manufacturing enterprise for further treatment or processing.

Tax exemption is extended to samples which :

- are used inside or outside the manufacturing enterprise for investigations and tests required for industrial purposes or are removed for reasons of fiscal control or factory inspection,
- are presented for quality control to the competent authorities or are withdrawn at the instigation of such authorities,
- are provided free of charge as tasting samples in the manufacturing enterprise.

R e f u n d :

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

Imported sparkling wines etc. may, on a duty-free basis, be dispatched to a manufacturing enterprise for further treatment or processing.

Imported sparkling wines etc. are normally exempt from tax if their import fulfils the conditions under which the provisions applied to imports into the customs territory provide an exemption from import duties.

DUTY ON BEER
(Biersteuer)

Beer Tax Law of 14 March 1952 (BGBl. I, p. 149), as last amended by the 3rd Law of 8 March 1978 amending the Beer Tax Law (BGBl. I, p. 373); Provisions of 14 March 1952 implementing the Beer Tax Law (BGBl. I, p. 153), as last amended by the Regulation of 20 December 1977 authorizing additives for foodstuffs (BGBl. I, p. 2711)

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

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, (collection area) or are imported into the collection area.

C h a r g e a b l e e v e n t (home-produced) :

When the dutiable products leave the brewery or are set aside for consumption 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 own account, and the owner of a brewery in respect of beer produced elsewhere which is brought into his brewery.

R a t e s :

For production in the area of application of the 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.

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 7th day of the month following the month in which the chargeable event occurred.

B e c o m e s d u e :

On the 20th day of the month following the month in which the chargeable event occurred.

Payment cannot be deferred.

Exemptions :

- No duty is payable on beer and beverages similar to beer which are exported from a brewery, cleared under a particular customs procedure or used as a substitute under inward processing arrangements ;
- 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.

Refund :

Allowed on beer and beverages similar to beer which are taken back into the brewery or sent to another brewery.

Imports :

The chargeable event, 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.

For imported strong beer, the duty is DM 14.80/hl

However, the above rate does not apply to strong beer from a brewery which in the calendar year preceding the import has produced less than 950 000 hl. This beer is taxed at a rate per hl equivalent to the annual average taxation per hl of a strong beer produced by a brewery of similar annual production situated in the collection area.

Beer other than strong beer and beverages similar to beer :

Medium-strong beer	75% of the rate for strong beer
Small beer	50% of the rate for strong beer
Extra-strong beer	150% of the rate for strong beer
Beverages similar to beer	75% of the maximum rate for beer with equivalent wort content

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 area.

DUTY ON BEVERAGES
(Getränkesteuer)

For Bavaria : Municipal Tax Law of 20 July 1938 (BayBS. I, p. 553) ;
 For Bremen : Law on the Duty on Beverages of 18 December 1962 (GBl. 1969,
 p. 160) ;
 For Hesse : Law on the Duty on Beverages and Ice Cream of 6 December 1951
 (GVBl. 1970, p. 225) ;
 For Lower Saxony : Prussian Municipal Tax Law of 14 July 1893 (Nieders.
 GVBl. Sb. III, p. 41), Article 44 of the 1st Adopting Law of 24 June 1970
 (Nieders. GVBl. 1970, p. 237) ;
 For Schleswig-Holstein : Municipal Tax Law of 10 March 1970 (GVBl., p. 44)

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

City boroughs and districts (Landkreise); in Bavaria and Hesse the
 Municipalities.

D u t y p a y a b l e i n :

Only in Bavaria, Bremen, Hesse, Lower Saxony 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 :

At least 5 % of the retail price.

Hesse : the maximum rate is 15 % ; There is no minimum rate.

EXCISE DUTY ON SUGAR
(Zuckersteuer)

Sugar Tax Law of 19 August 1959 (BGBL. I, p. 645), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341); Provisions of 19 August 1959 implementing the Sugar Tax Law (BGBL. I, p.647), as last amended by the 8th Regulation of 9 December 1977 amending the provisions implementing the Sugar Tax Law (BGBL. I, p. 2509).

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.

C h a r g e a b l e e v e n t :

When the dutiable products are removed from the manufacturing enterprise or are withdrawn for consumption in the enterprise.

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

The proprietor of the manufacturing enterprise (producer).

R a t e s :

- 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

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.

B e c o m e s d u e :

On the last working day of the month following the month when liability arose.

Payment cannot be deferred.

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 the feeding of animals or for the production of feedstuffs,

- Used for industrial purposes, or for public benefit, other than the production of food, of goods under heading 24.02 of the Customs Tariff or of feedstuffs ;
- Used in the manufacture of products for export.

Beet juices and mixtures thereof with other substances which are exclusively prepared for private household use are exempt from the duty.

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.

I m p o r t s :

The rates are the same as for domestic produce. The chargeable event, 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. Certain goods containing sugar are also subject to the excise duty on sugar.

Imported sugar is generally exempt from the duty 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 area.

EXCISE DUTY ON COFFEE
(Kaffeesteuer)

Coffee Tax Law of 23 December 1968 (BGBL. 1969 I, p. 1) as last amended by the Regulation of 9 December 1977 adapting the Coffee Tax Law and the Tea Tax Law to the Customs Tariff (BGBL. I, p. 2511); Regulation of 4 June 1970 implementing the Coffee Tax Law (BGBL. I, p. 669), as last amended by the 3rd Regulation of 21 April 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 602).

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 exemption 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, payment may be deferred for unroasted coffee, at the request of the person liable for duty, until the fifteenth day of the second month following the month in which the chargeable event occurred, but security must be provided.

R a t e s :	<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 (No 09.01 c of the Customs Tariff) or coffee pastes (No 21.07-G of the Customs Tariff), 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.	

E x e m p t i o n s :

Coffee, coffee extracts or essences, and products containing coffee are generally 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 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.

EXCISE DUTY ON TEA
(Teesteuer)

Tea Tax Law of 23 December 1968 (BGBl. 1969, I, p. 4), as last amended by the regulation of 9 December 1977 adapting the Coffee Tax Law and the Tea Tax Law to the Customs Tariff (BGBl. I, p. 2511); Regulation of 4 June 1970 implementing the Tea Tax Law (BGBl. I, p. 671), as last amended by the 3rd Regulation of 21 April 1977 amending the Implementing Provisions on Excise Duty Laws (BGBl. I, p. 602)

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 to duty on tea. As an exception to these regulations, payment may be deferred for tea of heading No 09.02 B of the Customs Tariff, at the request of the person liable for duty, until the fifteenth day of the second month following the month in which the tax liability arose, but a security must be provided.

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R a t e s :

- 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 (no. 21.07-G of the Customs Tariff) 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
 - 200 g of tea or more 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.

E x e m p t i o n s :

Tea, tea extracts or essences and products containing tea are generally 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 e f u n d :

The duty applicable to tea and tea residues 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.

Manufacturers of products containing tea may claim a refund of, or discharge from, the duty on the provision of proof of export under customs control.

EXCISE DUTY ON SALT
(Salzsteuer)

Salt Tax Law of 15 January 1960 (BGBL. I, p. 50), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341); Provisions of 25 January 1960 implementing the Salt Tax Law (BGBL. I, p. 52), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 1450).

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.

C h a r g e a b l e e v e n t (home-produced) :

The dutiable products leave the manufacturing enterprise or are withdrawn for consumption in it, or when denatured (duty-free) salt is purified.

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 or appearance of the salt.

R a t e :

DM 12 per 100 kg net weight.

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 in which the chargeable event occurred.

B e c o m e d u e :

On the 20th day of the month following the month in which the chargeable event occurred. Payment cannot be deferred.

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 a 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.

R e f u n d :

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

I m p o r t s :

The rates are the same as for domestic products. The chargeable event, 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.

Imported salt may, on a duty-free basis :

- be dispatched to a manufacturing enterprise,
- be used for the salting of herrings and similar fish, or for purposes other than the preparation of foodstuffs and condiments.

Imported salt is generally exempt from the duty 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.

EXCISE DUTY ON ACETIC ACID
(Essigsäuresteuer)

Spirits Monopoly Law of 8 April 1922 (BGBL. I, p. 335, 405) paragraphs 160-169,
as last amended by the Cosmetics Regulation of 16 December 1977 (BGBL.I, p.2589).

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 monopoly area or is imported into this area, is subject
to duty.

C h a r g e a b l e e v e n t :

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 :

	<u>DM</u>
The acetic acid duty, per 100 kg. of anhydrous acid, is	
- in the case of acetic acid for use in foodstuffs	96.60
- in all other cases (including export)	0

B e c o m e s 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.

EXCISE DUTY ON LAMPS
(Leuchtmittelsteuer)

Lamps Tax Law of 22 July 1959 (BGBL. I, p. 613), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p. 3341); Provisions of 4 August 1959 implementing the Lamps Tax Law (BGBL. I, p. 615), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 1450).

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 ;

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.

C h a r g e a b l e e v e n t :

When the dutiable products leave the manufacturing enterprise or are withdrawn for use in it.

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

The owner of the manufacturing enterprise (producer).

R a t e s :

- A. On electric filament lamps except those to be used in motor vehicles:
DM 0.13 to DM 20 per lamp.
- B. Lamps for use in motor vehicles : DM 0.45 to DM 2 per lamp.
- C. Discharge lamps : DM 0.60 to DM 30 per lamp.

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 in which the chargeable event occurred.

B e c o m e s d u e :

The 15th day of the third month following the month in which the chargeable event occurred.

Payment cannot be deferred.

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,
- be used, under customs control, in the fitting out, building, conversion or improvement of ships or aircraft.

The following products in particular are exempt from duty :

- high - voltage discharge lamps subject to certain conditions ;
- 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 and carbon arc lamps ;
- lamps used inside or outside the manufacturing enterprise for investigations and tests required for industrial purposes or removed for reasons of fiscal control for factory inspection.

R e f u n d :

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise, or which have been destroyed under customs control.

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. This is also the case where no customs duty is payable. Payment cannot be deferred.

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 exemptions are the same as for domestic products.

Imported lamps are also generally 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.

EXCISE DUTY ON PLAYING CARDS
(Spielkartensteuer)

Playing Cards Tax Law of 3 June 1961 (BGBL. I, p. 681), as last amended by the Introductory Law of 14 December 1976 to the Tax Code (BGBL. I, p.3341); Provisions of 3 June 1961 implementing the Playing Cards Tax Law (BGBL. I, p. 684), as last amended by the 4th Regulation of 27 July 1977 amending the Implementing Provisions on Excise Duty Laws (BGBL. I, p. 1450).

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 which are 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.

C h a r g e a b l e e v e n t :

When the dutiable products leave the manufacturing enterprise.

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

The proprietor of the manufacturing enterprise (producer).

R a t e s :

- 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% ; for packs of cards comprising less than 24 cards, the rates are reduced by 50%.

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 15th day of the month following the month in which the chargeable event occurred.

B e c o m e s d u e :

On the 20th day of the month following the month in which the chargeable event occurred.

Payment cannot be deferred.

E x e m p t i o n s :

Playing-cards may, on a duty-free basis :

- be exported from a manufacturing enterprise or admitted for clearance under particular customs procedures,
- be sent to a manufacturing enterprise for further processing.

R e f u n d :

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

I m p o r t s :

The rates are the same as for domestic products. The chargeable event, 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.

Imported playing cards may, on a duty-free basis, be sent to a manufacturing enterprise for further processing.

Imported playing cards are generally 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.

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 1969 (BGBl. I, p. 946), Law of 19 December 1974 improving private firms' retirement schemes (BGBl., I, p. 3610), Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p. 3341) 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 insurance against damage caused by hail, 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 :

5%, 2% for insurance of hull for ships ; the rate in the case of hail insurance against damage caused by hail is DM 0.20 per DM 1 000 of insured capital.

FIRE INSURANCE TAX
(Feuerschutzsteuer)

Fire Protection Tax Law of 1 February 1939 (RGBl. I, p. 113), Regulation of 1 February 1939 implementing the Fire Protection Tax Law (RGBl. I, p. 116)

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

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 %.

**ENTERTAINMENTS TAX – Including cinema tax
(Vergnügungsteuer – mit Kinosteuer)**

For Bavaria : Entertainments Tax Law of 22 April 1965 (GVBl. 1978, p. 1);
 For Bremen : Law of 8 September 1970 (GBL. 1977, p. 381) ;
 For Hesse : Entertainments Tax Law of 14 September 1970 (GVBl. 1970, I, p.566);
 For North Rhine-Westphalia : Entertainments Tax Law of 14 December 1965
 (GVBl. 1970, p. 437) ;
 For Lower Saxony : Entertainments Tax Law of 5 May 1972 (Nieders. GVBl.
 p. 255) ;
 For Rhineland-Palatinate : Entertainments Tax Law of 29 November 1965
 (GVBl. 1974, p. 43) ;
 For the Saar : Law of 22 February 1973 (ABL, 1975, p. 123)
 For Schleswig-Holstein : Entertainments Tax Law of 10 October 1961 (GVBl.
 1966, p. 257)

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

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, Schleswig-Holstein and the Saar.

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, 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.

C o l l e c t i o n :

Following the performance or event in question.

R a t e s :

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 Laws of 19 March 1964 (BGBl. I, p. 213) and 16 December 1974 (BGBl. I, p. 3561) ; Other amendments by Laws of 25 June 1969 (BGBl. I, p. 645), of 2 March 1974 (BGBl. I, p. 469) and of 21 May 1976 (BGBl. I, p. 1249) and by the Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p.3341); 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 i e s :

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 7 August 1973 (BGBl. I, p. 965), as amended by Article 15 of the Introductory Law of 14 December 1976 to the Tax Code (BGBl. I, p. 3341).

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

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 :

The rates range from 2.6‰ to 6‰ 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; and other laws of the Federal Government containing new tax exemptions

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

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 :

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

CAPITAL DUTY
(Gesellschaftsteuer)

Capital Transactions Tax Law of 23 December 1971 (BGBI. I, p. 2129),
Law of 11 May 1976 amending the Capital Transactions Tax Law (BGBI. I, p. 1184),
Tax Amendment Law 1977 of 16 August 1977 (BGBI. I, p. 1586), Regulation of
20 April 1960 implementing the Capital Transactions Tax Law (BGBI. I, p. 243)

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 Ger-
many.

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, electri-
city or heating and public transport and port authorities, in cases
where at least 90% of their shares are held by public authorities and
at least 90% of their profits accrue to them.

C o l l e c t i o n :

By means of assessment books.

R a t e s :

1 % (0,5% in certain cases).

STOCK-EXCHANGE TURNOVER TAX
(Börseumsatzsteuer)

Capital Transactions Tax Law and Regulation implementing the Capital Transactions Tax Law)))	Capital Duty
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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 :

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.

BILLS OF EXCHANGE TAX
(Wechselsteuer)

Law on the Bill of Exchange Tax, as amended on 24 July 1959 (BGBI. I, p. 536) : Introductory Law of 14 December 1976 to the Tax Code (BGBI. I, p. 3341) Regulation as amended on 20 April 1960, implementing the Bill of Exchange Tax (BGBI. 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 :

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 1 December 1972 (BGBI. I, p. 2209);
Motor Vehicles Tax Implementing Regulation of 14 June 1961 (BGBI. I,
p. 764); Amending Regulation of 20 August 1976 (BGBI. I, p. 2389).

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

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 :

DM 3.60 per 25 cc, DM 14.40 or DM 16 per 100 cc for vehicles taxed on the basis of cylinder capacity; as follows in the case of all other vehicles with overall weights of :

- | | |
|---------------------------------|-----------------|
| - 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. | |

Reduced tariff for vehicles with more than two wheels of a total weight over 7 000 kg and reductions for certain types of vehicles.

TAX ON INDUSTRY AND TRADE (including payroll tax)
(Gewerbesteuer mit Lohnsummensteuer)

Trade Tax Law 1977 of 24 March 1977 (BGBL. I, p. 484), as last amended by the Law of 4 November 1977 on tax relief and the promotion of investment (BGBL. I, p. 1965); Trade Tax 1977 implementing regulation of 22 April 1977 (BGBL. I, p. 662).

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

The municipalities about 60%, the Federal Government and the Länder governments about 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.

R a t e s :

- (a) Trading profits : tax-free allowance of DM 24 000; tax is levied at a rate of 5% on profits in excess of DM 24 000 (for joint-stock companies, 5 % of all trading profits);
- (b) trading capital : tax free allowance of DM 60 000; tax is levied at a rate of 2 ‰ on trading capital in excess of DM 60 000 ;
- (c) total wage bill : tax free allowance of DM 60 000 a year; tax is levied at a rate of 2‰ on total wage bills in excess of DM 60 000.

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 Hesse : Municipal Tax Law of 17 March 1970 (GVBl. p. 225) ;
for Lower-Saxony : Prussian Municipal Tax Law of 14 July 1893 (Nieders.
GVBl. III, p. 46) Article 44 of the 1st Adopting Law of 24 June 1970
(GVBl. 1970, p. 237) ;
for Rhineland-Palatinate : Municipal Tax Law of 8 November 1954 (GVBl.
1968, p. 276) ;
for Schleswig-Holstein : Municipal Tax Law of 10 March 1970 (GVBl. p.44)

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

The municipalities ; in Hesse, Lower Saxony and the Rhineland-Palatinate:
the districts (Landkreise) and the city boroughs ("kreisfreie Städte").

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

Hesse, Lower Saxony, 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 manage-
ment 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 finan-
cial 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.

R a t e s :

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 n° 59-1472 of 28 December 1959 ; Finance Law 1976, 1977 and 1978; Law no.76-660 of 19 July 1976 ; Law n° 76-1234 of 29 December 1976. Finance Law 1978.

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

The State.

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 :

- Individuals whose net income did not exceed FF. 15 200 in 1977 or FF. 16 600 where the individuals are over 65 years of age ;
- Interest on certain government loans ;
- Certain pensions, benefits and allowances (war pensions, family allowances, for example) ;
- Capital gains.

However, Law N° 76-660 of 19 July 1976 makes capital gains realized by individuals from 1 January 1977 subject to personal income tax, where goods or rights of any kind are transferred for valuable consideration (this text provides for numerous exemptions). The same law also creates a flat-rate tax on sales of metals and precious objects. The taxation of capital gains from the transfer of securities was postponed until 1 January 1979.

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 ;
- An allowance of 10 %, limited to FF 5 000 per household, is granted for pensions and free life annuities ;
- In the case of salaries, wages, pensions and free life annuities, a general allowance of 20 % is granted.
This allowance is, however, limited to 10 % for the fraction of salaries net expenses of employment which exceeds FF 150 000 where this remuneration is paid to persons who, directly or indirectly, hold over 35 % of the securities in the firm which employs them. Lastly, it is no longer granted where the salaries and pensions are more than one and a half time the limit of the last part of the graduated scale, or FF 360 000 for 1977 income ;
- Craftsmen, tradesmen, industrialists and farmers belonging to approved management centres and persons belonging to approved associations open to members of the professions (including in particular certain legal professions) are entitled, on certain conditions, to an allowance on their taxable profit (20 % for the fraction of profit which does not exceed FF 150 000 ; 10 % for the fraction between FF 150 000 and FF 360 000) ;
- In the case of individuals of more than 65 years of age or the disabled whose total net income is less than FF 21 000, an allowance of FF 3 400 is granted. This allowance is FF 1 700 for individuals of more than 65 years of age or the disabled whose total net income is between FF 21 000 and FF 34 000.

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).

P e r s o n s n o t r e s i d e n t i n F r a n c e f o r t a x
p u r p o s e s :

Tax is payable 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 resident persons, 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 33 1/3 % (or 25 % for bonds), 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 persons resident outside France and to interest on certain claims, even when paid to residents.

Tax amounting to 33 1/3 % is also withheld at source in the case of non-commercial and similar income accruing to persons not maintaining permanent business premises in France.

Furthermore, wages, pensions and life annuities derived from French sources and paid to persons not resident in France for tax purposes are, as from 1 January 1977, subject to a withholding tax with a maximum rate of 25 %.

(1) 10 or 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

Lastly, on certain profits made on the construction and sale of buildings a levy is charged when the property is transferred of 25 % (building permit issued between 1.1.1966 and 21.12.1971) of 30 % (building permit issued after December 31st 1971) or of 33 1/3 % (building permit issued after 31 December 1973). In certain circumstances this levy is in full discharge of personal income tax.

R a t e s :

0 - 60 %, graduated, the scale is applicable to gross income divided by the number of parts (see under Married couples). The resulting figure is then multiplied by the total number of parts.

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.

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 simplified system of taxation of actual profits. Unless they opt for the normal system, farmers whose average annual receipts calculated over two consecutive years are between FF 500 000 and FF 1 000 000 are fully entitled to apply the simplified system.

Generally, small industrial or commercial enterprises are taxed under a flat-rate system when their turnover does not exceed FF 500 000 (or FF 150 000 for suppliers of services). They may opt for a simplified form of taxation on actual profits when their receipts do not exceed an amount that is double that of the limits for the flat-rate system.

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.

FLAT RATE CORPORATION TAX
(Imposition forfaitaire sur les sociétés)

Article 22 of Law No. 73-1150 of 27 December 1973

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

The State.

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

All companies and public corporations whatever their nationality who are covered by the rules for corporation tax under the provisions of Articles 206-1 to 206-4 of the General Tax Code.

E x e m p t i o n s :

- Bodies, public undertakings, associations and public corporations, which are non-profit-making, referred to in Article 206-5 of the General Tax Code (these legal persons are covered by special taxation rules for corporation tax and this tax is collected by means of assessment books) ;
- Legal persons exempt from corporation tax, by reason of all or part of their operations, under Articles 207 and 208 of the General Tax Code (agricultural trade unions or co-operatives ; H.L.M. bodies (subsidized housing) and real estate companies ; departments, municipalities and municipal associations and municipal public service corporations ; companies which finance research into and the working of beds of liquid or gaseous hydrocarbons etc.).
- New companies for three years under certain conditions.

C o l l e c t i o n :

Annual taxation.

R a t e :

FF 3 000.

D e d u c t i o n s :

The amount of the flat-rate taxation of FF 3 000 is deductible from corporation tax payable during the year in which this taxation is due and the two following years.

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

Where 95 % of the capital of a French company is held directly or indirectly by another French company, and the former comes under the special rules provided in Article 209 point 6 of the General Tax Code, the flat-rate taxation must be paid, in the name of the subsidiary, by the parent company.

EXCEPTIONAL TAX PAYABLE BY FINANCIAL INSTITUTIONS
(Contribution exceptionnelle à la charge des institutions financières)

Finance Law 1978.

This tax was introduced for 1978 only.

B e n e f i c i a r y

The State.

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

Banks, financial institutions, credit institutions, deferred credit institutions and insurance, capitalization and reinsurance enterprises.

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

The tax is equal to 1.50 % of the total sums which the above enterprises have entered in their accounts in 1977 for :

- staff costs ;
- outside works, supplies and services ;
- transport and travel ;
- miscellaneous administrative expenses ;
- depreciation of buildings, materials, and vehicles used for the requirements of the enterprise.

A FF 15 000 allowance is granted on the tax.

TAX ON FURNISHED ACCOMMODATION
(Taxe d'habitation ex-contribution mobilière)

Law N° 73-1229 of 31 December 1973 and Finance Law 1975.

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 :

The rentable value according to the register of land assessed on 1 January 1970.

E x e m p t i o n s :

- Premises subject to the application of Business Tax and buildings used for rural improvements ;
- Public, scientific and public assistance establishments, schools and universities ;
- The diplomatic corps ;
- The old or disabled in the lower-income group.

D e d u c t i o n s :

Allowances must be granted for family expenses and a basic allowance may be granted for minimum rent, only for the principal accommodation.

C o l l e c t i o n :

By means of assessment books.

R a t e :

The rate of tax varies from municipality to municipality.

CORPORATION TAX
(Impôt des sociétés)

Article 205 et seq. of the General Tax Code.

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

The State.

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 :**- Bodies exempted :**

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, companies whose aim is to put goods at the disposal of their members ;

- Profits exempted :

Profits made by businesses outside France.

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

These 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 :

50%.

Rate reduced to 15% or 20% for certain capital gains on disposal of assets.

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.

The tax credit or "avoir fiscal" allowed on companies' income from movable property is deductible in full from company tax, but cannot be refunded as a rule.

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 seven years.

EXCEPTIONAL LEVY ON BANKS
(Prélèvement exceptionnel sur les banques) (1)

Article 6 of Law N° 69-872 of 25 September 1969

(1) The levy was renewed for 1971, 1972 and 1973.
Since 1974 it is no longer applied.

**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,
(Article 223 point 6 of the General Tax Code).

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

The State.

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, 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.

SUCCESSION (GIFT) DUTY
(Droit de mutation par décès)

Article 750 ter et seq. of the General Tax Code ; Law N° 68-1172 of 27 December 1968 ; Law N° 73-1150 of 27 December 1973.

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

The State.

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

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 :

- life insurance policies taken out by the deceased for specific beneficiaries ;
- certain woodlands and shares in forestry groups ;
- the first free transfer of buildings completed after 21 December 1947 of which at least three-quarters of the area is used as dwellings and which were acquired by the donor or the deceased before 20 September 1973 or built by him on a site opened by 20 October 1973 ;
- shares issued by real property funds, under certain conditions ;
- rural property rented on a long-term lease and shares in agricultural land organisations, partially exempt 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 175 000 is granted on the surviving spouse's share, on that of

each ascendant and on that of each child living or represented. Orphans, who, for at least 5 years of their minority, had been brought up by the deceased, receive the same treatment as heirs in direct line. In certain circumstances, an allowance of FF 75 000 may also be granted on the shares inherited by brothers and sisters fulfilling certain conditions relating to age and common domicile. Disabled persons may be granted an allowance of FF 200 000, which cannot be added to the other allowance. In the absence of other allowances, an allowance of FF 10 000 is granted on each share inherited.

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 maximum 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 conditions, payment may be made by instalments. It may be deferred in certain cases.

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 (and gifts made in anticipation of death) :
 - 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
- Between others 60 %

G i f t s :

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

Gifts made according to the laws of inheritance in anticipation of death, are subject to the same rates as those between spouses and also benefit from a reduction of 25 %.

An allowance of FF 10 000 per share is granted for gifts of title made to all the staff of an enterprise, after approval by the Minister for the Budget (General Tax Code, Article 790 A).

C a p i t a l p a y m e n t s r e s u l t i n g f r o m a d i v o r c e :

Article 61 of Law N° 75-1278 of 30 December 1975 (General Tax Code, Article 757 A).

Capital payments made after a divorce for the support of a child are only subject to gift duty on that part which amounts to more than FF 18 000 for each year remaining before the beneficiary attains his or her majority. Capital payments between ex-spouses are subject to gift duty when they are made from property belonging to one of them.

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 :

The State. 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.

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, or commercial activity (manufacture, wholesalers, retailers, commission processors, craftsmen, building contractors and builders, commercial intermediaries, persons letting furnished accommodation, organizers of entertainment which is not subject to the special local tax and other suppliers of services) ;
- 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 activities ;
- Persons letting property for industrial or commercial use ;
- Local authorities, for certain services ;
- Persons carrying out certain specified exempt transactions.

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

Delivery, import, purchase, receipts of payment or transfers according to the circumstances of taxation.

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

Price or payment including all charges and taxes (other than value-added tax).

E x e m p t i o n s :

Relate in particular to :

- exports, and similar ;
- banking and financial activities subject to the tax on financial activities ;
- activities still subject to local entertainment tax (sporting events, gambling clubs and houses, automatic machines) ;
- activities of non-profit-making bodies, the management of which is totally disinterested ;
- certain operations carried out by State bodies or local authorities ;
- repayments of expenses incurred by legal persons in putting properties at the disposal of their members ;
- certain real estate transactions.

D e d u c t i o n s :

Apart from some exceptions, tax paid on the acquisition of goods or services used for the requirements of the enterprise is deductible from the tax due on business done.

Taxable persons can receive a refund of the surplus of non-deductible credit by quarter or by year.

P a y m e n t :

By monthly or quarterly payment on the basis of a tax return.

Medium-sized firms may, if they wish, pay value-added tax by a simplified system which involves submitting a shortened return 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 firms which would normally pay a relatively small amount of tax.

R a t e s :

- standard and intermediate rate : 17.6 %
- reduced rate : 7 % (agricultural products and almost all solid foodstuffs)
- higher rate : 33 1/3 % (luxury goods, consumer durables of a certain value).

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 :

The State.

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
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 100.10 per hl (3)
	- other uses	exempt
	2. Other	
	- fuel	FF 100.10 per hl (3)
	- other uses	exempt
	(b) Spirits	
	- aviation	FF 60.73 per hl
	- premium grade	FF 107.11 per hl (3)
	- other	FF 100.10 per hl (3)
	- light fractions for specific uses	exempt

- (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 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.
- (3) Rates laid down in the provisions of Article 21 of the Finance Law for 1978 (N° 77-1467 of 30 December 1975).

Customs tariff heading	Description of products	Rates applicable
27 - 10	B. Medium oils (2)	
	(a) Kerosene	FF 35.70 per hl
	(b) Other	FF 35.70 per hl
	C. Heavy oils	
	Ic - Gas oil (2)	
	For specific uses (products described as domestic fuel oil N°1)	FF 3.16 per hl
	Unnamed	
	- with a flash-point below 120°C	FF 51.23 per hl
	- other	FF 27.00 per 100 kg net
	IIc - Fuel oils	
	fuel oil with a kinematic viscosity of 9,5 cst at 20°C	
	- for specific uses (product described as domestic fuel oil N°2)	FF 3.16 per hl
	- Unnamed	
	- with a flash-point below 120°C	FF 51.23 per hl
	- other	FF 27.00 per 100 kg net
	Light fuel oils	exempt
	Heavy fuel oils	exempt
	III - Lubricating oil and other	FF 27.00 per 100 kg net

Customs tariff heading	Description of products	Rates applicable
27 - 11 B I c	Petroleum gases and other gaseous hydrocarbons :	
	1 - Commercial propane and butane	exempt
	2 - Other gases	
	- intended for use as fuel in motor vehicles	FF 68.83 per 1000 m ³
	- other	exempt
27 - 12	- Petroleum jelly	exempt
ex 27 - 13 B	- Paraffin wax, microcrystalline wax, other mineral waxes	exempt
27 - 14	A - Petroleum bitumen	exempt
	B - Petroleum coke	exempt
	C - Other residues of petroleum oils or of oils obtained from bituminous minerals	exempt
ex 27 - 16 B	Cutbacks, emulsions of petroleum bitumen and the like	exempt
34.03	Lubricating preparations containing less than 70% of petroleum oils or of oils obtained from bituminous minerals	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
38 - 14 B I a	Prepared additives for lubricants containing petroleum oils or oils obtained from bituminous minerals	FF 27.00 per 100 kg net

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 :

The State (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 heading	Description of products	Rate applicable
Ex 27 - 10 A	Petroleum spirits (1)(2)	
	- Aviation spirit	FF 0.08 per hl (3)
	- Premium grade	FF 1.00 per hl (4)
	- Other	FF 1.00 per hl (4)
Ex 27 - 10 C IIc	Light fuel oil for specific uses (1)	FF 0.20 per 100 kg net

- (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.
- (3) Rates laid down in the provisions of Article 75 - 1 of the Finance Law for 1974 (N° 73-1150 of 27 December 1973).
- (4) Article 22 of Finance Law for 1978.

DUTY ON TOBACCO
(Imposition du tabac)

Articles 565 to 575 of the General Tax Code ; Law N° 76-448 of 24 May 1976 ;
Decree N° 76-1324 of 31 December 1976 ; Order of 31 December 1976.

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

The State.

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, and wholesale marketing rights for products directly originating from non-member States (cigars, cigarettes, smoking tobacco, chewing tobacco and snuff). The retail sales monopoly is held by the revenue authorities which exercise it through retailers designated as their agents and required to pay royalties.

R a t e s a n d b a s i s o f a s s e s s m e n t :

Manufactured tobacco is subject to a consumption duty based on the retail sales prices which are fixed by ministerial decree, the rates of which vary according to the category of tobacco. As far as cigarettes are concerned, this duty is calculated in accordance with Article 8 of Council Directive 72/464/EEC of 19 December 1972.

For cigarettes in the most popular price category within the meaning of this Directive, the consumption duty is calculated by applying the standard rate to the retail sales price. The amount obtained in this way is called "basic duty".

For other cigarettes the consumption duty is calculated by applying to their retail sales price a rate equal to 95 % of the standard rate and by adding to the amount obtained in this way a specific fixed share equal to 5 % of the basic duty. The total amount calculated in this way may not be lower than a minimum levy fixed per thousand units.

Manufactured tobacco other than cigarettes is subject to a standard rate applicable to its retail sales price, subject to a minimum levy fixed per thousand units or per thousand grams. Where the duty calculated in this

way, for cigars and smoking tobacco, exceeds an amount called the "threshold duty", the part of the retail price exceeding the part corresponding to the threshold duty is taxed at a reduced rate and the amount determined in this way is added to the threshold duty.

For the different groups of products set out in Article 575, the standard rate, the minimum levy, the threshold duty and the reduced rate are fixed in accordance with the following table :

Groups of Products	Standard Rate %	Minimum Levy	Amount of threshold duty	Reduced Rate %
		per thousand units or per thousand grams		
Cigarettes	47,20	30	-	-
Cigars wrapped in natural tobacco	22,50	34	112	14,70
Cigars wrapped in reconstituted tobacco	26,20	39	130	17
Smoking tobacco	37,50	12	35	27,80
Snuff	31,40	8	-	-
Chewing tobacco	19,60	7	-	-

Imports :

Same system as for French production.

MANUFACTURING DUTY ON MATCHES
(Droit de fabrication sur les allumettes)

Law No. 72-1069 of 4 December 1972

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

The State.

S c o p e :

The tax applies to boxes of matches when they leave production establishments and when imported.

The Monopoly Administration (SEITA) holds the manufacturing monopoly.

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

Matches bear a specific manufacturing duty based not on the matches but on the packaging unit containing them.

R a t e s :

These are fixed according to the nature of the matches or the packaging units and the number of matches therein.

	Average contents					
	1 to 25	26 to 50	51 to 100	101 to 250	251 to 500	501 to 1000
			(in FF)			
Matches of natural wood packaged in boxes with sliding trays	0.02	0.032	0.07	0.124	0.25	0.60

- Reduction of FF 0.01 per packaging unit for books of matches containing no more than 50 matches in wood or cardboard.
- In the case of other types of packaging and other types of matches, 30 % increase.

I m p o r t s :

Duty at the above-mentioned rates, but under the Customs department, which is the only competent authority for imports.

E x p o r t s :

Exempted.

DUTY ON MANUFACTURED TOBACCOS
(Taxe sur les tabacs fabriqués)

Article 1618 point 6 of the General Tax Code.

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

The State (supplementary budget for agricultural social benefits).

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

Sales of manufactured or imported tobaccos (cigarettes, cigars, cigarillos, smoking tobacco, snuff, etc...).

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

The Monopoly Administration (SEITA) or the importing supplier.

T e r r i t o r y o f a p p l i c a t i o n :

Continental France and Corsica.

E x e m p t i o n s :

None.

P a y m e n t :

Upon presentation of monthly statements. Flat rate and simplified system of taxation not applicable.

R a t e a n d b a s i s o f a s s e s s m e n t :

0.80 % of the selling price.

DUTIES ON SPIRITS
(Taxe sur les alcools)

Article 401 et seq. of the General Tax Code ; Finance Law 1977,
Finance Law 1978.

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

The State.

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 :

1. Which are subject to the consumption tax :

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 :

(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 con-
tent 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, also
aperitifs with a wine basis, vermouth, liqueur wine and the like which
do not have a registered designation of origin (appellation d'origine
contrôlée) ;

(c) Perfumes and toilet articles ;

(d) Medicaments or products not to be taken orally.

Due when, in the event of production, in the territory in which the duty is levied :

The consumption 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 production 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.

Due when, in the event of importation into the territory in which the duty is levied :

The consumption 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 :

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 :

	<u>per hl</u> <u>of pure alcohol</u>
- Alcohols used in the preparation of sparkling wines and of natural sweet wines taxed as wines	FF 1 630
- Rums and crème de cassis	FF 2 820
- Liqueur wines and spirits with "appellation d'origine contrôlée et réglementée" produced on EEC territory from wine and marcs, cider apples or mirabelle plums	FF 3 490
- All other products except those referred to under (b) and (c) of production tax	FF 3 880

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 :

	<u>per hl of pure alcohol</u>
- Products referred to under (a) including FF 100 which is paid into the supplementary budget for agricultural social benefits)	FF 1 920
- Products referred to under (b)	FF 645
- Perfumes and toilet articles (c)	FF 495
- Medicaments or products not to be taken orally (d)	FF 190

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.

TAXES ASSIMILATED TO MARITIME DUES
(Droits assimilés au droit d'octroi de mer)

Laws N°s. 63-778 of 31 July 1963 and 70-1199 of 21 December 1970, not codified ; Rectifying Finance Law 1972; Rectifying Finance Law 1976.

Allotted to :

Department.

Tax payable in :

Overseas Departments only.

Taxable products :

Rum and spirits manufactured in the Department and consumed locally.

Exemptions :

Imports and exports.

Payment :

According to the arrangements for indirect taxes.

Rates :

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 500 for Guadeloupe and Martinique and FF 800 for Réunion.

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)

Article 520a of the General Tax Code.

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

The State.

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 or 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.

Ex e m p t i o n s :

- Syrups and fruit or vegetable juices and fruit essences ;
- Milk, in a natural state or flavoured ;
- 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 :

- 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°6 (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.

(1) Wort strength or government standard degrees.

F 23.2

OPTIONAL SURCHARGE ON MINERAL WATERS
(Surtaxe facultative sur les eaux minérales)

Articles 1582 and 1697-4 of the General Tax Code ; Article 71 of the Finance Law 1977.

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

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 ; as in the case of value added tax. But : payment at a flat rate or on the basis of a simplified system is not provided for.

R a t e :

FF C.01 per litre or fraction of a litre.

CONSUMPTION DUTY ON WINES AND OTHER FERMENTED BEVERAGES
(Droit de circulation sur les vins et les autres boissons fermentées)

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

The State.

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 d u t y 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 duty 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 :

	<u>per hl</u>
- Sparkling wines with registered designation of origin (appellation contrôlée), champagne, natural sweet wines (tax system for wines)	FF 22.50
- Other wines	FF 9.00
- Cider, perry, mead and semi-sparkling grape juice	FF 3.10

E x p o r t s :

Exports are duty-free.

DUTIES ON SUGAR BEET AND ON SUGAR
(Taxes sur les betteraves et le sucre)

A - Duty on sugar beet : Article 1617 of the General Tax Code.

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

The State (supplementary budget for agricultural social benefits).

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

Sugar beet supplied to sugar refineries or distilleries. Tax paid by the manufacturers on behalf of the beet-growers.

R a t e s a n d b a s i s o f a s s e s s m e n t :

10 % of the basic price for beet production as fixed by Regulation of the Council of the European Communities and by order for each year, with a possible reduction by decree, limited to 60 %.

I m p o r t s :

The origin of the products is of no importance, the tax being based solely on the particular use for which they are intended.

E x p o r t s :

No exemption.

B - Duty on sugar : Articles 422, 563 and 564 of the General Tax Code.

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

The State (General Budget).

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

- sugar used to sweeten wine ;
- sugar and glucose used in the preparation of aperitifs with a wine basis and similar products.

R a t e s a n d b a s i s o f a s s e s s m e n t :

- FF 80 par 100 kg of sugar used to sweeten wine ;
- 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 :

The origin of the products is of no importance, the tax being based solely on the particular use for which they are intended.

E x p o r t s :

- sugar used to sweeten wine is not exempt ;
- sugar and glucose used in the manufacture of aperitifs is exempt.

DUTY ON COCOA AND CERTAIN OTHER TROPICAL PRODUCTS
(Taxe sur le cacao et certaines autres denrées tropicales)

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

The State.

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 :

	<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 (1)
- Vanilla	27.50 (1)
- Cinnamon and cinnamon-tree flowers	19 (1)
- Cloves	19.50 (1)
- Nutmeg	20 (1) or 29
- Mace	34 (1)
- Cardamoms	33 (1)
- Cubeb pepper	43 (1)
- Vanilla resinoid, oleoresin or extract	110.50

I m p o r t s :

The duty is levied on imports only.

(1) The domestic consumption duty on spices has been temporarily suspended (Decree of 8 November 1976).

DUTY ON COFFEE
(Taxe sur le café)

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

The State.

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 :

- Unroasted coffee	FF 22.50 per 100 kg ⁽¹⁾
- Roasted coffee, freed of caffeine or not	FF 28.10 per 100 kg ⁽²⁾
- Coffee extracts, essences	FF 0.81 per kg net ⁽²⁾
- Soluble extracts, essences	FF 0.81 per kg net (2)
- Other extracts, essences	FF 0.66 per kg net (2)
- Preparations with a basis of these extracts or essences	FF 0.81 per kg net (2)

I m p o r t s :

The duty is payable on imports only.

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

(2) The consumption duty on roasted coffee, coffee extracts and essences has been temporarily suspended (decree of 24 June 1971).

DUTY ON TEA
(Taxe sur le thé)

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

The State.

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 :

FF 23 per 100 kg.

I m p o r t s :

The duty is payable on imports only.

R a t e s :

- Soluble extracts, essences	FF 0.828 per kg net
- Other extracts, essences	FF 0.510 per kg net
- Preparations with a basis of these extracts or essences	FF 0.828 per kg net of tea contained.

DUTY ON CEREALS
(Taxe sur les céréales)

Law N° 77-1466 of 30 December 1977 ; Decrees N° 78-524 and 78-525 of 20 March 1978.

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

The State (Supplementary budget for Agricultural Social benefits).

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

Millers.

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

- (a) quantities of flour, groats and common wheat meal supplied or processed for human consumption ;
- (b) imported quantities of flour, groats and common wheat meal.

R a t e s :

1977-1978 season : average rate FF 53.62 per metric ton.

E x p o r t s :

Exempt.

**HEALTH PROTECTION TAX AND TAX ON THE ORGANIZATION OF THE MARKETS IN MEAT (*)
(Taxe de protection sanitaire et d'organisation des marchés des viandes)**

Law N° 77-646 of 24 June 1977 ; Decree N° 77-899 of 27 July 1977 ;
Order of 9 August 1977.

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

The State (private and public slaughterhouses) and local authorities or groups of local authorities (public slaughterhouses).

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

All the territory in which the health inspection system applies
(Articles 258, 259, 262 and 263 of the Rural Code).

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

- Owners of animals at the time of slaughter, 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 (including slaughter for export) in public and private slaughterhouses :
 - 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, pullets, ducks, geese, guinea fowl, turkeys).
2. Imports of meat from the above mentioned animals and poultry.

(*) Replaces the former State health tax (Taxe sanitaire d'Etat) and the Inspection and Stamping Tax (Taxe de visite et de poinçonnage) formerly levied in public slaughterhouses by the local authorities.

P a y m e n t :

- Declarations of slaughters, monthly or quarterly, when the tax due is less than FF 500 per month.
The payment of tax at a flat rate and the simplified system of taxation are not applicable.
- When import declarations are submitted.

R a t e s :

- Full-grown cattle and calves : 0.37 % of the price per kg for full-grown cattle, net (Community guide price for the marketing year, multiplied by a slaughter yield coefficient of 54 %)
- Horses and asses and crosses of these two : 0.25 % of the price per kg net defined above
- Sheep : 0.21 % of the national threshold price for sheepmeat
- Goats : 0.18 % of the national threshold price for sheepmeat
- Pigs : 0.54 % of the Community basic price.
- Poultry : 0.14 % of the price resulting from the sum of the Community sluice-gate price and the levy for the drawn chicken with offal.

The rates per kg net are fixed, for each marketing year, by order.

SPECIAL DUTY ON OILS INTENDED FOR HUMAN CONSUMPTION
(Taxe spéciale sur les huiles destinées à l'alimentation humaine)

Article 1618 point 5 of the General Taxation Code and 333-0 A to 333 G of Annex III Article 32 of the Finance Law 1978

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

The State (Supplementary budget for Agricultural Social Benefits).

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

Continental France and Corsica.

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

Producers (harvesters, mill operators, refiners), 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 :

Sales, supplies to oneself and imports of :

- vegetable oils, liquid or solid, intended for human consumption (groundnut, olive, nut, colza, poppy, flax, soya, corn, copra, palm nut, palm) ;
- marine animal oil intended for human consumption (whale, sperm-whale, herring, halibut, etc.).

R a t e s a n d b a s i s o f a s s e s s m e n t :

The rates are fixed as follows per kilogramme up to 31 March 1977.

- Groundnut and corn oil	FF 0.20
- Other fluid marine animal and vegetable oils (other than whale).....	FF 0.175
- Copra and palm nut oils	FF 0.135
- Palm oil and whale oil	FF 0.12
- Olive oil	FF 0.225

In the case of imported foodstuffs containing edible oils, the tariff is fixed as a flat rate, by order, on bases equivalent to those for products manufactured in France. Importers may, however, opt for taxation, at the above rates, of the actual quantities of oils contained in imported products. From 1 April these rates will be increased by 50 % - 60 % in accordance with the provisions of Article 32 of the Finance Law 1978 which fixes the annual yield for the duty at FF 195 million instead of FF 120 million.

E x e m p t i o n s :

Exports, family consumption.

C o l l e c t i o n :

- Upon presentation of special monthly or quarterly statements (duty amounting to less than FF 500) per month. Flat rate and simplified system of taxation not applicable ;
- On filing of import statements.

INSURANCE TAX

(Taxe sur les conventions d'assurance)

Articles 991 et seq. of the General Tax Code ; Article 12 of Law N° 72-1121 of 20 December 1972 ; Articles 4 and 5 of Law N° 75-1242 of 27 December 1975.

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

The State.

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, insurance against the risk of frost to harvests, marine insurance, reinsurances.

R a t e s :

The rate of tax ranges from 0.25% to 30% according to contingencies insured against.

The rate of tax on fire insurance, normally 30%, is reduced to 15% on property used permanently and exclusively for industrial, commercial, craft or agricultural purposes, and to 8.75% for working losses resulting from fire in undertakings of this nature.

SPECIAL SURCHARGE ON THE PRICE OF CINEMA SEATS
(Taxe spéciale additionnelle au prix des places dans les cinémas)

Article 1621 of the General Tax Code ; Finance Law 1976.

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

The State (Support Fund for Film Production).

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

Cinemas in Metropolitan France, which give at least two performances a week.

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

The surcharge is levied on the actual price of the ticket, not including the special surcharge itself. The rate of the surcharge varies from FF 0.20 to FF 2.15 on tickets sold at prices between FF 1.55 and FF 17.95. The surcharge is increased by FF 0.10 on each price increase of FF 1 above this amount.

Where pornographic or violent films are shown, these rates are increased by 50%.

E x e m p t i o n :

Small operations, whose exhibitors waive, under certain conditions, the right to financial support from the State.

ENTERTAINMENTS TAX
(Impôts sur les spectacles, jeux et divertissements)

Articles 1559 to 1565 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 a n d t a x a t i o n a t h a l f - r a t e :

Certain sporting meetings are totally exempted (restrictive list of sports laid down by order : athletics, swimming, gymnastics, basketball, volleyball, etc.). Others are exempted up to a maximum of FF 20 000 per event (meetings organized by approved sports associations governed by the Law of 1 July 1901) or up to a maximum of FF 5 000 (four first annual events organized solely for the benefit of public institutions or legally constituted non-profit associations). Lastly, certain events are taxed at half-rate, on certain conditions.

(1) Other spectacles are not subject to entertainments tax. They are, however, subject to value added tax.

C o l l e c t i o n :

The tax is collected on the spot by tax officer ; 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 :

- Progressive rates graduated according to monthly takings for sporting events, and according to annual takings for gambling clubs and houses ;
- The rate of the annual tax on automatic machines varies from one municipality to another.

These rates can be increased by a decision of the Municipal Council (50 % maximum for sporting meetings - coefficient of 2 to 4 for automatic machines).

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 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 from FF 120 to FF 480 according to the number of inhabitants in the municipality.

DUTY ON LEASES
(Droit de bail)

Article 736 et seq. of the General Tax Code

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

The State ⁽¹⁾.

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.

R a t e s :

- (a) Standard rate : 2.5 % of the rent involved.
- (b) Increased rate : 18 % on the leases 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.

(1) A surcharge of 3.50 % is collected on premises rented for residential or professional use and on certain commercial premises situated in buildings finished before 1 September 1948. This surcharge is for the benefit of the National Housing Improvement Agency (agence nationale pour l'amélioration de l'habitat).

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 :

The State.

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. 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.

R a t e :

17.60% of the price exclusive of tax.

PROPERTY TAX ON LAND WITHOUT BUILDINGS**(Taxe foncière sur les propriétés non bâties – ex-contribution foncière des propriétés non bâties)**

Law No. 73-1229 of 31 December 1973

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 buildings and the like : see under F 48).

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

Rentable cadastral values on 1 January 1970 assessed by comparison with the valuation tariffs.

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 s :

The rate of tax varies from municipality to municipality.

PROPERTY TAX ON BUILDINGS

(Taxe foncière sur les propriétés bâties – ex-contribution foncière des propriétés non bâties)

Law No. 73-1229 of 31 December 1973

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 certain kinds of land).

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

The net income from land equal to half the rentable cadastral value assessed on 1 January 1970, by comparison with similar premises or by a direct valuation

On premises subject to the rent regulations the rentable value is based on the amount of rent collected on January 1st of the tax year (real rent on 1 January 1970, to which a coefficient of increase is applied).

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 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 s :

The rate of tax varies from municipality to municipality.

STAMP DUTIES
(Droit de timbre)

Article 886 et seq. of the General Tax Code.

I.- S i z e s t a m p (Timbre de dimension) :

Article 889 et seq. of the General Tax Code;
Articles 6, 9 and 10 of the Law No. 77-1468 of 30 December 1977.

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

The State.:

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

Authenticated deeds other than court orders, deeds submitted voluntarily for registration, deeds pledging the payment or repayment of sums of money or securities, share allotment letters and proxies issued by shareholders for their representation at general meetings.

E x e m p t i o n s :

Bailiff's deeds, pleadings, court decisions, general documents concerning public order.

R a t e s :

- Half-sheet of paper, 29.7 by 21 cm	FF 8
- Sheet of normal paper 29.7 by 42 cm	FF 17
- Sheet of register paper 42 by 59.4 cm	FF 34

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.

E x e m p t i o n s :

Bills posted in municipalities with at least 10 000 inhabitants or in those with a lesser population which form a continuous part of a town with at least 100 000 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 :

- FF 4 000 per square metre and per period of two years ;
- FF 8 000 for bills visible from a motorway, a motorway sliproad or a diversion.

III.- Bills of exchange stamps (Timbre des effets de commerce) :

Beneficiary :

The State.

Duty payable on :

Negotiable instruments (bills of exchange, promissory notes, bills payable to bearer, warrants, etc.).

Exemptions :

- Cheques and transfer orders ;
- Bills created by transactions subject to the tax on financial activities.

Rates :

- | | |
|----------------------------------|---------|
| - Standard rate | FF 1.80 |
| - Reduced rate (domiciled bills) | FF 0.45 |

IV.- Receipt stamps (Timbres de quittances) :

Beneficiary :

The State.

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

Receipts for sums of money ; totalizator or national lotto 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 ;
- Receipts for objects or securities, or for the deposit of cash in a bank ;
- Entrance tickets for cinemas, except where their price is FF 10 or more for pornographic or violent films.

R a t e s :

- Receipts for sums of money - up to FF 10	exempted
- Receipts for sums of money - between FF 10.01 and FF 50	FF 0.45
- Receipts for sums of money - between FF 50.01 and FF 100	FF 1.00
- Receipts for sums of money - above, per fraction of FF 100	FF 0.45
- Totalizator tickets for horse or greyhound races	3%
- National lotto tickets	3%

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 :

The State.

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.

R a t e :

FF 0.45.

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 :

The State (or regions for the duty on driving licences).

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 :

1. Tickets for entrance to clubs and casinos :

- Ticket valid for the day	FF 7
- Ticket valid for the week	FF 30
- Ticket valid for the month	FF 75
- Ticket valid for the season	FF 145

2. Identity and residence cards :		
(a) Professional identity cards for commercial travellers and representatives	FF	36
(b) Frontier workers' identity cards	FF	10
(c) Other identity cards issued by prefects and sub-prefects	FF	18
(d) Residence cards for foreigners (1)	FF	25
Residence cards for nationals of a Member State of the EEC (1)	FF	18
(e) Special cards for foreigners working in commerce or industry :		
- Valid for more than three years	FF	420
- Valid for more than one year but not more than three years	FF	210
- Valid for up to one year, per month	FF	12
- Rates reduced to half for people classed as small traders and the like for tax purposes.		
(f) Special cards for foreigners working in agriculture	FF	210
3. Police record :		
- Issue of "Bulletin N°3"	Free	
4. Administrative formalities :		
(a) Endorsement of registers kept in certain professions (lodging-house keepers, innkeepers, hoteliers, second-hand dealers, chemists, jewellers, etc.)	FF	18
(b) Certificates of residence and nationality	Free	
(c) Receipt for the professional declaration by dealers in poisons, second-hand dealers, persons wishing to deal in arms and ammunition	FF	90

(1) The first card is exempted from duty.

(d) Issue of the authorization or of the receipt of declarations on the opening of establishments for the sale of beverages of categories 3 and 4, and also on the transferring or changing of these establishments	FF	1 200
Temporary establishments	FF	240
(e) Authentication by the Ministry of Justice, Ministry of Foreign Affairs or Secretariat of State responsible for the Overseas Departments and Territories	FF	10
(f) Inland waterways :		
- Registration certificates	FF	10
- Tonnage certificates	FF	36
- Navigation licence	FF	18
- Certificates of capacity	FF	90
5. Passports - Laissez-passer - travel documents :		
- Ordinary passports (valid five years)	FF	100
- Laissez-passer for abroad (valid two days)	FF	10
- Travel documents for refugees and stateless persons	FF	36
- Visas on foreign passports and travel documents for refugees :		
valid for exit and re-entry	FF	27
valid for exit only	FF	10
6. Duty on documents relating to cars :		
- International certificates for cars	FF	10
- International driving licence	FF	10
- For the test to obtain a driving licence for cars, motor cycles with cylinder capacity exceeding 125 cc. and any other motor vehicles	FF	36
- Driving licence for the above vehicles (duty also due on duplicates)		Rate fixed by the Regional Council

R a t e :

- | | |
|----------------------------------|-------|
| - Issue of the hunting licence : | FF 50 |
| - Annual visa ⁽¹⁾ : | FF 20 |

(1) The municipality, in which the request for a visa is presented, collects a levy of FF 10 on this visa.

MAIN REGISTRATION TAXES
(Principaux droits d'enregistrement)

Article 677 et seq. of the General Tax Code

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

The State, local authorities (departments and municipalities) and the regions for the surcharges).

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.

C o l l e c t i o n :

The tax is collected when the deed is registered.

R a t e :

Cadastral tax	13.8% (Article 683 of the General Tax Code)
Local taxes	2.8%
Regional tax	Rate fixed by the regions (1% on average)

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).

II. Registration tax payable by companies :

1. Formation of companies :

- Transfers for valuable consideration : same taxation as for the sale of the same goods ;
- 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	2.8% (1)

A regional tax, the rate of which varies according to region.

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 220 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, except in the case of building sites).

2. Capital increases :

- By contribution of new capital : same arrangement as for the formation of companies ;
- By capitalization of reserves, profits or deposits : rate 12% ;
- However, this rate is reduced by half to 6% where the capitalization of reserves is accompanied, preceded or followed, within one year, by a cash contribution of an equal amount ; (2)

(1) Where it is lower, the rate applicable to ordinary sales of property replaces the rate of 8.6%. 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) This reduced rate was fixed in turn at 7% prior to 1 January 1976, and 3.50% from 1 January 1976 to 31 December 1977.

- is replaced by a fixed rate of FF 220 in the event of capitalization :
 - . of the revaluation reserve revealed on revision of the non-amortizable items shown in the balance sheet for the first financial year ending on or after 31 December 1976 ;
 - . of capital gains on property of the same kind revealed on the occasion of free revaluations taking place between 1 January 1959 and 31 December 1976 ;
 - . of sums made permanently available to a company, for at least twelve months, by members with de jure or de facto management of the enterprise if these sums are capitalized between 1 January 1977 and 31 December 1980.

3. M e r g e r s ⁽¹⁾ :

- On transfers : fixed rate of FF 220.
- An increase in duty of 1.20% calculated on the value of the net assets of the acquired company less the paid-up and not redeemed amount of its registered capital.
- Same arrangements applicable to the splitting of companies and to partial contributions of capital. However, where partial contributions of capital are concerned, the increase in duty of 1.20% is levied only if the securities received in payment for the contribution are distributed between the members of the contributing company within one year of the contribution being made. Furthermore, the basis of the assessment for this duty is equal to the excess in the face value of the securities distributed in this way over the amount of any possible reduction in capital made by the contributing company when the distribution takes place.

4. D i s s o l u t i o n a n d d i s t r i b u t i o n o f a s s e t :

- Deed or performance of dissolution : fixed rate of FF 220 ;
- Instrument or performance of distribution : 1%, in general.

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 an application can be made to effect the payment by instalments of the following duties : 8.60% and local taxes; 12% (temporarily 6%) and exceptionally, 13.80%.

(1) System applicable until 31 December 1980.

6. T r a n s f e r s o f g o o d - w i l l , c u s t o m , l e a s e
r i g h t s , a n d t h e h o l d i n g o f a n o f f i c e :

- R e g i s t r a t i o n d u t y : 13.8 %
- L o c a l t a x e s : 2.8 %

When the basis of the registration duty does not exceed FF 50 000,
the calculation of the 13.8 % duty is made after granting an allo-
wance of FF 20 000.

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

Price and expenses, or the market value of the property in real terms
if this is higher.

C o l l e c t i o n :

The tax is collected when the deed or a verbal declaration of transfer
is registered.

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.
- (c) Regional tax : the regions.

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 ; and for Departemental and Municipal taxes only ;
- (c) Transfers of the holding of a ministerial office ;
- (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 ;
 - material on a farm or motor vehicles, where these are second-hand ;

R a t e s :

- (a) Departmental tax : 1.6 %
- (b) Municipal tax : 1.2 %
- (c) Regional tax : varies according to region (from 0.45 % to 1.60 %).

STOCK EXCHANGE TURNOVER TAX
(Impôt sur les opérations de bourse)

Article 978-990 of the General Tax Code : Article 4-II-c of Law No. 72-650 of 11 July 1972 and Article 8 of Law No. 72-1147 of 23 December 1972

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

The State.

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

For each transaction, tax is payable both on the purchase and sale of securities. Two separate taxes are therefore payable for the same transaction.

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

Negotiating price.

E x e m p t i o n s :

- "Opérations de contrepartie" made by professionals ;
- Transactions concerning certain bonds at less than 10 years date.

R a t e :

- Securities : fraction of each transaction under or equalling
 FF 1 000 000 : 3 ‰
 in excess of this sum : 1.5 ‰
 carry-over transactions 1.5 ‰
- Produce :
 sale or purchase of various goods 0.2 ‰
 sale or purchase of cereals 0.26 ‰

DIFFERENTIAL TAX ON MOTOR VEHICLES
(Taxe différentielle sur les véhicules automobiles)

Article 1007 of the General Tax Code; Article 23 of Law No. 77-1467 of 30 December 1977.

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

The State.

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 HP ;
- Etc.

P a y m e n t :

The tax is payable annually (windscreen sticker).

R a t e :

The rate of tax depends on the vehicle's age and horse-power, and ranges from FF 50 to FF 1 200 per year.

SPECIAL TAX ON PRIVATE CARS WITH ENGINE RATING FOR TAX PURPOSES EXCEEDING HP 16

(Taxe spéciale sur les voitures d'une puissance fiscale supérieure à 16 CV)

Article 1007 of the General Tax Code, and Article 18-IV of the Finance Law 1976 (No. 75-1278 of 30 December 1975)

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

The State.

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

Private cars over 16 HP less than 3 years old. From the third year of age they are liable to the differential tax.

P a y m e n t :

The tax is payable annually (windscreen sticker).

R a t e :

FF 1 800.

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 des sociétés)

Article 1010 of the General Tax Code, and Article 5-11 of the Finance Law 1975 and Article 4-III of Law No. 76-978 of 29 October 1976.

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

The State.

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

All private cars, owned or used by companies, except those whose use is the business activity of the company (sale, short-term hire, public transport).

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 annual tax returns.

R a t e s :

FF 2 000 for company cars of 7 HP or less.

FF 2 900 for company cars over 7 HP.

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 private cars with an engine rating for tax purposes exceeding 16 HP.

SURCHARGE ON REGISTRATION CERTIFICATES FOR MOTOR VEHICLES
(Taxe additionnelle sur les certificats d'immatriculation des véhicules à moteur)

SURCHARGE ON REGISTRATION CERTIFICATES FOR MOTOR VEHICLES
(Taxe additionnelle sur les certificats d'immatriculation des véhicules à
moteur)

Law No. 72-619 of 5 July 1972 and Law No. 76-394 of 6 May 1976 ;
Article 1635 bis D-II of the General Tax Code.

Legal basis : see Registration Duties

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

Regions, including the Ile de France Region.

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

Registration certificates whose issue is subject to the proportional
duty on registration certificates for motor vehicles.

R a t e s :

Vary according to the region.

The same reductions of the tax are applied as for the principal tax.

PAYROLL TAX
(Taxe sur les salaires)

Decree of 1 October 1948, Laws of 29 November 1968, 21 December 1970 and 30 December 1977.

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

The State (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 : (1)

- Farmers and rural craftsmen ;
- Local authorities and Departmental fire-fighting services ;
- 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 :

- 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) Including firms falling within the field of application of value added tax but which have not actually been liable to this tax by virtue of an interpretation formally accepted by the authorities.

EMPLOYERS PARTICIPATION IN THE BUILDING EFFORT
(Participation des employeurs à l'effort de construction)

Laws of 11 July 1953, 7 August 1957, 28 June 1963, 3 July 1970, 16 July 1971
and 30 December 1974
Decrees of 7 November 1966, 30 December 1971, 27 December 1975, 28 March 1977
and 10 November 1977.

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

The State.

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 each year a sum equal
to 1% of wages paid the year before. Those who do not fulfil this requi-
rement 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 year preceeding
that in which the investment is made.

C o l l e c t i o n :

The 2% payment is established by means of assessment books, on presentation
of the return.

APPRENTICESHIP TAX
(Taxe d'apprentissage)

Laws of 13 July 1925, 7 February 1955, 3 December 1966, 16 July 1971 and 12 July 1977. Decrees of 12 April 1972, 15 and 17 January 1974 and 2 February 1977. Orders of 12 April 1972, 15 January 1974 and 12 February 1976.

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

The State.

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. Craftsmen (under certain conditions) and training institutions are not liable for 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, as a rule, are liable for a sum representing 0.50 % of wages paid during the current year. However, they can, under certain conditions deduct from the tax required expenditure incurred for training for beginners (premières formations), on condition that a demand for exemption is presented to the Departmental Committee for Vocational Training, Social Advancement and Employment (Comité départemental de la formation professionnelle, de la promotion sociale et de l'emploi).

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.

BUSINESS TAX
(Taxe professionnelle) (1)

Law N° 75-678 of 29 July 1975.

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 :

The sum of the rental value of the fixed assets used for the business activity and a fifth of the wages paid by the enterprise (or an eighth of the receipts for those whose profits are non commercial and who have less than 5 employees).

This basis is reduced by half for craftsmen with less than 3 employees and for agricultural cooperatives and unions of agricultural cooperatives.

The rental value of certain particular types of premises (airports, nuclear power-stations) is reduced by a third. This also applies to the calculation of other local taxes.

E x e m p t i o n s :

- Charitable activities run by the State, the local authorities and public institutions for subsidized housing (HLM).
- Farmers, craftsmen working alone or with their families, artists.
- Publishing enterprises, mine concessionaries.
- Partial and temporary exemptions are granted by the municipal or general Councils (for enterprises creating work).

(1) This tax replaces the previous Business Tax (Contribution des Patentes)

C o l l e c t i o n :

By means of assessment books.

R a t e :

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 :

The State.

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 :

30 % of the licence duty actually applied to each establishment (special rates for establishments for the sale of "hygienic" beverages).

TRANSFER DUTY ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES
(Droit de transfert des débits de boissons)

Article 562 of the General Tax Code

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

The State.

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. (De facto exemption, since the opening of establishments for the sale of first category-non-alcoholic beverages is free. The problem of transfers does not therefore arise with regard to these establishments).

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 :

Single rate of FF 300.

LICENCE DUTY ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES
(Droit de licence sur les débits de boissons)

Articles 1568 to 1572 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 :

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 :

The State.

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.

(1) With effect from 1 January 1971 this tax has been placed under the jurisdiction of the Directorate-General for Customs and Indirect Duties.

R a t e s :

- Quarterly rates :

From FF 50 to FF 3 600 according to the class of vehicle, the number of axles and the total loaded weight.

- 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.

EMPLOYERS' PARTICIPATION IN FINANCING CONTINUOUS VOCATIONAL TRAINING
(Participation des employeurs au financement de la formation professionnelle continue)

Laws Nos 71-575 of 16 July 1971, 74-1114 of 27 December 1974, 75-1332 of 31 December 1975 and 76-656 of 16 July 1976; Decrees Nos 71-979 of 10 December 1971, 76-451 of 18 May 1976 and 78-59 of 20 January 1978. Finance Law 1976 and 1977.

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

The State.

P a y a b l e b y :

All employers, including those in the agricultural sector, with at least 10 workers ⁽¹⁾.

P r i n c i p l e o f a p p l i c a t i o n :

Employers must devote sums representing at least 1% of wages paid during the year to the financing of training programmes. 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.

(1) Central government, local authorities and their public administrative establishments are not liable for the tax.

TAXES ON FORESTRY PRODUCTS
(Taxes sur les produits forestiers)

Articles 1613 and 1618 bis of the General Taxation Code, 332 bis of Annex III and 156 to 159 bis of Annex IV.
 Article 6 of the Rectifying Finance Law 1977. Article 31 of the Finance Law 1978.

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

The State.

- National Forestry Fund (FFN) ;
- Supplementary Budget for Agricultural Social Benefits.

T a x a b l e p r o d u c t s :

- Forestry products : round timbers (whether or not they are debarked, rough-cut or planed) and timbers simply squared ;
- Sawmill products : undressed sawn timber (boards, facing and inner planks , beams, thick-board etc.) and small sawn timber (thin boards, laths, square-section timber, transoms, etc.).
- Planed, impregnated, injected or coated sawn timber.

T a x a b l e o p e r a t i o n s a n d i n d i v i d u a l s :

- Sales and re-sales internally and for export by manufacturers, merchants and craftsmen ;
- Use by the same individuals, for the needs of their enterprises ;
- Transfers of undressed sawmill products, by merchant sawyers, to be stocked at their depot or retail shop separate from the sawmill ;
- Supplies for abroad provided by sawn timber merchants ;
- **Purchases** for export made from persons not liable to tax on forestry products ;
- Imports.

T e r r i t o r y o f a p p l i c a t i o n :

- FFN Tax : Metropolitan France (including Corsica) and the Department of Réunion ;
- BAPSA (supplementary Budget) tax : Metropolitan France (including Corsica).

Exemptions :

Total exemptions :

- firewood, wood intended for carbonization and distillation, wood for tanning extracts ;
- bark, sawdust and wood charcoal ;
- undressed sawmill products originating from purchases resold without treatment or after rough processing, sawn timber already taxed on being transferred to the separate depot or retail shop.

Exemptions pending a contrary decision :

- certain wood for trituration wood and sawmill waste cuts intended for the manufacture of paper pulp, pressed panels and wood fibre for packing ;
- imports of most forestry products and certain sawn timber ;
- exports of pit-props, sawn timber, wooden sleepers (for railways) and unworked cask-wood (exempt only from FFN tax; BAPSA tax is levied).

Rates :

4.30 % (FFN) and 1.20 % (BAPSA).

Basis of assessment :

- sales : price net of tax ;
- use and transfers : wholesale selling price net of tax for similar products ;
- imports and exports : Customs value.
- planed, impregnated, injected or coated sawn timber : value of the undressed sawn timber, without this resulting, within France, in the double taxation of these timbers.

Collection :

Same rules as for value added tax (including possible deductions, possible application of the simplified taxation system or of the flat rate - except for duty-free entry and rebate), and for customs duties, on imports.

LOCAL EQUIPMENT TAX AND SUPPLEMENTARY TAX
(Taxe locale d'équipement et taxe complémentaire)

Articles 1585A to 1585 H of the General Tax Code

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

- Local equipment tax : Communes or groups of communes (urban communities, urban districts, certain associations with multiple functions) ;
- Supplementary tax : District of the Paris Region.

S c o p e :

1. Territorial scope :

- (a) local equipment tax. Optional in the case of communes : the tax is applied by law in certain communes (communes with more than 10 000 inhabitants and communes in the Paris region designated by decree) but these may renounce it ; similarly, communes not within the legal scope of the tax may introduce it ;
- (b) supplementary tax : Compulsory ; communes in the Paris region designated by ministerial order.

2. Scope as regards operations :

- (a) taxable operations : building, rebuilding and enlarging all kinds of buildings ;
- (b) exempt operations :
 - by law
 - buildings intended for a public department or a public utility department,
 - buildings erected in concerted planning zones,
 - buildings erected in certain developments.
 - optionally, by the commune
 - council houses and flats,
 - restoration of expropriated buildings,
 - buildings erected in zones which are not to be urbanized,
 - buildings for industrial, commercial or agricultural use.

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

Issue of the building permit or filing of the statement that it has taken place.

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

Fixed rate per square metre, varying according to the class of building.

R a t e s :

- local equipment tax : rate liable to vary from 1% to 5% ;
- supplementary tax : invariable rate : 1%.

PAYMENT FOR EXCEEDING THE LEGAL DENSITY LIMIT
(Versement pour dépassement du plafond légal de densité)

Law N° 75-1328 of 31 December 1975.

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

Local authorities for certain purposes, priority to be given to :

- establishing green spaces for the public
- acquiring land for subsidized housing and public facilities.

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

The holder of a building permit.

T a x a b l e o p e r a t i o n s :

New buildings whose density exceeds the legal limit (1,5 in Paris, 1 in the rest of France).

The density is measured as the ratio between the surface area of the floor space of the building and the surface area of the land on which it is built.

O p e r a t i o n s n o t t a x a b l e b e c a u s e o f e s t a b l i s h e d r i g h t s :

Buildings already erected when the law came into force, or buildings for which an application for a building permit was lodged before 1 November 1975.

Rebuilding, when the density does not exceed that of the demolished building.

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

100% of the value of the extra surface area of land that it would be necessary to buy in order to respect the legal density limit.

P a y m e n t :

In three instalments, in the 3rd, 6th and 18th month from the date when the building permit was issued.

**DUES ACCRUING TO THE 'NATIONAL BOOK FUND'
(Redevances instituées au profit du «Fonds national du livre»)**

Article 22 of Finance Law 1976.

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

The State (National Book Fund).

A. Dues on the publishing of books

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

Any individual or legal person marketing books which he publishes.

E x e m p t i o n s :

- Publishers, whose turnover was less than FF 200 000, all duties and taxes included, in the preceding year.
- Copies for export.
- Sales of educational, scientific, religious and critical works.

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

0.20% of the taxable turnover, net of tax.

C o l l e c t i o n :

The tax is paid in the same way as value added tax, but half-yearly.

B. Dues on photocopying

S c o p e :

- Sales and self-deliveries, in France, of photocopying machines by the manufacturers.
- Importation of these machines (person making the customs declaration).

E x e m p t i o n s :

Sales for export by manufacturers.

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

- 3 % of the taxable turnover, net of tax, for sales and self-deliveries.
- 3 % of the value defined in Article 292 of the General Tax Code, for imports.

C o l l e c t i o n :

The dues are calculated and collected monthly or quarterly in the same way as VAT.

SPECIAL SURCHARGE ON THE PRICE OF ENTRANCE TICKETS TO SPORTING EVENTS
(Taxe spéciale additionnelle au prix des billets d'entrée dans les manifestations sportives)

Article 21 of Finance Law 1976.

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

The State.
(National Assistance Fund for competitive sports.)

S c o p e :

All sporting events organised in Metropolitan France, on which Entertainments Tax is payable, even if this tax is not collected.

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

The surcharge is based on the actual price of the tickets, including all duties and taxes except the special surcharge itself :

- on tickets where the entrance fee is between FF 25 and FF 30 FF 2
- on tickets where the entrance fee is between FF 30 and FF 40 FF 3
- on tickets where the entrance fee is between FF 40 and FF 50 FF 4
- on tickets where the entrance fee is between FF 50 and FF 75 FF 5
- on tickets where the entrance fee is between FF 75 and FF 100 ... FF 10
- on tickets where the entrance fee is between FF 100 and FF 150 .. FF 15
- on tickets where the entrance fee is between FF 150 and FF 300 .. FF 30
- on tickets where the entrance fee is more than FF 300 FF 50

E x e m p t i o n s :

- Events subject to VAT (horse racing).
- Certain seats offered free of charge and exempt from entertainments tax.

C o l l e c t i o n :

The surcharge is established and collected at the end of each event in the same way as Entertainments Tax.

IRELAND

INCOME TAX

Income Tax Act 1967, and annual Finance Acts for 1967 and succeeding years

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 (whether individuals, legal persons, members of partnerships, bodies corporate or not corporate) resident in Ireland and persons not resident in Ireland but deriving income from Irish sources. In the case of a body corporate income which is chargeable to corporation tax is not chargeable to income tax.

T a x a b l e i n c o m e :

Total net income divided into 3 categories :

Schedule C : interest, etc., payable out of any public revenue ;

Schedule D : profits or income from property, trades, professions or vocations and all other annual profits or gains not charged under any other Schedule and not specially exempted from tax ;

Schedule E : income from employments, including pensions.

E x e m p t i o n s :

- Farming profits from small holdings and profits from certain exports of Irish manufactured goods ;
- Certain pensions and allowances (e.g. wound and disability pensions, social welfare payments) ;

- Exemption thresholds were introduced in 1977 for persons of 65 years of age or more. They are £ 1 000 for a single person and £ 1 800 for a married couple;
- The first £ 70 of interest from deposits with the Post Office Savings Bank, trustee savings banks and certain commercial banks. Income from patented Irish inventions and earnings of artists ;
- Lottery winnings and capital received from life assurance policies are not taxable.
- Payments to thaledomide children and the interest on the investment of such payments.

D e d u c t i o n s :

- In the case of income from trades and professions, all expenses wholly and exclusively incurred for the purpose of the trade or profession, depreciation, losses, etc. generally ;
- In the case of employed persons : only expenses wholly, necessarily and exclusively incurred in the performance of the employment.

Contributions to approved superannuation schemes, and certain compulsory contributions to State social welfare schemes, are allowable deductions.

There are also certain personal allowances, namely the single, widowed, married and child allowances, working wife's allowance, housekeeper allowance, dependent relative allowance and allowance to blind persons.

Elderly persons are entitled to an increased personal allowance.

Subject to certain conditions, deductions may be made by individuals in respect of medical insurance premiums, life assurance premiums, retirement annuity premiums, superannuation contributions, health expenses, and loan interest paid to building societies and certain interest paid to banks.

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

The combined income of husband and wife are treated as one income but there are provisions under which a husband or wife may apply for separate assessment.

The allowance for a married couple is double the single allowance and the existing allowance of £ 2 30 for working wives is maintained.

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

Non-resident persons are liable to income tax in respect of income arising or accruing in Ireland including the profits of businesses carried on in Ireland, subject to the provisions of any tax conventions in force between Ireland and the country in which the taxpayer resides.

The interest on certain Government and Government-approved securities, in the beneficial ownership of persons not ordinarily resident in the State, is exempt from income tax.

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

Income tax on salaries and wages is deducted under PAYE on a current year basis.

IRL 01

On other personal income, income tax is generally charged on a preceding year basis.

C o l l e c t i o n :

Weekly or monthly deduction at source from emoluments (wages, salaries, etc) within the scope of PAYE, and direct collection from the individual by way of annual assessments.

Where certain income, such as loan interest, annuities, etc., is paid net after deduction of income tax recipients who are not liable to tax are given a repayment of the tax deducted.

R a t e s :

There is a single graduated personal tax at the following rates :

20%	on the first	£ 500	of taxable earnings ;
25%	on the next	£ 1 000	" " " ;
35%	on the next	£ 3 000	" " " ;
45%	on the next	£ 1 500	" " " ;
50%	on the next	£ 1 000	" " " ;
60%	on the balance	" "	" " ;

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

Losses incurred in a trade or profession are allowed for tax purposes and may be carried forward without time limit and set against subsequent profits of the trade or profession. A loss, under certain circumstances, incurred in a particular year may be set-off against other income of that year.

On cessation of a trade or profession, terminal losses may be carried back over the preceding three years.

CORPORATION TAX

Corporation Tax Act, 1976 (incorporating, as necessary, various provisions of the Income Tax Act, 1967 as amended by the Finance Acts 1967 to 1976) as amended by the Finance Act, 1977 and subsequent Finance Acts.

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. For this purpose a company is defined as any body corporate but does not include a local authority, health board, vocational education committee or committee of agriculture.

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

All profits (including income and capital - that is chargeable- gains), with the exception of dividends and other distributions received from other resident companies, arising in a company's accounting period.

A company not resident in Ireland is charged to corporation tax only if it carries on a trade in Ireland through a branch or agency and then only, broadly speaking, on any income or chargeable gains attributable to the branch or agency.

E x e m p t i o n s :

Credit unions, lotteries and the Voluntary Health Insurance Board are exempt on all of their profits. Charitable companies, companies promoting amateur or athletic games or sports, friendly societies, agricultural societies, harbour authorities, trade unions, trustee savings banks, agricultural and fishery co-operatives, approved superannuation funds, mutual trading companies and non-trading companies are all exempt from corporation tax on income which fulfils certain statutory requirements.

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

Companies which export certain manufactured goods and provide certain services related to exporting are entitled to relief from corporation tax in respect of the income from such business.

Companies which export goods manufactured or packaged or handled at Shannon Airport or which provide certain services connected with the use or development of Shannon Airport are relieved from corporation tax in respect of the income from such operations.

Building Societies and Life Assurance Companies are the subject of special provisions.

D e d u c t i o n s :

Expenses incurred for the purpose of the business. Capital Allowances on the depreciation of certain assets (for example, certain industrial buildings and items of plant and machinery) are given.

C o l l e c t i o n :

Annual assessment of profits arising in a company's accounting period. Corporation tax is payable in two equal instalments, the first nine months after the end of the accounting period and the second, generally, after a further 6 months. Advance Corporation Tax or Précompte is not payable.

R a t e s :

The normal rate is 45% but reduced rates apply from 1 January, 1977, as follows :

Companies with profits not exceeding £ 25 000 are chargeable at 35% and those whose profits lie between £ 25 000 and £ 35 000 at effective rates of between 35% and 45% to be determined by reference to the amount of the profits.

A rate of 30% applies to public utility and certain other companies providing public services and to companies prohibited by law from distributing their profits.

A special temporary rate of 25% applies to certain manufacturing companies which achieve a specified increase in employment.

Capital Gains are effectively chargeable to corporation tax at the rates appropriate to such gains.

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

A surcharge at the rate of 20% is levied on the undistributed investment or estate income of a close company (broadly a company under the control of not more than 5 persons or under the control of directors) or on the income from any source of a close company which provides professional services or engages in certain other types of activities.

The losses of a member of a group may be set off against the profits of another member. Subject to certain exceptions a resident shareholder is entitled to a tax credit (representing part of the corporation tax paid by the company). This tax credit may be set against his income tax liability.

INHERITANCE TAX AND GIFT TAX

Capital Acquisitions Tax Act, 1976.

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 :

Gifts and inheritances taken by the same donee/successor from the same disponent.

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

Donees, successors, trustees, personal representatives.

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

Where the disponent, in relation to gifts, is domiciled in Ireland at the date of the disposition, or in certain cases, at the date of the gift, or, in relation to inheritances, was so domiciled at his death, or where, in relation to both, the proper law of the settlement is Irish, the taxable gift or inheritance consists of the whole of the property taken by the donee/successor. In any other case, only the property situate in Ireland is liable to tax.

Gifts taken from 28 February, 1974, and inheritances taken from 1 April, 1975, are liable to tax. Gifts taken in the five year period prior to 28 February, 1974, are included in the tax base, although not themselves liable to tax.

In general, the value of property comprised in a gift or an inheritance is its market value, after deducting liabilities, costs and expenses. Rules are provided for valuing limited interests, that is, interests less than absolute interests.

The rate of tax on any one gift/inheritance is determined by reference to the cumulative total of the value of gifts and inheritances taken by the donee/successor from the disponent from the 28 February, 1969 up to the date of that gift/inheritance.

D e d u c t i o n s :

50%, up to a maximum of £ 100 000, of the value of agricultural land and buildings taken by a donee/successor who is a farmer.

50%, up to a maximum of £ 100 000, of the value of growing trees taken by any donee/successor.

E x e m p t i o n s :

These include :

- the first £ 500 of the value of gifts in any one year ;
- normal and reasonable expenditure by a disponent on his immediate family ;
- property taken by Irish charities ;
- articles of national, scientific, historic or artistic interest which fulfil certain conditions ;
- payments and pensions to employees on retirement ;
- certain Government securities taken by foreigners.

C o l l e c t i o n :

On the basis of returns made by the taxpayer.

R a t e s :

There are four tables of rates, varying according to the relationship existing or deemed to exist between the disponent and the donee/successor,

- Table I (spouse, child, minor child of a deceased child).
After an initial exclusion of £ 150 000, tax is payable at progressive rates from 25% to 50% on successive slices ;
- Table II (lineal ancestor or descendant other than as at 1).
After an initial exclusion of £ 30 000, tax is payable at progressive rates from 5% to 50% on successive slices ;
- Table III (brother, sister, nephew, niece). After an initial exclusion of £ 20 000, tax is payable at progressive rates from 10% to 50% on successive slices ;
- Table IV (all others). After an initial exclusion of £ 10 000, tax is payable at progressive rates from 20% to 60% on successive slices.

In the case of gifts made outside two years of the death of the disponent tax is reduced by 25%.

CAPITAL GAINS TAX

Capital Gains Tax Act, 1975, and amendments thereto by the Finance Act, 1977 and subsequent Finance Acts.

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, including Companies, resident or ordinarily resident in Ireland on chargeable assets wherever situated.

Persons neither resident nor ordinarily resident in respect of chargeable gains accruing from the disposal of the following assets situated in Ireland :

- (i) Land in the State;
- (ii) Minerals in the State or rights, interests or other assets related to minerals or to the searching therefor;
- (iii) Assets of a business carried on in the State; and
- (iv) Rights in the Irish part of the Continental Shelf area.

Persons wholly or partially exempted include local authorities and certain other public bodies, charities, superannuation funds, registered trade unions, friendly societies, etc.

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

Gains on the disposal of chargeable assets. Chargeable assets, subject to certain exceptions, comprise all forms of property including incorporeal property such as debts, options, copyright, goodwill and interests in or rights over any property real or incorporeal. "Disposal" includes part-part-disposal and also includes a transfer by sale, exchange or gift. "Disposal" does not include the passing of assets on death.

An individual not domiciled in Ireland is liable on gains on assets situated abroad only to the extent that the gains are remitted to Ireland.

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

Chargeable gains less allowable losses in a year of assessment or in an accounting period in the case of a Company.

E x e m p t i o n s :

The main exemptions are :

- (a) an individual's principal private residence,
- (b) wasting chattels, that is, tangible movable property, excluding currency, with a predictable life of less than 50 years,
- (c) life assurance policies,
- (d) Irish Government securities,
- (e) securities of local authorities and certain State-sponsored bodies,
- (f) betting, lotteries and sweepstakes.

Reliefs :

The first £ 500 of an individual's net gains in any year of assessment are not chargeable.

A chattel disposed of by an individual for a consideration not exceeding £ 2 000 is not chargeable and where the consideration exceeds £ 2 000 the liability is not to exceed half the difference between the consideration and £ 2 000.

With respect to an individual aged 55 years or more who disposes of the whole or part of his farm or business -

- (a) if the disposal is to his child it is not chargeable;
- (b) if the disposal is outside his family and the consideration does not exceed £ 50 000 it is also not chargeable;
- (c) if the disposal is outside the family and the consideration exceeds £ 50 000 the liability shall not exceed half the difference between the consideration and £ 50 000.

Where a person disposes of business assets and reinvests the proceeds in other business assets the charge is deferred.

C o m p u t a t i o n o f g a i n s :

In general capital gains or losses are computed on the basis of the consideration received on the disposal or part disposal of the asset (or the market value if there is no consideration or the transaction is not at arm's length) less the base cost of the asset (or a portion thereof if a part disposal) together with expenses incidental to the disposal. The base cost, that is, the cost of the asset and any incidental acquisition expenses, is adjusted upwards by reference to the increase in the Consumer Price Index between the year of assessment in which the asset was acquired and the year in which it was disposed of. This adjustment will not operate to convert a monetary gain into an allowable loss or to inflate a monetary loss. Where an asset was already owned on 6 April, 1974 (the date of commencement of capital gains tax) the base cost is deemed to be the market value on that date.

Any part of the consideration which is already chargeable to Income Tax is excluded and, similarly, the allowable expenditure is reduced by any amount which is or would be allowable as a deduction for Income Tax.

Where a disposal of an asset which was acquired on death is made by the successor the base cost of the asset is deemed to be its market value as at the date of death.

C o l l e c t i o n :

By assessment.

R a t e s :

The basic rate is 30 per cent. For persons, other than companies, resident or ordinarily resident in the State, there is a reduction in this rate for every three years of ownership leading to total exemption after twenty-one years. This treatment applies to all assets except development land and shares deriving their value from development land. Companies are charged to corporation tax on their capital gains effectively at the rates appropriate to the gains.

A unit Trust is not liable to capital gains tax if all the units are held by exempt persons (excluding persons exempt by reason of non residence only) or all the investments held by the Trust are exempt assets. Provided certain conditions are fulfilled a unit trust is chargeable at a reduced rate on its capital gains.

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

Normally allowable if a gain on the same transaction would have been chargeable. Losses are set primarily against gains of the same year. The excess, if any, is carried forward for set off against any gains of a future year. Losses cannot be carried back to an earlier year except those accruing to an individual in the year of his death which may be carried back and set off against the gains of the three preceding years.

S p e c i a l c a s e s :

Special rules apply in the following cases :

- (a) Disposals to the State, charities and certain other bodies.
- (b) Disposal of property subject to a lease and the grant of a lease at a premium.
- (c) Bonus and rights issues and other re-organisations of share capital.
- (d) Company amalgamations and conversion of securities.
- (e) Transfer of a business to a company.
- (f) Capital distributions by a company to a shareholder.

VALUE-ADDED TAX

Value-Added Tax Act, 1972 ;
Value-Added Tax Regulations, 1972 and 1973 ;
Finance Act, 1973 ;
Finance Act, 1975 ;
Finance (N° 2) Act, 1975 ;
Finance Act, 1976.

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 who deliver goods or render services in the course of business and whose turnover exceeds specified limits ;
- Unregistered persons importing goods, and ;
- Persons not obliged to register who opt to be accountable (farmers, traders with turnover not exceeding the specified limits, persons letting property and solicitors, accountants, actuaries and veterinary surgeons).

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

- Deliveries of goods and rendering of services ;
- Importations of goods by unregistered persons ;
- Self-deliveries ;
- Self-services (catering only).

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

- On the consideration excluding value-added tax in the case of goods sold or services rendered within the country ;
- In the case of importations, on the value for customs purposes plus any customs or excise duty payable ;
- In the case of self-deliveries, on the cost of acquiring or producing the goods ; and
- In the case of self-services (catering only), on the cost of providing the service.

Ex e m p t i o n s :

Most State and local government services, stocks and shares, national broadcasting service (excluding advertising), passenger transport, funeral undertaking, education, medical services, insurance and banking, services of solicitors, accountants, barristers, actuaries and veterinary surgeons, lotteries, betting, letting of immovable goods, delivery of live horses and greyhounds, etc.

C o l l e c t i o n :

Two-monthly.

R a t e s :

0%, 10%, 20%, 35% and 40%.

The rates of 35% and 40% apply at the manufacturing or importation stage to passenger vehicles, radios, television sets, record players and records. Subsequent sales of these goods are liable at 10% and credit in respect of the tax charged at the earlier stage is allowable only at the rate of 10%.

Farmers need not, unless they so elect, account for tax on their sales. Farmers who do not account are unable to deduct input tax on their purchases.

EXCISE DUTY ON HYDROCARBONS

Paragraphs 11 (1) and 12 (1) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975, as amended ;
Sections 40 to 42 of the Finance Act, 1976;
Imposition of Duties (No. 232) (Hydrocarbon Oils) Order, 1977.

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

The Central Government.

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

Hydrocarbon oils and gaseous hydrocarbons in liquid form refined in or imported into Ireland.

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

At the time the oil is delivered for home consumption. There is no provision for deferring payment of duty.

E x e m p t i o n s :

Most of the duty is collected from petrol and diesel oil used in road motor vehicles. Oils such as naphtha and benzol are delivered for industrial purposes on payment of duty at the rate of £ 0.44 per hectolitre. Oils such as diesel and gaseous hydrocarbons in liquid form which are used otherwise than as fuel in road motor vehicles are allowed rebates of duty, leaving a net charge in each case of £ 0.44 per hectolitre (£ 0.02 per gallon). Complete relief from duty is allowed on fuel oils used in certain horticultural production.

C o l l e c t i o n :

In practice duty is payable daily, in advance, to cover normal daily deliveries ex warehouse or ex refinery. These amounts are adjusted weekly to take account of actual volumes delivered. Duty is collected at importation for imported hydrocarbons.

R a t e s :

The rates of excise duty are ⁽¹⁾ :

- Mineral hydrocarbon light oil	9.55 per hl.
- Hydrocarbon oil, other sorts	3.90 per hl.
- Gaseous hydrocarbons in liquid form	0.10 per gallon

(1) Crude oil is admitted free of duty to refiners.

EXCISE DUTY ON TOBACCO PRODUCTS

Finance (Excise Duty on Tobacco Products) Act, 1977; Imposition of Duties (No. 233)(Rates of Excise Duty on Tobacco Products) Order, 1977.

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

The Central Government.

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

Imported and home-produced tobacco products other than snuff.

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

- For home produced tobacco products, when they are removed from an approved warehouse (home produced tobacco products must be deposited in an approved warehouse after manufacture)
- For imported tobacco, when they are imported or are removed from an approved warehouse.

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

The manufacturer, importer or warehousekeeper.

R a t e s :

The rates of excise duty on home-produced and imported tobacco products are :

- Cigarettes	£ 8.00 per thousand+15.7% of the retail price.
- Cigars	£ 6.817 per lb.
- Cavendish or negrohead ...	£ 6.889 per lb.
- Other tobacco products :	
Hard pressed tobacco ...	£ 4.406 per lb.
Other pipe tobacco ...	£ 5.538 per lb.
Other smoking or chewing tobacco	£ 5.753 per lb.

R e b a t e s :

A rebate is allowable to manufacturers of tobacco products as follows :

- where in any year commencing on the 11th day of April the quantity of leaf tobacco received and used in the manufacture of tobacco products does not exceed 50 000 lbs., rebate is allowable at the rate of £ 0.45 per lb.
- where the quantity so received and used exceeds 50 000 lbs., rebate is allowable at the rate of £ 0.075 per lb for the first 50 000 lbs.

D e f e r m e n t o f p a y m e n t :

In general payment of duty on tobacco products may be deferred :

- For duty charged in December, to the end of the following month (January) for one half of the duty charged in December and to the end of December itself for the other half
- For duty charged in any other month, to the end of the month following the month in which the duty is charged.

R e l i e f s f r o m d u t y :

Special provision exists for relieving tobacco products from duty in the following circumstances :

- where they are exported or shipped as stores
- where they are destroyed or recycled by the manufacturer
- where they are used for experimental, research or quality control purposes.

EXCISE DUTY ON MATCHES

Paragraph 13 (2) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975;

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

The Central Government.

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

Matches.

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

When the matches are delivered from factory (or duty free warehouse) or are imported.

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

The manufacturer or the importer.

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 :

At the beginning of each week the manufacturer makes a declaration of the quantity of matches delivered during the previous week. If deferment is availed of (see below) returns are made on a monthly basis.

R a t e s :

The rate of Excise duty 15 £ 0.566 for every 7 200 matches (and in proportion for any less number).

D e f e r m e n t o f p a y m e n t :

Deferment of payment of the duty on home manufactured matches is allowed to the fifteenth day of the month following the month in which the matches are delivered for home consumption.

EXCISE DUTY ON ETHYL ALCOHOL

Paragraph 4 (2) of the Imposition of Duties (N^o 221) (Excise Duties) Order, 1975, as amended.

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 :

An excise duty is chargeable on home-made and imported alcohol. Excise duty on home-made alcohol is chargeable by reference to the alcohol present at the end of the distillation process and becomes payable when it is released for home consumption. Excise duty on imported alcohol becomes payable at the time of importation or if warehoused, on delivery from warehouse.

With certain exceptions alcohols must be matured for at least three years before they are released for home consumption.

E x e m p t i o n s :

Alcohol may be used free of duty in certain processes of art or manufacture, e.g. for experimental laboratory purposes or as an ingredient of certain, non potable, products such as toilet requisites and polishes.

Generally such spirits must be adulterated by methylation or other suitable methods before delivery for duty-free use. Relief from duty is also allowed in respect of alcohol contained in recognized medical preparations.

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 :

An official account of the alcohol is taken at the end of the distillation process. This account is the basis for the charge to duty.

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

The distiller or the importer.

R a t e s :

The duty on alcohol is chargeable by reference to the number of gallons at "proof" strength (as ascertained by Sike's Hydrometer). "Proof" strength means such alcohol as at the temperature of 51° Fahrenheit weighs 12/13ths of an equal measure of distilled water at the same temperature.

The excise duties on alcohol other than denatured alcohol are basically :

	<u>The Proof Gallon</u>
If warehoused for 3 years or upwards	£ 26.0376
If not warehoused or warehoused for less than 3 years	£ 26.1626

Provision is made, at the option of the importer, for charging duty on imported alcohol on the basis of the liquid (i.e. bulk) gallon for liqueurs and certain other products; the rate of duty in these cases is calculated on assumed strengths.

D e f e r m e n t o f p a y m e n t :

Payment of duty on Irish-made alcohol may be deferred (subject to surety being given) to a date not later than the last day of the month succeeding the month in which the alcohol is released for home consumption, with the exception that :

- no deferment is allowed in the case of alcohol released during the month of March, and
- in the case of alcohol released in February, the duty must be paid by 25th March.

An additional duty of £ 0.0334 per proof gallon is payable in respect of spirits chargeable with excise duty delivered from a bonded warehouse where payment of duty is deferred.

EXCISE DUTY ON WINE

Paragraph 5 (2) of the Imposition of Duties (N^o 221) (Excise Duties) Order, 1975, as amended.

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

The Central Government.

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

Wine of fresh grapes or fresh grape must, whether or not fortified with spirits or flavoured with aromatic extracts, and grape must with fermentation arrested by the addition of alcohol.

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

When the wine is sent out for sale or when it is imported.

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

The manufacturer or the importer.

R a t e s :

The rates of excise duty are :

Still wine :	<u>per gallon</u>
- Not exceeding 25 ^o proof spirit	£ 2.299
- Exceeding 25 ^o but not exceeding 30 ^o proof spirit	£ 2.611
- Exceeding 30 ^o proof spirit	£ 3.480
Sparkling wine	£ 4.498
plus, in relation to wine (whether still or sparkling) exceeding 42 ^o of proof spirit, an additional duty for every degree or fraction of a degree above 42 ^o proof	£ 0.175

EXCISE DUTY ON MADE WINE

Paragraph 6 (2) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975 as amended.

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

The Central Government.

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

Any liquor which is made from fruit and sugar, or fruit or sugar mixed with any other material and which has undergone a process of fermentation in the manufacture thereof and includes mead but does not include beverages such as beer, wine, cider, perry, piquette, spirits or table waters.

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

When the product is sent out of the manufactory or when it is imported.

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

The manufacturer or importer.

R a t e s :

Still :	<u>per gallon</u>
- Not exceeding 25° of proof spirit	£ 1.921
- Exceeding 25° but not exceeding 30° of proof spirit	£ 1.991
- Exceeding 30° of proof spirit	£ 2.302
Sparkling :	£ 3.201
plus in relation to made wine (whether still or sparkling) exceeding 42° of proof spirit an additional duty for every degree or fraction of a degree above 42° proof	£ 0.141

D e f e r m e n t o f p a y m e n t :

Payment of the duty on home manufactured made wine may be deferred to a date not later than the fifteenth day of the month succeeding the month in which the made wine is delivered from the manufactory.

EXCISE DUTY ON BEER

Paragraph 7 (1) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975, as amended.

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

The Central Government.

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

Beer, including ale, stout, porter, spruce beer and black beer, and any other description of beer, and any liquor which is made or sold as a description of beer or a substitute for beer, and which on analysis of a sample thereof at any time is found to contain more than two per cent. of proof spirits.

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

The duty is calculated by reference to the specific gravity of the worts before fermentation, and becomes chargeable on home-brewed beer at that stage; duty becomes due on imported beer at the time of importation or on delivery from warehouse.

E x e m p t i o n s :

Beer brewed at home for use by the occupier of the house or his servants is not liable to duty in certain circumstances.

R e b a t e s :

If a brewer shows that in any year beginning on 1st of July at least 80% of the cereals used by him in brewing of beer were flaked, malted or roasted in the State, he is entitled to a rebate at the rate of £ 1.00 per standard barrel on the first 5 000 standard barrels brewed.

A small rebate of excise duty is allowed in respect of beer brewed in 1977 for brewers whose output in that year did not exceed 175 000 standard barrels.

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 o f :

The brewer makes an entry in a "brewing book" (at least 24 hours before beginning to mash any malt or unmalted corn, etc.; or to dissolve any sugar) the day and hour of intended brewing. At least two hours before the time entered for mashing or dissolving, he enters separately the quantity of malt or unmalted corn, rice etc. and of sugar to be used, and the hour when all the worts will be drawn off.

R a t e s :

The unit of charge is the "standard barrel", i.e. 36 gallons of beer of which the worts were before fermentation, of a specific gravity of 1055°.

Where the specific gravity of beer is different from the standard of 1055° the duty is varied proportionately.

The rate of excise duty on home-made and imported beer - is £ 60.595 per standard barrel.

D e f e r m e n t o f p a y m e n t :

Deferment of payment is allowed as follows :

- for beer not dealt with below, to a date no later than 8th day of the second month following that in which charged (however, duty must be paid not later than 28 December in respect of beer charged with duty in November);
- for beer requiring two months storage in the brewery premises to a date not later than the 25th day of the second month following that in which charged;
- in respect of lager beer requiring three months storage in the brewery premises to a date not later than the 25th day of the fourth month after the month in which the duty was charged.

EXCISE DUTY ON CIDER AND PERRY

Paragraph 8 (2) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975.

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

The Central Government.

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

Cider and perry.

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

When the beverage is removed from the premises of the manufacturer; or on importation.

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

The manufacturer or the importer.

C o l l e c t i o n :

The manufacturer furnishes a weekly return of the quantity on which duty became payable on the previous week.

R a t e s :

The rate of excise duty is £ 0.05 the liquid gallon.

D e f e r m e n t o f p a y m e n t :

Payment of the duty on home-made cider and perry may be deferred to a date not later than the 15th day of the month following the month in which the cider or perry is delivered for home consumption.

EXCISE DUTY ON TABLE WATERS

Paragraph 9 (2) of the Imposition of Duties (Nº 221) (Excise Duties) Order, 1975.

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

The Central Government.

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

Soft drinks, other than those intended to be diluted.

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

When the table waters are removed from the manufactory, or at importation.

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

The manufacturer or importer.

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

The manufacturer submits a declaration (not later than the first working day in every week) of the quantity of table waters manufactured by him and removed for sale from his premises.

R a t e s :

The rate of excise duty is £ 0.10 per gallon.

D e f e r m e n t o f p a y m e n t :

Payment of duty may be deferred to a date not later than the fifteenth day of the month succeeding the month in which duty becomes due.

R e f u n d :

Duty is remitted on table waters returned to a home-manufacturer as unfit for consumption.

EXCISE DUTY ON TYRES AND TUBES

Emergency Imposition of Duties (N° 66) Order, 1935.
Imposition of Duties (N° 221) (Excise Duties) Order, 1975

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

The Central Government.

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

Tyres (including retreads and remoulds) and inner tubes.

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

When the tyre is delivered from the premises of the manufacturer or is imported.

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

The manufacturer or importer.

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 :

The manufacturer submits a monthly return of tyres delivered from his manufactory (not later than the 7th day of the following month). Duty is payable by the manufacturer at the time the return is submitted.

R a t e s :

The excise duty is charged on tyres manufactured, remoulded or retreaded in the State at the rate of 7 5% of the retail price. (Where necessary there is authority to determine a retail price for the purposes of assessing the duty).

The excise duty chargeable on imported tyres is 15% of the value for customs purposes.

E x e m p t i o n :

Agricultural tractor tyres are exempt from duty.

There is a provision for the importation without payment of duty of worn tyre casings for retreading or remoulding by the holder of a licence to manufacture tyres.

D e f e r m e n t :

Deferment of payment of the duty on home manufactured tyres is allowed to the fifteenth day of the month following the month in which the tyres were delivered from the manufactory.

BETTING DUTY

Finance Act, 1926, Section 24, as amended
Finance Act, 1975, Section 41, as amended

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

The Central Government.

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

Bets entered into by a licensed bookmaker. (The amount of the bet is the sum of money the bookmaker is entitled to if the event is determined in his favour).

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

When the bet is placed.

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

The bookmaker.

E x e m p t i o n s :

Bets on horse races, or greyhound coursing (and racing) contests, made at the venue where the races or contests take place.

P a y m e n t :

Duty is payable in either of two ways :

- By the purchase of duty-paid official sheets in which the bets are recorded by the bookmaker ; duty in this case is paid in advance ;
- By furnishing certified returns of bets, by the Thursday of the week following that in which the bets took place ; duty in this case accompanies the returns.

R a t e s :

Twenty per cent of the amount of the bet.

RATES

A tax levied by local authorities on the occupiers of certain types of immovable property.

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

Rates are an annual tax levied by county councils, county borough and borough corporations, and urban district councils to meet that part of current expenditure on their services which is not met by way of direct payments nor by State grants and subsidies. Each of these authorities has exclusive rating jurisdiction within its own area.

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

Property assessed for rates is immovable property such as land, buildings, factories, shops, railways, canals, woods, rights of fishery and rights and easements over land. Rates are levied on a rateable valuation placed on each rateable property. This valuation is carried out for the whole State by a central authority, the Commissioner of Valuation, subject to a right of appeal to the Courts.

E x e m p t i o n s i n c l u d e :

- Domestic property and the domestic portion of 'mixed' property (i.e. property embodying a non-domestic as well as a domestic use);
- Agricultural land (subject to certain valuation limits);
- Farm buildings;
- Certain burial grounds, infirmaries, hospitals, schools, community halls and other buildings used exclusively for public or charitable purposes or for the purpose of science, literature and the fine arts;
- State property is deemed exempt but the Exchequer pays local authorities a bounty in lieu of rates.

P a r t i a l r e m i s s i o n s i n c l u d e :

- Mines are not rateable for seven years after they have been opened.

Local authorities may remit two-thirds of the rates for ten years on premises for certain industrial undertakings established with State aid.

C o l l e c t i o n :

The area of a rating authority is usually divided into collection districts with a Rate Collector for each district.

Rates are normally payable in two moieties. Rated occupiers of agricultural land may however pay in ten instalments spread over the year.

R a t e s - l i n k e d S t a t e g r a n t s :

State grants are paid to local authorities in exact compensation to them for the loss of rates income on agricultural land and on domestic and certain other properties to which relief of rates applies.

STAMP DUTIES

Stamp Act, 1891, and subsequent amendments, particularly Finance Act, 1970

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

Central Government.

1. C o n v e y a n c e d u t y :

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

Chargeable on instruments of Conveyance and transfer of lands, houses and other property other than Stocks and Marketable Securities.

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

Consideration or price recited in instrument.

E x e m p t i o n s :

Instruments relating to the purchase of property by a State Department.

R a t e s :

consideration not exceeding £ 1 000	exempt of duty
consideration exceeding £ 1 000 and not exceeding £ 2 000	0.5%
consideration exceeding £ 2 000 and not exceeding £ 6 000	1%
consideration exceeding £ 6 000 and not exceeding £ 7 500	1.12% - 1.60%
consideration exceeding £ 7 500 and not exceeding £ 10 000	2%

consideration exceeding £ 10.000 and not exceeding £ 20 000	3%
consideration exceeding £ 20 000 and not exceeding £ 50 000	4%
consideration exceeding £ 50 000	6%

2. Lease Duty :

Duty payable on :

Chargeable on instruments whereby property is purchased by way of lease for a term of years.

Basis of assessment :

As in the case of Conveyance duty on the consideration. Duty is also chargeable on the annual rent reserved at rates ranging from 1% to 12% by reference to the term of years.

3. Security Duty :

Duty payable on :

Duty is chargeable on mortgage charges, bonds and other instruments securing the payment or repayment of money.

Basis of assessment :

Ad valorem duty at the rate of 0.125% on the instrument of mortgage, etc., where the amount secured exceeds £ 10 000.

No stamp duty is chargeable on instruments of security for amounts up to £ 10 000.

4. Transfer Duty:

Duty payable on:

Chargeable on transfers of any Stocks Shares or Marketable Securities.

Basis of assessment:

Duty at the rate of 1% chargeable on the consideration paid for the stocks or shares. This rate is applicable to transfers of Irish securities. The rate for foreign securities is 2%.

Exemptions:

Instruments transferring Irish Government Stocks.

5. Fixed Stamp Duties :

Duty payable on :

Cheques, bills of exchange and Promissory Notes, charged with the fixed duty of 1p. Deeds or Contracts, under seal, are chargeable with the fixed duty of 50p.

Collection :

In all cases stamps to the value of the duty are impressed on the instrument at the date of payment of the duty.

6. Stamp duty on life insurance policies;

Duty payable by :

The proposer (in practice paid by the Insurance Companies).

Basis of assessment :

Capital sum assured.

Duty payable when :

Within 30 days of the date of the policy.

R a t e s :

On policies not exceeding 2 years	5 pence
On policies exceeding 2 years, of less than £1 000	5 pence per £100 or part thereof
On policies exceeding 2 years, of £1 000 or over	50 pence per £1 000 or part thereof

7. S t a m p d u t y o n s w e e p s t a k e s

Income Tax Acts, 1932 and 1967

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

Hospital Sweepstakes Board.

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

Surplus income available after deduction of fees, expenses etc.

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

Quarterly.

R a t e s :

25 %.

8. Stamp duty on Capital Companies
Finance Act 1973

Beneficiary :

The Central Government.

Duty payable by :

Capital companies.

Duty payable on :

- the formation of a capital company ;
- the conversion into a capital company of a company, firm association or legal person which is not a capital company ;
- an increase in the capital or the assets of a capital company ;
- the transfer of a capital company under certain conditions.

Basis of assessment :

The amount of the actual value of assets contributed, or the amount of the actual value of the assets of any kind of the capital company, after deduction of liabilities and expenses.

E x e m p t i o n s :

Public services e.g. public transport, supply of electricity, gas etc. where the State or the local authority owns at least 50 %, of the issued capital.

Cultural, charitable or educational objects.

R a t e s :

1 % of the amount ;

0 % where a capital company acquires either the undertaking or part of the undertaking or the share capital of another capital company to the extent that after that transaction the company owns at least 75 % of that other company.

VEHICLE EXCISE DUTIES

Finance (Excise Duties) (Vehicles) Act 1952 as amended by certain subsequent statutes ; Road Vehicles (Registration and Licensing) Regulations, 1958 and amendments thereto.

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

The State.

From 1 January, 1978 all proceeds accrue to the Exchequer.

M o t o r - v e h i c l e e x c i s e d u t y p a y a b l e b y :

Keeper of the vehicle.

C o l l e c t i o n :

Payment can be made on an annual, half-yearly or quarterly basis.

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

Motor Cars

Based on fiscal horse-power. (The fiscal horse-power is assessed on the cylinder capacity of the engine by dividing the cylinder capacity in cubic centimetres by 125. Fractions of less than 0.1 of a unit of horse-power are ignored).

	<u>Rate of duty</u>
not exceeding 16 h.p. (2 012 cc's)	£ 5 annual registration fee only since 1st August, 1977 (see note 1 below)
exceeding 16 h.p. (2 012 cc's)	£ 6 per h.p. per annum

There is no upper limit.

Goods vehicles : According to unladen weight.

Examples :

Weight between 813 Kg and 1 016 Kg	:	£	37 per annum
Weight between 1 778 Kg and 2 032 Kg	:	£	61 per annum
Weight between 2 794 Kg and 3 048 Kg	:	£	93 per annum
Weight between 3 810 Kg and 4 064 Kg	:	£	125 per annum
Weight between 4 826 Kg and 5 080 Kg	:	£	165 per annum
Weight between 8 890 Kg and 9 144 Kg	:	£	465 per annum
Weight between 13 970 Kg and 14 224 Kg	:	£	865 per annum

Motor cycles :

All classes subject to £ 1 annual registration fee only since 1st August, 1977.

Other Vehicles :

Are taxed in a number of different ways. There are low rates for agricultural tractors and vehicles used as excavators and trench diggers.

Note 1 : - As from 1 August, 1977 motor cars (including small public service vehicles) not exceeding 16 h. p. (2 012 cc's) are no longer subject to road tax as such. An annual registration and licensing charge of £ 5 is now only payable in respect of these vehicles.

Note 2 : - Except in the case of motor cars (including small public service vehicles) not exceeding 16 h.p. (2 012 cc's) and motor cycles, a registration fee of £ 5 is also payable when a vehicle is being licensed in the State for the first time.

Exemptions :

Chiefly ambulances, fire engines, road rollers, sweeping and watering machines, vehicles used for the carriage of road construction machinery and invalid vehicles (subject to meeting certain conditions).

Non-residents :

Exemption from tax for visitors for up to one year subject to compliance with International Circulation Orders.

EXCISE DUTY ON MOTOR VEHICLES

Imposition of Duties (N° 221) (Excise Duties) Order, 1975

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

The Central Government.

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

Imported motor vehicles, aggregates, parts and accessories.

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

On importation.

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

The importer.

E x e m p t i o n s :

Agriculture and certain other tractors, fire-engines, road sweepers and certain dumpers are the principal items not liable to excise duty. Imported parts and accessories which are similar in design, construction and purpose to parts and accessories manufactured in the State may be exempted from duty.

R a t e s :

The rate of excise duty are :

Knocked-down chassis for omnibuses and ambulances	12.5% ad valorem
Other knocked-down motor vehicles	17.5% ad valorem
Other motor vehicles	15% ad valorem
Motor vehicle parts and accessories (excluding tyres and tubes)	37.5% ad valorem

LICENCES

Apart from the excise duties set out on the foregoing pages excise duties are collected on a substantial number of licences. These are essentially not fiscal in nature and their purpose is generally one of registration and control. Liquor licences (for manufacturers, dealers and retailers) form the bulk of these. The remaining licences relate principally to dogs, bookmaking premises, firearms, auctioneering, gaming and gaming machines and hawking.

ITALY
Italia

PERSONAL INCOME TAX
(Imposta sul reddito delle persone fisiche)

Presidential Decree N° 597 of 29 September 1973 (ordinary supplement N°1 G.U. N° 268 of 16 October 1973) supplemented and amended by Presidential Decree N° 60 of 28 March 1975 (G.U. N° 84 of 29 March 1975), Decree Law N° 259 of 6 July 1974, which, with amendments, became Law n° 384 of 17 August 1974 (G.U. N° 224 of 28 August 1974), Law N° 576 of 2 December 1975 (G.U. N° 321 of 4 December 1975), Presidential Decree No 683 of 23 December 1975 (G.U. No 341 of 21 December 1975), Presidential Decree No 447 of 30 June 1976 (G.U. No 172 of 2 July 1976), Law No 114 of 13 April 1977 (G.U. No 103 of 20 April 1977), Presidential Decree No 888 of 30 November 1977 (G.U. No 336 of 18 December 1977), Decree Law No 936 of 23 December 1977 (G.U. No 354 of 30 December 1977), which became Law No 38 of 23 February 1978 (G.U. No 57 of 27 February 1978), and Law No 909 of 9 December 1977 (G.U. No 344 of 19 December 1977).

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

The State.

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

Natural persons, including non-residents.

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

Total net income, comprising :

- for residents, world income; for non-residents, Italian income only;
- income of others but fully available to such persons ;
- income imputed to such persons as a result of family relationships ;
- income arising from family businesses;
- income arising from shares in partnerships.

E x e m p t i o n s :

- Emoluments of the President of the Republic ;
- Sums constituting income paid by the Holy See and the central authorities of the Catholic Church to office-holders and office and manual staff ;
- Incomes of ambassadors and accredited diplomatic staff and, subject to reciprocal treatment, of foreign consular representatives and their non-Italian staff ;
- War pensions ;

- Pensions paid to blind civilians ;
- Public assistance grants and scholarships awarded by the state or other public bodies ;
- Interest, bonuses and other income accruing on government securities, postal savings bonds, communal and provincial loan certificates issued by the "Cassa Depositi e Prestiti" and from similar securities issued by central, regional, provincial and local authorities and by certain public bodies.

D e d u c t i o n s :

- From individual items of income : all expenses incurred in obtaining such income are deductible.
- From total income, all or part of certain charges, including local income taxes, rates, ground rent and charges on property (canoni, censi, livelli); interest on debt ; social insurance contributions ; life insurance premiums ; medical expenses within certain limits and expenses involved in attending certain courses of study, etc.
- A personal allowance of Lit. 36 000 is deductible from the total tax liability, plus a further Lit. 72 000 for a dependent spouse i.e. whose income does not exceed Lit. 960 000 ; additional sums of between Lit. 7 000 and Lit. 72 000 are deductible for each dependent other than the spouse (the latter deductions have applied since 1 January 1976).
- Where the income of one of the spouses does not exceed Lit. 960 000, the deduction for children is doubled for the other spouse ; Lit. 12 000 for other dependents.

In respect of income from work, Lit. 84 000 is deducted from the total tax liability for expenses incurred plus a further lump sum of Lit. 18 000 to cover the aforementioned charges ; for pensions, there is provision for a total deduction from the liability of Lit. 102 000.

Furthermore, until 31 December 1977 there was, for earned income not exceeding 6 million lire, a special deduction of 24.000 lire to compensate for the rising prices of mineral oils.

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

Incomes are taxed separately.

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

Non-resident persons are taxed on income arising in Italy as follows :
income from property ; investment income transmitted by residents ;
income from employment or self-employment on Italian territory ;
capital gains resulting from the winding-up or transfer of businesses ;
pensions ; life annuities for which consideration has been made ;
periodic payments, royalties, income from "know how" ; earned income ;
income from occasional or speculative activities ; income from partnerships credited to the non-resident partner in accordance with his shares.

Certain categories of income (some types of investment income and interest) are subject to irrecoverable withholding tax and are not eligible for rebates in respect of dependent persons or deductions for expenses other than local income tax, fees, charges and interest payments.

C o l l e c t i o n :

By deduction at source (except for business profits), the deduction constituting either an advance instalment or actual settlement of liability, and by means of direct payment, within the period for filing a return, to the provincial tax offices by means of irrevocable authorization to a bank or other credit institution (self-assessment when declaring income).

In other cases, collection is by means of assessment books.

R a t e s :

Varying by income bracket according to the following table :

I n c o m e :

% rate

(brackets in Lit. million)

			10	
			13	
Up to 3				
from	3	to	4	.....
"	4	"	5	.....16
"	5	"	6	.....19
"	6	"	7.5	.....22
"	7.5	"	9	.....25
"	9	"	11	.....27
"	11	"	13	.....29
"	13	"	15	.....31
"	15	"	17	.....32
"	17	"	19	.....33
"	19	"	22	.....34
"	22	"	25	.....35
"	25	"	30	.....36
"	30	"	35	.....38
"	35	"	40	.....40
"	40	"	50	.....42
"	50	"	60	.....44
"	60	"	80	.....46
"	80	"	100	.....48
"	100	"	125	.....50

From	125	to	150	.....	52
"	150	"	175	.....	54
"	175	"	200	.....	56
"	200	"	250	.....	58
"	250	"	300	.....	60
"	300	"	350	.....	62
"	350	"	400	.....	64
"	400	"	450	.....	66
"	450	"	500	.....	68
"	500	"	550	.....	70
"	550			.....	72

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

Total income also includes 50 % of incomes of children being minors and still subject to parental authority (the other 50 % is attributed to the other spouse, where there is one), and incomes fully available to the taxpayer.

Income from property is assessed according to the cadastral system. A tax credit is accorded in respect of income accruing abroad.

S y s t e m o f s e p a r a t e t a x a t i o n (Regime della tassazione separata) :

The tax is applied separately to certain categories of income not comprising profits from business (capital gains resulting from the winding-up or sale of businesses ; arrears of emoluments ; payments of seniority or social insurance allowances due on termination of activity as representative or consultant on a continuing basis, etc.).

In general, the tax is assessed at the rate applicable to half the taxpayer's total net income for the two years preceding that in which it becomes payable.

For separation or redundancy payments, an allowance of 50 % is granted where the sum involved does not exceed Lit. 10 000 000, of 30 % for sums between Lit.10 000 000 and 20 000 000 and of 20% for sums between Lit. 20 000 000 and Lit. 50 000 000 ; in any case, an allowance of Lit. 100 000 is given for every year or part of a year taken as a basis for assessing the entitlement.

No allowance is granted where the sum involved exceeds Lit. 50 000 000.

S y s t e m o f s u b s t i t u t i v e t a x a t i o n (Regime della tassazione sostitutiva) :

For natural persons or partnerships, whether resident or not, withholding tax is applied to the following items of income, in relation to which no further liability arises :

- interest, bonuses and other forms of yield from bonds and similar securities other than government securities. Rates : 10% for bonds and similar securities issued by credit institutions providing long and medium term credit ; 20% for those issued by other persons accountable for taxes. The rate is reduced to 10 % on convertible bonds for the period, not to exceed 5 years, until the date of their conversion into shares.

Where the interest referred to above is owed by persons resident abroad, the withholding tax must be applied by the resident person responsible for payment, at the rate of 30%.

Withholding tax is not applied to interest, bonuses and other income arising from bonds and similar securities which are exempt from income tax ;

- interest, bonuses and other forms of yield arising from bank and post-office deposits and current accounts. Rate : 16 % (from 1 January 1978 withholding tax is increased to 18%). In the case of debtors resident abroad, withholding tax is applied at the rate of 15 % ;
- proceeds other than from securities ; winnings from games of chance or skill, prizes from competitions, winnings from football pools and betting. Rate : 10, 20 or 25% according to category.

S y s t e m o f d e d u c t i o n a t s o u r c e (Regime della ritenuta di acconto) :

This system, in fairly general use, is applied to the following items : income from employment and earnings ranking as such ; income from self-employment ; and income from capital.

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

Not permitted for natural persons and partnerships. However, losses from business, artistic and professional activities can be set off against other items of income within a given financial year.

TAX ON INCOMES OF LEGAL PERSONS
(Imposta sul reddito delle persone giuridiche)

Presidential Decree N° 598 of 29 September 1973 (Ordinary supplement N° 1, G.U. N° 268 of 16 October 1973) amended by Presidential Decree N° 60 of 28 March 1975 (G.U. N° 84 of 28 March 1975), by Law N° 576 of 2 December 1975 (G.U. N° 321 of 4 December 1975), Law N° 904 of 16 December 1977 (G.U. No 343 of 17 December 1977) and by Decree Law No 936 of 23 December 1977 (G.U. No 354 of 30 December 1977), which became Law No 38 of 23 February 1978 (G.U. No 57 of 27 February 1978).

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

The State.

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

Companies with share capital, private companies (limited liability partnerships), limited liability companies, cooperative societies, mutual insurance societies and all other public or private associations whether or not exclusively or primarily engaged in trade.

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

Total net income, comprising all forms of income except those specifically exempt and those already subject to withholding tax.

Some categories of particularly small businesses are permitted to keep simplified accounts based on the application of specific profitability ratios where the aforesaid businesses have not opted for the ordinary accounting system.

Exemptions and concessions :

The following items are exempt :

- income from buildings belonging to the Holy See ;
- income from land and building belonging to Local public bodies and reserved for communal use ;
- income arising from commercial activities carried on in connection with party political campaigns ;
- incomes of agricultural cooperatives, small scale fisheries cooperatives, or labour and production cooperatives (produzione e lavoro), under certain conditions.

The tax on incomes of legal persons is reduced by half for Regions, Provinces, Communes, chambers of commerce and their affiliates, State enterprises, Land reclamation syndicates, charity and welfare institutions and educational institutions.

Non-resident companies and associations :

All companies and other associations of whatsoever kind, whether constituting legal persons or otherwise and not having their registered offices or administrative headquarters or carrying on their principal activities in Italy, are liable to the tax on incomes of legal persons. Total taxable income of companies concerned comprises only those items accruing in Italy, together with capital gains or losses relating to goods used for or in any way connected with commercial activities pursued in Italy, even though such activities are not carried on through permanent establishments.

C o l l e c t i o n :

By direct payment to the tax collector's office ; by means of assessment books.

R a t e s :

25 % on total taxable income.

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

A tax credit in respect of income accruing abroad is granted for the purposes of this tax as well.

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

Up to five years.

P r o f i t s d i s t r i b u t e d b y c o m p a n i e s :

Profits distributed by companies are subject to the following deductions at source :

(a) profits paid on savings shares due to :

- persons opting for the deduction of an advance instalment : 10%*

* The deduction constitutes an advance instalment only.

- persons not opting for deduction of an advance instalment :	15%**
(b) profits distributed by certain cooperative societies to their own members who are natural persons :	10%**
(c) profits however distributed, other than those indicated at (a) and (b), paid to :	
- resident persons :	10%*
- non-resident persons or resident persons exempt from the tax on incomes of legal persons :	30%**
- resident persons claiming application of withholding tax at time of payment :	30%**

Where the deduction is in the nature of an advance instalment, it is deducted from the aggregate liability of the recipient of the dividend. If too much tax has been withheld or if there is no liability, the person concerned can claim a refund. From the tax periods current at 18 December 1977, members of limited liability companies (companies with share capital, private companies (limited liability partnerships), limited liability companies, cooperative societies and mutual insurance societies) which have their registered offices or administrative headquarters or their main activities in Italy, may claim a tax credit of 1/3 of the dividend distributed, which is added to the dividend itself for the purposes of determining the member's taxable income and may be deducted from the liability, any excess being recoverable.

From the same date local income tax and communal tax on appreciation of immovable property may be deducted when assessing the corporate liability.

* The deduction constitutes an advance instalment only.

** The deduction constitutes actual settlement of liability ; however, it has been decided to discontinue this tax from 1 January 1979 in respect of profit distributions, including interim dividends, made on the basis of resolutions adopted on 18 December 1977 or after.

LOCAL INCOME TAX
(Imposta locale sui redditi)

Presidential Decree N° 599 of 29 September 1973 (ordinary supplement N° 1, G.U. N° 268 of 16 October 1973), Law N° 576 of 2 December 1975 (G.U. N° 321 of 4 December 1975), Presidential Decree No 920 of 24 December 1975 (G.U. No 17 of 18 January 1975), Law No 904 of 16 December 1977 (G.U. No 343 of 17 December 1977) and Decree Law No 936 of 23 December 1977 (G.U. No 354 of 29 December 1977), which became, with amendments, Law No 38 of 23 February 1978 (G.U. No 57 of 27 February 1978).

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

Communes, Provinces, Regions ; chambers of commerce, industrial, agricultural and "artisan" associations ; health, holiday and tourism associations within whose districts the income arises.

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

Natural persons, companies of every kind whether constituting legal persons or otherwise, public and private associations and bodies including consortiums and unrecognized associations.

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

Aggregate income, as for the taxes on natural and legal persons.

E x e m p t i o n s :

- Emoluments of the President of the Republic ;
- Sums constituting income paid by the Holy See and the central authorities of the Catholic Church ;
- income of ambassadors and diplomatic staff ;
- income from property belonging to local public bodies and reserved for public use ;
- public assistance grants and scholarships awarded by the State or other public bodies ;
- incomes of agricultural cooperatives or fishermen's cooperatives, and of labour and production cooperatives under certain conditions ;

- interest, bonuses and other forms of yield from Government securities, postal savings bonds, Municipal and Provincial loan certificates issued by the Cassa Depositi e Prestiti and other similar securities issued by Central, Regional, Provincial, or Municipal authorities and by certain public bodies.

C o l l e c t i o n :

By direct payment to the tax collector's office, by means of authorization to a credit institution ; by assessment books.

R a t e s :

The rate applied is 15 % until 31 December 1980.

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

The following items are exempt :

- income from employment ;
- income from shares in companies or partnerships of any type or from shares in associations subject to the tax on legal persons ;
- incomes subject to deduction at source constituting actual settlement of liability.

Taxable income is determined on the basis of income arising in Italy ; however, for taxpayers resident or having their registered offices or administrative headquarters in Italy or carrying on their principal activities in foreign countries pursued otherwise than through a permanent establishment with separate management and accounts, or from self-employment abroad not involving fixed residence, is taxed as if accruing in Italy.

COMMUNAL TAX ON APPRECIATION OF IMMOVABLE PROPERTY
(Imposta comunale sull'incremento di valore degli immobili)

Presidential Decree N° 643 of 26 October 1972 (ordinary supplement N° 3 to G.U. N° 292 of 11 November 1972), supplemented and corrected by Presidential Decree N° 688 of 23 December 1974 (G.U. N° 338 of 28 December 1974) by Law N° 694 of 22 December 1975 (G.U. N° 343 of 31 December 1975), by Law No 904 of 16 December 1977 (G.U. No 343 of 17 December 1977) and by Presidential Decree No 959 of 13 December 1977 (G.U. No 1 of 2 January 1978)

T a x p a y a b l e t o :

The financial authorities through the registry offices which are responsible for assessment and collection of the tax.

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

Municipalities where immovable property subject to the tax is situated.

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

Persons transferring against consideration or persons to whom is transferred free of charge, inter vivos or mortis causa, the ownership of or rights in rem to immovable property ; also, companies exclusively or predominantly engaged in the management of immovable property, for each decade from the date on which ownership, or other rights in rem, was awquired.

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

The difference between the value of the property at the time of purchase and its value when transferred.

The reference values applied are those assessed or declared for the purposes of registration tax or succession duty, or payments subject to value added tax or the values assessed by the municipality for the purpose of applying the tax on appreciation of building sites.

In the case of farmland, the initial value is the market value at the time of purchase when the value has been determined, for the purposes of

registration tax or succession duty, by the application of automatic coefficients, as provided for in Laws N° 1044 of 20 October 1954 and N° 355 of 27 May 1959.

For all transfers not subject to proportional registration tax, or to Succession duty on VAT, the initial and final values established for the purposes of registration tax are applied.

In the case of immovable property purchased prior to 1 January 1963, the initial value is the market value at that date, except as regards building sites located in communes which at any time have charged a tax on appreciation of building sites, in respect of which the value referred to is the market value at the reference date fixed by the commune when it introduced the tax.

For buildings belonging to property management companies, the initial value is determined by reference to the value of the building at the time of its transfer inter vivos or mortis causa, and the final value is taken to be its market value at the end of the decade. For buildings belonging to companies for more than 10 years on 1 January 1976, the initial and final values are taken to be the market values on 1 January 1965 and 1 January 1975.

Special criteria are laid down by the law for determining the taxable appreciation in transfers of immovable property, where buildings have been erected on a building site, in transfers of immovable property belonging to companies that have merged or been taken over, and in transfers against consideration or free of charge made by members of building cooperatives under the provisions of the law on low-cost housing.

C o s t a n d d e d u c t i o n s :

The cost of purchase and construction and conversions arising during the period taken as a basis for calculating the taxable appreciation in value, may be claimed as part of the initial value. 10% of the initial value is deducted from the appreciation for each year or part of a year exceeding six months. (1)

(1) This deduction, which had been 4 %, was increased to 10% for each year or part of a year exceeding six months after 31 December 1972 and up to 31 December 1979 (Article 8 of Law No 904/1977).

A similar deduction is made on the basis of total costs. The tax on improvements to property, or similar compulsory duties paid by the liable person or body during the period taken as the basis for calculating the taxable appreciation, is also deductible from the tax.

Ex e m p t i o n s a n d r e d u c t i o n s :

The tax is not applicable to appreciation in the value of :

- Immovable property transferred free of charge, either mortis causa or inter vivos to the central government, regions, provinces, municipalities and their associations which possess legal personality ;
- immovable property transferred against consideration between the above institutions and land transferred mortis causa or inter vivos within a family cultivating its own farm ;
- immovable property transferred free of charge, either mortis causa or inter vivos, to public institutions, and recognized individuals, where the gift, legacy or inheritance is for a specific purpose involving welfare, education, study, scientific research or the public benefit ;
- immovable property transferred mortis causa, where the total value of the inheritance for the purposes of succession duty on total value does not exceed Lit. 30.000.000.

The tax is reduced by 75% for any appreciation in the value of immovable property of artistic, historical and archaeological interest.

The tax is not applicable in the course of the decade to appreciation in the value of :

- Immovable property owned by building societies with property held in common, and associations of such societies ;
- immovable property belonging to property management companies and leased out, which at the time when the grounds for applying the tax are established, has been exclusively used for not less than eight years for the political activities of the parties represented in the national or regional parliaments, the cultural, recreational, sporting and educational activities of clubs belonging to legally recognized national organizations, the activities of the trade unions represented in the Council for the Economy and Employment, and the institutional activities of mutual benefit societies.

R a t e s :

From 3 % or 5 % for an appreciation of up to 10 % of the initial value to 25 % or 30 % for an appreciation of over 200 % of the initial value.

Within these limits the actual rates are fixed by the municipalities.

DUTY ON STATE-CONTROLLED BETTING

(Tributo di gioco 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), Presidential Decree No. 1074 of 26 July 1965 (G.U. 235 of 18 September 1965), Presidential Decree No. 600, 29 September 1973 (G.U. No. 268, 16 October 1973)

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

The State, 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 sums paid out to winners (38 %), allows for a portion (25 % of receipts) which replaces income tax on winnings paid out to players.

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), Presidential decree 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), Law No. 764 of 15 November 1973 (G.U. No. 310 of 1 December 1973), Presidential decree No. 600 of 29 September 1973 (G.U. 268, 16 October 1973)

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

The State. 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 26.8 % calculated on total bets. In the case of Totip betting, UNIRE is granted an allowance of 28.301886 % on paid-up duty; in practice, the duty is reduced to 19.22 % 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 income tax or winnings paid out to bettors.

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 communes.

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 commune whose stay does not exceed two months or who already pay the licence in another commune ;
- 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.

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

For 1978 and with effect from 1 January of that year, the said tax was increased by 100 % (Article 14, Decree Law No 946 of 29 December 1977, which became Law No 43 of 27 February 1978).

SUCCESSION AND GIFTS DUTY
(Imposta sulle successioni e donazioni)

Presidential Decree N° 637, 26 October 1972 (Supplement N° 2 to G.U. N° 292 of 11 November 1972) ; Law N° 576 of 2 December 1975 (G.U. N° 321 of 4 December 1975) ; Presidential Decree No 914 of 6 December 1977 (G.U. No 348 of 22 December 1977)

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

The State.

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 of appeal against co-heirs and legatees. Legatees pay estate duty on their portions only, donors and donees jointly.

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

The total value and the various portions of inheritances and legacies.
The subject of the gift.

E x e m p t i o n s :

- inheritances or gifts in direct line or between spouses, which amount to Lit. 30 million or less ;
- certain art collections ;
- gifts for charities, welfare services, religious bodies, scientific research, public services and educational institutions ;
- gifts to the State, regions, provinces and municipalities ;
- government securities guaranteed by the State and the like ;
- compulsory social insurance benefits.

D e d u c t i o n s :

Debts, liabilities and the cost of medical treatment during the last six months of the deceased person'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 3% on transfers between unrelated persons of sums of between Lit. 1 million and 2 million, to a maximum rate of 29% on transfers between relatives beyond the fourth degree, or between relatives beyond the third degree of sums exceeding Lit. 1 000 million.

For inheritances in direct line, when the beneficiary is a spouse or sister, the duty is reduced by 40% on land not exceeding Lit. 50 million in value, where the land will be owner-farmed.

VALUE ADDED TAX
(Imposta sul valore aggiunto)

Presidential Decree N° 633 of 26 October 1972 (Supplement N° 1 to G.U. N° 292 of 11 November 1972), amended by Presidential Decree N° 687 of 23 December 1974, Law N° 387 of 17 August 1974 (G.U. N° 224 of 17 August 1974) and Law N° 493 of 16 October 1975 (G.U. N° 276 of 17 October 1975); Decree Law N° 46 of 18 March 1976 (G.U. N° 73 of 18 March 1976), which became Law No 249 of 10 May 1976 (G.U. No 129 of 17 May 1976); Law No 751 of 12 November 1976 (G.U. No 304 of 15 November 1976); Law No 31 of 21 February 1977 (G.U. No 49 of 22 February 1977); Law No 102 of 7 April 1977 (G.U. No 96 of 8 April 1977).

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

The State.

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

All persons whether or not organized in a company, carrying on an industrial, commercial or craft activity; artists and professional persons; associations and bodies of whatever kind which are exclusively or primarily engaged in a commercial or agricultural activity; "any person" effecting import operations.

All persons supplying goods or services to which the tax applies are liable and must pay the cumulative amount due on all operations effected, net of deductions, to the tax collector's office.

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

Supply of goods and provision of services in Italy; imports.

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

For supplies of goods and services, the tax is based on the total amount of the consideration due, under the terms of the contract, to the supplier, including the costs and expenses incurred in performing the contract and

the debts or other liabilities owing to third parties which are assumed by the transferee or the customer.

For imports, the tax is assessed on the customs value of the goods.

E x e m p t i o n s :

Exemptions are granted for services of considerable cultural and social value, services rendered with the aid of agricultural machinery to farming enterprises, insurance transactions, interest on financing and credit operations, leases and rents for immovable property, and urban public passenger transport services.

D e d u c t i o n s :

Taxes paid by the taxpayer or taxes debited to his account of goods and services imported or purchased for the purposes of his undertaking, art or profession.

R e t u r n s :

Records are kept in VAT ledgers instead of periodic returns.

The only return is an annual one, to be made by 5 March of each year.

C o l l e c t i o n :

The tax is payable monthly, quarterly, half-yearly or annually.

R a t e s :

- Reduced	6 %
* - Standard	14 %
- Intermediate	18 %
- Higher	35 %
and, until 31 December 1978:	
- certain essential food products	1% and 3%
- certain textile products	9%

* Sales of petrol, liquefied petroleum gases and methane intended as fuel for motor propulsion are taxable at 12 %.

DUTY ON MINERAL OILS**(Imposta di fabbricazione sugli oli minerali)**

Royal Decree Law N° 334 of 28 February 1939, which became Law N° 739 of 2 June 1939, (G.U. N° 49 of 28 September 1939), Article 1 of Decree Law N° 989 of 23 October 1964, (Ordinary supplement, G.U. N° 264 of 27 October 1964), which became Law N° 1350 of 18 December 1964, (G.U. N° 317 of 23 December 1964), with subsequent amendments (most recently, DL N° 14 of 20 February 1974 (1), Decree Law N° 14 of 20 February 1974 (2), (G.U. N° 49 of 20 February 1974), Decree Law N° 578 of 29 September 1973, (G.U. N° 253 of 29 September 1973), which became Law N° 733 of 15 November 1973 (3), Decree Law N° 251 of 6 July 1974 (G.U. N° 176 of 6 July 1974) which became Law N° 346 of 14 August 1974, with amendments (4); Decree Law N° 46 of 18 March 18 March 1976 (G.U. No 73 of 18 March 1976), Decree Law No 691 of 8 October 1976 (G.U. No 270), which became, with amendments, Law No 786 of 30 November 1976 (G.U. No 326) ; Decree Law No 15 of 7 February 1977 (G.U. No 35), which became, with amendments, Law No 102 of 7 April 1977 (G.U. No 96); Decree Law No 287 of 10 June 1977, which became, with amendments, Law No 492 of 1 August 1977 ; Decree Law No 936 of 23 December 1977, which became, with amendments, Law No 38 of 23 February 1978.

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

The State. Provision is made for sharing the yield with the regions and municipalities.

E x e m p t i o n s :

Petroleum products used for the purposes specified in table A annexed to Decree Law N° 989 of 23 October 1964, which became Law N° 1350 of 18 December 1964, with subsequent amendments (most recently by the decree law referred to in note (3) above) are exempt.

N o r m a l r a t e s (1) :

	<u>per 100 Kg</u>
1) Crude natural mineral oils	6 000 Lit.
2) Light oils and preparations :	
- White spirit (acqua regia minerale)	8 400 Lit.
- Special oils other than white spirit (2)(*)	41.212 Lit. (22 080 Lit.)
- Petrol (2) (*)	41 212 Lit. (22 080 Lit.)
3) Medium oils and preparations :	
- Paraffin	6 000 Lit.
- Products other than paraffin (2)	41 212 Lit.

 (*) Petrol having a Lead content not exceeding 0.40 grams/litre is charged at Lit. 22 080 (Law N° 32 of 19 March 1973)

	<u>per 100 kg</u>
4) Heavy oils and preparations :	
- Gas oils	Lit. 15 000
- Special fuel oils	Lit. 5 400
- Fuel oils	Lit. 4 000
- White lubricating oils	Lit. 15 700
- Other lubricating oils	Lit. 15 000
	<u>per quintal</u>
5) Crude vaseline	Lit. 2 500
6) Vaseline other than crude	Lit. 5 680
7) Crude mineral wax (crude ozokerite)	Lit. 180
8) Refined mineral wax ceresin except that made with ozokerite on which duty has already been paid	Lit. 680
9) Paraffin wax, petrol wax, shale wax, residues of paraffin (crude or other)	Lit. 680
10) Aromatic extracts and similar products	Lit. 15 000

R e d u c e d r a t e s :

Subject to regulations in force, reduced rates granted for petroleum products used for the purposes listed in table B annexed to law N° 32 of 19 March 1973, last amended by Decree Law N° 251 in 1974 (See Note 4). Some examples are given below :

1) paraffin used for domestic lighting and heating	Lit. 2 200
2) diesel fuels and the like	
- for use as power fuel (engine propulsion)	Lit. 3 000
- for use as fuel for heating purposes, domestic hot water supply, cooking and sanitary purposes, baker's ovens and craftsmen's furnaces :	Lit. 2 200
3) fuel oils other than special oils, for use directly as fuels in boilers and furnaces :	
- heavy	Lit. 100
- medium viscosity	Lit. 625
- low viscosity	Lit. 730
- very low viscosity	Lit. 2 100

- 4) petrol bought with the coupons allowed to
tourist car drivers and motorcyclists resident
abroad

Lit. 21.365

I m p o r t s :

Rates are the same as on mineral oils manufactured in Italy. The tax on imports is called a "frontier surcharge".

E x p o r t s :

An allowance or a refund is given. Refunds are granted only on petroleum products used in the manufacture of certain exported goods.

DUTY ON LIQUEFIED PETROLEUM GASES
(Imposta sui gas di petrolio liquefatti)

Decree Law N° 1071 of 24 November 1954 (G.U. N° 270 of 24 November 1954), which became Law N° 1167 of 10 December 1954 and subsequent amendments ; Decree Law N° 14 of 20 February 1974 (G.U. N° 49 of 20 February 1974) ; Decree Law N° 251 of 6 July 1974 (G.U. N° 176 of 6 July 1974) which became Law N° 251 of 14 August 1974; Decree Law N° 691 of 8 October 1976 (G.U. No (G.U. No 270), which became, with amendments, Law No 786 of 30 November 1976 (G.U. No 326).

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

The State.

Provision is made for sharing the yield from the duty with the regions (75%) and the communes (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	Lit. 35 126/100 kg

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.

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 :

Exemption or repayment.

DUTY ON METHANE USED AS FUEL FOR MOTOR PROPULSION
(Imposta di consumo sul gas metano per l'autotrazione)

Decree Law N° 46 of 18 March 1976 (G.U. N° 73 of 18 March 1976); Decree Law No 691 of 8 October 1976 (G.U. No 270), which became, with amendments, Law No 786 of 30 November 1976 (G.U. No 326).

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

The State.

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

- Operators of establishments for the extraction or production of methane, and operators of methane pipe-lines;
- Importers.

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

The cubic metre of methane at a temperature of 15°C and at normal pressure.

R a t e :

Lit. 107.13 per cubic metre.

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

At the latest, by the 15th day of the month following the month in which production is declared for the uses mentioned above.

I m p o r t s :

Rates are the same as on methane manufactured in Italy.

DUTY ON METHANE WHEN USED AS FUEL FOR NON-INDUSTRIAL PURPOSES
(Imposta di consumo sul gas metano per uso combustibile per impieghi diversi da quelli industriali)

Decree Law No 46 of 18 March 1976 (G.U. No 73 of 18 March 1976) which became, with amendments, Law No 249 of 10 May 1976 ; Decree Law No 15 of 7 February 1977 (G.U. No 35 of 7 February 1977) which became, with amendments, Law No 102 of 7 April 1977 (G.U. No 96 of 8 April 1977).

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

The State.

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

Persons supplying the product directly to consumers. Importers.

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

The cubic metre of methane at a temperature of 15°C and at normal pressure.

R a t e :

Lit. 30 per cubic metre.

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

At the latest, by the 15th day of the month following the month in which production is declared for the uses mentioned above.

I m p o r t s :

Rates are the same as on methane manufactured in Italy.

CONSUMPTION TAX ON MANUFACTURED TOBACCO
(Imposta sul consumo dei tabacchi lavorati)

Law N° 825 of 13 July 1965 last amended by Law N° 724 of 10 December 1975
(G.U. N° 4 of 7 January 1976)

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

The State.

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.

C o l l e c t i o n :

The duty is paid when the products are removed from the manufacturing premises.

For manufactured imported products duty is collected by means of tax bands.

R a t e s :

Up to 60% of the retail price according to product. The rates are fixed according to a scale laid down by law.

DUTY ON MECHANICAL LIGHTERS
(Imposta di fabbricazione sugli apparecchi d'accensione)

Decree Law N° 163 of 20 April 1971 (G.U. N° 98 of 21 April 1971) amended by Law N° 376 of 18 June 1971 (G.U. N° 154 of 19 June 1971) ; Presidential Decree N° 1198 of 1 October 1971 (G.U. N° 13 of 17 January 1972) ; Decree Law N° 19 of 20 February 1975 (G.U. N° 50 of 21 February 1975) amended by Law N° 109 of 14 April 1975 (G.U. N° 105 of 21 April 1975)

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

The State.

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

Consumers of mechanical lighters.

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

The number of times each category of product will give a light, related to the duty on matches.

C o l l e c t i o n :

The duty is paid in advance by the manufacturer when the lighters leave the factory or by the importer at the time of importation.

R a t e s :

	<u>per lighter</u>
a) car lighters	Lit. 600
b) non refillable lighters	Lit. 600
c) lighters, in general	Lit. 1 500
d) each space part for a lighter	Lit. 150
e) gas lighters	Lit. 200
f) gas lighters which are a part of cookers or ovens	Lit. 1 000

DUTY ON MATCHES

(Imposta di fabbricazione sui fiammiferi)

Decree Law N° 560 of 11 March 1923 (G.U. N° 72 of 27 March 1923) and subsequent amendments ;
Ministerial Decree of 23 June 1977 (G.U. No 178 of 1 July 1977), fixing the rates for the period 1 July 1977 - 30 June 1979.

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

The State.

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 in advance by the Association of Match Manufacturing Industries when the matches leave the factories.

R a t e s :

Normally, from 40 to 45% of the retail price. Rates are usually fixed every two years.

DUTY ON SPIRITS
(Imposta sugli spiriti)

Ministerial Decree 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 :

The State.

S c o p e :

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 where monthly accounts are effected by the fiscal administration at the end of each period of 15 days ;
- (d) or when the goods leave the rectifier's premises.

2. State "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 when the goods leave the distillery or rectifier's premises.

3. State 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.

Ex e m p t i o n s :

Denatured spirit for certain industrial uses may be exempted under a Ministry licence, without prejudice to payment of the Special State Tax where this is due.

R a t e s :

	<u>per hl of pure alcohol</u>
1. Manufacturing tax :	
- Standard rate (at 15.56°C)	Lit. 120 000
- Reduced rates are applied in certain cases	
2. State Standard duty :	
- Spirits belonging to the first class :	
various (general rate)	Lit. 130.000
spirit obtained from molasses, yorgho, canne, etc.	Lit. 80.000
spirit obtained from dates, dried grapes, etc.	Lit. 40 000
spirit obtained from locust beans	Lit. 12 000
spirit obtained from fruit other than dates, dried grapes, locust beans	Lit. 6 000

per hl of pure alcohol

- spirits belonging to the second class :

duty-free, with the exceptions mentioned above

3. State special duty :

Normally, for alcohol of the first class	Lit. 6 000 or 1 000
for methyl alcohol, propyl alcohol and isopropyl alcohol, provided such products have been denatured in accordance with current regulations :	Lit. 2 300

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)

Ministerial Decree Consolidated Law of 8 July 1924 (G.U. n° 195 of 20 August 1924) and subsequent amendments.

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

The State.

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

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 declaration.

R a t e s :

Lit. 600 per hl/degree of the wort as measured by the official saccharometer at 17.50°C (with flat-rate deductions of 10% 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. Application for this refund must be received within 2 years.

DUTY ON SUGARS
(Imposta sugli zuccheri)

Ministerial Decree Consolidated Law of 8 July 1924 (G.U. No. 195 of 20 August 1924) and subsequent amendments

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

The State.

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 abovementioned percentage.

E x e m p t i o n s :

Denatured sugar used in animal feedingstuffs and in a special feed for bees.

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 contained in molasses for 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.), whether domestic or imported.

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.

DUTY ON SWEETENERS
(Imposta sulle materie edulcoranti)

Ministerial Decree 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 :

The State.

R a t e s :

	<u>per 100 kg</u>
- Glucose and maltose in solid form	Lit. 1 650
- Glucose and maltose in liquid form	Lit. 825
- Glucose in solid form	} to be used in the manufac- ture of crystallized fruit and of "mostarde de frutta"
- Glucose in liquid form		Lit. 1 045
- Invert sugar in liquid form obtained from grape- juice or locust beans	Lit. 525
- Invert sugar in liquid form obtained from any other substance	Lit. 2 062
- Invert sugar in solid form obtained from any substance	Lit. 2 475
- Leavulose (see invert sugar)	Lit. 2 887

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. 13 000/kg.

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.

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 Presidential Decree No. 1208 of 31 December 1969 (G.U. No. 69 of 17 March 1970)

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

The State.

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

Natural coffee in bean and pellicle form, 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 :

	<u>per 100 kg</u>
- Natural coffee, in bean or pellicle form	Lit. 50 000
- Roasted coffee, whether ground or not	Lit. 62 500
- solid or liquid soluble coffee extracts (by content of dry matter)	Lit. 150 000

I m p o r t s :

The duty is levied on importation.

E x p o r t s :

No refunds are given.

DUTIES ON FIREARMS, AMMUNITION AND EXPLOSIVES
(Imposta di fabbricazione sulle armi da sparo, sulle munizioni e sugli esplosivi)

Decree Law N° 252 of 6 July 1974 (G.U. N° 178 of 9 July 1974) amended
 by Law N° 393 of 14 August 1974 (G.U. N° 227 of 31 August 1974)

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

The State.

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

Manufacturer or importer.

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 :

a) long-barreled firearms for warfare, or of that type ; each :	Lit.	100 000
b) short-barreled firearms for warfare, or of that type ; each :	Lit.	100 000
c) gun barrels, finished and ready for sale (for firearms referred to under a) and b) ; per barrel :	Lit.	100 000
d) ammunition for the firearms referred to under a) and b) ; per piece :	Lit.	5

E x e m p t i o n s :

Products intended for use by the armed forces, the police and other services of the State.

I m p o r t s :

Duty is levied on imported products at the same rate as on home-produced products.

E x p o r t s :

Rebate or refunds.

DUTY ON SEED OILS

(Imposta sugli oli di semi) (1)

Presidential Decree N° 1217 of 22 December 1954 (G.U. N° 5 of 8 January 1955) last amended by Law N° 417 of 4 August 1975 (G.U. N° 230 of 29 August 1975)

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

The State.

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

Seed oils which are liquid at 15°C.

R a t e s :

- Crude oils and refined oils : Lit. 200/100 kg.

I m p o r t s :

Rates : Crude oils	Lit. 200
Refined oils	Lit. 250 (to balance the cost of refinement in Italy, including excise supervision).

E x p o r t s :

Refund.

(1) The duty on olive oil was established by Law N° 417 of 1975.

DUTY ON MARGARINE
(Imposta sulla margarina)

Law N° 417 of 4 August 1975 (G.U. N° 230 of 29 August 1975)

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

The State.

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

Margarine.

E x e m p t i o n s :

Margarine for use in the food industry is exempted ; that intended for direct consumption is taxed.

C o l l e c t i o n :

Duty is payable when margarine leaves the factory.

R a t e s :

Lit. 1 000/100 kg net.

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 COCOA
(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 :

The State.

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 :

	<u>per 100 kg</u>
- Cocoa beans, unroasted, cocoa skins and husks	Lit. 18 000
- Cocoa beans, roasted, unshelled	Lit. 20 000
- Cocoa beans, roasted, shelled, crushed, as paste or powder	Lit. 22 500
- Cocoa butter	Lit. 28 000
- Cocoa powder whose cocoa butter content is less than 1 %	Lit. 17 000

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 :

No refunds are given.

DUTY ON BANANAS
(Imposta sulle banane)

Law No. 986 of 9 October 1964 (G.U. 264 of 27 October 1964) and subsequent amendments

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

The State.

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

Bananas, fresh and dried and banana flour.

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 :

Fresh bananas :	Lit 220/kg net
Banana flour and dried bananas :	Lit 800/kg net.

I m p o r t s :

The duty is payable on importation.

E x p o r t s :

No refunds are given.

DUTY ON ELECTRICITY
(Imposta sull'energia elettrica)

Decree Law N° 1199 of 6 October 1948 (G.U. N° 233 of 6 October 1948)
and subsequent amendments ; Law N° 391 of 17 July 1975 (G.U. N° 224
of 23 August 1975)

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

The State.

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

The quantity of electric energy consumed as measured by meters.

R a t e s :

- Electric energy ⁽¹⁾ : - Lit. 1.10/kWh for dwellings ;
- in places other than dwellings :
- Lit. 4/kWh for lighting purposes
- for purposes other than lighting :
- 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 per month ;
- Lit. 0.30/kWh for monthly consumption in
excess of 200 000 kWh.

(1) Until 31 December 1980, the rates are 50% lower for southern Italy and
the islands.

GOVERNMENT STAMPS (Spirits)
(Contrassegni di Stato - Spiriti)

Decree Law N° 611 of 29 July 1964 (G.U. N° 186 of 29 July 1964), which became, with amendments, Law N° 762 of 15 September 1964 (G.U. N° 234 of 23 September 1964); Decree Law N° 745 of 26 October 1970 (G.U. N° 272 of 26 October 1970 - special issue) which became Law N° 1034 of 18 December 1970 (G.U. N° 323 of 23 December 1970) ; Law N° 307 of 9 July 1975 (G.U. N° 194 of 23 July 1975) ; Decree Law No 451 of 3 July 1976 (G.U. No 175 of 6 July 1976) which became, with amendments, Law N° 614 of 19 August 1976 (G.U. N° 233 of 2 September 1976).

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

The State.

R a t e s :

The prices 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 are fixed as follows :

Products	Capacity of containers (in litres) and price of stamps (in Lit.)														
	up to 0,04	0 100	0 200	0 250	0 350	0 375	0 500	0 700	0 750	1 000	1 500	2000	2500	3000	
Non-denatured spirits		30	75	75	150	150	150	225	225	300	450	600	750	900	
Liqueurs and potable spirits	5	25	25	25	40	40	40	55	55	60	85	105	145	160	
Vermouth and aromatized wines		10				15	15		25	30	45	60			
Potable spirits obtained from cereals and cane	5	80	100	100	220	220	220	340	340	420	560	640	860	1060	
Potable spirits "marcs"			10	10	20	20	20	20	20	20	20	20	20	20	

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.

- (1) The price of stamps for liqueurs and potable spirits in containers of a capacity of up to 0.04 litres is fixed at Lit. 5 (Article 9 of Law N° 415 of 28 March 1968)
- (2) No provision is made for containers of capacities of 250 and 1 500 litres.

ENTERTAINMENTS TAX
(Imposta sugli spettacoli)

Presidential Decree N° 640 of 26 October 1972 (ordinary supplement to G.U. N° 292 of 11 November 1972) amended by Law N° 708 of 24 December 1974 and Law N° 656 of 5 December 1975

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

The State.

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

All persons organizing entertainments and events.

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

The gross takings from each performance or event.

E x e m p t i o n s :

Certain kinds of free tickets or passes, educational film shows, admission to zoological gardens, itinerant animal shows, film societies.

C o l l e c t i o n :

The tax is levied by the representatives of SIAE (the Italian authors' and publishers' society), which has been officially authorised to collect it.

R a t e s :

The rates range from 1% to 60% depending on the nature of the entertainment, plus value-added tax.

STATE LOTTERIES
(Lotterie nazionali)

Law N° 722 of 4 August 1955 (G.U. N° 191 of 20 August 1955) ; Presidential Decree N° 1143 of 30 December 1970 (G.U. N° 111 of 5 May 1971) ; Presidential Decree N° 600 of 27 September 1973 (G.U. N° 268 of 16 October 1973) ; Law N° 66 of 22 February 1974 ; Law No 105 of 26 March 1977 (G.U. No 97 of 9 April 1977).

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

Lotteries are a State monopoly.

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

Lottery ticket purchasers.

C o l l e c t i o n :

Separate accounting.

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 organizational and operating costs, 50% is set aside as winnings and the remaining 50 % constitutes the net profit of the State.

The net profit includes a portion (25%) corresponding to income tax, from which winnings are otherwise exempt, since the tax is covered by the levy made by the State under the gaming rules.

DUTY ON LOTTO
(Tributo di gioco relativo al lotto)

Royal Decree Law 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 1939) and subsequent amendments ; Presidential Decree No. 600 of 27 September 1973 (G.U. 268 of 16 October 1973)

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

Lotteries are a State monopoly.

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

Lotto players. Duty is deducted from winnings.

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 accruing to the State, after deduction of administrative costs and sums paid out to winners, includes a portion (25 %) corresponding to income tax, from which winnings are otherwise exempt, since the tax is covered by the Levy made by the State under the gaming rules.

LOTTERY DUTY AND LICENCE FOR EVENTS CARRYING PRIZES
(Tassa di lotteria e tassa di licenza sulle manifestazioni a premio)

Royal Decree Law N° 1933 of 19 October 1938 (G.U. N° 298 of 30 December 1938), which became Law N° 973 of 5 June 1939 (G.U. N° 164 of 15 July 1939), Law N° 585 of 15 July 1950 (G.U. of 17 August 1950), Law N° 67 of 18 February 1963 (G.U. N° 97 of 10 April 1963), Presidential Decree N° 600 of 29 September 1973 (G.U. N° 268 of 16 October 1973)

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

The State.

T a x 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% ;

Events carrying prizes :

- licence, flat rate : Lit. 30 000 for prizes of unit value not exceeding
Lit. 3 000 ;

- licence, proportional rate : 24% for prizes of unit value exceeding
Lit. 3 000.

Prizes are subject to a 25% withholding tax, corresponding to income tax,
which may be refunded to winners by the firms concerned.

LOTTERY DUTY ON LOCAL RAFFLES AND SIMILAR EVENTS
(Tassa di lotteria sulle manifestazioni di sorte locali)

Royal Decree Law N° 1933 of 19 October 1938 (G.U. N° 298 of 30 December 1938), which became Law N° 973 of 5 June 1939 (G.U. n° 164 of 15 June 1939); Law N° 585 of 15 July 1950 (G.U. N° 585 of 17 August 1950) ; Presidential Decree N° 600 of 29 September 1973 (G.U. N° 268 of 15 October 1973).

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

The State.

T a x 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%. Prizes are subject to a 10% withholding tax, corresponding to income tax, which may be refunded to winners by the bodies and organizing committees concerned.

DUTY ON OFFICIAL CONCESSIONS
(Tassa sulle concessioni governative)

Presidential Decree N° 641 of 26 October 1972 (G.U. N° 292 of 11 November 1972, ordinary supplement N° 3), Decree Law No 46 of 18 March 1976, which became Law No 249 of 10 May 1976 (G.U. No 129 of 17 May 1976); Decree Law No 854 of 28 December 1976, which became Law No 36 of 21 February 1977 (G.U. No 52 of 24 February 1977); Decree Law No 11 of 1 February 1977, which became Law No 90 of 31 April 1977 (G.U. No 90 of 2 April 1977).

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

The State.

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

Persons who apply for the issue, renewal or authentication of administrative concessions, licences, deeds, certificates and other documents, or who in certain specific cases are already in possession of them.

E x e m p t i o n s a n d r e d u c t i o n s :

The exemptions and reductions in force on 31 December 1972 relating to cooperatives and their affiliates and friendly societies (Article 14, last paragraph) are unchanged.

C o l l e c t i o n :

Ordinarily by payment to the registry office concerned or by means of revenue stamps.

R a t e s :

Rates, which are very numerous, are in general fixed separately for each type of document.

INSURANCE TAX
(Imposta sulle assicurazioni)

Law No. 1216 of 29 October 1961 (G.U. No. 299 of 2 December 1961) ;
Law No. 990 of 24 December 1969 (G.U. No. 2 of 3 January 1970)

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

The State.

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

The tax is payable by the insurer, but he is entitled to recover it 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 movable or immovable goods 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, paid out in cash, taken out in Italy by the insurance companies referred to above and contracts concluded with foreign insurance companies by persons domiciled in Italy ;
- The tax is not payable on insurance policies covering moveable or immoveable goods 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.

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, 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 %).

COMMUNAL TAX ON ADVERTISING AND DUTY ON BILL-POSTING
(Imposta comunale sulla pubblicità) (Diritti sulle pubbliche affissioni)

Presidential Decree No. 639 of 26 October 1972 (ordinary supplement
No. 2 to G.U. of 11 November 1972)

(a) Communal tax on advertising

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

The communes.

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

Persons advertising goods or services, within the commune,
by any visual or aural means other than those subject to the
duty on bill-posting.

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,
a few exceptions, the surface area of the advertisement, according
to a scale fixed by each commune within the maximum limits laid down by
law for the various types of advertising and for the category to which
the commune belongs in terms of population.

E x e m p t i o n s :

- All types of advertising placed or posted up in suppliers' premises concerning the retail sale of products when the advertising relates to business conducted there and all types of advertising, excluding signs, displayed in the windows or entrances of such premises, provided such advertising relates to the business conducted there and has a surface area of not more than 1/2 sq. m per window or entrance;

- Public notices displayed in the windows and entrances of premises, the contents of which notices relate to the business conducted there and are each not more than 1/4 sq. m in area, and notices of the same size regarding the leasing, sale and purchase of the buildings to which they are attached or any other transaction connected therewith;
- Notices and other printed matter concerning the spiritual guidance of the congregation displayed on the doors and the outside walls of buildings used for religious purposes ;
- Advertisements of all kinds placed or posted up on the outside walls of or inside premises used for public entertainments when the advertisement refers to the entertainment and not the premises. In the case of premises which do not have direct access to public thoroughfares and squares, exemption is granted for advertisements placed or posted up on their walls or other enclosures which adjoin public thoroughfares and squares ;
- General tourist advertising matter displayed on the outside walls or inside the offices of travel agencies and tourist organizations ;
- Advertisements relating to the newspapers on sale at newspaper kiosks or in shops, whether the advertisements are placed on the outside walls of or inside the premises ;
- Advertisements displayed inside stations for transport services of all kinds, whether state-owned or operated under concession by private enterprise, when they refer to the activities of the concern; notices displayed inside or outside such stations when these relate to the passenger, luggage and goods services ;
- Advertisements displayed inside railway carriages and aircraft and in ships, (but not in certain boats) ;

- All forms of advertising by the State and the regional and local authorities ;
- All forms of election publicity at election times in accordance with Law No. 212 of 4 April 1956 ;
- Signs, nameplates, placards and the like, designed to indicate the offices of diplomatic and consular authorities, international organizations, assistance boards and charities, hospitals, religious, cultural or recreational associations and clubs, and any other non-profit-making body, association or organization ;
- Signs, nameplates, placards and the like which must be displayed by virtue of laws or regulations, provided they are not more than $\frac{1}{2}$ sq. m in area, even when this is not specifically laid down in the said laws or regulations.

C o l l e c t i o n :

The tax is paid direct to the communal tax office.

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

For 1978, and with effect from 1 April of that year, the tax was increased by 50 % (Article 14, Decree Law No 946 of 29 December 1977, which became Law No 43 of 27 February 1978).

(b) Duty on bill-posting

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

The communes.

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

Bills, notices and photographs, of any material whatsoever, posted by the communal authority in the special spaces it has reserved for this purpose within the commune.

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

Persons requesting the service and persons on behalf of whom the service is rendered.

R a t e s :

The rates of duty on bill-posting, which have to be fixed by the communes within the limits laid down by law, vary with the duration of the display and the size of the advertisement.

E x e m p t i o n s :

The provision of almost all cases of exemption relate to the bills and notices of public bodies and various authorities on specific subjects.

C o l l e c t i o n :

The duty is paid direct to the communal tax office.

For 1978, with effect from 1 April of that year, the duty on bill-posting was increased by 80 % (Article 14, Decree Law No 946 of 29 December 1977, which became Law No 43 of 27 February 1978).

STAMP DUTY
(Imposta di bollo)

Presidential Decree No. 642 of 26 October 1972 (ordinary supplement No. 3 to G.U. No. 292 of 11 November 1972); Decree Law No 254 of 6 July 1974, which became Law No 883 of 17 August 1974; Decree Law No 854 of 23 December 1976, which became Law No 36 of 21 February 1977.

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

The State.

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

The duty is payable on the deeds, documents and records 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, shares, bonds and other similar negotiable securities ;
- Bills of entry and other customs documents of all kinds.

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 are fixed or proportional :
- fixed rates range from Lit. 100 to 10 000 ;
 - proportional rates range from 0.1% to 8 %.

STOCK-EXCHANGE TURNOVER TAX
(Imposta sui contratti di borsa)

Royal Decree N° 3278 of 30 December 1923 (ordinary supplement to G.U. N° 117 of 17 May 1924) and subsequent amendments

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

The State.

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 ; or by direct payment to the registry office by banks and stockbrokers authorized to make periodic payments.

R a t e s :

- 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.

- 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

REGISTRATION TAX
(Imposta di registro)

Presidential Decree No. 634 of 26 October 1972, (ordinary supplement No. 1 to G.U. No 292 of 11 November 1972) and subsequent amendments; Presidential Decree No. 601 of 29 September 1973 (ordinary supplement No. 2, G.U. No. 268 of 16 September 1973); Law No 904 of 16 December 1977 (G.U. No. 343 of 17 December 1977) ; Presidential Decree No. 914 of 6 December 1977 (G.U. No 348 of 22 December 1977) ; Law No 952 of 23 December 1977 ; Presidential Decree No. 953 of 23 December 1977 (G.U. No. 356 of 31 December 1977).

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

The State.

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

The following are jointly and severally liable for payment of the tax : public officials (except for supplementary tax - imposta complementare e suppletiva - in cases of subsequent revaluation), the contracting parties, any other persons concerned and the signatories to the declaration. In contracts to which the State is a party, the tax is payable exclusively by the other party ; for deeds relating to compulsory acquisition for public purposes, the expropriating authority is exclusively liable and no refund is granted (Presidential Decree No. 634, Article 55).

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

Determined by two basic criteria :

- the market value of the property or rights transferred ;
- the price or consideration agreed between the parties.

C o l l e c t i o n :

The tax is normally payable upon registration of the deed, which is obligatory within a fixed time-limit of 20 days for deeds received in Italy and 60 day for deeds received abroad or where the deed is to be used in a procedure (Presidential Decree No. 634, Articles 5 and 6) - except for documents whose registration is not compulsory (Annexed table B of the Presidential Decree N° 634), or at the time of the declaration, unless there is an adjustment to the declared value of the property concerned, which must be made within two years from the payment of the main tax (Presidential Decree No 914).

C o n c e s s i o n s :

Accorded under Presidential Decree N° 634, Article 80 paragraph 2 and Presidential Decree N° 601 of 29 September 1973 ; these measures lay down entirely new provisions governing concessions, replacing all those in force up to 31 December 1973.

R a t e s :

Rates are proportional, varying in accordance with the intrinsic nature of the document and the legal consequences of the clauses contained therein (Presidential Decree N° 634, Article 19). The tariff is given in Presidential Decree N° 634, Annex A, and subsequent amendments.

For certain types of documents, specified in the aforementioned tariff (for example, transfers of immovable property to the State, regions, provinces, or municipalities ; sale of immovable property situated abroad ; compulsory acquisition for public purposes ; labour contracts and contracts concerning the provision of goods and services subject to VAT, etc.) the tax is levied at a flat rate of Lit. 20.000.

MORTGAGE TAX AND CADASTRAL DUTY
(Imposte ipotecarie e catastali)

Presidential Decree No. 635 of 26 October 1972
(Supplement No. 1 to G.U. 292 of 11 November 1972)
et ses modifications ultérieures

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

The State.

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

In addition to public officials who have received or authenticated deeds subject to transcription, all persons applying for transcription, registration, renewal or cancellation and, jointly with them, any persons on whose behalf such application has been 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 for the purposes of registration tax or succession and gifts duty.

C o l l e c t i o n :

The taxes on the transcription of deeds or of legal decisions concerning transfers of immovable property are payable to the registry office within the period laid down for the payment of registration tax or estate duty ; other types of duty are payable to the real estate registries when an application is made for transcription, renewals etc.

R a t e s :

From 0.2% to 1% according to the nature of the application, with a minimum of Lit. 20.000.

TAX ON MOTOR VEHICLES
(Tassa sulla circolazione degli autoveicoli)

Consolidated law on motor vehicle taxes passed by Presidential Decree N° 39 of 5 February 1953 (supplement to G.U. N° 33 of 10 February 1953) and subsequent amendments.

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

The State. By decree issued by the Treasury and the Finance Ministry, two-fifths of the tax is allocated to the provinces. The regions governed by ordinary statute apply a tax on vehicles and motor boats which are subject to the state tax on motor vehicles and are registered in the region, and on vehicles which do not require registration and belong to persons resident there. This tax is fixed at a rate not exceeding 110% and not below 90% of the state tax, which is reduced to 50 % in the regions governed by ordinary statute. The regional tax is subject to the same rules as the state tax on motor vehicles.

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 and cylinder capacity in cc (bicycles with auxiliary motor, light motor-cycles and light motor-cycle and side-car combinations, light motor vans) ; horsepower rating (for all other motor vehicles used for passenger

transport and for mixed passenger and goods transport, and for motor boats) ; number of seats (trailers used for passenger transport) ; total authorized laden weight (motor vehicles and trailers used for goods transport) ; number of persons the vehicle can carry, and authorizes weight (lorries authorized to carry both passengers and goods at different times).

E x e m p t i o n s :

- Certain types of motor vehicles used for public services are permanently exempt ;
- vehicles imported temporarily are exempt for a limited period.

R e d u c t i o n s :

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 normally payable to the registration offices. However payment may at present be made either direct to the collecting offices of the Automobile Club of Italy or into a post office account held by that body.

R a t e s :

- Bicycles with auxiliary motor, based on cylinder capacity (up to 50 cc) : the fixed annual tax is Lit. 1 500 ;

- Light motor-cycles and light- motor cycle and side-car combinations, based on cylinder capacity (over 51 cc and up to 125 cc) : the fixed annual tax is Lit. 3 990 ;
- Motor-cycles and motor cycle and side-car combinations of 3 to 6 HP : between Lit. 4 560 and Lit. 9 975 depending on HP rating ;
- Light motor vans based on cylinder capacity : annual tax of Lit. 5 700 ;
- Three and four-wheeled motor vans with cylinder capacity of 500 cc and over, based on the laden weight in quintals : annual tax of between Lit. 18 335 and Lit. 25 975 ;
- Three and four-wheeled motor vans with a cylinder capacity of under 500 cc, based on the laden weight in quintals : annual tax of between Lit. 7 275 and Lit. 24 735 ;
- Motor-cars used for passenger transport and for mixed passenger and goods transport of up to 9 HP : the annual tax is between Lit. 3 060 and Lit. 5 500 depending on HP rating ; in the case of vehicles of over 9 HP ; the annual tax is between Lit. 6 420 and Lit. 301 735 depending on HP rating ; in the case of vehicles of over 45 HP the tax is Lit. 10 830 for each HP in excess of 45.

For certain motor-cars and other motor vehicles powered by diesel engines, an additional annual surtax is due to the State of Lit. 18 000 for each HP, the minimum being Lit. 300 000. The surtax is reduced to 50 % for hired cars and taxis.

- Motor lorries, based on the total authorized laden weight of between 4 and 110 quintals and above : annual tax of Lit 7 640 to Lit. 160 415 ; trailers : annual tax of Lit.8 405 to Lit. 174 165 ;

- Motor coaches for private use : the annual tax ranges from Lit. 9 170 to Lit. 254 120 depending on HP rating ; over 70 HP the tax is Lit. 5 095 for each additional HP ;
- Trailers used for passenger transport : the annual tax ranges from Lit. 38 195 to Lit. 143 000 (for private use) and from Lit. 25 060 to Lit. 94 725 (for regular public service) ;
- Motor-boats and outboard engines for private use (passenger transport) : the annual tax ranges from Lit. 4 895 to Lit. 63 295 depending on HP rating ; over 92 HP the tax is Lit. 6 000 for each additional HP.

Other rates are applied for certain specific types of motor vehicles.

50 % of the amounts of tax indicated above goes to the State and 50 % to the ordinary-status regions as far as vehicles registered in the region are concerned (Law N° 281 of 16 May 1970).

Furthermore, the 5% surcharge referred to in Law N° 729 of 24 July 1961 is allocated to the State.

Special provisions are made for the special regions.

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) amended by the Laws of 20 July 1973 (Mémorial A, 1973, p. 1017), 27 December 1973 (Mémorial A, 1973, p. 1959 and 1964) and 23 December 1975 (Mémorial A, 1975, p. 2166 and 2168) Budget Law of 17 December 1977 (Mémorial A, 1977, p. 2493 et seq.) and 22 implementing Regulations

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

The State.

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, less special expenses. Total net income is calculated by taking total net income, determined separately for each of 8 categories of income ; losses made in one category of income may be set off against net income from other categories. There is a special scheme for capital gains realized on immovable property in the case of an inheritance, and for certain types of extraordinary income.

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 or on interest on bonds : Lfrs. 25 000 per year ;

- Extra payments of wages for overtime, work at nights, on Sundays and public holidays, under the conditions and within the limits prescribed by regulation ;
- Gifts offered by employers to employees, under the conditions and within the limits prescribed by law.

D e d u c t i o n s :

- Special expenses
 - 1) special expenses covered by the flat-rate minimum (mainly interest on debts, insurance premiums) ; a personal allowance of Lfrs. 12 000 is granted, where special expenses are no higher than this amount ;
 - 2) special expenses which may be déducted in addition to the personal allowance (mainly obligatory social insurance contributions, certain donations) ;
- 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 ;
- Compensatory reduction for wage-earners.

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 :

In general the method of assessing and collecting the tax due is the same as for resident tax-payers except that only income accruing in Luxembourg is taxable, and no deduction is made for special expenses. Income tax, for non-residents only, is collected by deduction at source, in the case of income from 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 paid in quarterly instalments in advance and withheld at source on certain forms of income (income from employment, pensions and annuities, income from capital).

The advance payments and the tax withheld at source are deductible against final income tax liability.

Any overpayment of tax is refunded. Tax withheld on wages and pensions is adjusted annually, when the tax is not calculated by assessment.

If tax is not paid on time, interest is charged at a rate of 0,5% per month.

R a t e s :

- Tax payers are divided into three classes according to the number of their dependants ;
- There is a graduated scale with 19 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. 79 200 the rate is 0% ; for the second band from Lfrs. 79 200 to Lfrs. 95 400, the rate is 18%. The rate then increases by 2% or 3% per band. For income exceeding Lfrs. 919 800., there is a uniform rate of 57%.

This basic scale is adjusted periodically to variations in the weighted consumer price index.

- As regards extraordinary income, the rates applied range from 12% to 34,2%.
- Non-residents, whose tax is calculated by assessment, are taxed under the Class II tariff (as married tax-payers without dependants) at a rate not less than 15%.
To provide resources for the Unemployment Fund, the liability for personal income tax has been raised to 102.5% of the amount payable under the above rules.

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.

WITHHOLDING TAX ON WAGES AND SALARIES (Special method of collection of personal income tax)

(Retenue d'impôt sur les traitements et salaires – Mode de perception spéciale de l'impôt sur revenu des personnes physiques)

Law of 4 December 1967 on income tax, Title I, Articles 136-145 (Mémorial A, 1967, pp. 1268-1270) amended by the Laws of 27 December 1973 (Mémorial A, p. 1959 and 1964) and the implementing Grand Ducal regulations, concerning the procedure for calculating the withholding tax and the annual adjustment

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

- Workers receiving income from employment or former employment or non-exempted sickness, maternity or accident payments ;
- Persons in receipt of retirement or 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 or 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) for special expenses (=Lfrs. 12 000 per year) and the compensatory reduction for wage-earners (Lfrs. 15 000) or the reduction for retired persons.

The reduction for retired persons is fixed at Lfrs. 21 000, if the taxable income does not exceed Lfrs. 192 000 ; at Lfrs. 15 000, increased by an eighth of the difference between Lfrs. 240 000 and the taxable income, if the latter is more than Lfrs. 192 000 ; at Lfrs. 15 000 if the taxable income exceeds Lfrs. 240 000.

There is an annual adjustment of tax withheld. When tax is calculated by assessment, tax withheld is deductible from tax liability.

WITHHOLDING TAX ON INCOME FROM CAPITAL (Special method of collection of personal income tax)

(Retenue d'impôt sur les revenus de capitaux – Mode de perception spéciale de l'impôt sur le revenu des personnes physiques)

Law of 4 December 1967 on income tax, Title I, Articles 146-151
(Mémorial A, 1967, pp. 1271-1273)

Tax payable on:

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.

Rates:

15% of gross dividends (or 17.65% if the debtor pays the tax)

5% of gross interest on bonds (or 5.26% if the debtor pays the 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) amended by the Laws of 11 November 1968
(Mémorial A, 1968, n. 1210) and 27 December 1973 (Mémorial A, 1973, p. 1959)
and 4 Grand Ducal implementing regulations

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

The State.

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 :

Trading profit. The profit is defined as the difference between the net
invested assets at the end and the net invested assets at the beginning
of the year, plus any withdrawals but minus any additions and contributions
made during the year.
(The profit is determined according to the rules 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 ;
- National lottery, national low-cost housing corporation, independent
employers' pension and provident funds ;
- Holding companies ;
- Exclusively occupational associations and agricultural cooperatives
in which machines are used in common and by which the agricultural
produce of the members is processed or sold.

"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 :

- 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 in so far as the distributions of profits, other than the refunds, represent less than 5% of the net assets invested at the end of the financial year concerned ;
- 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 :

- 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.
To provide resources for the Unemployment Fund, corporation tax liability has been raised to 101% of the liability under the above rules.

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

Five years.

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 :

The State.

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 :

Residents : 20% (or 25% in cases where the company pays the tax)

Non-residents : 28.2% (or 39.27% in cases where the 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.

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 1948 amended by the Grand Ducal Decree of 16 February 1950

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

The State.

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 :

- 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 ; Agricultural Law of 23 April 1965 (Mémorial A, 1965, p. 383-390) ; Ministerial Regulation of 16 April 1969 ; Law of 23 December 1975 amending certain provisions of the Wealth Tax (Mémorial A, 1975, p. 2167)

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

The State.

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 with legal personality ; non-profit-making institutions of a cultural and/or charitable nature or such institutions serving the public interest ; the national society for low-cost housing ; public authority 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 : a part of the tax is fixed annually and collected quarterly.

R a t e :

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).

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; Law of 13 May 1964 and various other Grand Ducal laws and regulations

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

The State.

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 :

- 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 :

- 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)

Law of 5 August 1969 on value-added tax (Mémorial A, 1969, p. 954 et seq.);
 Law of 20 July 1973 amending and completing that of 5 August 1969 (Mémorial A, 1973, p. 1018 et seq.);

Law of 17 December 1977 on the budget of public receipts and expenditure for the 1978 fiscal year (Mémorial A, 1977, p. 2493 et seq.) and various regulations and administrative circulars.

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

The State.

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 (other than VAT), 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.

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 sanitary, social, cultural and educational activities.

C o l l e c t i o n :

Monthly, quarterly or annual tax returns and payments.

R a t e s :

2 %, 5 % and 10 %.

E x p o r t s :

See under "Exemptions".

EXCISE DUTIES
(Accises)

With regard to excise duties, see the section Belgium.

B 11 (Accise sur les huiles minérales)	refers to L 14/15 (number of the code in the Tax Statistics Yearbook)
B 12 (Accise sur les gaz de pétrole et autres hydrocarbures gazeux, liquéfiés)	refers to L 16
(Accise sur le benzol et produits analogues)	refers to L 17
B 13 (Accise sur les tabacs fabriqués)	refers to L 18
B 14/15 (Accise sur l'alcool éthylique)	refers to L 19/20/21 and 26
B 16/17 (Accise sur les vins et autres boissons fermentées mousseuses et non mousseuses)	refers to L 22/23
B 18 (Accise sur les bières)	refers to L 24
B 20 (Accise sur les sucres)	refers to L 25

FIRE SERVICE TAX
(Impôt 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) ;
Grand Ducal Decree of 26 October 1944 (Mémorial 1944, p. 80) ;
Grand Ducal Decree of 23 July 1945 (Mémorial 1945, p. 422)

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

The State.

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 :

Premiums, including incidental expenses, paid to the underwriter.

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
(Impôt 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) ;
Grand Ducal Decree of 26 October 1944 (Mémorial 1944, p. 80) ;
Grand Ducal Decree of 23 July 1945 (Mémorial 1945, p. 422)

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

The State.

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.

TAX ON LAND AND BUILDINGS
(Impôt foncier)

Law on tax on land and buildings of 1 December 1936, amended by the Regulation of 20 April 1943 (RGL. I, p. 1943, p. 267 - RSTBL. 1943, p. 369) ; Grand Ducal Decree of 16 March 1945 (Mémorial A, 1945, p. 115); Grand Ducal Regulation of 21 December 1962 (Mémorial A, 1962, p. 1186); Law of 1 February 1967 (Mémorial A, 1967, p. 51) ; Grand Ducal Regulation of 27 June 1967 (Mémorial A, 1967, p. 712) ; Grand Ducal Regulation of 18 December 1967 (Mémorial A, 1967, p. 1359)

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. Payment is quarterly, half-yearly or yearly according to the amount of tax.

R a t e s :

A basic taxable amount is first of all fixed, varying between 7 and 10% of the standard value. This basic taxable amount is then multiplied by a factor fixed by the municipal authorities between 1 and 8, depending on the nature of the building. In the case of farms, this factor varies from 0.9 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 :

The State.

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 3 200 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 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 :

The State.

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. 100.000 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.

The transfers of personal estates and rights, giving rise to liability for value-added tax, are registered only for fiscal duties. This provision, however, does not apply to transfers to companies in consideration of shares.

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 :

- 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% ;
- Transfer of shares of associates : exempted.

S u b s c r i p t i o n d u t y 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 and partnerships limited by shares and on participation 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 and partnerships limited by shares ;
- 0.18% for limited liability partnerships.

The compulsory annual duty 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, law of 29 March 1978 on the recognition of rights over aircrafts, and various other Laws and Grand Ducal Decrees.

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

The State.

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 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 :

- 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 VEHICLES
(Taxe sur les véhicules)

Law on motor vehicles tax of 23 March 1935, implementing provisions of 5 July 1935 for the Law on motor vehicle tax, Articles 4 and 5 of the Budget Law of 24 March 1967 (Mémorial A, 1967, p. 210 et seq.) ; Article 4 of the Budget Law of 23 December 1967 (Mémorial A, 1967, p.1558); Article 3 of the Budget Law of 29 December 1970 (Mémorial A, 1970, p. 1480) ; Law of 4 August 1975 (Mémorial A, 1975, p. 1047) ; Grand Ducal Regulations of 19 June 1967 (Mémorial A, 1967, p. 636), 24 December 1969 (Mémorial A, 1969, p. 1918), 15 September 1975 (Mémorial A, 1975, p. 1317) and various other Grand Ducal and ministerial regulations.

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

The State.

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 ; proof of payment of tax is shown by means of a special tax label.

R a t e s :

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 per 100 cc
3 601 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 :

	<u>up to 2 400 kg</u>	<u>above 2 400 kg</u>
- 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, amended by the Law of 29 November 1973 (Mémorial A, 1973, p. 1545 and 1546) and by the Law of 27 December 1973 (Mémorial A, 1973, p. 1959 - 1964) ; Regulations of 31 March and 16 November 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, 1968, p. 652) and various 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 deductions (10% of the standard value of buildings, the percentage of profits received from partnerships (sociétés de personnes) liable to trade tax) ;
- Operating capital with certain increases (in particular, long-term debts) and certain deductions (standard value of buildings, value of holdings in partnerships (sociétés de personnes) liable to trade tax) ;
- In some cases, total wages (special payroll tax). If this total does not exceed Lfrs. 800 000 per taxpayer and per tax year, it is not taken into consideration. If it is between Lfrs. 800 000 and Lfrs. 2 400 000, it is reduced by half of the amount by which it falls short of Lfrs. 2 400 000.

D e d u c t i o n s :

An allowance of Lfrs. 400.000 is granted on profits made by natural persons and partnerships (sociétés de personnes) and of Lfrs. 200 000 on profits made by companies having a share capital (sociétés de capitaux). An allowance of Lfrs. 700 000 is granted on operating capital, the value of which is rounded off to the nearest Lfrs. 10 000, of natural persons and partnerships (sociétés de personnes).

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 :

(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 5 years.

TAX ON THE LICENCE TO SELL BEVERAGES
(Taxe des cabarets)

Coordinated text of the Law of 12 August 1927 (Mémorial A, 1927, p. 623-628) as amended by the Laws of 3 May 1929 (Mémorial A, 1929, p. 387-388), 11 August 1951 (Mémorial A, 1951, p. 1141), 5 May 1958 (Mémorial A, 1958, p. 537), 19 May 1962 (Mémorial A, 1962, p. 343), 31 July 1967 (Mémorial A, 1967, p. 819), 7 July 1969 (Mémorial A, 1969, p. 903-905), 17 June 1970 (Mémorial A, 1970, p. 881) and 22 December 1970 (Mémorial A, 1970, p. 1459-1469) and various Grand Ducal and Ministerial Decrees.

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

The State.

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 :

- 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 electoral district where the bar or café is located and according to the type of licence.

ENTERTAINMENTS TAX
(Taxes sur les amusements 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 :

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 in the case of cinemas.

THE NETHERLANDS

Nederland

PERSONAL INCOME TAX
(Inkomstenbelasting)

Income Tax Law 1964 / Staatsblad 519, as amended by the Investment Account Act (Wet Investeringsrekening-WIR) of 24 May 1978/Stb. 368.

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

The State (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 amounts set aside for the "old age reserve" and plus amounts deducted from the "old-age reserve", 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), plus the right to periodical payments and allowances made by a Dutch public corporation, less certain personal liabilities and deductible losses.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands ; through the Municipal Fund the municipalities receive 13.68% of this revenue in 1978.

E x e m p t i o n s :

Income from the following sources is not deemed to form part of profits :

- 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. 20 000 in cases where businesses are, partly or wholly transferred 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 ;
- benefits from certain pensions and certain indemnities arising on the termination of a profession.

I n v e s t m e n t :

The rules concerning Investment allowances and accelerated depreciation have been replaced by the Investment Account Act (WIR). This Act is designed to encourage business investment generally through financial incentive and to direct these incentives to investments deemed to be important in terms of employment, geographical pattern and environmental or energy policy.

Unlike accelerated depreciation and investment allowances, which are deducted from profits and thus (may) indirectly reduce the tax payable, the WIR scheme grants investment relief in the form of a direct deduction from the amount of tax chargeable on income. If this deduction exceeds the amount of tax due (e.g. where a firm incurs losses), the balance is paid to the firm in the form of a so-called negative assessment.

The tax deductions (the "WIR premiums") fall into two categories "basic premiums" and "additional premiums". Basic premiums are granted in respect of investments made by any undertaking. Additional premiums are available, provided a number of special conditions are met.

R e s e r v e f o r o l d - a g e f o r s e l f - e m p l o y e d
p e r s o n s :

Since January 1st 1973, tax-payers over 18 and under 65, who receive business profits, have the possibility of setting up a "reserve for old-age". According to these rules, the operators of business can in view of their old-age insurance, immunise a part of their profits, on condition that an equivalent

amount is retained in the capital of the company.

For 1978, 11.5% of profits up to FL 41 122 and 10% of profits over FL 41 122 may be added to the "reserve for old-age", on condition that the minimum amount added for this year is FL 738 and the maximum amount added is FL 11 671. Profits earned abroad are not taken into account in the calculation of the amount to be added.

In principle a married woman can set up a "reserve for old-age" independently, if she receives business profits.

During the year when the tax payer reaches 65 years of age, the "reserve for old-age" must normally be transferred into a "stamrecht" (which provides periodical payments or allowances) or liquidated at proportional rates, from 20 to 50% (See under Rates 3 below).

For 1978, the maximum amount which can be deducted as a life-annuity premium is FL 11 781. Besides this, it is possible to benefit simultaneously from the allowance of FL 20 000 on the transfer or winding up of a business and of the "stamrecht".

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

Married couples are assessed jointly unless they live apart permanently. The wife's income resulting from paid employment, or a profession or from profits from her activity in a firm of her own or of her husband's is taxed separately.

The non-taxable part of the wife's income amounts to FL 1 922 for 1978. Tax is assessed on a graduated scale (see under Rates A below). The allowance for dependant children is generally granted to the husband.

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 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 - Graduated scale :

For tax assessment purposes incomes - less the amount exempt from tax (total of allowances) - are divided into steps. Each step has a fixed percentage of tax. This percentage is 20% for the first step and rises to 72% for incomes over Fl 166 945

The amount exempt from tax is :

- for single persons below the age of 35 Fl 5 570
 For persons below the age of 35 who have been married or who receive an allowance for dependant children, the same allowance is granted as that for single persons over the age of 35
- for single persons between 35 and 65 years of age Fl. 7 488
 Men and women who have been married or who live apart are also included in this group (this does not include an allowance of Fl 3 075 maximum for one parent households)
- for single persons of 65 years of age and over Fl 9 374
 Men and women of 65 years of age and over who have been married or who live apart are also included in this group. (this includes an allowance of Fl 1 886 for old people)
- for married men below the age of 65 Fl 9 599
 Men who have been married or who live apart from their wives are not included in this group
- for married men of 65 years of age and over Fl 12 290
 Men who have been married and who live apart from their wives are not included in this group (this includes an allowance of Fl 2 691 for old people)

B - Proportional rates :

- 20 to 50% : 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 or lowered by up to 5%.

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 two preceding calendar years 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).

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 members of the board of management or the supervisory board of a company established in the Netherlands ;
- Persons resident abroad receiving a wage or salary from a Dutch public corporation ;
- Artists and athletes practising their profession in the Netherlands, but resident abroad, except where the Netherlands have not been granted the right to collect taxes under an agreement to prevent double taxation. The rate applied is 25 %.

In order to meet the needs of the changing economic situation the rates for the tax on wages can be increased or lowered by up to 5 %.

DIVIDEND TAX
(Dividendbelasting)

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.

The rate is 25 %, except where it is lowered by virtue of an agreement to prevent double taxation.

MUNICIPAL TAX ON IMMOVABLE PROPERTY (*)
(Gemeentelijk belasting op onroerend goed)

Law of 24 December 1970 / Staatsblad 608

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 :

- a) persons holding rights in rem over immovable property ;
- b) users of immovable property.

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

The tax on immovable property can be assessed in two ways :

- a) on the basis of the value which can be put on the immovable property in economic transactions ;
- b) on the basis of the surface area of the immovable property, adjusted by coefficients for type of property, location, quality and usage.

The municipalities are free to choose which basis of assessment to apply.

E x e m p t i o n s :

The following are automatically exempt :

- a) church buildings ;
- b) land which forms part of property listed in the Nature Conservation Act ;
- c) tracts of land managed by legal persons whose aim is the conservation of nature.

The municipalities are free to grant other exemptions.

(*) By 1 January 1979 at the latest, a new tax on immovable property is to be introduced in all Dutch municipalities. This new tax replaces inter alia the Inhabited House Tax, the Land Tax, The Municipal Tax on Fire Insurance and the Entertainments Tax.

By 1 January 1978, the new tax had been introduced in about 750 of the 842 municipalities.

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

The same arrangements as for residents.

C o l l e c t i o n :

The tax is collected by way of assessment by the central government after it has received the necessary information from the municipalities.

R a t e s :

The rates differ according to whether the value or the surface area is taken as the basis of assessment and also from municipality to municipality.

For each municipality, the total yield from the tax is limited to 12% (for users) and 15% (for persons holding rights in rem) of the grant (less certain costs) which the municipality in question receives from the Municipal Fund.

INHABITED HOUSE TAX
(Personele belasting) (1)

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 hotels and restaurants, 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.

(1) By January 1st 1979 at the latest, this tax will have disappeared in all the Dutch municipalities.
See note page 584

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 :

The State (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 determination of the taxable profits corresponds largely to the determination of profits taxable under personal income tax.

E x e m p t i o n s :

- Are not subject to corporation tax :

Legal persons whose activities are of social or charitable nature or otherwise in the public interest ;

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

- Are exempt from corporation tax :

Dividende 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 ;

Investment allowance and anticipated depreciation ; see Personal Income Tax (N 01).

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 :

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 :

The tax equals 48% of the taxable amount or, if this amount is less than Fl. 50 000, 45% of this amount plus 15% on that part which exceeds Fl. 40 000.

In order to meet the needs of the changing economic situation, the rates of tax can be increased or lowered by up to 5%.

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

See personal income tax (N 01).

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 :

The State (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.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

R a t e s :

25 %.

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.

COMMUTER TAX
(Forenzenbelastung)

Municipal by-laws based on Articles 272 (F) and 275 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 :

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 :

The State (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 annui-
ties, goodwill, jewels, etc.

For 1976, an exemption of Fl. 90 000 is applied to assets invested in
one's enterprise.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the
revenue from almost all taxes in the Netherlands; through the Municipal Fund,
the municipalities receive 13.68% of this revenue in 1978.

D e d u c t i o n s :

Single persons under 35 years of age	Fl. 43 000
Married men, widowers, widows, and single persons over 35 years of age	Fl. 59 000
Allowance for each child	Fl. 15.000
An additional allowance of to persons over 65 years of age and to invalids.	Fl. 38 000 is granted

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.

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 :

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 1976, the temporarily increased rate (from 5 to 8‰) is maintained.

SUCCESSION DUTIES
(Successierechten)

Law on succession Duties 1956 (28 June 1956), Staatsblad 362

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

The State (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.

A Dutch citizen who has resided in the Netherlands, and who, within ten years from leaving the country, has died or made a gift, is considered to have resided in the Netherlands at the time of his decease or at the time of making the gift.

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 whether the beneficiary is a widow, a widower, a child, the father, the mother, 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.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

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 :

The State (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 ;

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

- 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.

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 :

The normal rate is 16 %. A rate of 4 % is applicable to goods and services which can, in general, be regarded as necessities. In order to meet the needs of the changing economic situation, the rates of tax can be increased or lowered by up 5%.

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 :

The State (1).

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

Light oils (petrols), medium oils (petroleum), diesel oil, light fuel oil, heavy fuel oil and other mineral oils used as fuel. Excise duty is also levied on certain imported products which contain these mineral oils, according to the amount of mineral oil contained.

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, or at the time of importation for release for consumption.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the Municipalities receive 13.68% of this revenue in 1978.

E x e m p t i o n s :

- Mineral oils used as raw materials ;
- Light oils used for other purposes than as raw materials or fuel ;
- Heavy fuel oils used for other purposes than as raw materials or fuel;
- Lubricating oils ;
- Imported lubricating oils.

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.

R a t e s :

- light oils, liquid at a temperature of 15°C and under atmospheric pressure, each hl at 15°C	Fl. 48 --
- other light oils	-
- medium oils, each hl at 15°C	Fl. 3.26
- diesel oil and light fuel oil, not intended for use in motor vehicles on public roads, as provided in Article 2 of the 1966 law on motor vehicles (Stb. 332), each hl at 15°C	Fl. 18.46
- heavy fuel oil and other mineral oils, each 100 kg net weight	Fl. 1.40

E x p o r t s :

Duty on exported mineral oils is reimbursed.

DUTY ON TOBACCO
(Tabakaccijns)

Law governing Duty on Tobacco Products (25 June 1964) / Staatsblad 208

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

The State (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.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

R a t e s :

In percentages of the retail price:

1. Cigars weighing 3 kg or more per 1 000	11.5 %
2. Other cigars (cigarillos)	16 %
3. Smoking tobacco, chewing tobacco, snuff	31.5 - 36.9 %
4. Cigarettes (1)	51.79% plus Fl 2.85 per 1 000 pro- vided the minimum ex- cise duty paid is at least Fl. per 1 000.

I m p o r t s :

The same rate of duty, assessed on the same basis, is levied on imported manufactured 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 :

Duty on exports is refunded.

(1) From 1 July 1978 : 51.07% plus Fl. 3.60 per 1 000 provided the minimum excise duty paid is at least Fl 35.26 per 1 000.

DUTY ON WINE AND DUTY ON SPARKLING BEVERAGES
(Wijnaccijns en accijns van mousserende dranken)

Law governing Duty on Products containing Alcohol (15 May 1963) /
Staatsblad 240

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

The State (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 by fermentation - with or without the addition of water or sugar - from :
 - (a) juice or must from grapes, dried grapes or currants, if the beverages have a strength of less than 22° ;
 - (b) juice or must from other fruits than grapes, dried grapes or currants, if the beverages have a strength of less than 15°
2. Excise duty on wine and excise duty on sparkling beverages are levied on fermented beverages, rendered sparkling in the Netherlands or naturally sparkling, and on imported fermented sparkling beverages.

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, or on importation for release for consumption.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

C o l l e c t i o n :

Declaration and payment of duty at the latest by the 15th day of the month following that in which the goods were released for consumption or imported.

R a t e s :

1. Excise duty on wine, which applies to non-sparkling fermented beverages manufactured in the Netherlands or imported, is levied, per hectolitre, at

	Fl. 41.38
(a) if the beverages have a strength of more than 12° and not more than 15°, on each tenth of a degree over 12°, per hectolitre	Fl. 0.75
(b) if the beverages have a strength of more than 15°, on each tenth of a degree over 12°, per hectolitre	Fl. 1.18

2. Excise duty on wine, which applies to sparkling imported fermented beverages, is levied, per hectolitre, at

	Fl. 41.38				
(a) for sparkling fermented beverages, manufactured from grapes, dried grapes or currants : <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding-left: 20px;">(i) if the beverages have a strength of more than 12° but not more than 15°, for each tenth of a degree over 12°, per hectolitre</td> <td style="text-align: right; vertical-align: bottom;">Fl. 0.75</td> </tr> <tr> <td style="padding-left: 20px;">(ii) if the beverages have a strength of more than 15°, for each tenth of a degree over 12°, per hectolitre</td> <td style="text-align: right; vertical-align: bottom;">Fl. 1.18</td> </tr> </table>	(i) if the beverages have a strength of more than 12° but not more than 15°, for each tenth of a degree over 12°, per hectolitre	Fl. 0.75	(ii) if the beverages have a strength of more than 15°, for each tenth of a degree over 12°, per hectolitre	Fl. 1.18	
(i) if the beverages have a strength of more than 12° but not more than 15°, for each tenth of a degree over 12°, per hectolitre	Fl. 0.75				
(ii) if the beverages have a strength of more than 15°, for each tenth of a degree over 12°, per hectolitre	Fl. 1.18				
(b) for other sparkling fermented beverages whose strength is over 12°, for each tenth of a degree over 12°, per hectolitre	Fl. 0.75				

Excise duty levied on sparkling wines, which applies to sparkling fermented beverages manufactured in the Netherlands or imported, is levied per hectolitre, at

- | | |
|---|------------|
| (a) for beverages of a strength less than 6° | Fl. 10.35 |
| (b) for beverages manufactured from other fruits than grapes, dried grapes or currants, which have a strength of more than 6° | Fl. 51.72 |
| (c) for other sparkling beverages | Fl. 103.44 |

3. From 1 January 1976, a special duty of Fl. 41.38 per hectolitre is levied on wine and a special duty of Fl. 103.44 per hectolitre on sparkling beverages.

Ex e m p t i o n s :

- non-sparkling fermented beverages from other fruits than grapes, dried grapes, or currants, in small packages and labelled ;
- non-sparkling fermented beverages used in the manufacture of products containing alcohol are subject to the duty on alcohol.

E x p o r t s :

The export of beverages from the manufacturing factory to Belgium or Luxembourg is considered as a release for consumption, and therefore taxed.

DUTY ON NON-ALCOHOLIC BEVERAGES
(Accijns van alcoholvrije dranken)

Law governing Duty on non-alcoholic beverages (15 December 1971),
Staatsblad 731.

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

The State (1).

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

Manufacture on national territory and imports.

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

At the time when the goods are released for consumption or imported
for release for consumption.

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

Non alcoholic beverage, i.e. mineral water and soft drinks.

Mineral water is understood to mean :

- (a) natural or artificial mineral water and sparkling water, listed
under the heading 22.01 A of the Tariff of import duties ;
- (b) water listed under the heading 22.01 B of the Tariff of import
duties, on condition that it is packaged for use in retail trade
and that writing or illustrations on the package show that the
contents consist of water in the sense of point (a) above.

Soft drinks are understood to mean :

non-alcoholic beverages listed under the heading 22.02 A of the Tariff
of import duties.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue
from almost all taxes in the Netherlands; through the Municipal Fund, the
municipalities receive 13.68 of this revenue in 1978.

C o l l e c t i o n :

In the case of manufacture on national territory, the declaration and payment of the duty must take place at the latest on the 15th day of the month following that in which the goods were released for consumption. For imports, duty is paid at the latest on the 15th day of the month following that in which the import took place.

R a t e s :

	<u>per 100 litres</u>
Mineral water	Fl. 7.25
Soft drinks	Fl. 14.50

I m p o r t s :

Same rates.

E x p o r t s :

Remission of taxes for the manufacturer ; refund for the trader.

DUTY ON BEER
(Bieraccijns)

Law governing Duty on Beer (30 May 1963), Staatsblad 241

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

The State (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. Duty on imported beer is levied according to the number of hectolitres.

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 :

After a brewing declaration is made duty is paid at the latest by the 20th day of the third month following that during which the declaration was made.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

R a t e s :

Per hectolitre/degrees of wort :

- for the first 10 000 hectolitre/degrees	F1. 3.76
- between 10 001 and 50 000 hectolitre/degrees	F1. 4.06
- between 50 001 and 1 250 000 hectolitre/degrees	F1. 4.45
- over 1 250 000 hectolitre/degrees	F1. 4.76

I m p o r t s :

Per hectolitre, for beer of which the percentage of extract content is :

- less than 10 % in weight	F1. 17.56
- from 10 to 14 % in weight	F1. 25.09
- from 14 to 16 % in weight	F1. 30.10
- from 16 % in weight and over	F1. 34.62

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 (30 May 1963),
Staatsblad 240

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

The State (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, non-sparkling fermented beverages and sparkling fermented
beverages.

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 goods are released for consumption or imported for release for
consumption.

-
- (1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the
revenue from almost all taxes in the Netherlands; through the Municipal Fund,
the municipalities receive 13.68 % of this revenue in 1978.
- (2) By Ministerial Decree the following provisions also apply to propyl alcohol,
isopropyl alcohol and products containing such alcohols.

C o l l e c t i o n :

A declaration is made at the time when the goods are released for consumption or imported. The tax due is paid at the latest by the 15th of the month following the declaration.

R a t e s :

- | | |
|---|--|
| - Per hectolitre of pure alcohol at 15°C | Fl. 2.100 |
| - Alcohol for industrial uses, (in general, all types of alcohol not intended for drinking) | exempt |
| - Alcohol for the manufacture of perfumes and toilet waters | duty is levied at a reduced rate (Fl 688 per hectolitre of pure alcohol at 15°C) |

I m p o r t s :

A duty of Fl. 21 per hectolitre per degree of strength is levied on imported products containing alcohol.

E x p o r t s :

Remission of tax or refunds.

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 :

The State (1).

B a s i s o f a s s e s s m e n t (for sugar) :

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 and import of sugar into the Netherlands.

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

The goods are released for consumption, or imported for release for consumption.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

C o l l e c t i o n :

The declaration of release for consumption must be made at the latest by the 15th day of the month following the release of the goods. The excise duty must be paid at the latest by the 20th day of the second month following that in which the declaration was made. As far as the declaration of imports is concerned, duty is paid at the latest by the 15th day of the month following that in which the import was made.

R a t e s (for sugar) :

	<u>per 100 kg net weight</u>
- Sugar in solid form	Fl. 4.34
- Sugar in paste or liquid form lighter in color than "colour 6 of the Union scale" or whose purity factor is higher than 90 per unit of context	Fl. 0.043

E x p o r t s (for sugar) :

Remission of tax.

B a s i s o f a s s e s s m e n t (for products containing sugar) :

Products which contain sugar used at the time of manufacture or added are considered as products containing sugar.

Beer and products whose content of sugar is less than 5 % are not considered as products containing sugar.

R a t e s (for products containing sugar) :

For products containing sugar manufactured in the Netherlands an excise duty is levied on the portion of sugar content.

I m p o r t s (for products containing sugar) :

Duty is levied according to the content of sugar :

	<u>Per 100 kg net weight</u>
- Not less than 5 but not more than 15 %	Fl. 0.43
- More than 15 and not more than 25 %	Fl. 0.87
- More than 25 and not more than 40 %	Fl. 1.40
- More than 40 and not more than 60 %	Fl. 2.17
- More than 60 and not more than 75 %	Fl. 2.93
- More than 75 and not more than 90 %	Fl. 3.58
- More than 90 %	Fl. 4.12

E x p o r t s (for products containing sugar) :

Tax is refunded.

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 :

The State.

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 :

- Vehicle 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 :

Motor cars with a list-price of

- | | |
|-------------------------|-------|
| a) less than Fl. 10 000 | 16 % |
| b) more than Fl. 10 000 | 17.5% |

In order to meet the needs of the changing economic situation, the rates of tax can be increased or lowered by up to 5%.

E x p o r t s :

Motor cars exported by an entrepreneur are exempt.

MUNICIPAL TAX ON FIRE INSURANCE

(Gemeentelijke assurantiebelasting – Belasting op verzekering tegen brandschade) (1)

Municipal by-laws based on Article 277 (1) of the (old) 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.

(1) By January 1st 1979 at the latest this tax will have disappeared in all Dutch municipalities.
See note page 584

C o l l e c t i o n :

The tax is assessed and collected by the municipalities on the basis of the taxpayer's 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) (1)

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 :

Operators of places of entertainment.

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.

(1) By January 1st 1979, this tax will have disappeared in all the Dutch municipa-
lities.
See note page 584

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 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 institu-
tions (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.

(1) By January 1st 1979 at the latest this tax will have disappeared in all Dutch
municipalities .
See note page 584

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.

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.

TAX ON LEGAL TRANSACTIONS
(Belastingen op rechtsverkeer)

Law governing the Tax on Legal Transactions (24 December 1970), Staatsblad 611, replacing the legislation concerning registration and stamp duties by new regulations.

Under this law, the four following taxes are levied :

- (a) tax on transfers ;
- (b) tax on insurances ;
- (c) capital duty ;
- (d) Stock Exchange turnover tax .

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

The State (1).

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

- (a) The acquisition of real estate and realty rights attached, as well as the acquisition of shares in real estate companies, unless they are acquired by a right of inheritance, a right to an inheritance through marriage, the ending of a period of limitation of rights, and certain types of accession ;
- (b) the insurance act ;
- (c) the raising of capital represented by shares ;
- (d) the purchase and sale of securities by a broker.

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

- (a) The value, or the consideration if higher ;
- (b) the premium ;
- (c) the value of the contribution after deduction of expenses. At least the nominal value of the shares issued ; in the case of a merger or an internal reorganisation, the net increase in nominal value ;
- (d) the purchase or sale price.

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the revenue from almost all taxes in the Netherlands; through the Municipal Fund, the municipalities receive 13.68% of this revenue in 1978.

Ex e m p t i o n s :

- (a) Exemptions are granted, amongst others, to an acquisition :
- by a delivery already subject to value-added tax, unless the entrepreneur can declare this for deduction ;
 - by infants, on the inheritance of a business ;
 - by a public organisation ;
 - by endowment ;
 - by contribution to a company (on condition that the capital is not divided into shares, unless the entire company is the subject of the contribution) ;
 - by an internal reorganisation of a limited company or of a private company with limited liability ;
 - as the result of a consolidation (of land) ;
 - of monuments.
- (b) Life-insurances, accident insurances, insurances for disability and incapacity for work, insurances for illness and expenses for illness, unemployment insurances, insurances on ships and air-ships used for international deliveries of goods, transport insurances, reinsurances and export credit insurance.
- (c) 1. If the shares can only be issued to Dutch nationals with an income of less than Fl. 25 000 and if they are not transferable.
2. If the capital is amalgamated by an organisation, whose objective is the general interest, and in which only public organisations can hold shares.
3. Certain types of mergers of companies or shares.
- (d) Purchases and sales between brokers, the purchase and sale of new shares, treasury bonds, and shares mentioned in point c) 1 above.

T a x p a y a b l e w h e n :

- (a) on the acquisition of the property, or if a deed has to be transcribed in a public register, the time when the deed is made out ;
- (b) the falling-due of the premium ;

- (c) the date on which the capital is contributed ;
- (d) the delivery of a document.

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

Tax is levied on :

- (a) the acquirer ;
- (b) the insurer or the broker, the insurance broker or the legal representative ;
- (c) the company ;
- (d) the broker.

R a t e s :

- (a) 5% (in the case of an acquisition from land consolidation : 1%) ;
- (b) 6% ;
- (c) 1% (holdings : 1%) ;
- (d) 1,2‰.

C o l l e c t i o n :

- (a) payment on declaration ; the declaration is made by presenting the notarised deed for registering ;
- (b) payment on quarterly declaration, or monthly declaration when the amount exceeds Fl. 6 000 per quarter ;
- (c) payment on declaration during the month following that in which the tax became payable ;
- (d) payment on quarterly declaration, or monthly declaration when the amount exceeds Fl. 6 000 per quarter.

TAX ON MOTOR VEHICLES
(Motorrijtuigenbelasting)

Law governing Tax on Motor Vehicles, (21 July 1966) Staatsblad 332 amended by the law of 18 December 1969 Staatsblad 548

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

The State.

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

Road use by motor vehicles (except motor-assisted bicycles and vehicles running on rails).

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).

E x e m p t i o n s :

Vehicles used by certain public services; farm tractors; motor and steam rollers used, for example, in roadmaking; ambulances for invalids; taxis; car dealers and repair shops for specific routes; and vehicles used by non-residents if reciprocity is granted.

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

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.

C o l l e c t i o n :

Annually or quarterly, on the basis of the taxpayer's returns.

R a t e s :

The rates vary according to the weight of the vehicle and the quantity of fuel used. Except in the case of trailers the rates include additional centimes for the State road fund.

For private motor-cars the additional centimes are calculated according to weight.

For other categories of motor car 177 additional centimes are collected. The maximum annual payment of additional centimes is 736 Fl.

Examples of rates (additional centimes included) :

Private motor cars	-	from	158 Fl.	to	2 472 Fl.	per annum
Lorries	-	from	9 Fl.	to	6 815 Fl.	per annum
Omnibuses	-	from	319 Fl.	to	6 639 Fl.	per annum.

TAX ON AIR POLLUTION
(Heffingen luchtverontreiniging)

"Wet inzake de luchtverontreiniging" (26 November 1970), Staatsblad 580
 "Heffingenbesluit brandstoffen luchtverontreiniging" (23 June 1972),
 Staatsblad 307.

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

The State (1).

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

Mineral oils : as for the duty on mineral oils.

Coal : mined on national territory or imported.

Gas : produced on national territory or imported.

T a x p a y a b l e w h e n :

Mineral oils : at the same time as excise duty on mineral oils.

Coal and gas : on the use as fuel by the producer, or importer, or on
 delivery to third parties.

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

Mineral oils, coal and gas.

All products on which the duty on mineral oils is payable are considered
 as "mineral oils".

Natural gas, gas from blast-furnace production, and gas from coke-furnace
 production are considered as "gas".

(1) Through the Provincial Fund, the provinces receive 0.924% in 1978 of the
 revenue from almost all taxes in the Netherlands; through the Municipal
 Fund, the municipalities receive 13.68% of this revenue in 1978.

Exemptions :

All usage other than as fuel is exempt.

Collection :

Mineral oils : as for the duty on mineral oils.

Coal and gas : payment on declaration at the end of each tax period.

Rates :

Light oils	per hectolitre	F1. 0.59
Medium oils	per hectolitre	F1. 0.10
Diesel oil and light fuel oil	per hectolitre	F1. 0.10
Heavy fuel oil and other mineral oils	per 1 000 kg	F1. 1.08
Coal	per 1 000 kg	F1. 0.79
Gas	per gigajoule	F1. 0.84

Imports :

The same rates as for manufacture or mining on national territory.

Exports :

Remission of tax for producers. Refunds for traders.

TAX ON THE SALE OF SPIRITS
(Belasting op het verstrekken van sterke drank)

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.

(1) (Waterschappen (pl.) are public corporations responsible for drainage, dykes, roads, bridges, etc. in a particular area.)

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. 7.5.

**ADMINISTRATIVE LEVY FOR THE BENEFIT OF PUBLIC PROFESSIONAL ORGANISATIONS
(Administratieve heffingen krachtens verordeningsbesluiten van publiekrechtelijke bedrijfsorganen)**

Based on Article 126 of the 1950 law relating to the organisation of businesses

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

Professional organisations.

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

The entrepreneurs of the branch.

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

After the application of a basic tax, the basis of assessment, depending on the branch and the purpose of the taxation, consists of :

- the turnover ;
- the total wage-bill ;
- the number of sales outlets ;
- the value added ;
- a combination of these elements.

C o l l e c t i o n :

The tax is fixed and collected annually by the professional organisations.

R a t e s :

The rates are degressive in general and of a relatively small amount. The amount of the tax lies between Fl. 50 and Fl. 100.

TAX ON DOGS
(Hondenbelasting)

Municipal by-laws based on Article 272 (d) 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. 10.00 to Fl. 60.00
Watchdogs	from Fl. 7.00 to Fl. 40.00
Dogs used for professional purposes	from Fl. 3.50 to Fl. 20.00

UNITED KINGDOM

INCOME TAX

Income and Corporation Taxes Act 1970, Income and Corporation Taxes
(N° 2) Act 1970, Finance Acts 1970 - 1978

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 resident or ordinarily resident in the United Kingdom and persons to whom income arises in the United Kingdom.

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

Total income from all sources less allowable deductions. Certain losses may be offset against income, and allowances are granted for expenditure on certain capital equipment.

E x e m p t i o n s :

Among others, certain social security benefits, wounds and disability pensions of members of the armed forces, income from educational scholarships, interest on national savings certificates, the first £ 70 interest on ordinary accounts with the National Savings Bank and gambling winnings. Charitable bodies are also generally exempt.

D e d u c t i o n s :

Tax allowances for single people, married couples, and dependent children whose own income does not exceed a certain amount, for other dependents, and for registered blind people. Special reliefs for tax-payers over a

certain age with low incomes. Relief for life assurance premiums, premiums on insurance to provide a retirement annuity, contributions to approved pension schemes and interest paid to building societies.

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

The income of married couples is aggregated and taxed as one income, but a higher tax allowance is given than for a single person and there is a separate allowance against the wife's earned income. A husband and wife may jointly elect that the wife shall be taxed on her earnings as if she were not married. In such cases each receives a single person's allowance.

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

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

Non-residents are subject to tax on income arising in the United Kingdom, with certain exceptions. There are special provisions regarding deductions for personal allowances for non-resident individuals.

C o l l e c t i o n :

Tax is assessed annually. In the case of income from employment and occupational pensions, tax is deducted at source by the employer (see "Income Tax - Employment Income"). Tax is deducted at source from some income from abroad paid through an agent in the United Kingdom, and from certain annual payments.

The tax year is from 6th April to the following 5th April, but for some sources income is computed by reference to the income of the previous year, and business profits of an accounting year are treated as being those of the tax year.

R a t e s :

The Finance Act 1978 introduced a reduced rate of personal tax of 25 % on the first £ 750 of taxable income : thereafter personal tax rates range from 33 % (standard rate) to 83 %. There is also a surcharge on investment incomes in excess of £ 1 700 (£ 2 500 in the case of individuals over 65 years of age).

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

Tax on partnership profits is assessed on the partnership, but the liability takes account of the shares and personal circumstances of the individual partners.

INCOME TAX – EMPLOYMENT INCOME

Income and Corporation Taxes Act 1970, part VIII.
Finance Acts 1974, and 1976-1978

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 :

United Kingdom residents receiving payment for employment in the United Kingdom. Non-residents paid for work done in the United Kingdom.

From 6th April 1974 a person who is both resident and ordinarily resident in the United Kingdom is, in general, liable to income tax on the whole of his earnings wherever they arise. However, from 6th April 1977 where the employment is carried on wholly or partly outside the United Kingdom special deductions may be given. [Between 6th April 1974 and 5th April 1977 it was necessary for the employment to be carried on wholly outside the United Kingdom to qualify for a special deduction.] A deduction may also be given where the employee is not domiciled in the United Kingdom and is employed by a foreign concern. A person who is not resident in the United Kingdom is liable to income tax on his earnings for duties performed in the United Kingdom (unless exempt under a double taxation agreement).

A person who is resident but not ordinarily resident in the United Kingdom is liable to tax on earnings outside the United Kingdom only to the extent that they are remitted to the United Kingdom. A person who is resident and ordinarily resident in the United Kingdom but domiciled outside the United Kingdom and employed by a foreign concern is liable to tax on emoluments for duties performed abroad unless the duties are performed wholly outside the United Kingdom, in which case only those emoluments which are remitted to the United Kingdom are taxable.

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

All earnings less personal allowances and allowable deductions.

E x e m p t i o n s :

In general benefits in kind which cannot be converted into cash by the recipient or meet a pecuniary liability of the recipient. However, benefits received by directors, and employees whose salaries are above a certain level are taxable.

D e d u c t i o n s :

Expenses incurred wholly exclusively and necessarily in performing the duties of the employment. Subscriptions to professional bodies and learned societies relevant to the employment.

C o l l e c t i o n :

Deducted at source by the employer on the basis of a tax code reflecting the allowances and reliefs due, and tax tables. Where appropriate an assessment is made.

CORPORATION TAX

Income and Corporation Taxes Act 1970, parts XI and XII as amended by the Finance Acts of 1971, 1972, 1973, 1974, 1975, (n° 2) 1975, 1976, 1977 and 1978

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, corporate bodies and unincorporated associations including members' clubs and trade associations, but not partnerships of individuals, local authorities or local authority associations. Non-resident companies with profits arising from operations in the United Kingdom.

Special provisions apply to authorized unit and investment trusts, investment companies, life assurance companies, trusts building societies, industrial and provident societies and mutual companies.

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

All profits, (including income and capital gains) with the exception of dividends and other distributions received from resident companies.

E x e m p t i o n s :

Charitable bodies are generally exempt from corporation tax on their profits.

D e d u c t i o n s :

Expenses incurred for the purpose of the business. Depreciation allowances are allowed on certain types of capital expenditure (e.g. plant and machinery). Special relief for increase in the value of trading stock.

C o l l e c t i o n :

Annual assessment of profits arising in a financial year (1st April to 31st March) at a rate fixed in the budget at about the end of that year. An apportionment is made where an accounting period spans two financial years and tax rates differ. Tax is generally payable either 9 months after the end of the accounting period or (depending on the circumstances) on 1st January in the fiscal year for which it is due. On payment of a dividend a company is required to make an advance payment of corporation tax proportionate to the amount of the dividend. This advance payment of corporation tax can be set-off against the company's main corporation tax liability.

R a t e s :

Financial year 1973, 1974, 1975, 1976 and 1977 : 52 % but 42% for small companies and 40% for industrial and provident societies, housing associations and building societies.

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

Trading losses may be off- set against future income from the same trade or against other profits of the same or previous accounting period.

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

Where the distribution to its shareholders by a close company (broadly, one which is under the control of 5 or fewer individuals) falls short of a prescribed standard, the amount of the shortfall may be apportioned among the shareholders, treated as part of their personal income, and charged to income tax in their hands.

The losses of a member of a group of companies may be set against the profits of other members. Where payments of dividends are made between members of a group, the group member paying the dividend may not be required to make an advance payment of corporation tax.

A resident shareholder is entitled to a tax credit (representing part of the corporation tax paid by the company) in respect of the dividends he receives. This tax credit may be set against his income tax liability.

CAPITAL GAINS TAX

Finance Act 1965 and Income and Corporation Taxes Act 1970, as amended by Finance Acts 1966 to 1978

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, including companies, resident or ordinarily resident in the United Kingdom.

Persons not resident or not ordinarily resident but carrying on a trade in the United Kingdom through a branch or agency on gains on the disposal of chargeable assets situated in the United Kingdom and used for the purpose of that trade branch or agency.

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

Gains on the disposal of chargeable assets ⁽¹⁾ wherever situated. Disposal includes any occasion when the ownership of an asset is transferred in whole or in part (except on death), for example by sale, exchange or gift ; or when the owner of an asset derives a capital sum from it.

(1) With certain exceptions all forms of property or interests or rights in or over property.

The main exceptions are an individual's principal private residence ; chattels worth £ 2,000 or less ; normal life insurance policies ; British Government Securities (unless sold within one year of acquisition); private motor cars ; and important works of art and other objects of national, scientific historic or artistic interest (subject to certain undertakings by the recipient). Other exceptions include gifts of assets to charities and other bodies concerned with the national heritage ; gifts of land and buildings for public benefit ; and gifts of assets by individuals provided their total value does not exceed £ 100 in the year.

An individual not of United Kingdom domicile is liable on gains on assets situated abroad only to the extent that the gains are remitted to the United Kingdom.

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

Chargeable gains less allowable losses in a year of assessment or accounting period in the case of a company.

E x e m p t i o n s :

- Persons wholly or partially exempt include local authorities, charities, approved superannuation funds, friendly societies, registered trade unions and other persons qualifying for exemption from income tax.
- An individual is exempt if the total proceeds of all his disposals of chargeable assets in a year do not exceed £ 1 000.
- Subject to certain conditions and limits gains accruing to an individual over the age of 60 on the disposal of a business or of shares in a family trading company are exempt.
- Transfers of assets between members of a group of companies are treated as giving rise to neither gain nor loss. A group of companies for this purpose comprises a principal company and its 75% subsidiaries all of which are resident in the United Kingdom.
- The tax on gains arising on gifts of business assets or of shares in a family trading company may in certain circumstances be deferred.

- When the sale proceeds are reinvested in new business assets, gains on certain classes of business assets may be deducted from the cost of the new assets instead of being charged to tax.

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

Special provisions apply where companies are amalgamated or acquired by an exchange of share capital or where a company acquires part of the business of another company by issuing shares or securities.

C o m p u t a t i o n o f g a i n s :

In general, the consideration received for disposal (or the market value if there is no consideration or the transaction is not at arm's length) less the cost of acquisition together with expenses of acquisition and disposal and certain other allowable expenditure on the asset. Any amount charged to income tax or corporation tax as income or taken into account as a receipt in calculating income is excluded from the consideration.

In the case of assets owned on 6 April 1965 only the gain attributable to the period after that date is chargeable.

C o l l e c t i o n :

By assessment.

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R a t e s :

The basic rate is 30 % for persons other than companies but there is a reduced rate of 15 % on the bank of total annual gains between £ 1 000 and £ 5 000 with a marginal relief for gains up to £ 9 500.

Companies gains are charged to corporation tax at a lower effective rate than income.

Corporation tax at an effective rate of 10 % is payable by authorised unit trusts and approved investment trusts on their gains.

The tax payable by all persons, including companies, on disposals of units or shares in authorised unit trusts is reduced by a credit equal to 10 % of the amount of the gain.

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

Usually allowable if a gain in the same transaction would have been chargeable. Losses are set primarily against gains of the same year and any excess may be carried forward without time limit and set against gains of later years.

CAPITAL TRANSFER TAX IN THE UNITED KINGDOM

Finance Act 1975 (as amended)

Note : in relation to deaths occurring after 12 March 1975, capital transfer tax replaces estate duty.

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 cumulative total of a donor's chargeable transfers made during life and at death ; this includes :

- (i) inter vivos gifts ;
- (ii) sales for less than full consideration ;
- (iii) property passing on death by Will or Intestacy ;

and there are special provisions for the taxation of property held in settlement, both where there is an interest in possession in the property and where there is not.

All property situated in the United Kingdom is within the scope of capital transfer tax regardless of the domicile of the transferor ; property outside the United Kingdom is liable to the tax if the transferor is domiciled within the United Kingdom at the time of the transfer or if certain statutory rules impose a deemed domicile in the United Kingdom on the taxpayer.

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

In respect of (i) above by the donor; in respect of (ii) above by the vendor ; in respect of (iii) above, the legal personal representatives of the deceased ; and, in respect of settled property, the trustees of the settled property, except where property is transferred into settlement, where the settlor is accountable.

Note : liability for tax on a transfer may rest with more than one person ; for example, if tax on a gift is not paid by the due date, it may be recovered from the transferee.

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

The loss to the transferor is the difference between the value of all the transferor's property immediately before the transfer and its value immediately after the transfer. Thus, if the transferor pays the tax, it is charged on the total of the gift and tax together.

E x e m p t i o n s :

These include : all transfers between spouses ; the first £ 2 000 of a donor's total of gifts in a tax year ; the first £ 100 of a donor's total of gifts to any one donee in a tax year ; gifts out of income, provided certain conditions are fulfilled ; transfers to charities (with a limit of £ 100,000 on the total of gifts made on death or within one year of death) ; transfers to political parties (with the same limit) ; certain works of art, historic houses and certain other items of national, historic, scientific or artistic interest ; certain Government securities if the holder is neither domiciled nor ordinarily resident in the United Kingdom ; and all property given or bequeathed to certain institutions concerned with preservation of the national heritage.

R e l i e f s :

These include reliefs from the capital transfer tax charge on agriculture, small businesses, woodlands and trusts for the benefit of employees ; reliefs from the capital transfer charge on death for quoted securities and immoveable property, where the value has fallen since the date of death ; and relief for transfers occurring in quick succession.

D e d u c t i o n s :

Reasonable funeral expenses and bona fide debts and encumbrances.

C o l l e c t i o n :

Tax is, in most circumstances, due six months after the end of the month in which the taxable event occurred. However tax on certain types of property (including, for example, houses, land, business assets and certain holdings of unquoted securities) may be paid by instalments over 8 years, in cases, free of interest. In other cases, interest is chargeable after the due date at 6 per cent (for transfers on death) or 9 per cent (for other transfers).

R a t e s :

There are two scales of rates of tax charged on successive slices of the cumulative total of chargeable transfers : one for lifetime transfers and the other for transfers on death or within 3 years before the death. No tax is charged in any event on the first £ 25 000 of a person's cumulative total of chargeable transfers.

The rates on lifetime transfers are appreciably lower than the death rates at the lower end of the scale, rising from 5 per cent on the slice from £ 25 000 to £ 30 000 through 50 per cent on the slice from £ 210 000 to £ 260 000 to 75 per cent on the slice over £ 2 010 000. The scale of rates for transfers on death and within 3 years before the death rises from 10 per cent on the slice from £ 25 000 to £ 30 000 through 50 per cent on the slice from £ 110 000 to £ 130 000 to 75 per cent on the slice over £ 2 010 000.

EXCISE DUTY ON HYDROCARBON OIL

Hydrocarbon Oil (Customs and Excise) Act 1971, as amended by the Finance (No 2) Act 1975, and the Finance Acts 1976 and 1977 and the Amendment of Units of Measurement (Hydrocarbon Oil, etc) Order 1977

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 :

Imported and indigenous petroleum oils, coal tar, oils produced from coal, shale, peat and most other bituminous and liquid hydrocarbons. Duties are also payable on petrol substitutes and gas used as fuel for the propulsion of road vehicles, but these have at present little fiscal significance.

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

When the oil is delivered for home use in the United Kingdom.

E x e m p t i o n s a n d r e l i e f s :

Both light and heavy oil are relieved of duty when used in lifeboats or fishing vessels, as refinery fuel, as raw material for gas-making or chemical synthesis or as ingredients, solvents or the like, in industrial processes. In addition, heavy oil used for such horticultural purposes as heating glass-houses or used by coasting vessels (except pleasure yachts) is relieved of duty. Light oil burned in approved furnaces pays duty only at the higher rate of heavy oil not for use in road vehicles.

C o l l e c t i o n :

If, at import, oil is delivered for home use, excise duty is paid to the Collector's Office at the port. If delivered for home use from refinery, other production premises or warehouse, payment is normally made either centrally (in the case of the larger companies) or to the local Collector.

R a t e s (1) :	<u>per litre</u>
Light oil (mainly motor and aviation spirit) and petrol substitutes (2)	6.6 pence
Light oil used in approved furnaces	0.55 "
Heavy oil for use in road vehicles (mainly diesel oil) (2)	7.7 "
Kerosene, other than aviation turbine fuel	0.22 "
Other heavy oil (including aviation turbine fuel) delivered other than for use in road vehicles	0.55 "
Gas used as road fuel	3.3 "

(1) In law the duty applies to all oil whether refined or crude ; but in practice it is paid only on refined oil. The rates are the same whether the oil is imported in a refined state or is refined in the U.K. from imported oil or other material.

(2) The distinction between light and heavy oils is based on definitions of physical properties.

EXCISE DUTY ON TOBACCO PRODUCTS

Finance Acts 1976 , 1977 and 1978.

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 :

Delivery of United Kingdom manufactured and imported tobacco products for home use.

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

Cigarettes are chargeable with an ad valorem duty calculated on their retail price and a specific duty per 1000 cigarettes. For the purpose of the ad valorem duty the retail price is normally the price recommended by the importer or manufacturer for the retail sale of the cigarettes; where no price has been recommended, the highest price at which cigarettes of that description are normally sold by retail is used. For the purpose of the specific duty cigarettes exceeding 9 cm in length excluding any filter or mouthpiece are treated as if each 9 cm or part thereof were a separate cigarette.

As from 4 September 1978 an increased specific duty is imposed on cigarettes with a tar yield of 20 mg or more.

The duty on other chargeable tobacco products is based on their weight as determined before delivery for home use.

C o l l e c t i o n :

United Kingdom manufacturers are required to keep a production account and make a return of all chargeable products manufactured each day. The products are normally deposited in an approved secure store and duty is chargeable on any removed for home use. Imported manufactured tobacco may be placed in warehouse or charged at the port of importation. If satisfactory security is given, payment of the excise duty on both home produced and imported products may be made on the 15th day of the month following delivery.

R a t e s :

Cigarettes with tar yields less than 20 mg	30% of the retail price plus £ 9.00 per 1000
Cigarettes with tar yield not less than 20 mg	30% of the retail price plus £ 11.25 per 1000
Cigars	£ 9.50 per lb
Hand-rolling tobacco	£ 9.20 per lb
Other smoking tobacco and chewing tobacco	£ 7.30 per lb.

R e l i e f f r o m d u t y :

Provision has been made for the remission or repayment of the duty on products exported or shipped as stores, and products used solely for the purposes of research or experiment. Certain other minor reliefs have been allowed by regulation, including products manufactured from tobacco grown in the United Kingdom by a person for his own consumption.

EXCISE DUTIES ON MATCHES AND MECHANICAL LIGHTERS

Customs and Excise Act 1952 ;
Finance Acts 1953, 1960, 1963 and (Nº 2) 1975

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 number of matches or portable mechanical lighters, including incomplete mechanical lighters, (other than those constructed for the purpose of igniting gas for domestic use) sent out from the premises of licensed manufacturers or imported.

C o l l e c t i o n :

Each factory where matches or mechanical lighters are manufactured in the United Kingdom must hold a license to manufacture. The excise duty on goods produced in the United Kingdom becomes payable when the goods are dispatched from the factory. The duty is paid to the local Collector's Office not later than the 15th day of the month following the month in which the goods were sent out. Imported matches or mechanical lighters are charged duty at the port of importation, or if they are delivered to warehouse, or licensed premises in the case of mechanical lighters, on their removal for sale on the home market. Payment is made at the local Collector's Office.

R a t e s :

- Matches	:	£ 0.4900 per 7.200 matches
- Mechanical lighters	:	£ 0.2000 per lighter

EXCISE DUTY ON SPIRITS

Customs and Excise Act 1952, as amended by subsequent Finance Acts

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

Central Government.

E x c i s e d u t y p a y a b l e o n :

Spirits made in the United Kingdom and imported spirits.

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

Duty is charged on spirits in accordance with their alcoholic strength. Spirit of standard strength is known as "proof spirit" and contains 57,1% of alcohol by volume at 60°F.

E x e m p t i o n s :

Spirits for industrial or household purposes are generally relieved of excise duty. Before delivery for duty-free use such spirits must normally be methylated to make them non-potable ; but spirits for industrial use may be delivered without methylation subject to certain safeguards. Spirits used in recognised medical preparations are exempt from spirits duty.

C o l l e c t i o n :

All distillers, rectifiers, compounders and certain other traders who sell spirits are required to possess an annual excise licence. Some spirits may not be delivered for home use (for beverage purposes) unless they have been

warehoused for at least three years. Excise duty becomes payable to the Local Collector's Office prior to delivery from warehouse if destined for home use.

R a t e s :

	<u>per proof gallon</u>
Spirits	(1 Imperial gallon = 4.546 litres)
- If warehoused for 3 years or more	£ 27.0900
- If warehoused for less than 3 years or not warehoused	£ 27.1650

EXCISE DUTY ON WINES AND MADE-WINES

Customs and Excise Act 1952 as amended by the Finance (Nº 2) Act 1975,
and the Finance Acts 1976 and 1977

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

Central Government.

E x c i s e d u t y p a y a b l e o n :

Wine and made-wine imported into the United Kingdom or produced for sale in the United Kingdom. "Wine" means any liquor obtained from the alcoholic fermentation of fresh grapes ; "made-wine" means any liquor obtained from the alcoholic fermentation of any substance, or a liquor derived from a mixture either of liquors or of a liquor and any substance, but does not include wine, beer, black beer, spirits or most ciders and perries.

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

The rates of excise duty chargeable on wine and made-wine depend on their strength measured by reference to the percentage of alcohol by volume at 20°C. There are four strength bands for duty purposes in each case.

C o l l e c t i o n :

Producers of wine and made-wine in the United Kingdom are required to possess an annual excise licence. Wine and made-wine become liable to excise duty when they are produced but the duty is charged when the wine or made-wine is delivered from the winery and is paid weekly or monthly to the local Collector's Office. Wine produced in the United Kingdom may alternatively be removed from the winery free of duty to bonded warehouse. The duty on imported wine and made-wine becomes chargeable on importation or, if the wine or made-wine is warehoused, on delivery from the warehouse. Payment is made at the port of

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importation or at the Local Collector's Office respectively.

R a t e s :

Wine of an alcoholic strength (1)		
exceeding	not exceeding	per gallon
-	15%	£ 3.2500
15%	18%	£ 3.7500
18%	22%	£ 4.4150
22%	-	£ 4.4150 plus £ 0.4700 for every 1% or part of 1% in excess of 22% ;
		each of the above rates of duty being, in the case of sparkling wine, increased by £ 0.7150 per gallon
Made-wine of an alcoholic strength (1)		
exceeding	not exceeding	per gallon
-	10%	£ 2.1100
10%	15%	£ 3.1600
15%	18%	£ 3.4750
18%	-	£ 3.4750 plus £ 0.4700 for every 1% or part of 1% in excess of 18%
		each of the above rates of duty being, in the case of sparkling made- wine, increased by £ 0.3300 per gallon

(1) Strengths are measured by reference to the percentage of alcohol by volume at a temperature of 20°C.

S p e c i a l c a s e s :

Imported wine or made-wine which is rendered sparkling or effervescent whilst in bonded warehouse is liable to the same duties as imported sparkling wine or made-wine.

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EXCISE DUTY ON CIDER

Finance Acts 1976 and 1977

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

Central Government.

E x c i s e d u t y p a y a b l e o n :

Cider (or perry) made in the United Kingdom by a person required to be registered as a maker of cider, or imported into the United Kingdom.

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

The excise duty is payable on cider (or perry) of a strength less than 8.7% of alcohol by volume (at a temperature of 20°C) obtained from the fermentation of apple or pear juice without the addition at any time of any alcoholic liquor or of any liquor or substance which communicates colour or flavour other than such as the Commissioners of Customs and Excise may allow as appearing to them to be necessary to make cider (or perry).

C o l l e c t i o n :

Any person who, on premises in the United Kingdom, makes cider or perry for sale in excess of a certain limit must be registered in respect of his premises. Excise duty becomes chargeable on the production of the cider or perry : it is not however charged until the cider or perry is delivered from the premises and payment is made weekly or monthly to the Local Collector's Office. Excise duty on imported cider becomes chargeable on importation or, if it is warehoused, on delivery from the warehouse. Payment is made at the port of importation or at the local Collector's Office.

R a t e s :

	<u>per gallon</u>
Cider (or perry) of a strength less than 8.7% of alcohol by volume at 20°C	£ 0.242

EXCISE DUTY ON BEER

Customs and Excise Act 1952 as amended by the Finance (Nº 2) Act 1975,
and the Finance Acts 1976 and 1977.

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

Central Government.

E x c i s e d u t y p a y a b l e o n :

Beer, ale, porter, stout and any other liquor manufactured for sale that
is described as beer or a beer substitute.

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

The excise duty on beer is assessed by reference to the quantity and
specific gravity of the unfermented infusion from which the beer is
produced (the worts).

C o l l e c t i o n :

Brewers in the United Kingdom are required to possess an annual excise
licence. The duty becomes due on production of the wort but the brewer
is allowed a period of credit, the aggregate net charge on all the bre-
wings for each calendar month being payable to the local Collector's
Office by the 25th day of the following month ; a longer period of
credit may be allowed in respect of strong beer and lager. Excise duty
on imported beer is chargeable either at importation (if the beer is
entered for home use) or on delivery from bonded warehouse.

R a t e s :

Beer brewed in the United Kingdom for sale or imported into the United Kingdom

- For every 36 gallons of worts of a specific gravity of 1030° or less £ 17.4240
- For every 36 gallons of worts of a specific gravity exceeding 1030°
 - For the first 1030° £ 17.4240
 - For every additional degree in excess of 1030° and so in proportion for any less number of gallons £ 0.5808

D e d u c t i o n s :

In respect of beer produced in the United Kingdom a Statutory deduction of 6% is made from the monthly assessment of the quantity of worts on which the excise duty is payable to allow for wastage and loss during the preparation of the beer for consumption.

S p e c i a l a s p e c t :

Where beer liable to excise duty is brewed solely for the purposes of research or of experiments in brewing, under certain conditions, the duty may be repaid or remitted and a licence to brew is not required.

R e p a y m e n t o f d u t y :

(a) Drawback

Excise duty is repaid, if the duty-paid beer is exported as merchandise, shipped as stores or deposited in warehouse for exportation as merchandise or shipment as stores.

(b) Spoilt beer

Subject to certain conditions, excise duty may be repaid or remitted on any worts or beers which have been destroyed or become spoilt or otherwise unfit for use by unavoidable accident while on the premises of a brewer for sale, whether or not they were manufactured by that brewer. Excise duty may be repaid on beer which has accidentally become spoilt or unfit for use after it has been delivered by the brewer and which has been returned to the brewer subsequently.

GENERAL AND POOL BETTING DUTIES

Betting and Gaming Duties Act 1972 as amended by the Finance Acts
1972 and 1974

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 bookmaker with whom the bet is made, or the operator of the totalisator,
the promoter of pool betting.

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

All bets made in United Kingdom with a bookmaker, including trade bets,
or with a promoter of pool betting, and all bets made by means of the
facilities provided by the Horserace Totalisator Board and other tota-
lisators.

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

For both pool and general betting duties the full amount of stake money
paid whether the bet is placed directly with the bookmaker or through an
agent, together with any additional payments in connection with the bet.

C o l l e c t i o n :

Duty is due when the bet is made. There are three methods of payment of
general betting duty :

(a) off-course :

- by the purchase of betting duty sheets in advance. These may be obtained from the local Collector's Office or by post from a central contral point.

(b) on-course :

- by weekly remittances either to the central control point or to the local Collector's Office not later than the Tuesday following the end of the week to which the return relates.

(c) Both on - and off-course :

- by monthly returns which must be sent with the duty to the local Collector's Office not later than the 15th day of the month following.

Pool betting duty is paid by means of weekly returns, which must be sent with the duty to the local Collector's Office by the Thursday following the week to which they relate.

R a t e s :

General betting duty :

On-course	4%
Off-course	7.5%
Pool betting duty	40% (1)

S p e c i a l a s p e c t s :

With regard to both on and off-course betting, bookmakers are not liable for general betting duty on bets which they negotiate as agents and pass on to other bookmakers. Hedging bets made by on-course bookmakers are exempt from the duty.

(1) The rate chargeable in the case of competitions in aid of charity or sport licensed under the Pool Competitions Act 1971, or other competitions approved by the Home Secretary is $33 \frac{1}{3}\%$.

BINGO DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance (N° 2)
Act 1975

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 promotor of the bingo.

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

The value of the stakes and the prizes.

C o l l e c t i o n :

Promoters need to register in order to play chargeable bingo. They then send in monthly accounts made up with the weekly figures.

R a t e :

5% of the stakes plus 1/19th of any amount by which the value of the prizes exceeds the duty exclusive value of the stakes.

RATES – ENGLAND AND WALES

General Rate Acts 1967 and 1970

Rating Caravan Sites Act 1976

Rating Charity Shops Act 1976

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

Local Government.

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

Occupiers of non-agricultural land and buildings.

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

Occupied non-agricultural land and buildings.

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

The rateable value of property (related to its annual rental value which is assessed by the valuation officers of the Board of Inland Revenue) and the rate poundage fixed by the rating authority. The rateable values were last reassessed in 1973. The rate poundage, which is the number of pence in the pound which occupiers of property have to pay on the rateable value of their property, is calculated by dividing the total sum to be raised by the estimated yield of a penny rate in the area of the rating authority.

E x e m p t i o n s :

Agricultural land and buildings, places of religious worship and, partly, charities. Rate rebates, largely funded by central government, are available to domestic ratepayers so as to adjust payments in accordance with income and needs.

C o l l e c t i o n :

Rates are fixed for each local government financial year (April to March) and become due on demand. In practice, rates are usually paid in either two half-yearly or ten instalments.

R a t e s :

The rate poundages are fixed by rating authorities after the level of central Government grants and any other income for the year in question is known. The yield from rates currently finances about a third of local authorities' expenditure and amounted to £ 4150 million in 1976-1977 at outturn prices exclusive of rate rebates. In the financial year beginning on April 1978, the rate poundages fixed by the 403 rating authorities in England and Wales ranged from 65 pence to 115 pence in the £.

RATES – SCOTLAND

Lands Valuation (Scotland) Act 1854 ;
Local Government (Scotland) Act 1947 ;
Valuation and Rating (Scotland) Act 1956 ;
Rating Act 1966 ;
Local Government (Scotland) Act 1973 ;
Local Government (Scotland) Act 1975 ;
Rating Caravan Sites Act 1976 ;
Rating Charity Shops Act 1976 ;
Valuation and Rating Exempt Classes Scotland Act 1976 ;
Local Government (Scotland) Act 1978 ;

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

Local Government.

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

Occupiers of non-agricultural land and buildings.

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

Occupied non-agricultural land and buildings.

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

The rateable value of property and the rate poundage fixed by the local authorities. The rateable value which is related to a property's annual rental value is determined by assessors appointed by valuation authorities (local government bodies). Each rate poundage, which is the number of pence in the pound which occupiers of property have to pay on the rateable value of their property, is calculated by dividing the total sum to be raised by the estimated yield of a penny rate in the area of the rating authority. In an Islands area a general rate is fixed and levied by the Islands Council, while in other areas separate rates are fixed by District Councils and Regional Councils and the district rate and regional rate are levied together by the Regional Council.

Ex e m p t i o n s :

Agricultural land and buildings, offshore oil installations, places of religious worship and, partly, charities. Industrial and freight transport property is derated to the extent of 50% of its annual value. Rate rebates are available to domestic ratepayers so as to adjust payments in accordance with income and needs.

C o l l e c t i o n :

Rate poundages are fixed by 5 March preceding the local authority financial year (commencing on 1 April) and are payable in ten monthly instalments from May to February, or in a single sum by 1 October as the ratepayer prefers. Other ad hoc payment arrangements may be made with the agreement of the rating authority.

R a t e s :

The yield from rates in 1977-78 financed about 1/3rd of local government expenditure and amounted to, at the latest estimate £ 574 million at outturn prices exclusive of rate rebates. In the financial year beginning in 1977, the combined district/region or general rate poundages ranged from 144 pence to 203 pence.

RATES – NORTHERN IRELAND

Rates (Northern Ireland) Order 1972

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

Local and central government - on 1st October 1973 major functions formerly carried out by local government were transferred to central government. A proportion of the rate collected is therefore retained by central government as a contribution towards the cost of those services which have been transferred.

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

Occupiers of non-agricultural land and buildings.

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

Occupied non-agricultural land and buildings.

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

District rate :

the rateable value of the property occupied and the rate poundage for the area. The rateable value is related to the annual rental value of the property and is assessed by central government valuation officers. The rate poundage (which is calculated separately in each District) is the number of pence per pound of rateable value to be paid by the occupiers of property. It is calculated by dividing the total revenue required by each District Council by the total rateable valuation of the District. The rateable value was last reassessed in 1976.

Regional rate :

This is not based on specific expenditure but on the general burden of local taxation in comparable areas of England and Wales. It is a contribution towards the cost of central government services and is applied to Northern Ireland as a whole.

Exemptions :

- Agricultural land and buildings, places of religious worship and charities are totally exempt.
- Freight transport and industrial premises are exempted from 75% of the rate charge.
- Rate rebates are available to domestic rate payers so as to adjust payments in accordance with income and needs.

Collection :

The District Rate and the Regional Rate are combined and collected as one charge by the Department of Finance, a Department of Central Government, and the product of each District Rate passed on to each respective District Council. Rate poundages are fixed in February in each financial year. The Rate becomes due on the 1st April and is usually payable in two halves. Domestic rates can be paid by ten monthly instalments. Enforcement for non-payment is by normal debt proceedings at the Courts.

Yield :

The total yield for rates in Northern Ireland for the year ending 31 March 1978 was £ 89.7 million, of which approximately 65% is retained by Central Government.

STAMP DUTY

Stamp Act 1891 and subsequent Finance Acts and corresponding legislation in Northern Ireland

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 :

A wide range of legal and commercial documents, and on statements or returns relating to chargeable transactions (which include formations and increase of capital) of capital companies.

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

Duties are at various fixed and ad valorem rates depending on the nature of the document etc.

E x e m p t i o n s :

- Transfers of property other than stocks or marketable securities if the sale price or value does not exceed £ 15,000 ;
- Instruments of transfer or bearer instruments relating to British Government and local authority securities ;
- Transfers of United Kingdom loan capital which does not carry conversion rights and of Commonwealth Government stock.
- Mortgages, debentures, bonds and promissory notes.
- Policies of life insurance where the sum insured does not exceed £ 50 ;
- Leases of land or property for a term not exceeding 7 years or for an indefinite term for a yearly rent not exceeding £ 250 for which no premium is paid ;
- Transfers and capital duty in respect of certain company amalgamations or reconstructions ;
- Transfers, subject to certain conditions, between associated companies ;
- Trust instruments relating to unit trust schemes where the units are to be held for charitable purposes only.

C o l l e c t i o n :

By impressed or sometimes adhesive stamps on the relevant documents etc. There are penalties for late stamping, and a document etc. not stamped or not adequately stamped is not admissible as evidence in legal proceedings.

R a t e s :

Principal duties are :

- Transfer of stocks or marketable securities : 2% of the sale price or value ;
- Transfers of property of value between £ 15 000 and £ 20 000 : 0,5% of the sale price or value ;
- Transfers of property of value between £ 20 000 and £ 25 000 : 1% of the sale price or value ;
- Transfers of property of value between £ 25 000 and £ 30 000 : 1,5% of the sale price or value ;
- Transfer of property of value exceeding £ 30.000 : 2% of the sale price or value ;
- Chargeable transactions of capital companies : 1% of the chargeable amount ;
- Policies of life insurance for an amount exceeding £ 50 : 5 pence per £ 100 of the sum insured if not exceeding £ 1 000 and 50 pence per £ 1.000 of the sum insured if over £ 1 000 ;
- Purchase life or superannuation annuities : 5 pence per £ 10 of the annuity ;
- Leases of land and property : Rates vary between 1% and 24% of the annual rent depending on the length of lease.

Where a premium is paid an additional charge at the appropriate ad valorem rate is made on the amount of the premium ; but in cases where the average yearly rent does not exceed £ 150 and the premium does not exceed £ 15 000 no charge is made on the premiums. If the yearly rent exceeds £ 150 the premium is chargeable with duty at the full 2% rate.

- Transfers of stocks, marketable securities and property to charities are liable to duty at a maximum rate of 1%. Charities are also entitled to reduced rates of duty on leases ;
- Leases of furnished property for a term of less than a year and for a rent in excess of £ 250 are liable to a fixed duty of £ 1 ;
- Contract notes on sales or purchase of stock or securities by a broker or dealer in securities : fixed duties of up to 60 pence depending on the value of the stock or securities ;
- Unit trust instruments : 0.25% of the value of the original property of the unit trust or of any additions thereto ;
- Bearer instruments on issue or first negotiation in the United Kingdom (not relating to stock in foreign currencies) : ad valorem duty of 6%, 4%, 2%, or a fixed duty of 10 pence depending on the type of instrument ;
- There are also certain instruments which are subject to a fixed duty, normally 50 pence.

VEHICLE EXCISE DUTY

Vehicles (Excise) Act 1971 (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 b y :

The keeper and user of a vehicle, who is not necessarily the legal owner.

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

Vehicles kept or used on a public road.

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

Duty is payable according to type and use of vehicle. Private cars are liable to duty at a flat-rate; motor cycles and three-wheelers according to engine capacity ; goods vehicles by unladen weight and taxis and buses by seating capacity. Goods vehicles drawing trailers pay a trailer supplement.

E x e m p t i o n s :

Certain vehicles including invalid carriages, road maintenance vehicles, ambulances and fire-engines, are exempt from duty.

(1) In Northern Ireland, vehicle excise duty is charged under the Vehicles (Excise) Act (Northern Ireland) 1972 , and, with certain exceptions, mainly in respect of goods vehicles, is levied at the same rate as in Great Britain.

C o l l e c t i o n :

Vehicle excise duty is collected by the sale of vehicle licences to the persons keeping the vehicles. Licences are issued by post offices, and by local offices of the Department of Transport, who administer the tax. The proceeds are paid direct to the exchequer.

R a t e s :

For a private car, the cost of a licence in Great Britain is £ 50 a year. Motor-cycles and three-wheelers, etc. pay £ 5, £ 10 and £ 20 a year according to engine capacity. Rates of duty on goods vehicles rise on a scale which for an unladen weight of less than 16 cwt is £ 50 and for one exceeding 10 tons is £ 824 a year. For each additional 1/4 ton or part of a 1/4 ton a further £ 30 is payable. Goods vehicles drawing a trailer pay extra duty on a scale which for an unladen goods vehicle not exceeding 1 1/2 tons is £ 30 and for an unladen goods vehicle exceeding 6 tons £ 112. Certain vehicles including agricultural machines, digging machines, mobile cranes, works trucks and mowing machines, which make limited use of public roads, are charged a nominal rate of £ 8.50 per year. There are also preferential rates of duty for electrically propelled vehicles and farmers' and showmen's goods vehicles.

GAMING LICENCE DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance (N° 2)
Act 1975

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 :

A half-yearly licence for the premises valid from 1 April or 1 October
each year.

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

The rateable value of the premises licensed for casino-type gaming
and the number of tables provided for licensable gaming.

C o l l e c t i o n :

Payment must be made to the local Collector's Office prior to the next
licensing period.

R a t e s f o r t h e h a l f y e a r :

Rateable value of the premises		Charge for each table
Exceeding	Not exceeding	
£	£	£
-	1 500	500
1 500	3 000	750
3 000	4 500	1 250
4 500	6 000	2 500
6 000	7 500	3 750
7 500	9 000	5 000
9 000	10 500	6 250
10 500	12 000	8 750
12 000	-	11 250

GAMING MACHINE LICENCE DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance (N° 2) Act 1975

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 yearly, half-yearly or holiday season licence for each machine, the yearly licences being valid from 1 October, the half-yearly licences from 1 April or 1 October and the holiday season licences from 1 March to 31 October.

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

Gaming machines in the following categories :

- (A) Amusements with prizes machines (on premises with local authority approval) ;
- (B) Penny machines (on premises with local authority approval) (March to October) ;
- (C) Other machines (on premises without local authority approval).

Except for penny machines, there is a higher and lower rate of duty, depending on whether the effective charge to play the machine once is 1 1/4 pence or less (when the lower rate is charged) or more than 1 1/4 pence (when the higher rate is charged).

C o l l e c t i o n :

Payment must be made to the local Collector's Office prior to the next licensing period.

R a t e s :

Annual

- (A) - Lower rate : First machine : £ 12 50
Each machine other than the first : £ 50
- Higher rate : First machine : £ 25
Each machine other than the first : £ 100

- (B) Each machine : £ 7,50

- (C) - Lower rate : First machine : £ 50
Each machine other than the first : £ 100
- Higher rate : First machine : £ 100
Each machine other than the first : £ 200

Half-yearly licences are dutiable at 11/20ths of the rates at A and C above.

VALUE-ADDED TAX

Finance Act 1972, as amended by the Finance Acts 1973, 1974, 1975
(N° 2) 1975, 1976, 1977 and 1978

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 :

- Anyone carrying on a business with a taxable turnover (including zero-rated goods and services) of more than £ 10 000 per year ;
- Persons making entry of imported goods.

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

- The supply of goods and services by way of business ;
- Imported goods and certain services provided in the United Kingdom by overseas businesses.

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

- The payment received for the supply of goods or services (excluding the tax itself) ;
- On imports, the customs value plus any customs duties and any special surcharge or levy. On services provided by overseas businesses, the consideration for supply of the services where received.

E x e m p t i o n s :

Without deduction of tax paid at earlier stages ; transactions in land (this include rents, but provision of hotel and similar accomodation is chargeable at the standard rate) ; all forms of insurance ; the letter and parcel posts ; betting and gaming (other than by means of gaming machines), financial transactions, certain education and health services ; burial and cremation; the membership services of trade unions and certain non-profit-making professional, learned and representative bodies.

C o l l e c t i o n :

At the end of each tax period (three months), the taxable person must make a return of VAT due to a central VAT Control Unit. Taxable persons who expect their input tax regularly to exceed their output tax, for example because most of their outputs are zero-rated, may choose to make returns monthly and so obtain earlier repayments.

R a t e s :

- Standard rate 8%

- Higher rate 12 1/2%

The higher rate applies to the following goods and to certain related services : Most domestic electrical appliances (other than cookers, space heaters and fitted water heaters) ; domestic refrigerators and freezers ; gardening equipment operated by electricity or by internal combustion engine ; radios, television sets, audio equipment and electronic musical instruments ; pleasure boats and light aircraft ; touring caravans ; photographic equipment and binoculars ; furs ; jewellery, goldsmiths' and silversmiths' wares and similar goods ; petrol and other fuels for road use, except derv and liquid petroleum gas which are subject to the standard rate.

- Zero rate :

Food (except "meals out", sweets, chocolates, ice-creams, soft drinks, potato crisps, roasted and salted nuts, and similar products and pet foods) ; young children's clothing and footwear ; books, newspapers, periodicals and maps ; the supply to Charities catering for the blind of "talking books" and wireless receiving sets for loan to the blind ; newspaper advertisements and news services ; water and sewerage services; coal and other solid fuel, gas, electricity, oil (except for petrol and other fuels for road use) ; the construction of buildings (this includes alterations, but repairs are chargeable at the standard rate); passenger transport (other than taxis) ; residential caravans and houseboats; gold supplied to authorised dealers and gold coins; bank notes; certain international services most of which are used outside the UK; drugs, medicines and

certain aids for the disabled supplied on medical prescription or certificate ; imported goods supplied before the delivery of an entry under an agreement requiring the purchaser to make an entry ; exports; sale of donated goods by certain charities and charitable donations of certain medical and scientific equipment ; protective boots and helmets.

CAR TAX

Finance Act 1972, as amended by the Finance (N° 2) Act 1975

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 :

Cars and motor caravans made in the United Kingdom or registered for road use in the United Kingdom.

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

The wholesale value of the vehicle.

C o l l e c t i o n :

Any person who makes or imports ten or more cars or motor caravans per year is liable to be registered. Registered traders pay the tax at three-monthly intervals. In other cases, the tax must be paid before the vehicle is registered for road use.

R a t e :

10%.

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