COMMISSION OF THE EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL: FINANCIAL INSTITUTIONS AND TAXATION

DIRECTORATE OF TAXATION

INVENTORY OF TAXES

1981 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,* regions, districts, provinces, communes) in the Member States of the European Communities

1981 EDITION

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INTRODUCTORY NOTE

In collaboration with the Member States 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 1 September 1981 and replaces the previous edition which was based on the situation on 31 December 1978.

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 Member States.

The terminology used is that of the Tax Statistics Yearbook of the Statistical Office of the European Community. For technical reasons the section on Greece will be published separately at a later date.

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 - November 1981

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
G.U.	=	Gazzetta Ufficiale della Repubblica italiana
T.U.	=	Testo unico
L.	=	Legge
DPR	=	Decreto del presidente della Repubblica (Presidential Decree)
DM	=	Decreto ministeriale
MD	=	Ministerial Decree
R.D.	=	Regio decreto (Royal Decree)
Mémorial	=	Journal officiel du Grand-Duché de Luxembourg
Stb.	=	Staatsblad

SUMMARY

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 06.1	Compensatory tax for succession duty (Taxe compensatoire des droits de succession/Taks 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 08.1	Tax on bills (Taxe d'affichage/Aanplakkingstaks)
B 08.2	Hunting tax (Taxe sur la chasse/Taks op de jacht)
B 11 (L 14/15)	Excise duty on mineral oils (Accise sur les huiles minérales/Accijns op minerale oliën)
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 en verbruikstaks 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)
B 20 (L 25)	Excise duty on sugar (Accise sur les sucres/Accijns op suiker)
B 20.1	Excise duty on coffee (Accise sur le café/Accijns op de koffie)
B 21	Annual tax on insurance contracts (Taxe annuelle sur les contrats d'assurance/Jaarlijkse taks op de verzekeringscontracten)
B 22	Betting and gaming tax (Taxe sur les jeux et paris/Belasting op de spelen en de weddenschappen)

B 23	Tax on automatic amusement machines (Taxe sur les appareils automatiques de divertissement/Belasting op de automatische 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)
B 30.1	Annual tax payable by retailers of spirituous beverages (Taxe annuelle due par les détaillants de boissons spiritueuses/Jaarlijkse belasting verschuldigd door de kleinhandelaars in geestrijke dranken)

SUMMARY

DK 01	State income tax (Indkomstskat til staten)
DK 01.1	County income tax (Amtskommunal indkomstskat)
DK 01.2	Municipal income tax (Kommunal indkomstskat)
DK 01.3	Dividend tax (Udbytteskat)
DK 01.4	Tax on employee's shares and bonds (Afgift af medarbejderaktier og -obligationer)
DK 01.5	Seamen's tax (Sømandsskat)
DK 02	Pensions contribution (Folkepensionsbidrag)
DK 02.1	Special pensions contribution (Saerligt folkepensionsbidrag)
DK 02.2	Contribution to the sickness per diem fund (Bidrag til Dagpengefonden)
DK 03	Church tax (Kirkeskat)
DK 04	Special income tax (Saerlig indkomstskat)
DK 05	Corporation tax (Selskabsskat)
DK 06	Tax on lottery winnings (Afgift af gevinster ved lotterispil)
DK 08	Levy on hunting licenses (Jagttegnsafgift)
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 (Mervaerdiafgift)
DK 15	Excise duty on petrol (Benzinafgift)
DK 15.1	Excise duty on certain petroleum products (Afgift af visse olieprodukter)
DK 15.2	Tax on gas (Afgift af gas)
DK 15.3	Tax on electricity (Afgift af elektricitet)
DK 16	Registration tax on motor vehicles (Registreringsafgift af motorkøretøjer)
DK 17	Excise duty on tobacco (Tobaksafgift)
DK 18	Duty on matches and lighters (Afgift af cigartaendere og taendstikker)
DK 19	Excise duty 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 24.1	Excise duty on coffee, coffee extracts and coffee-substitute (Afgift af kaffe, kaffeekstrakt og kaffeerstatning)

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 mv)
DK 28.1	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 31.1	Tax on playing cards (Afgift af spillekort)
DK 31.2	Tax on sugar (Afgift af sukker)
DK 35	Tax on totalizator betting (Afgift på spil ved totalisator)
DK 36	Tax on football-pool betting (Afgift af tipning)
DK 38	County land tax (Amtskommunal grundskyld)
DK 38.1	Municipal land tax (Kommunal grundskyld)
DK 38.2	Supplementary land tax (Tillaegsgrundskyld)
DK 38.3	Fixed State property tax (Fikseret ejendomsskyld til staten)
DK 38.4	Fixed real property municipal tax (Fikseret ejendomsskyld til kommunen)
DK 38.5	State Land tax (Grundskyld til staten af landbrugsejendomme)
DK 38.6	Financial levy on public property (Daekningsafgift af offentlige ejendomme)
DK 38.7	Financial levy on commercial premises (Daekningsafgift af forretningsejendomme)
DK 38.8	State institutions' income tax (Indkomstskat af statsinstitutioner)
DK 38.9	Tax on rents released from Landlords' Investment Fund (Grundejernes investeringsfond)
DK 39	Real property disposal tax (Afståelsesafgift)
DK 39.1	Stamp duty (Stempelafgifter)
DK 39.2	Stock exchange stamp duty (Børsstempelafgift)
DK 40	Weight tax on motor vehicles (Vaegtafgift af motorkøretøjer)
DK 41	Tax on third-party insurance for motor vehicles, etc. (Afgift af ansvarsforsikringer for motorkøretøjer mv)
DK 41	Tax on pleasure craft insurance (Afgift af lystfartøjsforsikringer)
DK 41.1	Levy on banks and savings banks (Afgift af banker og sparekasser)
DK 41.2	Levy on insurance businesses (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 tax (Einkommensteuer)
D 02/04	Wages tax (Lohnsteuer)/Special method of collection of income tax chargeable on income from paid employment
D 03	Capital yields tax (Kapitalertragsteuer)/Special method of collection of income tax and corporation tax
D 05/04	Corporation tax (Körperschaftsteuer)
D 07	Tax on dogs (Hundesteuer)
D 08	Hunting tax (Jagdsteuer)
D 08.1	Fishing tax (Fischereisteuer)
D 09	Wealth tax (Vermögensteuer)
D 10	Equalization of burdens levies (Lastenausgleichsabgaben)/Property levy, levy on mortgage profits, levy on profits from credits
D 11	Succession and gift tax (Erbschaft- und Schenkungsteuer)
D 12	Turnover tax - Value-added tax (Umsatzsteuer - Mehrwertsteuer)
D 18	Excise duty on mineral oils (Mineralölsteuer)
D 19	Duty on tobacco (Tabaksteuer)
D 21	Duty on spirits (Alkoholsteuer)
D 22	Excise duty on sparkling wines (Schaumweinsteuer)
D 23	Duty on beer (Biersteuer)
D 24	Duty on beverages (Getränkesteuer)
D 25	Excise duty on sugar (Zuckersteuer)
D 26	Excise duty on coffee and tea (Kaffee- und Teesteuer)
D 28	Excise duty on salt (Salzsteuer)
D 31	Excise duty on lamps (Leuchtmittelsteuer)
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)
D 41	Tax on real estate (Grundsteuer)
D 42.1/2	Real estate transfer tax - including surcharges on transfers of property payable to districts (Kreise) or municipalities (Grunderwerbsteuer)
D 44	Capital duty (Gesellschaftsteuer)
D 45	Stock exchange turnover tax (Börsenumsatzsteuer)
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) (Gewerbesteuer mit Lohnsummensteuer)
D 51	Tax on the licence to sell beverages (Schankerlaubnissteuer)

SUMMARY

F 01	Personal income tax (Impôt sur le revenu)
F 02	Flat-rate corporation tax (Imposition forfaitaire sur les sociétés)
F 02.1	Eyceptional tax payable by financial institutions (Prélèvement exceptionnel à la charge des institutions financières)
F 05	Tax on furnished accommodation (Taxe d'habitation)
F 07	Corporation tax (Impôt des sociétés)
F 07.1	Exceptional tax payable by participators in hydrocarbon fields (Prélèvement exceptionnel à charge des entreprises exploitant des gisements d'hydrocarbures)
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 18.1	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 19.1	Manufacturing duty on matches (Droit de fabrication sur les allumettes)
F 20	Duty on manufactured tobaccos (Taxe sur les tabacs fabriqués)
F 23.1	Duties on spirits: consumption duty and production duty (Taxe sur les alcools: Droit de consommation et droit de fabrication)
F 23.2	Specific duty on beer and certain non-alcoholic beverages (Droit spécifique sur les bières et sur certaines boissons non alcoolisées)
F 23.3	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	Duty on sugar beet (Taxe sur les betteraves)
F 25.1	Duty on sugar (Taxe sur le sucre)
F 26	Duty on cocoa and certain other tropical products (Taxe sur le cacao et certaines autres denrées tropicales)
F 26.1	Duty on coffee (Taxe sur le café)
F 26.2	Duty on tea (Taxe sur le thé)
F 28	Duty on cereals (Taxe sur les céréales)
F 29	State health tax on meat (Taxe sanitaire d'Etat sur les 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 35.1	Tax on precious metals, jewellery, works of art, collectors' items and antiques (Taxe sur les métaux précieux, les bijoux, les objets d'art, de collection et d'antiquité)
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 42.1	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 46.1	Annual tax on credit outstanding (Taxe annuelle sur les encours de crédits)
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 51	Hallmark duty on gold, silver and platinum articles (Droit de garantie sur les ouvrages d'or, d'argent et de platine)
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 55.1	Special tax on private cars with engine rating for tax purposes exceeding 16 hp (Taxe spéciale sur les voitures d'une puissance fiscale supérieure à 16 CV)
F 55.2	Annual tax on company cars (Taxe annuelle sur les voitures des sociétés)
F 55.3	Surcharge on registration certificates for motor vehicles (Taxe additionnelle sur les certificats d'immatriculation des véhicules à moteur)
F 55.4	Differential tax on motor cycles (Taxe différentielle sur les motocyclettes)
F 56	Payroll tax (Taxe sur les salaires)
F 56.1	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 58.3	Special tax on certain aircraft (Taxe spéciale sur certains aéronefs)
F 59	Special tax on establishments for the sale of beverages (Taxe spéciale sur les débits de boissons)
F 59.1	Transfer duty on establishments for the sale of beverages (Droit de transfert des débits de boissons)
F 59.2	Francization and navigation duty and sea pass duty (Droit de francisation et de navigation et droit de passeport)
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 71.1	Tax on the clearing of woodland or forest (Taxe sur le défrichement des surfaces en nature de bois ou de forêts)
F 71.2	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 14	Excise duty on tobacco products
IRL 15	Excise duty on matches
IRL 16	Excise duty on ethyl alcohol
IRL 17	Excise duty on wine
IRL 17.1	Excise duty on made-wine
IRL 18	Excise duty on beer
IRL 19	Excise duty on cider and perry
IRL 20	Excise duty on table waters
IRL 21	Excise duty on tyres and tubes
IRL 22	Excise duty on mechanical lighters
IRL 23	Excise duty on gramophone records
IRL 24	Excise duty on televisions
IRL 25	Betting duty
IRL 27	Rates
IRL 28	Stamp duties
IRL 30	Vehicles excise duties
IRL 30.1	Excise duty on motor vehicles
IRL 30.2	Excise duty on motor vehicle parts and accessories
IRL 31	Licences

SUMMARY

I 01	Personal income tax (Imposta sul reddito delle persone fisiche)
I 02	Tax on incomes of legal persons (Imposta sul reddito delle persone giuridiche)
I 03	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 16.1	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 32.1	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 35.1	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)
I 61	State lotteries (Lotterie nazionali)
I 61.1	Duty on lotto (Tributo di gioco relativo al lotto)
I 61.2	Lottery duty and licence for events carrying prizes (Tassa di lotteria e tassa di licenza sulle manifestazioni a premio)
I 61.3	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 and duty on bill-posting (Imposta communale sulla pubblicità - Diritti sulle pubbliche affissioni)
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	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 directors' 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 28	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 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 28/29/30/31	Tax on legal transactions (Belastingen op 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 organizations (Administratieve heffingen krachtens verordeningsbesluiten van publiekrechtelijke bedrijfsorganen)
N 43	Tax on dogs (Hondenbelasting)

SUMMARY

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.

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

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 BFR 390 000.

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

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

C o l l e c t i o n :

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.

R a t e s :

Taxpayers without dependants whose total taxable incomes are less than BFR 100 000 are exempt; over and above this amount, progressive rates are applied, reaching a maximum of 72% for that part of income exceeding BFR 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. The tax may not exceed 67.5% 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 90% 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 needed 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).

Carry-over of losses:

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

Beneficiary:

The State.

Tax payable by:

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 regime, the tax being payable by the participants.

Basis of assessment:

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

Exemptions and allowances:

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.

Collection:

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 BFR 1 000 000) or to 40% (when the taxable income does not exceed BFR 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 licence 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, from 1 January 1972 and from 1 January 1977.

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

Articles 136 to 138 of the Income Taxes Code

Beneficiaries:

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

Tax payable by:

- 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.

Basis of assessment:

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.

Collection:

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.

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

Rates:

- 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%.

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

Articles 139 to 152 of the Income Taxes Code

Beneficiary:

The State.

Tax payable by:

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.

Basis of assessment:

- 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 earned 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 to tax, tax credit, etc.; this is in fact the general rule for all other non-residents.

Deductions:

See under B 01 (with certain restrictions).

Married couples:

See under B 01.

Collection:

See under B 01, and note the distinction made under the heading 'Basis of assessment'.

Rates:

For non-resident individuals: see under B 01. The tax is increased by another 6 centimes, however.

For foreign legal persons: 54%.

Special features:

None.

Carry-over of losses:

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)

R.D. No 308 of 31 March 1936 establishing the Succession Duty Code, confirmed by the Law of 4 May 1936 (M.b., 7 April 1936) and modified in particular by the provisions of the first chapter of R.D. No 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)

Beneficiary:

The State.

Duty payable by:

Heirs, legatees and donees.

Basis of assessment:

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.

Exemptions:

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 BFR 500 000).

Payment

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/Taks tot vergoeding der successierechten)

Beneficiary:

The State.

Tax payable by:

Non-profit-making associations.

Basis of assessment:

Total property in Belgium.

Rate:

Annual rate of 0.17%.

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), 26 March 1971 (M.b., 31 March 1971), 22 June 1972 (M.b., 7 July 1972), 28 December 1973 (M.b., 22 December 1973), 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), 27 December 1977 (M.b., 30 December 1977) and 23 July 1981 (M.b., 31 July 1981) as well as various Implementing Decrees (42 Royal Decrees and 14 Ministerial Decrees)

Beneficiary:

The State.

Tax payable by:

- 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.

Tax payable on:

- 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

Basis of assessment:

- 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.

Special provisions:

- 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 and importations of private cars;
  - supplies of new buildings;
  - building work relating to the erection of buildings;
  - imported goods (customs value).

Deductions:

- 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.

Limitation of deductions:

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 accommodation, food and drink;
   - entertainment expenses.

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.

Exemptions:

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 in (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 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 and caviar), slaughter animals, poultry, fish, crustaceans and molluscs, fertilizers, vegetable products, feedingstuffs, water, tobacco; industrial ores, scrap and waste; household fuels; pharmaceuticals; soap and detergent; printed material; unspun textile materials; orthopaedic appliances, artificial limbs and the like; agricultural services; transport of persons; driving lessons; the cleaning, repair and maintenance of clothing and goods charged at 6%; investment gold; the granting of admission to cultural, sporting or recreational establishments; the letting of or leasing of rights to cinematographic films; the supply of accommodation and the provision of ground on camping sites by institutions engaged in 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; liquefied hydrocarbons, liquefied petroleum gases, gas oils and light and medium oils for engines; 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, television and video sets; sound reproducers and combined sound recorders and reproducers; gramophone records, magnetic tapes and other recording media; flowers; perfumery and toilet preparations and cosmetic products (excluding shaving cream, shampoo 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, fruit juices; caviar; rock lobster, lobster, crab, crayfish and oysters; travelling goods; leather goods, clothing and gloves; services of hair dressers and beauty shops; renting of cars;

- 17% for other goods and services;
- 8% additional luxury tax on certain of the items subject to 25% VAT:
  - jewellery, jewels and goldsmiths' or silversmiths' wares of precious metals; clocks and watches made wholly or partly of precious metal; fur clothes; perfumery, toilet and cosmetic products; arms; cars with motors above 3 000 cc or 116 kW; yachts and pleasure crafts; radios, televison sets, tape recorders and video recorders.

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 BFR 15 000 000;
2. an equalization tax for small retailers whose annual purchases do not exceed BFR 4 500 000 in the food sector and BFR 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); R.D. of 27 December 1977 (M.b., 31 December 1977)

Beneficiary:

The State.

Tax payable on:

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 time in Belgium by the owner or by a third party acting with the consent of the owner.

Basis of assessment:

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.

Rates:

25%.

33 % for cars, yachts and pleasure crafts subject to the additionnal luxury tax (VAT).

Exemptions:

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.

Payment:

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

Methods of payment:

1. Affixing complete fiscal stamps to the return;

2. Transfer to or lodgement with the post office account of a collection office.

TAX ON BILLS
(Taxe d'affichage/Aanplakkingstaks)

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

Beneficiary:

The State.

Tax payable by:

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.

Tax payable on:

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

Basis of assessment:

Size of the bill.

Exemptions:

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.

Collection:

- For ordinary bills, by affixing, on each of these bills, complete ahesive 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/Taks op de jacht)

Article 11 of the Law of 25 March 1891 (M.b., 30/31 March 1891), Title XIII of the Law of 30 July 1922 (M.b., 31 July/1 August 1922); 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: BFR 6 000 for shooting the whole year, BFR 4 200 for shooting on Sundays only, and BFR 1 500 for shot-gun licences issued to foreign guests of holders of licences.
- Bird-trapping permit: BFR 315 per net for trapping birds (BFR 105 for a permit valid on Sundays and public holidays); BFR 105 to BFR 420 for trapping thrushes in snares.
- Duck decoy: BFR 10 500 per year.

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

R.D. 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); R.D. of 26 September 1974 amending the excise system for mineral oils (M.b., 27 September 1974); R.D. of 21 November 1974 amending the excise system for mineral oils (M.b., 22 November 1974); R.D. of 25 March 1977 (M.b., 29 March 1977); R.D. of 21 December 1977 (M.b., 30 December 1977); R.D. of 28 September 1979 (M.b., 29 September 1979); R.D. of 27 November 1979 (M.b., 30 November 1979); R.D. 27 June 1980 (M.b., 19 July 1980); R.D. of 23 September 1980 (M.b., 27 September 1980) and R.D. of 18 June 1981 (M.b., 20 June 1981)

Beneficiary:

The State.

Excise duty payable on:

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

Excise duty due when:

Dutiable products are offered for consumption on importation, or on delivery from customs or excise duty free warehouse.

Exemption:

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

Declaration and date for submission:

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)	Excise duty	Special excise duty[1]
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	FR 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	FR 696 per hl at 15°C	BFR 279 per hl at 15°C
21212. other	FR 696 per hl at 15°C	BFR 279 per hl at 15°C
2122. unnamed	FR 696 per hl at 15°C	BFR 279 per hl at 15°C
22. medium oils:		
221. for industrial use	duty-free	nil
222. for other uses:		
2221. paraffin oil	FR 696 per hl at 15°C	BFR 244 per hl at 15°C
2222. unnamed	FR 696 per hl at 15°C	BFR 244 per hl at 15°C
23. heavy oils:		
231. fuel oils:		
2311. heavy gas oil:[2]		
23111. used as raw material in industry	duty-free	nil

Annex V to the Tariff of Import Duties (BLEU)	Excise duty	Special excise duty[1]
23112. for other uses	FR 25 per hl at 15°C	BFR 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 forestry tractors	FR 38 per hl at 15°C	BFR 7 per hl at 15°C
23123. fuel for engines of vehicles using the public highway, other than those mentioned under 23122.	FR 200 per hl at 15°C	BFR 225 per hl at 15°C
23124. for all unspecified uses	FR 38 per hl at 15°C	BFR 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	FR 25 per hl at 15°C	BFR 20 per hl at 15°C[3]
231322. other	FR 10 per 100 kg	nil
232. Lubricating oils:		
2321. used as raw materials in industry	duty-free	nil
2322. for other uses	FR 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	FR 10 per 100 kg	nil
234. other:		
2341. intended for use as fuel	FR 10 per 100 kg	nil
2342. not designated	duty-free	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 LFR 20 per hl at 15°C is levied in Luxembourg on heavy gas oil for other uses (No 23112) and medium fuel oil for heating (No 231321).

Imports:

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:

	Excise duty	Special excise duty[1]
1. Products containing more than 5% by weight of crude petroleum oils: per 100 kg and per %	FR 0.10	nil
2. Products containing light mineral oils which cannot be used as fuel for engines	duty-free	nil
3. Products containing more than 5% by volume of light mineral oils which could be used as fuel for engines: per hectolitre and per %	FR 6.96	BFR 2.79
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 %	FR 6.96	BFR 1.45
6. Products containing other mineral oils	nil	nil

[1] The special excise duty is also due on imports into Belgium from Luxembourg.

Period for payment:

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.

EXCISE DUTY ON LIQUEFIED PETROLEUM GASES AND OTHER LIQUEFIED GASEOUS HYDROCARBONS
**(Accise sur les gas 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., 8 April 1970); R.D. of 26 September 1974 (M.b., 27 September 1974); Amending Law of 26 January 1976 (M.b., 13 August 1976); R.D. of 23 September 1980 (M.b., 27 September 1980) and R.D. of 24 June 1981 (M.b., 30 June 1981)

Beneficiary:

The State.

Excise duty payable on:

Liquefied petroleum gases and other liquefied gaseous hydrocarbons.

Excise duty due when:

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.

Exemption:

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.

Declaration and date for submission:

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.

Collection:

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.

Rates:

Excise duty:	nil
Special excise duty:[1]	BFR 200 per hl at 15°C

Period for payment:

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.

Imports:

Imports of liquefied petroleum gases and other liquefied gaseous hydrocarbons are subject to the same system as for similar products manufactured within the country.

Exports:

Exports of liquefied gases are exempted from all excise duty and special excise duty.

Exemption from special excise duty only is granted for exports of liquefied gases to Luxembourg.

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

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

Law of 7 February 1961 on the excise system for 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); R.D. of 21 December 1977 (M.b., 30 December 1977); R.D. of 28 September 1979 (M.b., 29 September 1979); R.D. of 27 November 1979 (M.b., 30 November 1979); R.D. of 27 June 1980 (M.b., 19 July 1980) and R.D. of 23 September 1980 (M.b., 27 September 1980)

Beneficiary:

The State.

Excise duty payable on:

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.

Excise duty due when:

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.

Exemption:

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.

Declaration and date for submission:

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:	FR 696 per hl at 15°C
Special excise duty:[1]	BFR 144 per hl 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.

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.

E x p o r t s :

Exports of benzole are exempted from all excise duty and special excise duty.

Exemption from special excise duty only is granted for exports of benzole fuel to Luxembourg.

[1] Levied in Belgium only and also due on imports of benzole products into Belgium 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 (M.b., 1 August 1969); Law of 16 June 1973 (M.b., 20 June 1973); R.D. of 28 June 1973 (M.b., 29 June 1973); R.D. of 29 March 1974 (M.b., 13 April 1974); R.D. of 1 October 1974 (M.b., 11 October 1974); R.D. of 10 February 1976 (M.b., 14 February 1976); R.D. of 30 March 1976 (M.b., 1 April 1976); R.D. of 5 May 1976 (M.b., 8 May 1976); R.D. of 10 September 1976 (M.b., 15 September 1976); R.D. of 20 December 1976 (M.b., 28 December 1976); R.D. of 15 April 1977 (M.b., 30 April 1977); R.D. of 10 October 1977 (M.b., 15 October 1977); R.D. of 21 December 1977 (M.b., 31 December 1977); R.D. of 19 July 1978 (M.b., 28 July 1978); R.D. of 29 July 1980 (M.b., 30 July 1980) and R.D. of 31 July 1980 (M.b., 10 August 1980)

Beneficiary:

The State.

Excise duty payable on:

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.

Excise duty due when:

The tobacco products referred to above leave the factory for consumption, or are imported.

Declaration and date for submission:

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.

Collection:

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.

Basis and rates of ad valorem excise duty:

- Cigars weighing 3 kg or more per 1 000		11.5%	of the retail sales price, according to a scale laid down by the Minister of Finance
- Other cigars (cigarillos)		16%	
- Cigarettes	Belgium	61,87%	
	Luxembourg	55.5%	
- Smoking tobacco, snuff and dry chewing tobacco		31.5%	

In addition cigarettes are subject to a specific excise duty of BFR 0.048 each, in Luxembourg and one of BFR 0.062 per piece in Belgium.

Note: The total of the ad valorem and the 'specific' excise duties may not be less than BFR 1.013 or BFR 0.42 per piece depending on whether the cigarettes are banded with Belgian or Luxembourgish tax bands.

Period for payment:

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.

Replacement of tax bands or stamps:

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.

Exports:

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

Imports:

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.

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 (M.b., 6 August 1966); Law of 2 July 1969 (M.b., 1 August 1969); R.D. of 26 September 1974 (M.b., 27 September 1974); R.D. of 15 December 1975 (M.b., 24 December 1975); Law of 12 July 1978 (M.b., 21 September 1978); R.D. of 9 August 1978 (M.b., 21 September 1978); R.D. of 16 May 1980 (M.b., 31 May 1980); R.D. of 4 July 1980 (M.b., 5 July 1980); R.D. of 10 November 1980 (M.b., 25 November 1980) and R.D. of 24 June 1981 (M.b., 30 June 1981)

Beneficiary:

The State.

Excise duty payable on:

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

Excise duty due upon:

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

Exemptions:

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.

Luxembourg: As from 1 December 1980, the exemption from excise duty for alcohol used, after denaturation, for industrial purposes is fixed at BFR 4 500 per hl alcohol at 50°.[1]

[1] Grand Ducal Regulation of 1 December 1980 concerning the exemption from duty in the case of alcohol used for industrial purposes (Mémorial A, 1980, p. 2068).

Declaration and date for submission:

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

Collection:

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

Rates:

1. Excise duty: crude alcohol or per degree of alcohol at 20°C . . . . . BFR 90 per hl

   Reduced tax for alcohol designated for the making of perfumes per degree of alcohol at a temperature of 20°C. . . . . exempted

2. Special excise duty:

   Belgium

   - Undenatured ethyl alcohol . . . . . BFR 335 per hl per degree of alcohol

   - Ethyl alcohol denatured and used:
     (a) for the manufacture of raw materials used in the perfumery industry and of cosmetic and toilet articles . . . . . exempted
     (b) for other uses. . . . . exempted

   Luxembourg

   - Undenatured ethyl alcohol . . . . . LFR 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. . . . . exempted
     (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. . . . . BFR 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. . . . exempted
  (b) other . . . . . exempted

2. Special excise duty (per hl and per degree):

Belgium

- Undenatured ethyl alcohol, brandies, liqueurs and other spirituous beverages . . . . BFR 475

- All other products containing undenatured ethyl alcohol . . . . . BFR 475

- 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 . . . . . exempted

- 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 . . . . . exempted
  (b) all other products. . . . . exempted

Luxembourg

- Undenatured ethyl alcohol, brandies, liqueurs and other spirituous beverages . . . . LFR 80

- All other products containing undenatured ethyl alcohol . . . . . LFR 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 . . . . . exempted

- 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 . . . . . exempted
  (b) all other products. . . . . exempted

Period for payment:

Belgium

Provided sufficient security is available, a period of grace up to the 15th 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.

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 (M.b., 27 July 1938); Law of 19 March 1951 and M.D. of 25 March 1952; Law of 11 December 1959 (M.b., 20 February 1960); Law of 19 March 1969 (M.b., 1 August 1969); M.D. of 12 April 1972 (M.b., 14 April 1972); Law of 5 January 1976 (M.b., 6 January 1976); Law of 12 July 1978 (M.b., 21 August 1978); R.D. of 9 August 1978 (M.b., 21 September 1978); R.D. of 9 August 1978 (M.b., 21 September 1978) and M.D. of 17 May 1980 (M.b., 31 May 1980)

Beneficiary:

The State.

Excise duty payable on:

- 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.

Excise duty due when:

Dutiable beverages are manufactured or imported.

Exemptions:

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.

Declaration and date for submission:

- Manufacture of beverages fermented from fruit:
  a declaration of work to be carried out is required. This declaration must reach the excise officer not later than the second working day before the date fixed for beginning work.

- Manufacture of sparkling fermented beverages:
  depending on his working methods, the manufacturer must submit one or two declarations of work to be carried out which must reach the excise officer at least 48 hours before the commencement of work.

Collection:

The duties are payable by the manufacturer.

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

Rates:

1. Beverages fermented from fruit

A. Beverages fermented from fresh or dried grapes, of a strength not exceeding 22°, at a temperature of 20°C are subject to:

(a) an excise duty of BFR 600 per hl

(b) a special excise duty of BFR 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°, as follows:

(i) BFR 10.60 per hl, if their strength does not exceed 15°,

(ii) BFR 17 per hl, if their strength exceeds 15°.

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 20°C are subject to:

(a) an excise duty of BFR 600 per hl

(b) a special excise duty of BFR 600 per hl[1]

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

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 BFR 10.60 per hl.

2. Fermented sparkling beverages	Excise duty	Special excise duty[1]
(a) Beverages of a strength not exceeding 6° at a temperature of 20°C	BFR 150 per hl	none
(b) Beverages of a strength exceeding 6° at a temperature of 20°C:		
(1) manufactured from fresh or dried grapes	BFR 1 500 per hl	BFR 1 500 per hl
(2) others	BFR 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.

Imports:

The above duties also apply to domestic and imported products.

Period for payment:

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

- beverages fermented from fruit: 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.

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

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 duty.

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 (M.b., 20 June 1973); R.D. of 27 November 1973 (M.b., 30 November 1973); R.D. of 24 January 1974 (M.b., 26 January 1974); R.D. of 28 November 1974 (M.b., 29 November 1974); M.D. of 8 May 1981 (M.b., 15 May 1981); R.D. of 24 June 1981 (M.b., 27 June 1981)

Beneficiary:

The State.

Excise duty payable on:

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 5/7 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.

Excise duty due when:

Brewing is carried out or on importation.

Exemptions:

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.

Declaration and date for submission:

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, taking into account the excise duty already on the sugar content. They are fixed as follows per hectolitre-degree:

	Excise duty		Special excise duty[1]	
	sugar, saccharose and invert sugar	other	sugar, saccharose and invert sugar	other
- For the first 10 000 hl degrees	FB 30.30	FB 31.90	FB 36.10	FB 36.10
- From 10 001 to 50 000 hl degrees	FB 36.50	FB 38.10	FB 43.20	FB 43.20
- From 50 001 to 300 000 hl degrees	FB 44.40	FB 46.00	FB 52.30	FB 52.30
- From 300 001 to 1 250 000 hl degrees	FB 44.40	FB 46.00	FB 54.20	FB 54.20
- More than 1 250 000 hl degrees	FB 50.60	FB 52.20	FB 55.00	FB 55.00

[1] Levied only in Belgium.

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

I m p o r t s :

Belgium:

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

	Excise duty	Special excise duty[1]
Beers with a density of:		
- Less than 3°9	BFR 183.90 per hl	BFR 209.00 per hl
- From 3°9 to less than 5°6	BFR 262.60 per hl	BFR 298.60 per hl
- From 5°6 to less than 6°4	BFR 315.20 per hl	BFR 358.30 per hl
- 6°4 and over	BFR 362.40 per hl	BFR 412.10 per hl

Luxembourg

Imported beers are subject to an excise duty fixed per hectolitre-degree of beer and in accordance with the annual production of the brewery which produced the beer, as below:

Annual producties	Rate
Not exceeding 20 000 hl° of worts	LFR 46.20
From 20 001 to 50 000 hl° of worts	LFR 50.40
From 50 001 to 60 000 hl° of worts	LFR 52.92
From 60 001 to 75 000 hl° of worts	LFR 55.17
From 75 001 to 100 000 hl° of worts	LFR 57.42
From 100 001 to 150 000 hl° of worts	LFR 59.67
From 150 001 to 300 000 hl° of worts	LFR 61.92
From 300 001 to 700 000 hl° of worts	LFR 64.17
From 700 001 to 900 000 hl° of worts	LFR 65.45
From 900 001 to 1 200 000 hl° of worts	LFR 66.01
From 1 200 001 to 2 000 000 hl° of worts	LFR 66.51
From 2 000 001 to 5 000 000 hl° of worts	LFR 67.10
Exceeding 5 000 001 hl° of worts	LFR 67.63

[1] Also due on imports of beer into Belgium from Luxembourg.

The number of hectolitre-degree of beer imported is the product of the volume of that beer and the difference between its original gravity at 17.5°C and the gravity of pure water at 4°C.

The annual production of a brewery is based on the number of hectolitre degrees which it would have been considered to produce had it been established in Luxembourg.

Period for payment:

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 15th day of the twelfth month following that in which the brewing declaration was submitted;
- Other beers:
  payment may be deferred until the 15th day of the third month following that in which the brewing declaration was submitted.

Exports:

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

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

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

R.D. No 44 of 28 September 1939 on the tax system for mineral waters and gaseous or sparkling lemonade (M.b., 4 October 1939); Law of 29 June 1966 (M.b., 6 August 1966); Law of 24 November 1972 (M.b., 16 December 1972); R.D. of 24 June 1981 (M.b., 27 June 1981)

Beneficiary:

The State.

Excise duty payable on:

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.

Excise duty due upon:

Release for consumption from the factory or for importation.

Declaration and date for submission:

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.

Collection:

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.

Rates:

- Mineral waters	BFR 1 per litre
- Lemonade	BFR 3 per litre
- Other	BFR 2 per litre

Period for payment:

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).

Imports:

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.

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); R.D. of 2 August 1978 (M.b., 1 September 1978)

Beneficiary:

The State.

Excise duty payable on:

Cane or beet sucrose sugar.

Excise duty payable upon:

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

Exemptions:

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.

Declaration and date for submission:

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 :

1. Sugar in solid form: BFR 60 per 100 kg net.

2. Sugar in liquid or paste form of which the colour is less than 6 on the 'Union Calorimètre' scale or of which the degree of purity is above 90: BFR 0.60 per 100 kg net and by per cent of purity.

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 net:

- solid sucrose sugar	BFR 60
- sucrose sugar in other forms, caramel, invert sugar and artificial honey per % of sugar content	BFR 0.60
- products containing added sucrose sugar, caramel, invert sugar or artificial honey in the following proportions:	
- 5% to 15%	BFR 6
- more than 15%, but not more than 25%	BFR 12
- more than 25%, but not more than 40%	BFR 19.50
- more than 40%, but not more than 60%	BFR 30
- more than 60%, but not more than 75%	BFR 40.50
- more than 75%, but not more than 90%	BFR 49.50
- more than 90%	BFR 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 15th day of the month following that in which the declaration of amounts offered for consumption is made.

E x p o r t s :

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

EXCISE DUTY ON COFFEE
(Accise sur le café/Accijns op de koffie)

Law of 23 July 1981 (M.b., 31 July 1981)

Beneficiary:

The State.

Excise duty payable on:

Coffee (decaffeinated or not).

Excise duty payable upon:

Release for consumption from factory or from place of importation.

Exemptions:

1. Coffee (roasted or not) and coffee extracts exported or sent to a destination equivalent to exportation.
2. Coffee used in the manufacture of products and preparations, based on coffee extracts or containing coffee, exported or sent to a destination equivalent to exportation.
3. Coffee put to industrial uses other than roasting and the preparation of coffee extracts.
4. Coffee unfit for consumption and destroyed in places of importation and processing under official supervision.

Rates:

1. Coffee (not roasted)	BFR 8 per kg net
2. Coffee (roasted)	BFR 10 per kg net
3. Extracts of coffee	BFR 28 per kg of dry matter

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

R.D. 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)

Beneficiary:

The State.

Tax payable on:

Insurance contracts.

Basis of assessment:

Premiums and charges to be borne by the insured party.

Exemptions:

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.

Payment:

Annual payment.

Rates:

The standard rate is 9.25%.

The rate is reduced to 4.4% 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

Beneficiary:

The State.

Tax payable by:

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

Basis of assessment:

- Generally speaking, gross sums involved in betting and gaming.
- For casino games: winnings of bankers in baccarat/chemin de fer; winnings of punters in roulette without zero and gross gains (stake minus gain) for other casino games.
- Betting competitions and other competitions: gross stakes, gross prizes and net prizes.

Exemptions:

- 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.

Payment:

Payment on the first and the 15th day of each month.

R a t e s :

(a) In general: 11% of the gross sums involved.

(b) Special cases:

- For horse races: 1. One-fifth of the gross sum placed with the 'Pari Mutuel' (Tote; No 1-2-3) is levied as tax;
  2. 5% of the gross sum placed on 'straight bets' (i.e. on the winner, only);
- 4.80% on the winnings of bankers in baccarat/chemin de fer;
- 2.75% on the winnings of players in roulette without zero;
- 30% on that pact of the gross gains from casino games (other than baccarat/chemin de fer and roulette without zero) which does not exceed BFR 35 million per year and 40% on the rest;
- BFR 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 of 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 BFR 10 000 per winner and per competition;
- 19%[1] of the net amount of these prizes if they exceed BFR 10 000 but are less than BFR 250 000 per winner and per competition;
- 25%[1] of the net amount of these prizes when they exceed BFR 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] 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 BFR 8 750 or BFR 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.

Beneficiary:

The State.

Tax payable on:

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.

Tax payable by:

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.

Basis of assessment:

Tax fixed according to category of machine (from A to E).

Payment:

Annual or by instalments.

Rates:

From BFR 3 000 (Cat. E) to BFR 36 000 (Cat. A).

Official assessment of BFR 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)

R.D. No 64 of 30 November 1939 containing the Code of the Registration taxes, mortgage duty and count dues (M.b., 1 December 1939); Law of 16 June 1947 (M.b., 14 August 1947); Ch. II of R.D. No 12 of 18 April 1967 (M.b., 20 April 1967)[1]; Laws of 14 April 1965 (M.b., 20 April 1965), of 3 July 1972 (M.b., 1 August 1972), of 1 March 1977 (M.b., 31 March 1977)[2] and of 19 July 1979 (M.b., 22 August 1979)

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%

- 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 — BFR 225

B - Other companies:

no registration tax (apart from the fixed duty of BFR 225 where applicable).

Basis of assessment:

Generally, price or value of assets.

Collection:

The tax is levied at the time of registration.

COURT DUES
(Droits de greffe/Griffierechten)

Chapter II of R.D. No 12 of 18 April 1967

Beneficiary:

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 judgments;
- 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
(D r o i t s d e t i m b r e / Z e g e l r e c h t e n)

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 R.D. No 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.

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 accommodation	7.5%

MORTGAGE DUTY
(Droits d'hypothèque/Hypotheekrechten)

Beneficiary:

The State.

Rate:

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)

R.D. of 29 September 1938 (M.b., 21 October 1938); R.D. of 9 May 1941; Article 12 of the Law of 13 June 1951; Article 13 para. 2 of the Law of 27 March 1957; Law of 27 December 1965 (M.b., 29 December 1965)

Beneficiary:

The State.

Tax payable on:

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

Basis of assessment:

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

Rates:

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

Beneficiary:

The State.

Tax payable by:

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

Tax payable on:

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.

Basis of assessment:

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.

Exemptions:

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

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

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

R a t e :

42 centimes per BFR 1 000 or fraction of BFR 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

Beneficiary:

The State (plus 10% additional tax for agglomerations, federations of municipalities and the municipalities).

Tax payable on:

Motor vehicles and their trailers using the public highway.

Basis of assessment:

Horsepower, or weight of the motor vehicle, as the case may be.

Exemptions:

Vehicles used by a public authority, certain passenger vehicles and omnibuses, taxis on certain conditions, 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.

Payment:

Annual or by instalments, or for successive periods of 12 consecutive months.

Rates:

- Motor cars, estate cars and minibuses: from BFR 1 104 to BFR 28 140 per year; for vehicles over 20 hp: BFR 28 140 + BFR 1 536 per hp.
- Motor cycles of a cylinder capacity exceeding 250 cc, and motorized three-wheelers and four-wheelers: BFR 780.
- Lorries, vans, tractors, trailers and semi-trailers: graduated scale ranging from BFR 150 to BFR 346 per 100 kg of weight.

- Other road vehicles: BFR 180 per hp when the power does not exceed 10 hp (minimum: BFR 1 104). When the power exceeds 10 hp, the rate per hp, applicable to the entire taxable power, is BFR 180 + BFR 13 per hp above 10, with a maximum of BFR 505 per hp.

Special features:

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/
Openingsbelasting op slijterijen ven gegiste dranken)

R.D. of 5 April 1953 coordinating the legal provisions on the sale of fermented beverages (M.b., 4 April 1953); R.D. of 9 October 1967 amending R.D. of 5 April 1953 (M.b., 7 November 1967); R.D. of 9 December 1977 (M.b., 27 January 1978)

Beneficiary:

The State.

Tax payable by:

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

Scope:

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.

Collection:

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

Rates:

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:

- BFR 3 000 in hamlets, municipalities or urban areas with not more than 5 000 inhabitants;
- BFR 4 000 in municipalities or urban areas with more than 5 000 but not more than 15 000 inhabitants;
- BFR 5 000 in municipalities or urban areas with more than 15 000 but not more than 30 000 inhabitants;
- BFR 7 500 in municipalities or urban areas with more than 30 000 but not more than 60 000 inhabitants;
- BFR 10 000 in municipalities or urban areas with more than 60 000 inhabitants.

A uniform tax is fixed at:

(1) BFR 5 000 for travelling establishments;

(2) BFR 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 ven 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.

ANNUAL TAX PAYABLE BY RETAILERS OF SPIRITUOUS BEVERAGES
(Taxe annuelle due par les détaillants de boissons spiritueuses/
Jaarlijkse belasting verschuldigd door de kleinhandelaars in geestrijke dranken)

(See legal provisions concerning the tax on the opening of establishments for the sale of fermented beverages)

Beneficiary:

The State.

Tax payable by:

Any person selling or delivering, in either a principal or a secondary capacity, spirituous drinks in quantities of 6 litres or less.

Collection:

Annual tax.

Rate:

The tax is equal to one-fifth of the real or presumed rental value of the premises concerned, but may not fall below 1/15 of the amount fixed for the tax on the opening of establishments for the sale of fermented beverages.

For travelling sales the tax is fixed at a flat rate of BFR 300.

For casual sales the tax is fixed at BFR 15 per day of use.

STATE INCOME TAX
(Indkomstskat til staten)

Statutory Notice No 399 of 11 September 1979, No 446 of 16 October 1980 and No 27 of 17 July 1980

Beneficiaries:

Tax on individuals: the State.

Tax on estates: the State and local government. The local government share of the tax amounts to one-third.

Tax payable by:

Individuals resident and estates administered in Denmark.

Basis of assessment:

The ordinary taxable income including income from foreign sources.

Exemptions:

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.

Deductions:

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, thus amounting to DKR 16 000 for 1981.

Estates:

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

Married couples:

The wife is taxed jointly with the husband, except on certain income; income from independent employment, salary, pensions, certain State supports, etc. Children are liable to tax independently.

Non-residents:

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 standardization 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 six months.

Collection:

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.

Tax at source:

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.

Rates:

Individuals:

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

- on the first DKR 87 200	16%
- on the next DKR 64 200	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 year 1981 is 91%.

The single income steps are regulated according to the national consumer price index (1981 indicated).

Should the combined total of a person's State income tax, contributions to old-age pension, county and local income plus wealth tax exceed 75% of his scale income, the wealth tax is reduced by 60% and, if necessary, the State income tax is reduced by the amount still 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.

Carry-over of losses:

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 of 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.

COUNTY INCOME TAX
(Amtskommunal indkomstskat)

Statutory Notice No 534 of 30 October 1974; Ministry of the Interior's Circular No 34 of 5 March 1971

Beneficiary:

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

Tax payable by:

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

Basis of assessment:

The taxable income for State income tax.

Collection:

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

Rate:

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)

Statutory Notice No 370 of 13 August 1979

Beneficiaries:

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.

Tax payable by:

All persons liable to State income tax.

Basis of assessment:

The taxable income for State income tax.

Collection:

See State income tax (DK 01).

Rates:

The municipal authorities fix the percentage of the levy for one calendar year at a time. Non-residents pay 20% municipal income tax on the limited income.

DIVIDEND TAX
(Udbytteskat)

Statutory Notice No 463 of 13 September 1978, Article 2; Statutory Notice No 443 of 19 October 1979, Articles 65-67

Beneficiaries:

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

Tax payable by:

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 their dividend tax on demand.

Non-residents:

The dividend 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.

Collection:

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.

Rate:

30%.

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

Statutory Notice No 561 of 13 December 1979

Beneficiaries:

The State and the municipality.

One-third of the tax devolves to the municipality.

Tax payable by:

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.

Basis of assessment:

The value of the shares or bonds.

Collection:

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.

Rate:

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

Special circumstances:

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 No 29 of 24 January 1979

Beneficiaries:

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 25 600 of the seamen's tax and 45% of the excess over this amount.

Tax payable by:

Seamen serving on Danish vessels in foreign or domestic trade.

Seamen's tax is deducted at source from the remuneration.

Basis of assessment:

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

Deductions:

In calculating taxable income, a fixed monthly allowance of DKR 600 for expenses is deductible. Seamen sailing in foreign trade are furthermore granted a monthly allowance of DKR 900. In calculating the taxes the same percentage of a personal allowance is deducted as for other taxable persons. See Income Tax (DK 01).

Married couples:

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'.

Residents of Denmark, Finland, Norway and Sweden	Others
- On the first DKR 7 740 at the rate of 38%	35%
- On the next DKR 6 200 at the rate of 57%	54%
- On the remainder 64%	61%

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 No 676 of 15 December 1978

Beneficiary:

The State.

Contribution payable by:

Individuals with unrestricted tax liability.

Rate and basis of assessment:

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.

Non-residents:

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

Beneficiary:

The State (the social pension fund).

Contribution payable by:

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

Rate:

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.

Non-residents:

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

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

Law No 66 of 21 February 1978

Beneficiary:

The State (the sickness per diem fund).

Contribution payable by:

Individuals with unrestricted tax liability.

Rate and basis of assessment:

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)

Statutory Notice No 320 of 26 June 1980

Beneficiaries:

The churches in each municipality.

Tax payable by:

The members of the 'Established Church' of Denmark.

Rate, basis of assessment and collection:

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 No 561 of 13 December 1979

Beneficiaries:

The State and municipalities.

One-third of the special income tax devolves to the municipality.

Tax payable by:

(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 on the law on special income tax in their ordinary taxable income, instead of paying special income tax.

Basis of assessment:

- 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, on certain conditions only.
- 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.
- Ex gratia payments made from public funds, from charities and from cultural funds.
- Profit on the disposal of property. Exceptions to this are one or 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.

Exemptions:

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

Compensation for expropriations of real property which have taken place since 15 May 1979.

Deductions:

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

Married couples:

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.

Non-residents:

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.

Collection:

Special income tax is payable in three instalments on 1 September, 1 October and 1 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%.

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

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.

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

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 No 143 of 2 May 1967 as amended by Law No 586 of 13 December 1972 and Law No 647 of 19 December 1975 and the Ministry of Finance's Decree No 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. 187).

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

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
(Selskabsskat)

Statutory Notice No 463 of 13 September 1978 and Law No 536 of 28 December 1979

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

The State and municipalities.

3/20 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) cooperatives,

(c) buying associations and production and sales associations,

(d) mutual insurance associations,

(e) other associations, foundations, trusts or self-owned institutions,

(f) savings banks,

(g) passing investment associations issuing negotiable certificates for the shares of the members.

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) recognized 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 4 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.

Basis of assessment:

(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 1 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 40%.

2. Buying associations and production or sales associations (heading I c) pay income tax at 16% of the taxable income.

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 25% of the dividend. This credit is set off against personal income tax, any excess being paid to the shareholder.

Carry-over of losses:

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

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

Beneficiary:

The State.

Tax payable by:

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

Basis of assessment:

The market value of prizes.

Collection:

The tax is settled following each lottery draw or competition.

Rates:

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 17.5% of the market value.

Supplementary tax:

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

Special circumstances:

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 No 221 of 3 June 1967 concerning hunting; Statutory Notice No 51 of 1 February 1973 concerning levies on hunting licences and No 34 of 17 February 1975

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

The State.

R a t e s :

Hunting licence:

- all land where hunting is allowed	DKR 80
- one's own land	DKR 25.

WEALTH TAX
(Formueskat)

Statutory Notice No 443 of 19 October 1979 and Statutory Notice No 11 of 2 January 1979, as amended by Law No 538 of 28 December 1979

Beneficiary:

The State.

Tax payable by:

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

Basis of assessment:

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.

Deductions:

See 'Basis of assessment'.

Married couples:

The wife is taxed jointly with the husband.

Children are taxed separately.

Non-residents:

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 2.2% on the part of the capital which exceeds DKR 1 000 000.

D e l a y e d p a y m e n t :

Pensioners and owners of protected houses may delay payment, until death or sale of property, of that part of the wealth tax which concerns the house.

For reduced rates, see DK 01.

INHERITANCE AND GIFT TAX
(Afgift af arv og gave)

1. Inheritance tax:

Statutory Notice No 443 of 28 September 1972, as amended by Law No 256 of 26 May 1976

Beneficiary:

The State.

Tax payable by:

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

Basis of assessment:

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

Exemptions:

- 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 six months.

Deductions:

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 approximately 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 one-tenth, alternatively one-third.

2. T a x o n g i f t s :

Statutory Notice No 443 of 28 September 1972, as amended by Law No 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 o n :

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.

Collection:

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

Rates:

The tax rates vary between 0.5% 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 No 461 of 13 September 1978

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

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 :

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 2.2% on a capital exceeding DKR 1 000 000.

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 five years. If the estate is found to be in loss and this loss cannot be utilized, it is possible under certain conditions to ask that an amount equal to 30% of the non-utilized loss be paid from public funds.

VALUE-ADDED TAX
(Merværdiafgift)

Law on general turnover tax (value-added tax), cf. Statutory Notice No 305 of 26 May 1978 and Law No 219 of 4 June 1980

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 :

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.

Basis of assessment:

The price charged excluding value added tax.

Exemptions:

- 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).

Collection:

Registered businesses are required within one 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's purchases of goods and taxable services for the business's use).

The tax period corresponds to the quarter year, and the tax must be paid within one month and 20 days at 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.

Rate:

22% of the taxable value.

Imports:

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 on tax on petrol, cf. Statutory Notice No 60 of 14 February 1979, as amended by Law No 290 of 29 June 1979 and No 224 of 4 June 1980

Beneficiary:

The State.

Excise duty payable on:

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

Excise duty payable when:

Goods are delivered from registered businesses or taken into stock.

Exemptions:

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

Declaration and payment:

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.

Rate:

192 øre per litre of product at 15°C.

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

Law on tax on petroleum products, cf. Statutory Notice No 353 of 11 July 1978, as amended by Law No 289 of 29 June 1978 and by No 223 of 4 June 1980

Beneficiary:

The State.

Excise duty payable on:

Gas, diesel and fuel oil.

Excise duty payable when:

Goods leave the manufacturer.

Exemptions:

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

Oil used for public transport.

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

Declaration and payment:

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 and diesel oil: 36 øre per litre

Fuel oil : 41 øre per kg

TAX ON GAS
(Afgift af gas)

Law No 291 of 29 June 1979, as amended by No 225 of 4 June 1980

Beneficiary:

The State.

Tax payable on:

Mains-supplied town gas and bottled gas (LPG).

Tax payable upon:

Delivery from registered producer.

Exemptions:

Businesses registered for VAT purposes can claim back the gas tax.

Declaration and payment:

Producers of taxable gas are required to register with the customs service. They are required to declare on the 15th of each month at the latest the quantity of gas delivered during the previous month.

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

Rates:

Mains-supplied town gas with an upper calorific value of less than 23 MJ per m^3 - 16 øre per m^3.

Other mains-supplied gas - 26 øre per m^3.

Bottled gas (LPG) - 45 øre per kilo.

TAX ON ELECTRICITY
(Afgift af elektricitet)

Law No 89 of 9 March 1977, as amended by Law No 292 of 29 June 1979 and by No 222 of 4 June 1980

Beneficiary:

The State.

Tax payable on:

Electricity consumed in Denmark.

Tax payable when:

Power is supplied from its place of origin.

Exemptions:

Businesses which are registered under the VAT law may obtain repayment of any tax paid on the electricity consumed. This exemption does not apply to lawyers, architects, accountants and the like, however.

Electricity which is produced in small plants (less than 75 kW), 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.

Declaration and payment:

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.

Rate:

12.5 øre per kWh.

REGISTRATION TAX ON MOTOR VEHICLES
(Registreringsafgift af motorkøretøjer)

Law relating to registration tax on motor vehicles, etc., cf. Statutory Notice No 659 of 28 December 1977, as amended by Law No 659 of 20 December 1978

Beneficiary:

The State.

Tax payable on:

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

Tax payable when:

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

Basis of assessment:

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 tonnes, which are imported secondhand 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.

Exemptions:

Among others:

- commercial goods lorries and goods vans with a permitted total weight exceeding 4 tonnes;
- 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 three months' respite for payment of tax due against security.

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% on 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 tonnes 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 tonnes	100% of the taxable value
- permitted total weight over 2 tonnes but not exceeding 3 tonnes	DKR 12 000

- permitted total weight over 3 tonnes DKR 7 500.

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

EXCISE DUTY ON TOBACCO
(Tobaksafgift)

Law on taxes on tobacco, cf. Statutory Notice No 236 of 26 May 1978 as amended by Law No 293 of 29 June 1979 and No 220 of 4 June 1980

I. Excise duty on cigarettes, smoking tobacco, chewing tobacco and snuff

Beneficiary:

The State.

Excise duty payable on:

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

Excise duty 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 three months' credit for the purchase of these stamps.

Rates:

The cigarette tax is payable at 41 øre per cigarette plus 21.68% of the retail price including tax and VAT.

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

For smoking tobacco the tax is also based on the tax and VAT inclusive retail selling price in accordance with the following scale:

The tax on sliced tobacco, known as cut plug, granulated and similar tobacco, and also for other smoking tobacco with width of cut of 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%.

Imports:

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.

II. Excise duty on cigars, cheroots and cigarillos

Beneficiary:

The State.

Excise duty payable on:

Cigars, cheroots and cigarillos.

Basis of assessment:

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

Excise duty 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 two 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.

Rates:

The tax on cigars, cheroots and cigarillos amounts to 19.8 øre each, plus 10% of the retail price including tax and VAT.

Imports:

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. Statutory Notice No 129 of 21 March 1978

I. Duty on cigar and cigarette lighters

Beneficiary:

The State.

Duty payable on:

Cigar and cigarette lighters of any kind.

Duty payable 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.

II. Duty on matches

Beneficiary:

The State.

Duty payable on:

Matches in retail packs.

Duty payable 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 to 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 øre per pack
- 36 - 55 matches	2 øre per pack
- 56 matches or over	2 øre 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 DUTY ON SPIRITS
(Afgift af spiritus)

Law No 153 of 6 May 1980 on spirits, etc.

Beneficiary:

The State.

Excise duty payable on:

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.

Excise duty payable upon:

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).

Declaration and payment:

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 15th 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 :

The tax consists of a specific duty of DKR 95 per litre of 100% ethyl alcohol strength and on ad valorem duty of 37.5% of the taxable value, i.e. the wholesale price excluding VAT.

I m p o r t s :

The spirits tax is 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. Statutory Notice No 153 of 4 April 1978

Beneficiary:

The State.

Excise duty payable on, and rates:

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.

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:

	per litre
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.

Excise duty 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).

Declaration and payment:

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 duty is payable.

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

Exemptions:

Exemptions 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.

Imports:

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 equalization 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 above-mentioned 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. Statutory Notice No 132 of 21 March 1978

Beneficiary:

The State.

Excise duty payable on, and rates:

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.

Beers with an alcohol content of less than 2 1/4% by weight (known as weak beers, tax class II) is taxable at the rate of DKR 39.50 per hl.

Reductions:

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 86.95 per hl for the first deliveries up to a total of 2 000 hl.

Excise duty payable upon:

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 one 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. Statutory Notice No 129 of 21 March 1978

Beneficiary:

The State.

Excise duty payable on:

Mineral waters, lemonade and similar non-alcoholic beverages.

Excise duty payable upon:

Delivery of the goods from the registered business.

Exemptions:

Juice and must and similar fruit drinks.

Declaration and payment:

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.

Rate:

80 øre 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. Statutory Notice No 129 of 21 March 1978

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

The State.

E x c i s e d u t y 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:

	per kg net weight
1. tea (Tariff No 09.02)	DKR 5
2. tea extracts and preparations with those extracts as a basis (Tariff No 21.02.B)	DKR 12.50

E x c i s e p a y a b l e u p o n :

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. Statutory Notice No 129 of 21 March 1978

I. Excise duty on coffee and coffee extracts:

Beneficiary:

The State.

Excise duty payable on, and rates:

The following goods attract a tax on entry amounting to:

	per kg net weight
- raw coffee (Tariff No 09.01.AI)	DKR 4.35
- roasted coffee (Tariff No 09.01.AII)	DKR 5.40
- coffee extracts not containing ingredients other than coffee (Tariff No 21.02.A)	DKR 13.05

Goods coming under Tariff Nos 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.

Excise duty payable upon:

Importation of the goods.

Payment:

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

II. Excise duty on coffee-substitute:

Beneficiary:

The State.

Excise payable on:

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

Excise duty payable upon:

Delivery of the goods from the registered businesses.

Declaration and payment:

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

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

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

Rate:

64 øre per kg net weight of the content of coffee-subsitute and coffee-additive in the goods.

Imports:

The duty on imported goods becomes due on importation; the duty 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. Statutory Notice No 131 of 21 March 1978, as amended by Law No 156 of 21 December 1979

Beneficiary:

The State.

Excise duty payable on:

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

Excise duty payable upon:

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

Declaration and payment:

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 second month following receipt of the goods.

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

Rate:

DKR 6 per kg net weight of the goods.

Imports:

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.

Duty on raw materials:

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.

Financial levy:

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. Statutory Notice No 141 of 1 April 1971, as amended by Law No 518 of 13 December 1972

Beneficiary:

The State.

Tax payable on:

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

Tax payable upon:

Delivery of the goods from the registered businesses.

Declaration and payment:

Businesses are required to register with the Customs service.

The businesses are obliged, after the end of a tax period of one 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 two-month extension of this payment time-limit.

Rate:

DKR 1.45 per litre.

Imports:

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. Statutory Notice No 152 of 4 April 1978, as amended by Law No 447 of 13 September 1978

Beneficiary:

The State.

Tax payable on:

Perfumes, cosmetics and toiletries.

Tax payable upon:

Delivery of the goods from registered businesses.

Assessment of the tax:

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.

Exemptions:

Amongst others soap and toothpaste.

Declaration and payment:

The businesses are required, at the end of a tax period of one 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 two-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, mv)

Law on measures to limit consumption, cf. Statutory Notice No 130 of 21 March 1978

Beneficiary:

The State.

Tax payable on:

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.

Tax payable upon:

Sale to retailers by registered businesses.

Declaration and payment:

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 third month following that in which the turnover occurred. By providing security the businesses may obtain a two-month extension of the time-limit.

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

Imports:

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

Rates:

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

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

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

Exemptions:

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. Statutory Notice No 129 of 21 March 1978

Beneficiary:

The State.

Tax payable on:

Television receivers.

Tax payable when:

Goods leave registered businesses.

Exemptions:

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

Registration, declaration and payment:

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. Statutory Notice No 129 of 21 March 1978

Beneficiary:

The State.

Tax payable on and rates:

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.

Tax payable upon:

Delivery of the goods from the registered businesses.

Declaration and payment:

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 one 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 No 634 of 21 December 1977 on tax on certain retail packaging as supplemented by Law No 634 of 13 December 1978

Beneficiary:

The State.

Tax payable on:

The tax is payable on retail packaging for:

1. spirits, wine and fruit-wine, 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.

Tax payable when:

The goods leave a registered business.

Registration, declaration and payment:

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.

R a t e s :

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 øre
2. With a capacity of over 60 cl but not more than 106 cl	65 øre
3. With a capacity of over 106 cl	90 øre
The tax on metal containers amounts to	25 øre
The tax on containers (packaging) of cardboard, with a capacity over 25 cl, amounts to	15 øre

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. Statutory Notice No 129 of 21 March 1978

Beneficiary:

The State.

Tax payable on, and rates:

Playing cards: DKR 2 per pack.

Tax payable upon:

Delivery of the goods from the registered businesses.

Declaration and payment:

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 one 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.

Imports:

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., as amended by Law No 632 of 21 December 1977

Beneficiary:

The State.

Tax payable on:

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.

Tax 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.

Exemption:

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

Registration, declaration and payment:

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 net 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 TOTALIZATOR BETTING
(Afgift på spil ved totalisator)

Statutory Notice No 444 of 28 August 1974, as amended by Law No 375 of 27 July 1978

Beneficiary:

The State.

Tax payable by:

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

Basis of assessment:

Total stakes paid for the bets.

Collection:

The tax is settled after each race meeting.

Rates:

In the 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.

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

Income tax is payable on winnings.

TAX ON FOOTBALL-POOL BETTING
(Afgift af tipning)

Statutory Notice No 66 of 25 February 1977, as amended by Law No 590 of 29 November 1978

Beneficiaries:

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

Tax payable by:

Pursuant to the law on football pools: A/S Dansk Tipstjeneste and pool winners.

Basis of assessment:

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

Collection:

Settlement is made with each pool that takes place.

Rates:

19% is paid on the total stakes.

Winnings are taxed at 15% of the amount in excess of DKR 200.

Special circumstances:

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

Beneficiary:

The county in which the property is situated.

Tax payable on:

Real property in Denmark except for property situated in the municipalities of Copenhagen and Frederiksberg.

Basis of assessment:

See 'Municipal Land Tax' (DK 38).

Exemptions:

See 'Municipal Land Tax' (DK 38).

Collection:

County land tax is collected by the municipality together with municipal property tax.

Rates:

1°/oo 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

Beneficiary:

The municipality in which the property is situated.

Tax payable on:

Real property situated in Denmark with certain exceptions mentioned below.

Basis of assessment:

The land value after deducting an allowance for improvements.

Exemptions:

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 organizations.

(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.

Collection:

In two or more equal instalments in accordance with more detailed provisions laid down by the municipal authorities.

R a t e :

1°/oo 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
(Tillægsgrundskyld)

Decree of 30 May 1973 relating to the law on tax payable to the municipalities on real property

Beneficiary:

The municipality in which the property is situated.

Tax payable on:

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.

Basis of assessment:

The land value.

Exemptions:

Properties owned by companies, or by the State or its institutions.

Collection:

By the municipality together with the municipal property taxes.

Rates:

1°/oo 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 ten.

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

Beneficiary:

The State.

Tax payable on:

Property situated in Denmark.

Basis of assessment:

See 'Rates'.

Exemptions:

- 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.

Collection:

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 1965-66. The tax is, however, reduced every fourth 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 eleventh general assessment (1 September 1956) in the towns and assessments made before the twelfth 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 1°/oo 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 fifteenth 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.

STATE LAND TAX
(Statsgrundskyld)

Law No 541 of 28 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 b y :

Owners of agricultural holdings.

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

Land value of the agricultural holding.

R a t e :

7°/oo

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

Beneficiaries:

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.

Levy payable by:

See 'Beneficiaries'.

Basis of assessment:

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.

Exemptions:

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.

Collection:

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 1°/oo 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 1°/oo 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

Beneficiary:

The municipality in which the premises are situated.

Levy payable on:

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 differential value of the property is used for the purpose given above.

Basis of assessment:

The above-mentioned differential value.

Exemptions:

Properties which are exempted from land tax.

Collection:

The financial levy is collected by the municipality.

Rate:

1°/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

Beneficiaries:

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.

Tax payable by:

The State and its institutions.

Basis of assessment:

Revenue from rented property, agricultural property, forests or manufacturing industries.

Collection:

According to a decision by the municipal administration the tax is collected on one particular date or on several dates.

Rate:

The tax corresponds to the amount of the levy (in per cent) 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

Beneficiaries:

The State and the local authority.

One-third of the tax devolves to the local authority.

Tax payable by:

The person entitled to the released rent.

Basis of assessment:

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.

Collection:

The Landlords' Investment Fund deducts the tax from the amount released and pays the tax to the Treasury.

Rate:

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.

Beneficiaries:

The disposal tax is divided equally between the municipality and county.

Tax payable by:

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.

Basis of assessment:

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 weekend 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.

Exemptions:

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, 2 A. This regulation in the law relates to the disposal of one or two family houses etc. occupied by the owner.

Married couples:

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.

Collection:

Disposal tax is payable in three instalments on the 1 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.

Rate:

Disposal tax amounts to 60% of the difference, calculated as capital gains.

Special circumstances:

Disposal tax operates instead of the tax on profit realized on the disposal of real property in accordance with the rules of the law on special income tax, par. 2, No 13. (DK 04 - see p. 112).

STAMP DUTY
(Stempelafgifter)

Statutory Notice No 5 of 5 January 1978 as last amended by Law No 77 of 8 March 1978

Beneficiary:

The State.

Duty payable by:

The parties to the legal relationship to which the document liable to stamp duty relates.

Basis of assessment:

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.

Exemptions:

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 organizations, 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 authorized 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

Beneficiary:

The State.

Duty payable by:

Buyers and sellers of shares.

Basis of assessment:

Consideration for the shares.

Exemptions:

The duty is not payable on deals conducted between two brokers who both trade on a commission basis.

Non-residents:

The duty presupposes that one of the parties is resident in Denmark.

Collection:

By excise stamps affixed to the transfer deeds, alternatively by direct settlement by certain brokers who have received special permission to do so.

Rate:

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. Statutory Notice No 658 of 28 December 1977, as amended by Law No 658 of 20 December 1978

Beneficiary:

The State.

Tax payable on:

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 equalization tax in addition to weight tax.

Basis of assessment:

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.

Payment:

The tax is paid periodically (one or two or four times a year) by the person in whose name the vehicle is registered at the time of payment.

Exemptions:

Vehicles needed 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 equalization 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:

Weight				
Motorcycles	-	600 kg	DKR	291.60
Other passenger motor vehicles	up to	600 kg	DKR	874.80
601	-	800 kg	DKR	1 069.20
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	and over		DKR	194.40 per 100 kg own weight.

Special scales on tax apply to motor-coaches.

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 equalization tax as specified earlier. In the case of motor-coaches and vans and lorries as a general rule the equalization tax is equal to two to three times the weight tax.

TAX ON THIRD-PARTY INSURANCE FOR MOTOR VEHICLES, etc.
(Afgift af ansvarsforsikringer for motorkøretøjer mv)

Law No 174 of 7 May 1975, as amended by Law No 412 of 20 August 1976

Beneficiary:

The State.

Tax payable on:

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).

Rates:

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).

Declaration and payment:

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 No 413 of 20 August 1976

Beneficiary:

The State.

Tax payable on:

Insurance on pleasure craft registered in Denmark.

Exemptions:

Accident and third-party liability insurance, and insurance on commercial craft.

Declaration and payment:

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.

Rate:

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 No 199 of 2 April 1976 concerning banks;
Statutory Notice No 8 of 15 January 1960 concerning savings banks

Beneficiary:

The State (to meet its expenses incurred in the supervision of the activities of banks and savings banks).

Basis of assessment:

The total debits of a bank or savings bank.

Rates:

1/25°/oo of the total debits.

LEVY ON INSURANCE BUSINESSES
(Afgift af forsikringsselskaber)

Law no 147 of 13 May 1959 concerning insurance business
Statutory Notice No 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).

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

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°/oo
Indemnity insurance companies	0.61°/oo

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 authorized to insure against accidents must pay a further levy in accordance with the provisions of Statutory Notice No 137 of 16 April 1968 concerning accident insurance.

LEGAL ACTION TAX, INCLUDING ESTATE ADMINISTRATION TAX
(Retsafgifter)

Statutory Notice No 643 of 30 December 1976 as amended by Law No 77 of 8 March 1978

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

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 No 604 of 10 December 1975, as amended by Law No 216 of 28 April 1976

Beneficiary:

The State.

Duty payable by:

- 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 authorization 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.

Duty payable on:

- 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.

Basis of assessment:

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.

Exemptions:

- 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.

Declaration and date of payment:

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.

Rates:

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 Derestriction Tax etc.; Decree No 389 of 24 August 1970 on Real Property Derestriction Tax etc.

Beneficiaries:

The tax is divided equally between the municipality and the county where the property is situated.

Tax payable by:

The owner of the property.

Basis of assessment:

The law comprises two categories of derestriction values (I and II).

I. The derestriction value of property used for agriculture, market gardening, nurseries or orchards.

The derestriction value arises when the properties in question are, pursuant to law on urban and rural zones, transferred to an urban zone or weekend cottage district.

The derestriction 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 weekend 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 thirteenth 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.

Collection:

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.

Rates:

The derestriction tax amounts to 40% on the first DKR 200 000 of the derestriction value and 60% on the balance.

Special circumstances:

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, as amended by Law No 192 of 3 May 1978, Law No 294 of 29 June 1979 and No 226 of 4 June 1980

Beneficiary:

The State.

Tax payable on:

Charter flights carrying passengers abroad from Danish airports. The tax is also payable on equivalent flights by aircraft normally used for scheduled flights.

Declaration and payments:

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 businesses 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.

Rate:

DKR 180 per passenger.

GERMANY
Deutschland

INCOME TAX
(Einkommensteuer)

1979 Income Tax Law of 21 June 1979 (BGBl I, p. 721) as last amended by Article 10 of the law on the Reduction of State Aids, of 26 June 1981 (BGBl I, p. 537); 1979 Income Tax Implementing Regulation of 24 September 1980 (BGBl I, p. 1801) as amended by Regulation of 11 June 1981 (BGBl I, p. 526)

Beneficiaries:

The Federal Government, the Länder governments and the municipalities. For the 1980 budgetary year: Federal Government and Länder governments 42.5% each, municipalities 15%.

Tax payable by:

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).

Basis of assessment:

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.

Exemptions:

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

Deductions:

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, exceptional expenses, special tax allowances for single persons who are over 50 or who have at least one dependent child, general allowance.

Married couples:

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

Children's own income:

Tax on such income is assessed individually.

Non-residents (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.

Collection:

Tax is assessed annually. In the case of income from paid 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.

Rates:

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) including a basic personnel allowance of DM 3 690 (DM 7 380 in the case of married couples). The rate ranges from 22% 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).

Special features:

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

Deduction of losses:

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

1979 Income Tax Law, Articles 38-42f;
Wages Tax Implementing Regulation of 21 February 1978 (BGBl I, p. 307), as last amended by Regulation of 19 December 1980 (BGBl I, p. 2309)

Beneficiaries:

See under Income Taxes (D 01/04).

Tax payable by:

Persons in employment, domiciled or ordinarily resident in Germany, 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.

Basis of assessment:

Wages less expenses, special expenditure and certain other deductions.

Exemptions:

Certain benefits as in the case of income tax, and especially unemployment pay, lodging allowance, and certain social insurance payments by the employer, where these are a statutory requirement.

Deductions:

As for income tax; especially an allowance for Christmas, an allowance for employed persons and a flat-rate allowance for social insurance expenses.

Married couples:

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 'PAYE' 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 3 690, 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.

R a t e s :

As for income tax.

CAPITAL YIELDS TAX
(Kapitalertragsteuer)/Special method of collection of income tax and corporation tax

Articles 43 to 45b of the 1979 Income Tax Law

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 pays out or credits the interest to the seller.

CORPORATION TAX
(Körperschaftsteuer)

1977 Corporation Tax Law of 31 August 1976 (BGBl I, p. 2597), as last amended by Article II of the Law on the Reduction of State aids of 26 June 1981 (BGBl I, p. 537); 1977 Corporation Tax Law Implementing Regulation of 14 June 1977 (BGBl I, p. 848)

Beneficiaries:

Corporation tax: the Federal Government (50%) and the Länder governments (a total of 50%).

Tax payable by:

Unrestricted tax liability:

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

joint stock companies, cooperatives, mutual insurance associations, 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 Article 49 of the Income Tax Law (foreign corporations);

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

Basis of assessment:

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.

Exemptions:

The bodies exempted include the Federal postal administration; the Federal railways; the Bundesbank; 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; agricultural cooperative and equivalent associations.

Deductions:

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.

Special features:

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 of the subsidiary company must be imputed to the institution responsible for it (parent company).

Deduction of losses:

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. those with unrestricted liability which are in principle 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)

Those qualifying include in particular:

- 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 44%
(Article 23, paragraph 5 of the Corporation Tax Law)

- public or State-supervised savings banks.

5. Special rate for the 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.

Tax on distributed profits:

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 above-mentioned 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 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

Beneficiaries:

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

Tax payable in:

All Länder of the Federal Republic except Bavaria.

Tax payable on:

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

Basis of assessment:

The number of dogs.

Exemptions:

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

Collection:

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 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);
For Schleswig-Holstein: Municipal Tax Law as amended on 17 March 1978 (GVBl p. 71),
and other laws for the remaining Länder

Beneficiaries:

City boroughs and districts (Landkreise).

Tax payable in:

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

Tax payable on:

Exercise of hunting rights.

Basis of assessment:

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.

Exemption:

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 :

Hesse and Rhineland-Palatinate only.

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 last amended by: Art. 4 of the Law of 22 August 1980 (BGBl I, p. 1558)

Beneficiaries:

The Länder governments.

Tax payable by:

All natural and legal persons.

Basis of assessment:

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).

Exemptions:

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

Deductions:

Allowances are granted on certain assets; an allowance of DM 70 000 is granted for each taxpayer, his wife and children; allowances are also granted to taxpayers over a certain age and to taxpayers unable to work.

Married couples:

Married couples are assessed jointly.

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 No 34 of 18 August 1952) with 28 amending laws and 29 implementing regulations

Beneficiary:

The Equalization of Burdens Fund.

Tax payable by:

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.

Basis of assessment:

- 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.

Exemptions:

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

Married couples:

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 Reichsmarks.

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 AND GIFT TAX
(Erbschaft- und Schenkungsteuer)

Succession Duty and Gift Tax Reform Law of 17 April 1974 (BGBl I, p. 933), as amended by Article 7 of the Law of 18 August 1980 (BGBl I, p. 1537)

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 :

Persons receiving assets by inheritance or gift.

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

Inheritances, legacies, legal portions, credits from insurance, gifts inter vivos, and family endowments every thirty 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 which vary according to the beneficiary's tax category (see Rates).

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

In cases where neither the deceased person (donor) nor the beneficiary are resident in Germany, only certain property situated in Germany is taxable (in particular, real estate and business assets). German nationals moving abroad continue to be regarded as residents for a further five years; German civil servants abroad continue, in principle, to have unlimited tax liability.

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 (donor) and the beneficiary. The rates are progressive within each class.

TURNOVER TAX – VALUE-ADDED TAX
(Umsatzsteuer – Mehrwertsteuer)

Turnover Tax Law (UStG 1980) of 26 November 1979 (BGBl I, p. 1953), as amended by Article 8 of the Law of 18 August 1980 (BGBl I, p. 1537); 1980 Turnover Tax implementing regulation of 29 December 1979 (BGBl I, p. 2359)

Beneficiaries:

The Federal Government (67.5%), the Länder governments (32.5%).

Tax payable by:

- Traders supplying taxable goods or services.
- Persons liable for customs duties (on imports).

Tax payable on:

- Supplies of goods and services made for consideration by a trader in the collection area in the course of his business (tax charged at every stage of production and sale).
- Import of goods into the customs territory.
- 'Own' consumption.
- Supplies of goods and services made free of charge by associations to their members.

Basis of assessment:

- In the case of sales of goods or services: the consideration (before tax).
- In the case of imports: customs value (the consideration in the case of imports purchased from EEC countries) plus import duties (minus import turnover tax), agent's commission and cost of carriage to the first destination in Germany.
- In the case of 'own' consumption by domestic producers: the value or cost of the goods (before tax).
- In the case of goods and services supplied free of charge by traders to their employees and by associations to their members: the value or cost (before tax).
- Minimum basis of assessment in the case of goods and services supplied in specified cases: the value or cost (before tax).

E x 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, commission processing of goods for export and certain like transactions.

D e d u c t i o n s :

Input tax paid is deducted from tax received and only the difference is paid 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 13%
- Reduced rate 6.5%

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

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

- Tax waived in the case of small traders whose turnover in the preceding year did not exceed DM 20 000.
- Tax deduction for small traders with an annual turnover of not more than DM 60 000.
- Average 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 of 11 October 1978 (BGBl I, p. 1669) as last amended by Article 4 of the Law on the reduction of State Aids of 26 June 1981 (BGBl I, p. 537)

Beneficiary:

The Federal government.

Duty payable on:

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.

Duty payable when (home-produced):

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.

Chargeable event (imports):

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 some other aspects, are governed by the relevant provisions of the customs law of 14 June 1961 (BGBl I, p. 737).

Duty payable by:

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

Exemptions:

Where mineral oil is used other than as 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 placed under a special customs procedure. Light fuel oil must contain certain identification substances.

Period for submission of declaration:

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

Rates:

- Light oils and medium oils	DM 51/hl
- Heavy oils (gas oils, lubricating oils) and cleansing oils	DM 53.25/100kg
- Liquid gases	DM 73.30/100 kg
- If used under customs control	DM 61.25/100 kg
- Products listed under Nos 27.12, 27.13-B, 27-14 and 27.16-B of the Common Customs Tariff	DM 1.50/100 kg
- Fuel oils	
Gas oils	DM 2/100 kg
Other heavy oils	DM 1.50/100 kg

Duty is also payable on the proportion of mineral oil contained in some preparations listed under No 27.10, lubricating oils listed under No 34.03, graphites listed under No 38.19 and additives listed under subheadings No 38.14 B-I-a and B-III of the Common Customs Tariff.

Payment:

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. Where tax liability arises in November, the tax must be paid by 27 December.

R e f u n d :

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

DUTY ON TOBACCO
(Tabaksteuer)

Tobacco Tax Law of 13 December 1979 (BGBl I, p. 2118); Regulation of 21 December 1979 implementing the Tobacco Tax Law (BGBl I, p. 2297)

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 :

- cigars
- cigarillos (cigars with a weight per unit of not more than 3 g)
- cigarettes
- smoking tobacco
- snuff
- chewing tobacco
- cigarette papers and 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 imported into the collection area.

- unmanufactured tobacco
- tobacco substitute materials
- cigarette paper

which are withheld or withdrawn from tax control.

R a t e s :

1. Cigars:

   14% of the retail price, at least 2.6 Pf. per unit.

2. Cigarillos:

   17% of the retail price, at least 2.6 Pf. per unit.

3. Cigarettes:

   4.1 Pf. per unit and 30.1% of the retail price, at least 7.5 Pf. per unit.

4. Smoking tobacco:

   (a) where more than 10% in weight of the tobacco parts are less than 1.4 mm long or wide (fine cut):
   DM 4.70 per kg and 18.27% of the retail price, at least DM 11.90 per kg;

   (b) where at least 90% in weight of the tobacco parts are at least 1.4 mm long and wide (pipe tobacco):
   DM 1.30 per kg and 16.97% of the retail price, at least DM 7.30 per kg;

   (c) pipe tobacco with at least 30% in weight consisting of cut rolled stems and a retail price of up to DM 32:
   DM 4.70 per kg;

   (d) strand pipe tobacco:
   DM 3.50 per kg;

   (e) pipe tobacco made only of cut rolled stems, where at least 60% in weight of the tobacco parts are at least 1.4 mm long and wide:
   DM 1.50 per kg.

5. Snuff:

   DM 0.50 per kg.

6. Chewing tobacco:

   (a) fine-cut chewing tobacco:
   DM 5.30 per kg;

   (b) other chewing tobacco:
   DM 0.50 per kg.

7. Cigarette papers and tubes:

   DM 1.30 per thousand.

8. Unmanufactured tobacco and tobacco substitute materials:

   DM 7 per kg.

9. Cigarette paper:

   DM 0.50 per m^2.

Duty payable when and parties liable for duty:

The chargeable event occurs when the tobacco products or cigarette papers or tubes leave a manufacturing enterprise registered with the customs authority or when they are withdrawn for consumption in the enterprise.

Duty is payable by the proprietor of the manufacturing enterprise (producer):

In the case of tobacco products and cigarette papers and tubes produced outside a registered manufacturing enterprise, the chargeable event occurs at production. Duty is payable by whoever was involved in the production.

In the case of unmanufactured tobacco, tobacco substitute materials and cigarette paper withheld or withdrawn from tax control, the chargeable event occurs at the time of withholding or withdrawal. Duty is payable by the person who has to place or maintain unmanufactured tobacco, tobacco substitute materials or cigarette paper under tax control.

Use of revenue stamps and liability:

Duty on cigars, cigarillos, cigarettes, smoking tobacco (except for strand tobacco) and cigarette papers and tubes must be paid by means of revenue stamps. Use comprises the cancellation and affixing of revenue stamps to the retail packets. Revenue stamps must be used when the chargeable event occurs.

Producers and importers buy the revenue stamps from special customs offices (revenue stamp offices). The tax value of the revenue stamps becomes payable by the purchaser at the time of acquisition.

Payment dates:

1. Revenue stamps bought before or on the 15th day of any month must be paid for:
   - in respect of cigars and cigarillos, by the 10th of the next month but one;
   - in respect of cigarettes, smoking tobacco and cigarette papers and tubes, by the 12th of the next month, but, in the case of cigarette revenue stamps bought between 1 and 15 December, by 27 December.
2. Revenue stamps bought after the 15th day of any month must be paid for:
   - in respect of cigars and cigarillos, by the 25th day of the next month but one;
   - in respect of cigarettes, smoking tobacco and cigarette papers and tubes, by the 27th day of the next month.

Where the revenue stamps are dispatched to the purchaser, the second working day following dispatch is regarded as the date of purchase. Payment cannot be postponed or deferred.

Tobacco duty which becomes due in any month in respect of strand tobacco, snuff and chewing tobacco must be paid by the 10th day of the next month but one. Payment cannot be postponed or deferred.

Tobacco duty which becomes due on the production of tobacco products and cigarette papers and tubes and tobacco duty on unmanufactured tobacco, tobacco substitute materials and cigarette paper is payable immediately. Payment cannot be deferred.

Rules relating to imports, customs procedures and inward processing:

The chargeable event, time criteria for assessment, identification of persons liable and, where the duty is not paid by means of revenue stamps, the dates when payment is due, postponement of payment, remission and refund, are governed by the customs regulations. This is also the case where no customs duty is payable.

Exemptions:

Exemption from tobacco duty is granted on:

1. Tobacco products and cigarette papers and tubes which:
   - are used for official sampling,
   - are consumed in tests in a registered factory,
   - are put up in such a manner that they can be used only for display.
2. Tobacco products which:
   - are prepared from smallholders' tobacco and not in a registered factory and are intended neither for trade nor for industrial use,
   - the producer gives as an allowance in kind to his employees.
3. Cigarettes which are manufactured from dutiable or duty-free smoking tobacco and from dutiable or duty-free cigarette papers and tubes, if they are not to be disposed of for a consideration.

Concessions:

Tobacco products and cigarette papers and tubes may, without liability for duty and under the control of the tax authorities:

1. Be supplied to a manufacturing enterprise.

2. Be exported from the collection area or placed under a special customs procedure or declared for inward processing.

3. Be designated for destruction or denaturing and be destroyed or denatured.

4. With the permission of the customs authorities, be used for:
   - industrial purposes, apart from smoking and the manufacturing of tobacco products,
   - scientific experiments and research.

R e f u n d s :

Tobacco duty is, on request, waived or refunded to the person liable where dutiable tobacco products or cigarette papers and tubes:

- are supplied to a registered manufacturing enterprise,
- are exported from the collection area or placed under a special customs procedure or declared for inward processing, all under the control of the tax authorities.

Where the tobacco duty is paid by means of revenue stamps, it is only waived or refunded if the revenue stamps have been destroyed or rendered invalid under the control of the tax authorities.

Payment in respect of revenue stamps is waived or refunded on request where revenue stamps not yet cancelled have been returned to the revenue stamp office or where cancelled revenue stamps have been destroyed or rendered invalid under the control of the tax authorities and tobacco duty has not become payable.

DUTY ON SPIRITS
(Alkoholsteuer)

Spirits Monopoly Law of 8 April 1922 (BGBl I, pp. 335, 405), as last amended by the Article 2 of the Law of 25 March 1981 (BGBl I, p. 301)

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.
- Alcohol substitutes used in toilet articles.

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

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 :

	DM
1. Spirits duty on alcohol	hl/ethyl alcohol
- for drinking and all other purposes not specifically referred to	2 250
- 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 (as well as alcohol substitutes)	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
2. Spirits surcharge	1 700 - 1 875 - 2 250
3. Monopoly equalization charge	
- for spirits and alcoholic beverages	2 250
- 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 s d u e :

1. Spirits duty:
   paid over 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 2 250), spirits surcharge, and the monopoly equalization charge need not be paid until the 15th day of the third 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 Article 3 of the Law of 12 September 1980 (BGBl I, p. 1685)

Beneficiary:

The Federal government.

Duty payable on:

- 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.

Duty payable when:

The dutiable products leave the enterprise manufacturing them or are set aside for consumption within the enterprise.

Duty payable by:

The owner of the manufacturing enterprise (producer).

Rates:

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.

Period for submission of declaration:

Until the 15th day of the month following the month when liability arose.

Becomes due:

The 25th day of the month following the month when liability arose. Payment cannot be deferred.

Exemptions:

Sparkling wines and beverages similar to sparkling wines may, on a duty-free basis:

- be exported from a manufacturing enterprise or placed under customs procedure,
- 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 tax 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.

Refund:

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

Imports:

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 for exemption from import duties.

DUTY ON BEER
(Biersteuer)

Beer Tax Law of 14 March 1952 (BGBl I, p. 149), as last amended by Article 3, par. 2 of the Law of 12 September 1980 (BGBl I, p. 1695)

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.

D u t y p a y a b l e w h e n (home-produced):

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.

Period for submission of declaration:

Until the 7th day of the month following the month in which the chargeable event occurred.

Becomes due:

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.

I m p o r t s :

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 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 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 Amending Law of 24 June 1970 (Nieders. GVBl 1970, p. 237)

Beneficiaries:

City boroughs and districts (Landkreise); in Hesse the municipalities.

Duty payable in:

Bremen, Hesse and Lower Saxony only.

Duty payable on:

The sale of wines, sparkling wines, spirits, mineral waters, cocoa, coffee, tea and other beverages made from vegetable matter.

Basis of assessment:

The retail price of the beverages sold.

Exemptions:

Sale of beverages in hospitals, welfare homes or works canteens (in the last case, only non-alcoholic beverages are exempted).

Collection:

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 Article 3, para. 4 of the Law of 12 September 1980 (BGBl I, p. 1695)

Beneficiary:

The Federal government.

Duty payable on:

- 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.

Duty payable when:

The dutiable products are removed from the manufacturing enterprise or are withdrawn for consumption in the enterprise.

Duty payable by:

The proprietor of the manufacturing enterprise (producer).

Rates:

- 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 degreee of purity between 70% and 95%: DM 3.60/100 kg
  - of a degreee 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.

Period for submission of declaration:

Until the 15th day of the month following the month when liability arose.

Becomes due:

On the last working day of the month following the month when liability arose. Payment cannot be deferred.

Exemptions:

No duty is payable on sugar:

- exported from a manufacturing enterprise or export depot, or placed under a special customs procedure;
- supplied to a manufacturing enterprise for further processing, storage, repacking or packaging;
- used inside or outside the manufacturing enterprise for investigations and tests required for industrial purposes, or removed for reasons of tax 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.

Refund:

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.

Imports:

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 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. Certain goods containing sugar are also subject to the exercise duty on sugar.

No duty is payable on imported sugar:

- supplied to a manufacturing enterprise for further processing, storage, repacking or packaging;
- used for industrial purposes, or for public benefit other than the production of food, of goods under heading 24.02 of the Common Customs Tariff or of feedingstuffs;
- used for the feeding of animals or for the production of feedingstuffs;
- used in the manufacture of products for export.

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 AND TEA
(Kaffee- und Teesteuer)

Coffee and Tea Tax Law of 5 May 1980 (BGBl I, p. 497); Implementing Regulation of 2 June 1980 (BGBl I, p. 651)

Beneficiary:

The Federal government.

Duty payable on:

- Coffee (unroasted, roasted, whether or nor decaffeinated).
- Coffee extracts or essences (solid, liquid, whether or not freed from caffeine).
- Tea.
- Tea extracts (solid or liquid) or essences of tea.
- Products containing tea.
- Products containing coffee or tea which are imported into the area to which the coffee and tea tax law applies, with the exception of foreign customs enclaves on German territory and customs-free zones (collection area).

Imports:

The customs regulations are applicable to duty on coffee and tea. As an exception to these regulations, payment may be deferred for unroasted coffee, at the request of the person liable for duty, until the 15th day of the second month following the month in which the chargeable event occurred, but security must be provided.

Rates:

	per kg net weight
- Coffee: unroasted, undecaffeinated coffee	DM 3.60
- Unroasted, decaffeinated coffee	DM 3.80
- Roasted, undecaffeinated coffee	DM 4.30
- Roasted, decaffeinated coffee	DM 4.55
- Solid extracts of undecaffeinated coffee	DM 9.35
- Solid extracts of decaffeinated coffee	DM 9.90

	per kg of content of dry matter
- Liquid extracts or essences of undecaffeinated coffee	DM 9.35
- Liquid extracts or essences of decaffeinated coffee	DM 9.90
- Coffee preparations are taxed according to the percentage of coffee.	

Tea:

- 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
- Products containing tea are taxed according to the percentage of tea.	

E x e m p t i o n s :

Coffee and tea, coffee and tea extracts or essences, and products containing coffee or 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 import into the customs zone.

R e f u n d :

On application, manufacturers of products containing coffee or tea are reimbursed or compensated for the duty on the quantity of coffee or tea employed in manufacture if they can prove that the products have been exported under customs control.

EXCISE DUTY ON SALT
(Salzsteuer)

Salt Tax Law of 25 January 1960 (BGBl I, p. 50), as last amended by Article 3, para. 7 of the Law of 12 September 1980 (BGBl I, 1695)

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

The Federal government.

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

- Rock salt, salt obtained chemically, salt obtained by the evaporation of the water of salt marshes and salt springs, sea salt.
- Salt obtained as a by-product in the chemical industry and containing at least 75% by weight of sodium chloride.
- Unrefined potassium salts and potassium-magnesium salts containing at least 85% by weight of sodium chloride.
- Salt waste and bath salts containing at least 75% by weight of sodium chloride.
- Salt liquors, unless used as smelling salts, beverages or bath salts,

which are manufactured in the territory to which the salt tax law applies, apart from foreign customs enclaves on German territory and customs-free zones (collection area), or are imported into the collection area.

D u t y p a y a b l e w h e n (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.

Rate:

DM 12 per 100 kg net weight.

Period for submission of declaration:

Until the 15th day of the month following the month in which the chargeable event occurred.

Become due:

On the 20th day of the month following the month in which the chargeable event occurred. Payment cannot be deferred.

Exemptions:

- Salt exported from a manufacturing enterprise or export depot or placed under a special 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.

Refund:

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

Imports:

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 LAMPS
(Leuchtmittelsteuer)

Lamps Tax Law of 22 July 1959 (BGBl I, p. 613), as last amended by Article 3, para. 3 of the Law of 12 September 1980 (BGBl I, p. 1695)

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.

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

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.

Period for submission of declaration:

Until the 15th day of the month following the month in which the chargeable event occurred.

Becomes due:

The 15th day of the third month following the month in which the chargeable event occurred. Payment cannot be deferred.

Exemptions:

Lamps may, on a duty-free basis:

- be exported from a manufacturing enterprise or placed under a special customs procedure,
- 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 tax control or factory inspection.

Refund:

Allowed on dutiable products which the manufacturer can prove he has taken back into his enterprise, or which have been destroyed under customs control.

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. 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.

INSURANCE TAX
(Versicherungssteuer)

Insurance Tax Law of 24 July 1959 (BGBl I, p. 539), 1968 Taxation Amendment Law 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)

Beneficiary:

The Federal government.

Tax payable on:

The payment of insurance premiums.

Basis of assessment:

The amount of the premium, including certain duties and expenses; in the case of insurance against damage caused by hail, the sum insured.

Exemptions:

Certain kinds of insurance are tax-free.

Payment:

Tax returns and payment are made at regular intervals.

Rates:

5%, 2% for insurance of hull of ships; the rate in the case of hail insurance against damage caused by hail is DM 0.20 per DM 1 000 of the sum insured.

FIRE INSURANCE TAX
(Feuerschutzsteuer)

Fire Protection Tax Law of 21 December 1979 (BGBl I, p. 2353)

Beneficiaries:

The Länder governments.

Chargeable event:

Receipt by the insurer of premiums for fire insurance, certain building insurance and certain house contents insurance.

Basis of assessment:

In the case of fire insurance: the total premiums.

In the case of building insurance: 25% of the total premiums.

In the case of house contents insurance: 20% of the total premiums.

Payment:

Tax returns and payment are made at regular intervals.

Rates:

12% for compulsory insurance or in the case of insurers with a monopoly;

5% in all other cases.

ENTERTAINMENTS TAX – including cinema tax
(Vergnügungssteuer – mit Kinosteuer)

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)

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 Bremen, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate 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, shorting events before paying spectators, 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 price of the ticket or gross receipts (between 10% and 20% of the price of the ticket 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 juke-box, or between DM 0.20 and DM 0.30 per month for every 10 m^2 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)

Beneficiaries:

The Länder governments.

Tax payable on:

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.

Basis of assessment:

The amount of bets or prizes.

Collection:

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

Rate:

16 2/3%.

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)

Beneficiaries:

The municipalities.

Tax payable on:

Real estate situated in the municipality concerned.

Basis of assessment:

Standard value (Einheitswert).

Exemptions:

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.

Collection:

By means of assessment books.

Rates:

The rates range from 2.6% to 6% multiplied by the municipal factor fixed by the municipality.

Special feature:

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

REAL ESTATE TRANSFER TAX – including surcharges on transfers of property payable to districts (Kreise) or municipalities (Grunderwerbsteuer)

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

Beneficiaries:

The Länder governments.

Tax payable on:

Sales of real estate, investment of assets in a company, etc.

Basis of assessment:

Purchase price or equivalent value, or standard value.

Exemptions:

There are a large number of exemptions depending on the nature of the property.

Collection:

By means of assessment books.

Rates:

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 and city boroughs.

CAPITAL DUTY
(Gesellschaftsteuer)

Capital Transactions Tax Law as amended on 17 November 1972 (BGBl I, p. 2129), Law of 11 May 1976 amending the Capital Transactions Tax Law (BGBl I, p. 1184), 1977 Tax Amendment Law of 16 August 1977 (BGBl I, p. 1586), Regulation of 20 April 1960 implementing the Capital Transactions Tax Law (BGBl I, p. 243) amended by Article 11 of the Law of 4 July 1980 (BGBl I, p. 836)

Beneficiary:

The Federal government.

Tax payable on:

The first acquisition of shares in joint-stock companies situated in Germany and other capital contributions to companies situated in Germany.

Basis of assessment:

Purchase price or equivalent value, or (normal) value of shares.

Exemptions:

- Legal acts concerning:
  - charitable institutions serving the public interest;
  - public utilities providing gas, water, electricity or heating and public transport and port authorities, in cases where their shares are held by public authorities and at least 90% of their profits accrue to them.

Collection:

By means of assessment books.

Rates:

1% (0.5% in certain cases).

STOCK EXCHANGE TURNOVER TAX
(Börsenumsatzsteuer)

Capital Transactions Tax Law and Regulation implementing the Capital Transactions Tax Law	)))	see Capital duty (D 44)

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 Bills of Exchange Tax, as amended on 24 July 1959 (BGBl I, p. 536); Introductory Law of 14 December 1976 to the Tax Code (BGBl I, p. 3341) Regulation as amended on 20 April 1960, implementing the Bills of Exchange Tax (BGBl I, p. 274)

Beneficiary:

The Federal government.

Tax payable on:

The issue of bills of exchange.

Basis of assessment:

Face value of the bill.

Exemptions:

Bills drawn abroad, cheques, etc.

Collection:

By the use of tax stamps or authorized machines with registering device.

Rates:

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 as amended on 1 February 1979 (BGBl I, p. 132);
Motor Vehicles Tax Implementing Regulation of 3 July 1979 (BGBl I, p. 901)

Beneficiaries:

The Länder governments.

Tax payable on:

The keeping of motor vehicles and their trailers for use on public roads.

Illegal use of such vehicles.

Basis of assessment:

The cylinder capacity or maximum permissible total weight.

Exemptions:

Certain vehicles and vehicles for certain uses.

Non-residents:

The tax is payable by residents using vehicles not registered in the collection area.

Payment:

Registration and normally, payment on an annual basis. Where the annual tax exceeds DM 1 000, it may be paid on a half-yearly basis, where it exceeds DM 2 000, it may also be paid on a quarterly basis. Payment for vehicles not registered in the collection area is made on a day-to-day basis.

R a t e s :

DM 3.60 per 25 cc, i.e. DM 14.40 per 100 cc for private vehicles. In the case of all other two-wheeled vehicles with a total weight of:

- up to 2 000 kg	DM 22/200 kg
- between 2 000 kg and 3 000 kg	DM 23.50/200 kg
- between 3 001 kg and 4 000 kg	DM 25/200 kg

Reduced tariff for vehicles with more than two axles of a total weight of over 7 000 kg and reductions for certain types of vehicles.

TAX ON INDUSTRY AND TRADE – including payroll tax (Gewerbesteuer mit Lohnsummensteuer)

1978 Trade Tax Law of 22 September 1978 (BGBl I, p. 1557) as last amended by Article 13 of the Law on the Reduction of State Aids of 26 June 1981 (BGBl I, p. 537); Trade Tax 1979 Implementing Regulation of 26 January 1979 (BGBl I, p. 114) amended by Regulation of 25 April 1980 (BGBl I, p. 487)

Beneficiaries:

The municipalities about 76%, the Federal government and the Länder governments about 12% each.

Tax payable by:

All industrial or commercial undertakings, provided their activities are carried on in Germany.

Exemptions:

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

Basis of assessment:

Trading profit (profits together with certain additions or deductions, as appropriate) and trading capital (taxable value of trading capital with certain additions or deductions, as appropriate).

Collection:

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 breaking down the standard basic amounts; as a rule, the municipalities are responsible for fixing and collecting the tax and for specifying periods of grace, reductions and remissions.

Rates:

(a) Trading profits: tax-free allowance of DM 36 000 in the case of natural persons and partnerships; tax is levied at a rate of 5% on profits in excess of DM 36 000 (in the case of other undertakings, in particular limited companies, 5% of all trading profits).

(b) Trading capital: tax-free allowance of DM 60 000 (DM 120 000 as from 1981); tax is levied at a rate of 2‰ on trading capital in excess of DM 60 000 (DM 120 000 as from 1981).

These rates are multiplied by the municipal factor fixed by the municipality (e.g. municipal factor 300%; rate for the tax on trading profits: 5% x 3 = 15%).

Special feature:

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 II p. 46) Article 44 of the 1st Adopting Law of 24 June 1970 (GVBl 1970, p. 237);
For Rhineland-Palatinate: Municipal Tax Law as amended on 2 September 1977 (GVBl p. 305)

Beneficiary:

The municipalities; in Hesse, Lower-Saxony and the Rhineland-Palatinate: the districts (Landkreise) and the city boroughs (kreisfreie Städte).

Tax payable in:

Hesse, Lower-Saxony and Rhineland-Palatinate.

Tax payable on:

The acquisition of a licence to manage a public house, or the management of such an establishment that does not require the aforementioned licence for a period of more than six months.

Basis of assessment:

The annual attainable leasing value or the turnover of the first financial year, account sometimes being taken of the surface area of the premises.

Exemptions:

Include cases where 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.

Collection:

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 square metre of the premises.

FRANCE

PERSONAL INCOME TAX
(Impôt sur le revenu)

Article 1 of Law No 59-1472 of 28 December 1959; Finance Law 1976, 1977 and 1978; Law No 76-660 of 19 July 1976; Law No 76-1234 of 29 December 1976; Law No 78-688 of 5 July 1978; Law No 78-741 of 13 July 1978; 1980 and 1981 Finance Laws

Beneficiary:

The State.

Tax payable by:

Individuals.

In the case of partnerships (sociétés de personnes) which have not opted to pay company tax, tax is payable by each partner.

Basis of assessment:

Total net income, determined according to the arrangements applicable to each type of income (including income from foreign sources in cases where taxpayers are resident in France), less any legally deductible expenses (e.g. interest on money borrowed to purchase a principal residence, expenditure on energy saving).

Exemptions:

- Individuals whose income net of expenses did not exceed FF 21 100 in 1980 or FF 23 000 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 No 76-660 of 19 July 1976 makes capital gains realized by individuals from 1 January 1977 subject to personal income tax, where assets or rights of any kind are transferred for valuable consideration (this law provides for numerous exemptions). The same law also creates a flat-rate tax on sales of precious metals and objects. Finally Law No 78-688 of 5 July 1978 provides for the taxation of net capital gains realized from the transfer of securities for consideration.

D e d u c t i o n s :

- All expenses involved in earning or maintaining income. For natural or legal persons subject to the tax on industrial and commercial income as well as persons subject to corporation tax, representation expenses are limited to 90%. 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% is granted for pensions and free life annuities; this allowance may be neither less than FF 1 800 nor more than FF 7 600 for each retired person or pensioner in a household in respect of 1980 income.

- 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 wages net of employment expenses which exceeds FF 150 000 where this remuneration is paid to persons who, directly or indirectly, hold over 35% of the shares in the firm which employs them. Lastly, it is no longer granted where wages and pensions are more than one and a half times the limit of the last band of the tax scale, i.e. FF 410 000 in respect of 1980 income.

- Craftsmen, tradesmen, industrialists and farmers who have joined approved management centres and persons who have joined 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 410 000.

- In the case of individuals of more than 65 years of age or the disabled whose total net income is less than FF 28 600, an allowance of FF 4 630 is granted. This allowance is FF 2 315 for individuals of more than 65 years of age or disabled persons with a total net income of between FF 28 600 and FF 46 300 in 1980.

- An allowance of FF 2 720 is granted to single taxpayers with no dependent children, provided that at least half of their income is made up of wages or salaries and their total net income was less than FF 20 680 in 1980.

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).

Persons not resident in France for tax purposes:

Tax is payable on income derived from French sources, subject to the provisions of the relevant international conventions.

Collection:

As a general rule, by means of assessment books. Certain types of investment income, however, are compulsorily subject to a withholding tax of 10%, 12% or 25%,[1] which is deductible from personal income tax or may be refunded in the case of resident persons. Alternatively, persons to whom income accrues in France from fixed-interest investments (interest on negotiable bonds, interest on deposit certificates and miscellaneous claims) may opt to be subject to a final levy of:

- 25% on the interest on negotiable bonds;
- 33 1/3% on the interest on certain securities issued before 1 June 1978;
- 38% on the interest on claims, deposits, indemnity bonds and current accounts accrued as from 1 January 1980 and on the interest on certificates and securities issued as from 21 January 1980 where the recipients state their name and place of residence for tax purposes at the time of payment. If this condition is not fulfilled, the rate is 42%. 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.

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%.

On certain profits made on the construction and sale of buildings a levy is charged when the property is transferred, the rate being 25% (building permit issued between 1 January 1966 and 31 December 1971), 30% (buildung permit issued between 1 January 1972 and 31 December 1973) or 33 1/3% (building permit issued after 31 December 1973). In certain circumstances this levy is in full discharge of personal income tax.

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[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.

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.

As regards shares, a fraction (50%) of the tax already charged on distributed profits as corporation 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 on a flat-rate basis, provided receipts from the farm concerned have not exceeded FF 500 000 on average for two consecutive years, unless the taxpayer opts to be taxed under 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. Farmers whose receipts average more than FF 1 000 000 must be taxed under the normal system of taxing actual profits.

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.

Persons who are not resident in France but who own, in whatever capacity or manner, one or more residences these may be taxed on an income equal to three times the actual rental value of such residences.

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 (Article 223 point 7 of the General Tax Code); Article 11 of the 1977 Finance Laws; Article 11 of the 1980 Finance Laws

Beneficiary:

The State.

Tax payable by:

All companies and public corporations whatever their nationality which are covered by the rules for corporation tax under the provisions of Articles 206-1 to 206-4 of the General Tax Code.

Exemptions:

- Non-profit-making bodies, public undertakings, associations and public corporations, 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, in respect of all or part of their operations, under Articles 207 and 208 of the General Tax Code (agricultural trade unions or cooperatives; subsidized-housing bodies and real estate companies; departments, municipalities and municipal associations and ancillary publicity-owned enterprises; companies which finance the exploration and development of liquid or gaseous hydrocarbon deposits, etc.).
- New companies for three years under certain conditions.
- Associations involved in the organization of local social life.

Collection:

Annual taxation.

Rate:

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 the flat-rate tax 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 laid down 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
(Prélèvement exceptionnel à la charge des institutions financières)

Finance Law 1981

Beneficiary:

The State.

Tax payable by:

Banks and credit institutions (subject to the reserve rules of the Banque de France.

Basis of assessment and rate:

Two per thousand of the 1980 average sum of ordinary creditors' accounts and deposit accounts in francs, registered with the metropolitan departments. Accounts of non-residents and of non-banking institutions are not included.

Limits:

As for persons subject to income tax or to the 50% rate of corporation tax, the tax cannot be more than 20% of the taxable income of 1980 calculated before all tax deductions.

Collection:

The tax is calculated and collected in the same way as the tax at source on income from capital goods.

Special feature:

The tax is not deductible from the tax base of 1981.

TAX ON FURNISHED ACCOMMODATION
(Taxe d'habitation)

Articles 1407 to 1416 and 1641 of the General Tax Code; Law No 80-10 of 10 January 1980

Beneficiaries:

The departments, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

Tax payable by:

Any person having furnished accommodation at his disposal.

Basis of assessment:

The rentable cadastral value assessed on 1 January 1979 and calculated in the same way as the property tax on buildings.

Exemptions:

- Premises subject to the application of business tax and buildings used by rural enterprises.
- Public, scientific and public assistance establishments, schools and universities.
- The diplomatic corps.
- The old or disabled in the lower-income group.

Deductions:

Allowances must be granted for family expenses and basic allowances may be granted to all taxpayers or only to those who do not pay income tax. Allowances are accorded only in respect of the principal residence.

C o l l e c t i o n :

By means of assessment books.

R a t e s :

Fixed by the recipient local authorities subject to the ceiling on municipal rates.

CORPORATION TAX
(Impôt des sociétés)

Articles 205 et seq. of the General Tax Code; Article 70 of the 1980 Finance Law; 1981 Finance Law

Beneficiary:

The State.

Tax payable by:

Companies limited by shares 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 corporation tax.

Basis of assessment:

The profits of businesses carried on in France. These profits are made up of the difference between net assets at the beginning and end of a financial year less additional capital contributions, plus sums withdrawn by members.

Exemptions:

- Bodies exempted:

  the bodies exempted from payment include, in certain circumstances, departments, municipalities and ancillary publicly-owned enterprises, agricultural trade unions and cooperatives, (subsidized-housing bodies), investment companies, companies whose aim is to put goods at the disposal of their members.

Non-residents:

These companies pay tax on profits made in France. If they possess any real property in France they are subject to the tax on a basis of not less than three times the actual rentable value of the property.

P a y m e n t :

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 corporation tax, but cannot be refunded as a rule.

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

- World profits system: determination of the taxable profits of French companies taking into account the results, calculated according to French tax rules, of their direct operations abroad.

- Consolidated profits system: taxation of parent companies on the basis of the overall results, calculated according to French tax rules, of their direct and indirect operations in France and abroad.

- Integrated profits system: the results of French companies, 95% of whose capital is held by another French company, are included entirely in the results of the latter company.

  Application of these three systems is subject to approval by the Minister for the Budget.

- As from 1 January 1980, French companies holding at least 25% of the capital of companies established in tax havens may be made subject to corporation tax on their share in the profits of foreign companies.

- Special arrangements applicable 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.

Carry-over of losses:

Losses may be carried over for a period of five years, except for depreciation postponed during a loss-making period, which may be carried over indefinitely.

EXCEPTIONAL TAX PAYABLE BY PARTICIPATORS IN HYDROCARBON FIELDS
(Prélèvement exceptionnel à charge des entreprises exploitant des gisements d'hydrocarbures)

Finance Law of 3 August 1981

Beneficiary:

The State.

Tax payable by:

Companies participating in hydrocarbon fields (liquid or gas) in France.

Basis of assessment and rate:

90% of the 1980 increase, in relation to 1979, of the pre-tax turnover originating from the products of these fields.

Limits:

The tax does not apply to companies whose turnover for 1980 does not exceed FF 50 million.

Collection:

The tax is calculated and collected in the same way as the tax at source of capital goods.

Half of the tax is payable on the 15 September 1981, the remainder on the 16 November 1981.

Special feature:

The tax is not deductible for the purpose of determination of taxable profits for the year 1981.

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)

Beneficiary:

The State.

Payable by:

Companies which distribute dividends drawn from sums on which the companies did not pay corporation 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.

Basis of assessment:

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.

Exemptions:

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, subsidized-housing cooperatives or limited companies, building societies and mutual credit funds, approved associations engaged in financing telecommunications.

Non-residents:

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.

Collection:

The tax must be paid within one month from when the distributed profits are released for payment.

Rates:

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.

Special feature:

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 – Succession)

Article 750 point 3 et seq. of the General Tax Code; Law No 68-1172 of 27 December 1968; Law No 73-1150 of 27 December 1973; 1980 and 1981 Finance Laws

Beneficiary:

The State.

Duty payable by:

Heirs and legatees.

Basis of assessment:

Net share received by each beneficiary.

Exemptions:

These include:

- Life insurance policies taken out by the deceased for specific beneficiaries, within certain limits and under certain conditions;
- certain woodlands and shares in forestry groups, partially and under certain conditions;
- 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, within certain limits and under certain conditions;
- shares issued by real property funds, within certain limits and under certain conditions;
- rural property rented on a long-term lease and shares in agricultural land organizations, 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 five years of their minority, had been brought up by the deceased receive the same treatment as heirs in direct line. An allowance may also be granted on the shares inherited by brothers and sisters fulfilling certain conditions. Disabled persons may be granted an allowance of FF 200 000, which cannot be added to the other allowances. 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 2 000 maximum is granted per child after the second child (FF 4 000 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 declaration is made. In some cases and under certain conditions, payment may be made by instalments or deferred.

R a t e s :

- In the case of heirs in direct line:

where the net share does not exceed FF 50 000	5%
where the net share is between FF 50 000 and 75 000	10%
where the net share is between FF 75 000 and 100 000	15%
where the net share is more than FF 100 000	20%

- Between spouses:

where the net share does not exceed FF 50 000	5%
where the net share is between FF 50 000 and 100 000	10%
where the net share is between FF 100 000 and 200 000	15%
more than FF 200 000	20%

- Between brothers and sisters:

  up to FF 150 000 . . . . . 35%

  more than FF 150 000 . . . . . 45%

- Between uncles and nephews, great-uncles and great-nephews, first cousins 55%

- Between others 60%

G i f t s :

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

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 No 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 (Sixth Council Directive (77/388/EEC) of 17 May 1977)

Beneficiary:

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.

Tax payable by:

- Persons who independently carry out, on an habitual or occasional basis, an economic activity involving the supply of goods or services, whatever their legal status, their position as regards other taxes and the form or nature of their involvement: manufacturers, 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, such as architects, accountants, etc..
- Importers.
- Persons buying certain specified products from other persons not liable to the tax.

Tax payable on:

- All supplies of movable goods and services effected by taxable persons as part of an economic activity (industrial, commercial, craft, professional, agricultural or civic).
- Transactions specifically designated by law, such as those carried out by cooperatives, those connected with the construction of buildings, self-deliveries and purchases of certain products from persons not liable to the tax.
- Transactions which are not caught by the tax or are exempted but may be taxed under an option:
  - (i) persons who previously were or would have been liable to the special tax on banking and financial activities and who carry out transactions which would formerly have been subject to that tax;
  - (ii) certain persons engaged in non-commercial activities (veterinary surgeons, barristers, solicitors, notaries, etc.);

(iii) persons who let premises which are used for an economic activity;

(iv) local authorities in respect of certain services.

Exemptions:

Relate in particular to:

- exports and similar;
- certain banking and financial transactions;
- non-daily press publications up to 1 January 1982;
- activities subject to local entertainment tax (sporting events, gambling clubs and houses, automatic machines);
- certain activities of non-profit-making bodies, the management of which is totally disinterested;
- certain transactions carried out by central government bodies or local authorities;
- repayments of expenses incurred by legal persons in putting goods at the disposal of their members;
- certain real estate transactions;
- medical, paramedical, teaching, judicial, legal, literary, artistic or sporting activities;
- agriculture and fisheries;
- certain imports.

Tax payable on:

Delivery, receipt of payment, transfer, import or purchase according to the circumstances of taxation.

Basis of assessment:

Price or payment, including all charges and taxes (other than value-added tax).

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 obtain a refund of any excess input tax in their favour 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).

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

Flat-rate refund scheme for agriculture.

DOMESTIC DUTY ON PETROLEUM PRODUCTS AND PRODUCTS TREATED AS SUCH
(Taxe intérieure de consommation frappant les produits pétroliers et assimilés)

Beneficiary:

The State.

Taxable products and rates:

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 132.58 per hl[3]
	- other uses	exempt
	2. Other	
	- fuel	FF 132.58 per hl[3]
	- other uses	exempt
	(b) Spirits	
	- aviation	FF 98.21 per hl
	- premium grade	FF 146.26 per hl[3]
	- other	FF 137.58 per hl[3]
	- light fractions for specific uses	exempt

[1] Domestic duty is levied on the entire product including additives, when used as fuel.
[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 23 of the 1979 Finance Law (No 78-1239 of 29 December 1978)

Customs tariff heading	Description of products	Rates applicable
27 - 10 (contd)	B. Medium oils [2]	
	(a) Kerosene	FF 59.86 per hl[1]
	(b) Other	FF 59.86 per hl[1]
	C. Heavy oils	
	Ic - Gas oil[2]	
	For specific uses (products described as domestic fuel oil No 1)	FF 13.82 per hl[1]
	Unnamed	
	- with a flash-point below 120° C	FF 79.55 per hl
	- other	exempt
	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 No 2)	FF 13.82 per hl[1]
	- Unnamed	
	- with a flash-point below 120° C	FF 74.55 per hl[1]
	- other	exempt
	Light fuel oils	exempt
	Heavy fuel oils	exempt
	III - Lubricating oil and other	exempt

[1] Rate laid down in Article 23 of the 1979 Finance Law (No 78-1239 of 29 December 1978).

[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.

Customs tariff heading	Description of products	Rates applicable
27-11 B I c	Petroleum gases and other gaseous hydrocarbons:	
	1 - Commercial propane and butane	
	- special mixture of butane and propane intended for use as fuel	FF 77.55 per 100 kg net[1]
	- other	exempt
	2 - Other gases	
	- intended for use as fuel in motor vehicles	FF 358.95 per 1 000 m^3 [2]
	- 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	exempt
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	exempt

[1] Rate laid down in Article 23 of the 1979 Finance Law (No 78-1239 of 29 December 1978).
[2] Rate laid down in Article 1 of the 1978 amending Finance Law (No 78-653 of 22 June 1978).

Duty payable on goods produced in the territory in which the duty is levied and on imports:

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]

[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 1974 Finance Law (No 73-1150 of 27 December 1973).
[4] Article 9 of the 1978 Finance Law.

DUTY ON TOBACCO
(Imposition du tabac)

Articles 565 to 575 M of the General Tax Code; Law No 76-448 of 24 May 1976; Decree No 76-1324 of 31 December 1976; Order of 31 December 1976, Article 25 of the 1979 Finance Law; Decree No 80-262 of 3 April 1980

Beneficiary:

The State.

Duty payable on:

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.

The importation and wholesale marketing of manufactured tobacco from Member States of the European Economic Community may be carried out by any natural or legal person who has obtained an identification entitling him to exercise such activities.

Rates and basis of assessment:

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	-	-

I m p o r t s :

Same system as for French production.

MANUFACTURING DUTY ON MATCHES
(Droit de fabrication sur les allumettes)

Articles 576, 585 A, 585 B and 585 C of the General Tax Code; Law No 72-1069 of 4 December 1972; Article 26 of the 1979 Finance Law

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.

(in FF)

	Average contents					
	1 to 25	26 to 50	51 to 100	101 to 250	251 to 500	501 to 1000
Matches of natural wood packaged in boxes with sliding trays	0.01	0.016	0.035	0.062	0.125	0.30

- Reduction of FF 0.005 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

Beneficiary:

The State (Supplementary Budget for Agricultural Social Benefits).

Duty payable on:

Sales of manufactured or imported tobaccos (cigarettes, cigars, cigarillos, smoking tobacco, snuff, etc.).

Duty payable by:

The Monopoly Administration (SEITA) or any other wholesale supplier of manufactured tobaccos.

Territory of application:

Continental France and Corsica.

Exemptions:

None.

Payment:

Upon presentation of monthly returns. Flat-rate and simplified system of taxation not applicable.

Rate and basis of assessment:

0.80% of the selling price exclusive of taxes.

DUTIES ON SPIRITS: CONSUMPTION DUTY AND PRODUCTION DUTY
(Taxe sur les alcools: droit de consommation et droit de fabrication)

Article 401 et seq. of the General Tax Code; Articles 3 and 13 of the 1981 Finance Law

Beneficiary:

The State.

Duty payable by:

Producers or holders of stocks of alcohol who have not yet paid the duty on spirits.

Duty payable on:

1. Consumption duty:

   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. Production duty:

   - Alcoholic perfumery and toilet articles;
   - Alcohol-based medicaments or products not to be taken orally.

Chargeable event in the case of production in the territory in which the duty is levied:

The consumption duty is payable when the taxable products are made available for consumption or when deficiencies are established.

The production duty is payable as soon as the taxable products leave the place of manufacture either in bulk or in bottles. It is also payable when deficiencies are established at the factory.

Chargeable event in the case of importation into the territory in which the duty is levied:

The consumption duty is payable when the taxable products are made available for consumption.

The production duty is payable on receipt of the taxable products in the importer's warehouse.

Rates:

1. Consumption duty:

The alcoholic liquid is taxed on the basis of its pure alcohol content, the minimum taxable content being 15° by volume. The rates charged are as follows

	per hl of pure alcohol
1) Alcohols used in the preparation of sparkling wines and of natural sweet wines taxed as wines	FF 2 395
2) Rums and crème de cassis	FF 4 150
3) Wine-based aperitifs, vermouths, liqueur wines and similar products	FF 6 400
4) All other alcoholic products except those subject to the production duty	FF 7 795

As a temporary measure for the period from 1 February 1981 to 31 January 1982 the products in the fourth category are broken down into two sub-categories as follows:

- aniseed-flavoured aperitifs and alcoholic beverages resulting from the distillation of cereals	FF 8 220
- other alcoholic products	FF 6 635

2. Production duty:

Duty is calculated on the basis of the pure alcohol content. The rates are as follows:

- Perfumes and toilet articles	FF 730
- Medicaments or products not to be taken orally	FF 280

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 duty-free.

SPECIFIC DUTY ON BEER AND CERTAIN NON-ALCOHOLIC BEVERAGES
(Droit spécifique sur les bières et sur certaines boissons non alcoolisées)

Article 520 A of the General Tax Code; Articles 3 and 13 of the 1981 Finance Law

Beneficiary:

The State.

Duty payable by:

- Manufacturers (or sometimes, in the case of beers, firms carrying out the final packaging).
- Importers.
- Owners of springs.

Taxable products:

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°).

Chargeable event:

The duty is payable on the basis of volume (hectolitre) put on the home market.

E x e m p t i o n s :

- Syrups and fruit or vegetable juices and fruit essences.
- Milk, in a natural state or flavoured.
- 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.

P a y m e n t :

Payments are made monthly on the basis of a return submitted before the 25th of the month following deliveries.

R a t e s :

As from 1 February 1981:

- FF 3.50 per hl for waters and beverages with an alcoholic content not exceeding 1°;
- FF 13.60 per hl for beers not exceeding 4°6[1] in strength or packed in containers of 65 centilitres to one litre;
- FF 24 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.

OPTIONAL SURCHARGE ON MINERAL WATERS
(Surtaxe facultative sur les eaux minérales)

Articles 1582 and 1697-4 of the General Tax Code; Article 19 of the 1981 Finance Law

Beneficiaries:

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.

Products and operations liable to the surcharge:

Sales of mineral waters having therapeutic properties and coming from a spring in a municipality which has introduced the surcharge.

Exemptions:

Table waters, ordinary spring waters, laboratory waters.

Mineral waters consumed where they emerge, or exported.

Payment:

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.

Rate:

FF 0.015 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)

Beneficiary:

The State.

Duty payable on:

Wine and other fermented beverages: wine, cider, perry, mead and slightly fermented, semi-sparkling grape juices (pétillants de raisin).

Chargeable event in the case of production in the territory in which the duty is levied and also in the case of importation into the territory where the duty is levied:

As a rule, the duty is 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) when deficiencies are established.

Rates:

	per hl
- Sparkling wines with registered designation of origin (appellation contrôlée), champagne, natural sweet wines (tax system for wines)	FF 67.60
- Other wines	FF 27.00
- Cider, perry, mead and semi-sparkling grape juice	FF 9.40

Exports:

Exports are duty-free.

DUTY ON SUGAR BEET
(Taxe sur les betteraves)

Article 1617 of the General Tax Code

Beneficiary:

The State (Supplementary Budget for Agricultural Social Benefits).

Tax payable on:

Sugar beet supplied to sugar refineries or distilleries. Tax paid by the manufacturers on behalf of the beet-growers.

Rates and basis of assessment:

10% of the basic price for beet production as fixed by order for each year, with a possible reduction by decree, limited to 60%.

Imports:

The origin of the products is of no importance, the tax being based solely on the particular use for which they are intended.

Exports:

No exemption.

DUTY ON SUGAR
(Taxe sur le sucre)

Articles 422, 563 and 564 of the General Tax Code

Beneficiary:

The State (General Budget).

Tax payable on:

- Sugar used to sweeten wine.
- Sugar and glucose used in the preparation of wine-based aperifitifs and similar products.

Rates and basis of assessment:

- FF 80 per 100 kg of sugar used to sweeten wine.
- FF 140 per 100 kg of sugar or glucose used in the manufacture of wine-based aperitifs and similar products.

Imports:

The origin of the products is of no importance, the tax being based solely on the particular use for which they are intended.

Exports:

- 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 :

	FF/100 kg
- Cocoa beans, whole or broken, raw of 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

[1] The domestic consumption duty on spices has been temporarily suspended (Decree of 8 November 1976).

I m p o r t s :

The duty is levied on imports only.

DUTY ON COFFEE
(Taxe sur le café)

Beneficiary:

The State.

Duty payable:

A domestic consumption duty is payable when the goods are cleared through customs.

Rates:

- Unroasted coffee	FF 22.50 per 1oo 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]

Imports:

The duty is payable on imports only.

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[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 s :

- Tea	FF 23 per 100 kg
- 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

I m p o r t s :

The duty is payable on imports only.

DUTY ON CEREALS
(Taxe sur les céréales)

Law No 77-1466 of 30 December 1977; Decrees No 78-524 and 78-525 of 20 March 1978

Beneficiary:

The State (Supplementary Budget for Agricultural Social Benefits).

Duty payable by:

Millers and importers.

Tax payable on:

(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.

Rates:

1980/81 marketing year: average rate of FF 68.10 per tonne.

Exemptions:

(a) Exported flour, groats and meal.

(b) Flour used for producing starch.

STATE HEALTH TAX ON MEAT [1]
(Taxe sanitaire d'État sur les viandes)

Law No 77-646 of 24 June 1977; Decree No 77-899 of 27 July 1977; Order of 9 August 1977

Beneficiaries:

The State (private and public slaughterhouses) and local authorities or groups of local authorities (public slaughterhouses).

Tax payable in:

All the territory in which the health inspection system applies (Articles 258, 259, 262 and 263 of the Rural Code).

Tax payable by:

- Owners of animals at the time of slaughter, or slaughtering enterprises.
- Importers.

Taxable operations and products:

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.

[1] 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 treshold 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 Tax Code and 333-0 A to 333 G of Annex III; 1981 Finance Law

Beneficiary:

The State (Supplementary Budget for Agricultural Social Benefits).

Tax payable in:

Continental France and Corsica.

Tax payable by:

Producers (harvesters, mill operators, refiners), importers.

Taxable operations and products:

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 oild intended for human consumption (whale, sperm-whale, herring, halibut, etc.).

Exemptions:

Exports, family consumption.

Collection:

- Upon presentation of special monthly or quarterly (duty amounting to less than FF 500 per month) returns. Flat rate and simplified system of taxation not applicable.
- On filing of import declarations.

Rates and basis of assessment:

As from 1 January 1981 the following rates apply per kilogram:

- Groundnut and corn oil	FF 0.460
- Other fluid marine animal and vegetable oils (other than whale)	FF 0.40
- Copra and palm nut oils	FF 0.305
- Palm oil and whale oil	FF 0.28
- Olive oil	FF 0.510
- Colza oil	FF 0.235

In the case of imported foodstuffs containing taxable oils, taxation is based on the quantities and types of oil involved. In the case of products other than margarine, however, the person liable to pay the tax may elect to have a flat rate applied, fixed by order of the Minister for the Budget on bases equivalent to those for similar products manufactured in France.

INSURANCE TAX
(Taxe sur les conventions d'assurance)

Article 991 et seq. of the General Tax Code; 1981 Finance Law

Beneficiary:

The State.

Tax payable on:

Premiums falling due.

Basis of assessment:

Amount of premiums.

Exemptions:

Industrial accidents, certain types of life insurance, agricultural insurance by mutual associations, insurance against the risk of frost to harvests, marine insurance, reinsurance.

Rates:

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 operating losses resulting from fire in undertakings of this nature.

TAX ON PRECIOUS METALS, JEWELLERY, WORKS OF ART, COLLECTORS' ITEMS AND ANTIQUES
(Taxe sur les métaux précieux, les bijoux, les objets d'art, de collection et d'antiquité)

Article 302 bis A to 302 bis E of the General Tax Code;
Article 19 of th 1980 Finance Law

Beneficiary:

The State.

Tax payable by:

Individuals and associations resident in France.

Scope:

- Sales of precious metals.
- Sales of jewellery, works of art, collectors' items and antiques worth more than FF 20 000.
- Exports other than temporary exports.

Exemptions:

- Industrial or commercial firms which sell precious metals or objects.
- Persons not habitually resident in France who export precious metals or objects.
- Sales of precious objects at public auctions, where the owner is not resident in France for tax purposes.
- Sales of precious objects worth less than FF 20 000.
- Sales to museums and public libraries.

Basis of assessment:

- The all-inclusive selling price in the case of domestic sales.
- The value for customs purposes in the case of exports.

R a t e s :

- 6% for precious metals.
- 3% for jewellery and precious objects.
- 2% for jewellery and precious objects sold at public auctions.

P a y m e n t :

The tax is borne by the seller, but payment is made either by the intermediary involved in the transaction or by the buyer or by the exporter.

Payment is made in the same way as for turnover tax in the case of domestic sales and in the same way as for customs duties in the case of exports.

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; 1979 Finance Law

Beneficiary:

The State (Support Fund for Film Production).

Tax payable on:

Cinemas in Metropolitan France which give at least two performances a week.

Basis of assessment and rates:

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 2.10 on tickets sold at prices between FF 1.55 and FF 16.00. 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%.

Exemption:

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

Beneficiaries:

The municipalities.

Tax payable on:

Sporting events, gambling clubs and houses, automatic machines installed in public places.[1]

Basis of asessment:

- 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.

Exemptions and taxation at half-rate:

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.

Collection:

The tax is collected on the spot by a 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.

Rates:

- 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

Beneficiaries:

The municipalities (optional tax adopted after consideration by the municipal council).

Tax payable on:

Electromechanically controlled bowling alleys.

Collection:

Tax due in advance when the alley comes into operation, or in January of each year.

Rate:

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; Article 1635 A of the General Tax Code; Article 83 of the 1980 Finance Law

Beneficiary:

The State.[1]

Duty payable on:

Leases, subleases and extensions by law or agreement of leases of buildings, where such leases are for a limited period; generally all kinds of letting or subletting of buildings agreed in writing or by word of mouth. Leasing of fishing and hunting rights, for whatever period of time.

Exemptions:

(a) General:

- leases to the State;
- leases for an annual rent not exceeding FF 200;
- leases giving rise to the actual payment of value-added tax. Duty on leases is also not payable where the lessor is exempt from value-added tax.

(b) From the 18% duty, in which case duty is charged at 2.50%:

- 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.

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[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. It is reduced to 0.50% on such premises situated in buildings finished between 1 September 1948 and 31 December 1975 and on premises situated in the same buildings which are transformed from residential to commercial premises. This surcharge is for the benefit of the National Housing Improvement Agency (agence nationale pour l'amélioration de l'habitat).

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.

TAX ON BANKING AND FINANCIAL ACTIVITIES
(Taxe sur les activités bancaires et financières)

Article 299 of the General Tax Code

Beneficiary:

The State.

Tax payable by:

- 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.

Basis of assessment:

Gross profits excluding the tax. This tax is not deductible.

Exemptions:

- 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.

Collection:

By means of tax returns.

R a t e :

17.60% of the price exclusive of tax.

ANNUAL TAX ON CREDIT OUTSTANDING
(Taxe annuelle sur les encours de crédits)

Articles 235 point 3 N to 235 point 3 R, 1679 point 4 A, 1679 point 4 B, 39-I-4 point 3 of the General Tax Code

Beneficiary:

The State.

Tax payable by:

- Persons or undertakings engaged professionally in trade in securities and money (banks, financial institutions, stockbrokers, money changers, discounters and half-commission men).
- Any person engaged principally in transactions connected with banking or financial activities.

Tax payable on:

Outstanding credit of any kind which is not denominated in foreign currency and is actually granted by persons engaged in transactions connected with banking or financial activities.

Exemptions:

- Credit of any kind which is denominated in foreign currency.
- Credit granted to the Treasury, public authorities, persons who are subject to the tax or who would be subject to it had they been established in France.
- Export credits.
- Certain medium- and long-term credits.
- Under certain conditions, loans directly linked to a bond issue.

Basis of assessment:

The amount of credit entered in the accounts as at 31 December of the year preceding that of taxation less repayments.

Up to 1984, only part of certain medium- and long-term credits will be taken into account (45% for 1981, 60% for 1982, 75% for 1983 and 90% for 1984).

Rates:

Where the person or undertaking opts for VAT:

1.4‰ for 1981

1.3‰ for 1982

1.2‰ for 1983

1.1‰ for 1984

1‰ for 1985 and subsequent years.

In other cases:

2.10‰ for 1981

1.95‰ for 1982

1.80‰ for 1983

1.65‰ for 1984

1.50‰ for 1985 and subsequent years.

Payment:

On the basis of tax returns; the tax must be paid by 31 July of each year at the latest.

The tax is deductible.

PROPERTY TAX ON LAND WITHOUT BUILDINGS
(Taxe foncière sur les propriétés non bâties)

Articles 1393 to 1398, 1399 to 1406 and 1641 of the General Tax Code Law No 80-10 of 10 January 1980

Beneficiaries:

Départements, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

Tax payable by:

Owner or usufructuary.

Tax payable on:

Land without buildings (except certain kinds of land taxed as buildings and the like: see under F 48).

Basis of assessment:

Rentable cadastral value on 1 January 1979 assessed by comparison with the valuation tariffs. Municipalities may increase the basis of assessment of some building land.

Exemptions:

- All public land is permanently exempt.
- Certain types of land, such as woodland, are exempted from payment for period of 15, 20 or 30 years.

Collection:

By means of assessment books.

R a t e s :

Fixed directly by the recipient local authorities subject to the ceiling on municipal rates.

PROPERTY TAX ON BUILDINGS
(Taxe foncière sur les propriétés bâties)

Articles 1380 to 1392, 1399 to 1406 and 1641 of the General Tax Code;
Law No 80-10 of 10 January 1980

Beneficiaries:

Départements, municipalities and groups of municipalities (districts, urban communities, associations of municipalities).

Tax payable by:

Owner or usufructuary.

Tax payable on:

Buildings and the like (in particular certain kinds of land and premises).

Basis of assessment:

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 1 January 1970, plus an amount based on increases in controlled rents since that date.

Exemptions:

- The tax is not payable on public buildings and the like, or on farm buildings.
- The tax is not payable for 15 years on subsidized housing.
- The tax is not payable for two years on new buildings used for other purposes.
- Old people in the lower-income group in respect of their principal residence.

Collection:

By means of assessment books.

Rates:

Fixed directly by the local authorities subject to the ceiling on municipal rates.

Flat-rate tax on certain pylons:
(Imposition forfaitaire sur certains pylônes)

This tax, which is updated each year, was fixed for 1980 at:

- FF 1 000 per pylon supporting power lines with a voltage of between 200 and 350 kilovolts.
- FF 2 000 per pylon supporting power lines with a voltage of more than 350 kilovolts.

STAMP DUTIES
(Droit de timbre)

Articles 886 et seq. of the General Tax Code

I - Size stamp:

Articles 889 et seq. of the General Tax Code; the 1980 and 1981 Finance Laws

Beneficiary:

The State.

Duty payable on:

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.

Exemptions:

Bailiff's deeds, pleadings, court decisions, general documents concerning public order.

Rates:

As from 1 October 1981:

- Half-sheet of paper, 29.7 by 21 cm	FF 14
- Sheet of normal paper, 29.7 by 42 cm	FF 28
- Sheet of register paper, 42 by 59.4 cm	FF 56

Minimum charge: FF 14

Rates reduced by half when only one side is used.

II - Bill stamp: Article 944 of the General Tax Code

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

The 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 which are visible only from public highways within built-up areas, where the total population of the municipality to which they belong numbers at least 10 000.
- 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: Articles 910 to 916 of the General Tax Code; Article 2 of the 1981 Finance Law

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

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 in connection with banking or financial transactions exempt from value-added tax.

Rates:

As from 15 January 1981:

- Standard rate	FF 4
- Reduced rate (domiciled bills)	FF 1

III a - Cheque form stamp: Article 916 A of the General Tax Code; Article 2 of the 1981 Finance Law

Beneficiary:

The State.

Duty payable on:

Cheque forms which are not pre-crossed and are transferable by endorsement.

Rate:

FF 2 as from 15 January 1981.

IV - Receipt stamps: Articles 917 to 924 of the General Tax Code; 1980 Finance Law

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 :

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 banking or financial transactions exempt from value-added tax.
- 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.
- Entrance tickets for theatres, except where their price is FF 10 or more for pornographic performances.
- Entrance tickets for monuments and for halls or spaces of any kind.

R a t e s :

- Receipts for sums of money-up to FF 10	exempt
- Receipts for sums of money - between FF 10.01 and FF 50	FF 0.50
- Receipts for sums of money - between FF 50.01 and FF 100	FF 1.10
- Receipts for sums of money - above, per fraction of FF 100	FF 0.50

- Totalizator tickets for horse or greyhound races 3%
- National lotto tickets 3%

V - Transport contract stamps: Articles 925 to 943 of the General Tax Code; 1981 Finance Law

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 1 as from 15 January 1981.

VI - Stamp duty on the issue of certain documents: Articles 945 to 968 of the General Tax Code; 1980 and 1981 Finance Laws

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

The State (or regions other than the Paris region for the duty on driving licences).

Basis of assessment and rates:

As from 15 January 1981:

1. Tickets for entrance to clubs and casinos:

- Ticket valid for the day	FF 30
- Ticket valid for the week	FF 105
- Ticket valid for the month	FF 255
- Ticket valid for the season	FF 510

2. Identity and residence cards:

(a) Professional identity cards for commercial travellers and representatives	FF 40
(b) Frontier workers' identity cards	FF 12
(c) Other identity cards issued by prefects and sub-prefects	FF 60
(d) Residence cards for foreigners[1]	FF 80
Residence cards for nationals of a Member State of the EEC	FF 60
(e) Special cards for foreigners working in commerce or industry:	
- Valid for more than three years	FF 465
- Valid for more than one year but no more than three years	FF 230
- Valid for up to one year, per month	FF 15
- 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 230

3. Police record:

- Issue of 'Bulletin No 3'	exempt

4. Administrative formalities:

(a) Endorsement of registers kept in certain professions (lodging-house keepers, innkeepers, hoteliers, second-hand dealers, chemists, jewellers, etc.)	FF 20
(b) Certificates of residence (in addition to the size stamp)	FF 10

[1] The first card is exempted from duty

(c) Receipt for the professional declaration by dealers in poisons, second-hand dealers, persons wishing to deal in arms and ammunition	FF	100
(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	1 320
Temporary establishments	FF	265
(e) Authentication by the Ministry of Justice, Ministry of Foreign Affairs or Secretariat of State responsible for the Overseas Departments and Territories	FF	12
(f) Inland waterways:		
- Registration certificates	FF	12
- Tonnage certificates	FF	40
- Navigation licence	FF	20
- Certificates of capacity	FF	100
5. Passports - laissez-passer - travel documents:		
- Ordinary passports (valid five years)	FF	200
- Laissez-passer for abroad (valid two days)	FF	12
- Travel documents for refugees and stateless persons	FF	40
- Visas on foreign passports and travel documents for refugees:		
valid for exit and re-entry	FF	30
valid for exit only	FF	12
6. Duty on documents relating to cars:		
- International certificates for cars	FF	12
- International driving licence	FF	12
- For the test to obtain a driving licence for cars, motor cycles with cylinder capacity exceeding 125 cc and any other motor vehicles	FF	40
- Driving licence for the above vehicles (duty also due on duplicates)	Rates fixed by the regional council	

- Registration certificates:[1]

Standard rate: per hp	FF 22
Rate reduced by half: per hp for vehicles more than ten years old	FF 11
Rate reduced by half: per hp for commercial vehicles with a carrying capacity of two tonnes or more; for non-agricultural tractors; for motor cycles	FF 11

These two reductions may be applied to the same vehicle.

Fixed rates:

- Trailers, agricultural tractors, vehicles registered in the TT series	FF 33
- Mopeds with a cylinder capacity of 50 to 125 cc	FF 11
- Vehicles registered in the W series	FF 44
- Vehicles registered in the WW series	FF 22
- Duplicates: mopeds with a cylinder capacity of 50 to 125 cc	FF 6
other vehicles	FF 22

The rate for duplicates is applied to first copies issued when the holder of the registration certificate changes his or her place of residence to a new département, or changes marital status or style without, however, becoming a legal entity.

E x e m p t i o n s :

Demonstration vehicles used by dealers and agents when the total permissible laden weight of the vehicles does not exceed 3.5 tonnes.

H u n t i n g l i c e n c e s (permis de chasse):

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

The State.

[1] The regions have introduced a surcharge on the proportional duty, applying the same reductions in rates as for the main duty.

R a t e s :

- Issue of the hunting licence	FF 55
- Annual visa[1]	FF 22
- Issue of duplicates	FF 28

[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; 1980 and 1981 Finance Laws

Beneficiaries:

The State, local authorities (departments and municipalities) and the regions for the surcharges.

I. Conveyancing tax:

Buildings completed more than five years before, or buildings 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.

Basis of assessment:

Price plus costs, or actual market value of the property if this is higher.

Collection:

The tax is collected when the deed is registered.

Rate:

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 assets;

- transfers of movable and immovable property: 1% (standard rate);

- transfers of buildings custom and goodwill: 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;
  - special arrangements for certain companies, e.g. registration at the fixed rate of FF 200 or FF 600 for deeds recording the formation of investment companies, 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 buildings sites).

2. Capital increases:

- through cash contributions: same arrangements as for the formation of companies;

- through capitalization of reserves, profits or provisions: rate of 12%.

However, this rate:

- is reduced to 3% or, under certain conditions, to 2% subject to a limit of FF 1 million per company where the deed is registered after 30 June 1978;

- is reduced to 6% under certain conditions where the deed is registered between 1 January 1978 and 31 December 1981;

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[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 in the case of land for building purposes and land treated in the same way).

- is replaced by a fixed rate of FF 600 in the event of capitalization:
  (i) of the revaluation reserve revealed on revision of the non-depreciable items shown in the balance sheet for the first financial year ending on or after 31 December 1976;
  (ii) of capital gains on assets of the same kind revealed on the occasion of free revaluations taking place between 1 January 1959 and 31 December 1976;
- exemption for capital increases made, under certain conditions:
  (i) through the issue of shares reserved for employees by companies whose shares are officially listed or are traded on the unofficial market;
  (ii) by workers' production cooperatives.

3. Mergers: [1]

- on transfers: fixed rate of FF 600;
- the increased capital duty reduced to 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 increased 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 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. Dissolution and distribution of assets:

- Deed or performance of dissolution: fixed rate of FF 600.
- Instrument of performance of distribution: 1%, in general.

[1] System applicable until 31 December 1981.

5. Transfer of shares:

- 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.

Basis of assessment:

Actual value of the assets.

Collection:

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% and exceptionally, 13.80%.

III. Transfers of goodwill, custom, lease rights and the holding of an office:

- Registration duty: 13.8%

- Local taxes: 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 allowance of FF 20 000.

- Under certain conditions, a rate of 2% is charged on transfers in the scientific and technical research field.

Basis of assessment:

Price plus costs, or actual market value of the property if this is higher.

Collection:

The tax is collected when the deed or a verbal declaration of transfer is registered.

IV. Fixed registration duty: Article 680 of the General Tax Code; 1980 Finance Law

Duty payable on:

All deeds which are not exempt or for which the rates are not laid down in the General Tax Code and which cannot be taxed on a proportional or progressive basis.

Rate:

FF 200.

HALLMARK DUTY ON GOLD, SILVER AND PLATINUM ARTICLES
(Droit de garantie sur les ouvrages d'or, d'argent et de platine)

Articles 521 to 553 bis of the General Tax Code; Article 6-IV of the 1980 Finance Law

Beneficiary:

The State.

Duty payable by:

Manufacturers and importers.

Rules of application:

Gold, silver and platinum articles marketed in France must conform to the specifications prescribed by law.

Hallmarks are stamped on each gold, silver and platinum article after it has been assayed by the hallmarking authorities.

Exemptions:

Certain articles may, under certain conditions, be exempted from hallmarking and payment of duties.

Where articles are exported, the hallmark duties may be refunded.

Basis of assessment and rates:

The hallmark duty is fixed per hectogram of alloy at:

- FF 500 for platinum articles;
- FF 250 for gold articles;
- FF 12 for silver articles.

P a y m e n t :

Payment is made when the articles are stamped by the hallmarking authorities.

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

Beneficiaries:

(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 fewer than 5 000 inhabitants.

(c) Regional tax: the regions.

Tax payable on:

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 corporation tax by an individual or a company not liable to this tax;

and for departmental and municipal taxes only;

(c) transfers of the holding of a public office;

(d) public sales of movable property.

Exemptions:

(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;
- equipment 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)

Articles 978-990 of the General Tax Code; Article 10 of Law No 79-1102 of 21 December 1979

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

The State.

C h a r g e a b l e e v e n t :

For each securities transaction, tax is payable both on the purchase and the sale. 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 :

Negotiated price.

E x e m p t i o n s :

- Transactions with professionals acting as counterparties.
- Transactions concerning certain bonds with a maturity less than ten years.
- Transactions carried out on provincial stock exchanges.

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 commodities	0.2‰
sale or purchase of cereals	0.26‰

DIFFERENTIAL TAX ON MOTOR VEHICLES
(Taxe différentielle sur les véhicules automobiles)

Articles 1007 to 1009 B of the General Tax Code; Article 16-I of the 1980 Finance Law

Beneficiary:

The State.

Tax payable on:

Motor vehicles with more than two wheels.

Exemptions:

- 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.

Payment:

The tax is payable annually (windscreen sticker).

Rates:

The rate of tax depends on the vehicle's age and horsepower, and ranges from FF 60 to FF 1 600 per year.

SPECIAL TAX ON PRIVATE CARS WITH ENGINE RATING FOR TAX PURPOSES EXCEEDING 16 HP
(Taxe spéciale sur les voitures d'une puissance fiscale supérieure à 16 CV)

Article 1007 bis of the General Tax Code; Article 16-II of the 1980 Finance Law

Beneficiary:

The State.

Tax payable on:

Private cars over 16 hp and less than 25 years old.

Payment:

The tax is payable annually (windscreen sticker).

Rate:

FF 5 000 for vehicles less than 5 years old

FF 2 500 for vehicles from 5 to 20 years old

FF 750 for vehicles from 20 to 25 years old.

Special feature:

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 1975 Finance Law and Article 4-III of Law No 76-978 of 29 October 1976

Beneficiary:

The State.

Tax payable on:

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).

Exemptions:

Cars over ten years old.

Collection:

By annual tax returns.

Rates:

FF 3 000 for company cars of 7 hp or less.

FF 5 000 for company cars over 7 hp.

Special feature:

The tax may not be deducted from profits liable to corporation 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)

Article 1635 bis D-II of the General Tax Code
Legal basis: see Registration Duties

Beneficiaries:

Regions, including the Ile de France region.

Tax payable on:

Registration certificates whose issue is subject to the proportional duty on registration certificates for motor vehicles.

Rates:

Vary according to the region.

The same reductions of the tax are applied as for the principal tax.

DIFFERENTIAL TAX ON MOTOR CYCLES
(Taxe différentielle sur les motocyclettes)

Article 16-III of the 1980 Finance Law

Beneficiary:

The State.

Tax payable on:

Motor cycles which have an engine rating for tax purposes exceeding 8 hp and which are less than 20 years old.

Payment:

The tax is payable annually (windscreen sticker).

Rate:

Between FF 140 and FF 800 according to horsepower or age.

PAYROLL TAX
(Taxe sur les salaires)

Articles 231 to 231 bis J of the General Tax Code; Article 24 of the 1980 Finance Law

Beneficiary:

The State (sole beneficiary since 1 January 1969).

Tax payable by:

All employers except:[1]

- farmers and rural craftsmen;
- local authorities and departmental fire-fighting services;
- those subject to value-added tax in respect of more than 90% of their busines:

Basis of assessment:

Total remunerations paid and benefits in kind, except, in particular, compensation for expenses, pensions, and certain benefits and allowances (e.g. family allowances).

Payment:

Monthly or quarterly payments with final settlement once a year.

[1] Including firms which fall 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.

R a t e s :

- 4.25% of personal annual wage where this is less than FF 32 800;
- 8.5% for portion of personal annual wage between FF 32 800 and 65 600;
- 13.6% for portion of personal annual wage exceeding FF 65 600.

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

Beneficiary:

The State.

Payable by:

Employers with at least ten workers and not in the agricultural sector. The State, local authorities and their public administrative establishments are not liable for the tax.

Principle of application:

Employers are required to invest in house-building each year a sum equal to 1% of wages paid the year before. Those who do not fulfil this requirement are liable to a payment of 2% of the sum of these wages.

Basis of assessment:

Gross wages including benefits in kind paid during the year preceding that in which the investment is made.

Collection:

The 2% payment is established by means of assessment books, on presentation of the return.

APPRENTICESHIP TAX
(Taxe d'apprentissage)

Articles 224-230 D of the General Tax Code; Articles 140 A - 140 N of the General Tax Code; Article 21 of the 1980 Finance Law

Beneficiary:

The State.

Tax payable by:

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.

Principle of application:

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 an application 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).

Basis of assessment:

Gross wages including payments in kind.

Collection:

By means of returns and payments under the same arrangements as for turnover taxes. 7% of the tax must be paid to the National Equalization Fund (Fonds national de compensation).

Temporary arrangements:

Before 15 September 1981, firms liable to the apprenticeship tax will have to make a supplementary contribution of 0.10% of the amount of wages used as the basis of assessment in 1980 plus 8%.

BUSINESS TAX
(Taxe professionnelle)

Articles 1447 to 1478 and 1647 A to 1648 A of the General Tax Code; Law No 80-10 of 10 January 1980; 1981 Finance Law

Beneficiaries:

Local authorities and their groupings (départements, municipalities, urban communities, districts, associations of municipalities).

Tax payable by:

Any natural or legal person carrying on a commercial, industrial or other professional activity in France.

Basis of assessment:

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 a tenth of the receipts for those whose profits are non-commercial and who have fewer than five employees).

This basis is reduced by half for craftsmen with fewer than three 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.

As from a date yet to be fixed, the business tax will be based on value-added tax.

Exemptions:

- Charitable activities run by the State, the local authorities and public institutions for subsidized housing.
- Farmers, craftsmen working alone or with their families, artists.
- Publishing enterprises, mine concessionaries.
- Temporary exemptions are granted by the municipal or general councils under regional planning policy (industrial or research establishments created or extended).

C o l l e c t i o n :

By means of assessment books.

R a t e s :

Fixed directly by the recipient local authorities subject to the ceiling on municipal rates.

SPECIAL TAX ON CERTAIN AIRCRAFT
(Taxe spéciale sur certains aéronefs)

Article 14 of the 1980 Finance Law

Beneficiary:

The State.

Tax payable on:

Civil aircraft and helicopters which belong to natural or legal persons of any nationality who have their principal residence or registered office in France, or which are at the disposal of these same persons in France.

Basis of assessment:

1. All but jet aircraft: total maximum continuous power of the engines or propulsion system with the rate of tax fixed according to this power and according to whether the aircraft is equipped with piston engines or with turboprop or turboshaft engines.

2. Jet aircraft: the presence of one or more jet engines with a single rate of tax.

Exemptions:

(a) Aircraft used for public transport;

(b) Aircraft belonging to the State;

(c) Aircraft which belong to the manufacturers and are used for test and demonstration flights;

(d) Private single-seater aircraft for which a restricted certificate of airworthiness (CNRA) has been issued;

(e) Aircraft with an engine rating of less than 300 HP belonging to flying schools or clubs which are members of associations approved by the Minister of Transport.

(f) Aircraft which are more than 25 years old.

P a y m e n t :

The tax is payable per calendar year between 1 January and 1 March.

R a t e s :

The different rates are as follows:

Aircraft with piston engines:

Total continuous engine power of less than 100 HP:	FF 1 000
Total continuous engine power of 100 to 199 HP:	FF 1 200
Total continuous engine power of 200 to 299 HP:	FF 2 000
Total continuous engine power of 300 to 399 HP:	FF 3 000
Total continuous engine power of 400 to 599 HP:	FF 5 000
Total continuous engine power of 600 HP or more:	FF 7 500

Aircraft with turboprop or turboshaft engines:

Total continuous engine power of less than 500 HP:	FF 5 000
Total continuous engine power of 500 to 999 HP:	FF 7 500
Total continuous engine power of 1 000 to 1 499 HP:	FF 10 000
Total continuous engine power of 1 500 HP or more:	FF 15 000
- Jet aircraft:	FF 30 000

- The rates are reduced by 50% for aircraft which are more than 10 years old.

- Where aircraft are registered or made available during the course of a year, the tax payable is based on the number of months remaining until the end of the year, with any incomplete month being treated as a complete month.

SPECIAL TAX ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES
(Taxe spéciale sur les débits de boissons)

Article 562 bis of the General Tax Code

Beneficiary:

The State.

Tax payable by:

Persons running second-, third- or fourth-category establishments for the sale of beverages.

Exemptions:

Retailers of non-alcoholic beverages (first-category establishments).

Payment:

At the same time as the licence duty.

Rates:

For third- or fourth-category establishments: 30% of the licence duty actually applicable.

For second-category establishments: 15% of the third-category licence duty applicable in the municipality concerned.

TRANSFER DUTY ON ESTABLISHMENTS FOR THE SALE OF BEVERAGES
(Droit de transfert des débits de boissons)

Article 562 of the General Tax Code

Beneficiary:

The State.

Duty payable on:

Transfers of establishments for the sale of beverages authorized by Articles L 36, L 37, L 39 and L 40 of the Code concerning these establishments.

Exemptions:

Establishments for the sale of non-alcoholic beverages. (De facto exemption, since the opening of establishments of the first category - selling non-alcoholic beverages - is free. The problem of transfers does not therefore arise with regard to these establishments).

Payment:

The duty is collected by the purchaser of the business at the time of transfer.

Rate:

Single rate of FF 300.

FRANCIZATION AND NAVIGATION DUTY AND SEA PASS DUTY
(Droit de francisation et de navigation et droit de passeport)

Law No 67 1175 of 28 December 1967; Article 21 of the 1971 Finance Law; Article 15 of the 1977 Finance Law; Article 14 of the 1980 Finance Law; Article 18 of the 1981 Finance Law

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

The State.

S c o p e :

1. Francization and navigation duty

   - Commercial, fishing and pleasure vessels which have obtained the right to fly the French flag in accordance with Article 219 of the Customs Code.

   - Engines of pleasure vessels.

2. Sea pass duty

   - Pleasure vessels which fly a foreign flag and either belong to natural or legal persons of any nationality who have their principal residence or registered office in France or are at the disposal of such persons.

   - Engines of these vessels.

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

Gross tonnage (except for pleasure craft, where the basis of assessment is the engine rating for administrative purposes).

E x e m p t i o n s :

Commercial and fishing vessels laid up for a full calendar year; pleasure craft with a gross tonnage of not more than two tons; engines of pleasure craft with an engine rating of not more than 5 hp; pleasure craft belonging to schools of nautical sport.

P a y m e n t :

The duties are payable when the francization certificate or sea pass is issued and before 1 June in subsequent years.

R a t e s :

1. Commercial vessels

Gross tonnage of less than 100 tons	FF 0.25 per ton or fraction of a ton
Gross tonnage of 100 to 2 999 tons	FF 25 per vessel and FF 0.18 per ton or fraction of a ton above 100
Gross tonnage of 3 000 to 9 999 tons	FF 547 per vessel and FF 0.12 per ton or fraction of a ton above 3 000
Gross tonnage of 10 000 to 39 999 tons	FF 1 387 per vessel and FF 0.08 per ton or fraction of a ton above 10 000
Gross tonnage of 40 000 tons or more	FF 3 787 per vessel and FF 0.05 per ton or fraction of a ton above 40 000

2. Fishing vessels

Less than 5 tons	FF 10 per vessel
5 to 9 tons	FF 10 per vessel plus FF 5 per ton or fraction of a ton above 5
10 to 49 tons	FF 35 per vessel plus FF 2 per ton or fraction of a ton above 10
50 to 499 tons	FF 115 per vessel plus FF 1 per ton or fraction of a ton above 50
500 tons or more	FF 565 per vessel plus FF 0.50 per ton or fraction of a ton above 500

3. Craft used for pleasure or sport
(a) Duty on the hull

Up to 2 tons	exempt
Above 2 tons	FF 150 per vessel plus the following amounts per ton or fraction of a ton above 3 tons
3 to 5 tons	FF 102
6 to 10 tons	FF 72
11 to 20 tons	FF 66
More than 20 tons	FF 63

(b) Duty on the engine (rating for administrative purposes)

Up to 5 hp	exempt
6 to 8 hp	FF 37 per hp above 5
9 to 20 hp	FF 46 per hp above 5
21 to 25 hp	FF 51 per hp above 5
26 to 50 hp	FF 58 per hp above 5
51 to 99 hp	FF 64 per hp above 5

3. (c) Special tax

For engines with a rating of 100 hp or more, the duty shown under (b) above is replaced by a special tax of FF 200 per hp.

In the case of pleasure craft flying the flag of a country or territory which has not concluded with France an administrative assistance agreement designed to combat tax and customs duty avoidance and evasion, the sea pass duty is charged at triple the normal rate for vessels with a gross tonnage of less than 20 tons and at five times the normal rate for vessels with a gross tonnage of 20 or more tons.

Tax threshold:

The francization and navigation duty and the sea pass duty are not levied where they amount to less than FF 30.

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

Beneficiaries:

Municipalities.

Duty payable by:

Retailers of alcohol (establishments for the sale of beverages, restaurants, etc.).

Exemptions:

- Retailers of non-alcoholic beverages.
- Retailer of 'hygienic' beverages (wines, beer, cider, etc.), other than spirits.

Payment:

Duty payable in advance in January of each year.

Rate:

Annual rate varies according to the population of the municipality concerned and the decisions of the municipal councils.

Paris and towns and cities with more than 100 000 inhabitants may introduce a graduated scale.

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; Article 25 of Law No 70-1199 of 21 December 1970; Decree No 70-1285 of 31 December 1970

Beneficiary:

The State.

Tax payable on:

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 tonnes.
Vehicles with two or three axles, articulated units, semi-trailers and trailers.

Basis of assessment:

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.

Exemptions:

Passenger transport vehicles, agricultural and public works vehicles, and special mobile machines.

Collection:

Choice between quarterly or daily payments in advance.

[1] With effect from 1 January 1971 this tax has become the responsibility of the Directorate-General for Customs and Indirect Duties.

Rates:

- 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:

  1/25 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.

International transport:

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)

Articles 235 point 3 C to 235 point 3 K of the General Tax Code; Article 21 of the 1980 Finance Law

Beneficiary:

The State.

Payable by:

All employers, including those in the agricultural sector, with at least ten workers.[1]

Principle of application:

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.

Basis of assessment:

Gross wages including payments in kind.

Collection:

By means of returns 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.

Temporary arrangements:

Before 15 September 1981, employers liable to this tax will have to make a payment of 0.20% of the amount of wages paid in 1980 plus 8%.

TAXES ON FORESTRY PRODUCTS
(Taxes sur les produits forestiers)

Articles 1613 and 1618 bis of the General Tax Code, 332 and 332 bis of Annex III and 156 to 159 bis of Annex IV

Beneficiary:

The State.

- National Forestry Fund (FFN).
- Supplementary Budget for Agricultural Social Benefits.

Taxable products:

- Forestry products: round timbers (whether or not 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.

Taxable operations and individuals:

- 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 my 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.

Territory of application:

- 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).

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.

C o l l e c t i o n :

Same rules as for value-added tax (including possible deductions, possible application of the simplified taxation system or of the flat rate - except for relief arrangements).

R a t e s :

4.80% (FFN) and 1.20% (BAPSA).

TAX ON THE CLEARING OF WOODLAND OR FOREST
(Taxe sur le défrichement des surfaces en nature de bois ou de forêts)

Articles 1011, 1723 point 3 A and 1840 N point 5 of the General Tax Code

Beneficiary:

The State.

Tax payable by:

Owners.

Tax payable on:

The clearing of woodland or forest.

Exemptions:

Subject to certain conditions, certain types of clearing listed by Law No 69-1160 of 24 December 1969 (Article 11).

Basis of assessment:

Area of woodland or forest cleared.

Rates:

FF 6 000 per hectare cleared for housing or industrial use.

FF 3 000 per hectare in other cases.

Collection:

As for registration duties.
The tax may, under certain conditions, be refunded where an equivalent area is planted with trees within five years.

LOCAL EQUIPMENT TAX AND SUPPLEMENTARY TAX
(Taxe locale d'équipement et taxe complémentaire)

Article 1585 A to H of the General Tax Code

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

- Local equipment tax: municipalities or groups of municipalities (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 municipalities: the tax is applied by law in certain municipalities (municipalities with more than 10 000 inhabitants and municipalities in the Paris region designated by decree), but these may waive it; similarly, municipalities not within the legal scope of the tax may introduce it;
   (b) supplementary tax: compulsory; municipalities 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 welfare department, - buildings erected in concerted planning zones, - buildings erected in certain housing estates
- optionally, by the municipality	- 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 replacing it.

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 varying from 1 to 5%.
- Supplementary tax: invariable rate: 1%.

LOCAL EQUIPMENT TAX SURCHARGE
(Taxe additionnelle à la taxe locale d'équipement)

Article 1599 A of the General Tax Code

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

Department, for financing architectural, town planning and environmental consultancy services.

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

Same bases as for the local equipment tax.

R a t e s :

Vary according to department, but may not exceed 0.3%.

PAYMENT FOR EXCEEDING THE LEGAL DENSITY LIMIT
(Versement pour dépassement du plafond légal de densité)

Article 1723 point 8 to point 14 of the General Tax Code

Beneficiaries:

Local authorities for certain purposes, priority to be given to:
- establishing green spaces for the public;
- acquiring land for subsidized housing and public facilities.

Tax payable by:

The holder of a building permit.

Taxable operations:

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.

Operations not taxable because of established rights:

Buildings already erected when Law No 75-1328 of 31 December 1975 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.

Payment:

In two equal instalments: the first payable a year from the date on which the building permit was issued, the second payable two years after that date.

Basis of assessment and rate:

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.

DUES ACCRUING TO THE 'NATIONAL BOOK FUND'
(Redevances instituées au profit du « Fonds national du livre »)

Article 1609 point A to 1609 point 10 E of the General Tax Code

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 not more 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.

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 1621 bis C of the General Tax Code

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 organized 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 s :

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) and certain seats offered free of charge.

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, Finance Acts for 1967 and succeeding years

Beneficiary:

The central government.

Tax payable by:

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.

Taxable income:

Total net income divided into four 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;

Schedule F: income from distributions.

Exemptions:

- Farming profits from small holdings and profits from certain exports of Irish manufactured goods.
- Certain pensions and allowances (e.g. wound and disability pensions, military service pensions, social welfare payments).

- Exemption thresholds, introduced in 1981, are as follows:

  the taxpayer is exempt from tax if his gross income (before deduction of allowances) is less than the following limits:

Single and widowed persons	IRL 2 000)	
Married persons	IRL 4 000)	Marginal relief at
Single and widowed persons 65 years	)	the rate of 60% is
and over	IRL 2 300)	available where the
Married persons 65 years and over	IRL 4 600)	income does not
Single and widowed persons 75 years	)	greatly exceed
and over	IRL 2 800)	these limits.
Married persons 75 years and over	IRL 5 600)	

- The first IRL 150 of interest from deposits with the Post Office Savings Bank and trustee savings banks is exempt from income tax. There is a limit of IRL 70 in respect of 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 thalidomide 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 are allowable deductions.

There are also certain personal allowances, namely the single, widowed, married and child allowances, housekeeper allowance, dependent relative allowance and allowance to blind persons and employee allowance (granted to certain persons in PAYE employment).

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, permanent health insurance premiums, retirement annuity premiums, superannuation contributions, health expenses, and loan interest paid to building societies and certain interest paid to banks.

A special allowance of IRL 600 per annum is deductible where the taxpayer is assessable under the PAYE system.

Married couples:

Married couples may opt to be assessed in any of the following three ways:

(a) assessment of each spouse as a single person;

(b) assessment of the husband in respect of the combined incomes of the husband and wife; or

(c) separate assessment where option (b) is taken (that is, apportionment between the spouses of the assessment at (b)).

The allowance for a married couple is double the single allowance.

Non-residents:

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.

Basis of assessment:

Income tax on salaries, wages and pensions is deducted under PAYE on a current year basis.

On other personal income, income tax is generally charged on a preceding year basis.

Collection:

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.

Rates:

There is a single graduated personal tax at the following rates:

25% on the first IRL 1 000 of taxable earnings;

35% on the next IRL 4 500 of taxable earnings;

45% on the next IRL 2 000 of taxable earnings;

55% on the next IRL 2 000 of taxable earnings;

60% on the balance of taxable income.

Double rate bands which apply where the husband is assessed to tax on his own and on his wife's income (if any) are as follows:

25% on the first IRL 2 000 of taxable income

35% on the next IRL 9 000 of taxable income

45% on the next IRL 4 000 of taxable income

55% on the next IRL 4 000 of taxable income

60% on the balance of taxable income.

Carry-over of losses:

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, 1976 as amended by the Finance Acts 1967 and subsequent Finance Acts)

Beneficiary:

The central government.

Tax payable by:

Companies. For this purpose a company is defined as any corporate body but does not include a local authority, health board, vocational education committee or committee of agriculture.

Basis of assessment:

All profits (including income and chargeable capital 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 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.

Exemptions:

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 cooperatives, approved superannuation funds, mutual trading companies and non-trading companies are all exempt from corporation tax on income which fulfils certain statutory requirements.

Special reliefs:

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.

A temporary relief for increases in stock value is available to Irish resident companies engaged wholly or mainly in specified trades (manufacturing, construction and farming) or in the sale of plant and machinery (excluding passenger vehicles) or goods to persons engaged in those trades. The relief consists, broadly, of allowing a deduction in computing trading profits of three-quarters of the amount by which the increase in trading stock (including work in progress) exceeds 20% of the trading profits (before deducting capital allowances and losses).

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 six 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 IRL 25 000 are chargeable at 35% and those whose profits lie between IRL 25 000 and IRL 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 10% applies to manufacturing industry in general.

Capital gains are effectively chargeable to corporation tax at the rates appropriate to such gains.

Special features:

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 five 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

Beneficiary:

The central government.

Tax payable on:

Gifts and inheritances taken by the same donee/successor from the same disponer.

Tax payable by:

Donees, successors, trustees, personal representatives.

Basis of assessment:

Where the disponer, 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 disponer 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 IRL 150 000, of the value of agricultural land and buildings taken by a donee/successor who is a farmer.

50%, up to a maximum of IRL 150 000, 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 IRL 500 of the value of gifts in any one year;
- normal and reasonable expenditure by a disponer on his immediate family;
- property taken by Irish charities;
- houses, gardens, articles of national, scientific, historic or artistic interest which fulfil certain conditions;
- payments and pensions to retired employees;
- certain government securities taken by foreigners.

C o l l e c t i o n :

On the basis of declarations 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 disponer and the donee/successor,

- Table I (spouse, child, minor child of a deceased child)
  After an initial exclusion of IRL 150 000, tax is payable at progressive rates from 25% to 50% on successive portions;
- Table II (lineal ancestor or descendant other than as at I)
  After an initial exclusion of IRL 30 000, tax is payable at progressive rates from 5% to 50% on successive portions;
- Table III (brother, sister, nephew, niece)
  After an initial exclusion of IRL 20 000, tax is payable at progressive rates from 10% to 50% on successive portions;

- Table IV (all others)
  After an initial exclusion of IRL 10 000, tax is payable at progressive rates from 20% to 60% on successive portions.

In the case of gifts made more than two years before the death of the disponer tax is reduced by 25%.

CAPITAL GAINS TAX

Capital Gains Tax Act, 1975, (as amended by the Corporation Tax Act, 1976 and the Capital Gains Tax (Amendment) Act, 1978) and amendments thereto by the Finance Act, 1977 and subsequent Finance Acts

Beneficiary:

The central government.

Tax payable by:

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;

(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.

Tax payable on:

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-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.

Basis of assessment:

Chargeable gains less allowable losses in a year of assessment or in an accounting period in the case of a company.

Exemptions:

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.

Special reliefs:

The first IRL 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 IRL 2 000 is not chargeable and where the consideration exceeds IRL 2 000 the liability is not to exceed half the difference between the consideration and IRL 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 IRL 50 000 it is also not chargeable;

(c) if the disposal is outside the family and the consideration exceeds IRL 50 000 the liability shall not exceed half the difference between the consideration and IRL 50 000.

Where a person disposes of business assets and reinvests the proceeds in other business assets the charge is deferred.

Computation of gains:

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.

Collection:

By assessment.

Rates:

The basic rate is 30%. 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 21 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.

Carry-over of losses:

Normally allowable if a gain on the same transaction would have been chargeabl Losses are set primarily against gains of the same year. The excess, if any, i 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 t year of his death which may be carried back and set off against the gains of t three preceding years.

Special cases:

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-organizations 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; Finance Act, 1973, 1975, No 2 of 1975, 1976 and 1978; Value-Added Tax (Amendment) Act, 1978, Value-Added Tax Regulations, 1979; Finance Acts, 1979, 1980 and 1981

Beneficiary:

The central government.

Tax payable by:

- Taxable persons who supply goods or services within the country in the course or furtherance of business.
- Persons importing goods (registered persons are generally enabled to import goods without paying the tax at the time of importation).
- Persons who opt to be taxable (farmers, traders with turnover not exceeding specified limits, persons letting property and solicitors, accountants, actuaries and veterinary surgeons).

Tax payable on:

- Supplies of goods and services.
- Importations of goods.
- Self-supplies of goods.
- Self-services (catering only).

Basis of assessment:

- On the consideration excluding value-added tax in the case of goods or services supplied 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-supplies, on the cost of acquiring or producing the goods.
- In the case of self-services (catering only), on the cost of providing the service.

Exemptions:

Stocks and shares, national broadcasting service (excluding advertising), passenger transport, funeral undertaking, education, medical services, insurance and banking, promotion of and admission to sporting events, services of solicitors, accountants, barristers, actuaries and veterinary surgeons, lotteries, betting, letting of immovable goods, supply of live horses and greyhounds, etc.

Collection:

Every two months.

Rates:

0%, 15%, 25%.

EXCISE DUTY ON HYDROCARBONS

Paragraphs 11 (1) and 12 (1) of the Imposition of Duties (No 221) (Excise Duties) Order, 1975,
Sections 40 to 42 of the Finance Act, 1976, and Imposition of Duties (No 232) (Hydrocarbon Oils) Order, 1977, as amended

Beneficiary:

The central government.

Duty payable on:

Hydrocarbon oils and gaseous hydrocarbons in liquid form.

Duty due when:

The oil is delivered for home consumption. There is no provision for deferring payment of duty.

Exemptions:

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 IRL 1.79 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 IRL 1.79 per hectolitre. Further relief from duty is allowed on fuel oils used in certain horticultural production, and for boats engaged in sea-fishing. A full rebate of duty is also allowable in respect of fuel used by disabled persons in their motor vehicles.

Collection:

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. Crude oil is admitted free of duty to refiners.

R a t e s :

The rates of excise duty are:

- Mineral hydrocarbon light oil	IRL 17.32 per hl
- Hydrocarbon oil, other sorts	IRL 11.67 per hl
- Gaseous hydrocarbons in liquid form	IRL 0.48 per gallon

EXCISE DUTY ON TOBACCO PRODUCTS

Finance (Excise Duty on Tobacco Products) Act, 1977; and Imposition of Duties (No 233) (Excise Duty on Tobacco Products); Order, 1979 as amended

Beneficiary:

The central government.

Duty payable on:

Tobacco products other than snuff.

Duty due when:

- 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.

Duty payable by:

The manufacturer, importer or warehousekeeper.

Rates:

The rates of excise duty on home-produced and imported tobacco products are:

- Cigarettes	IRL 16.80 per thousand + 22.1% of the retail price
- Cigars	IRL 30.699 per kg
- Cavendish or negrohead	IRL 31.022 per kg
- Other tobacco products:	
Hard pressed tobacco	IRL 19.840 per kg
Other pipe tobacco	IRL 24.938 per kg
Other smoking or chewing tobacco	IRL 25.906 per kg

Rebates:

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 22 680 kg, rebate is allowable at the rate of IRL 1.97 per kg;
- where the quantity so received and used exceeds 22 680 kg, rebate is allowable at the rate of IRL 0.165 per kg for the first 22 680 kg.

Deferment of payment:

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.

Reliefs:

Special provision exists for relieving tobacco products from duty in the following circumstances:

- where they are exported or shipped for storage;
- 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

Beneficiary:

The central government.

Duty payable on:

Matches.

Duty due when:

The matches are delivered from factory (or duty-free warehouse) or are imported.

Duty payable by:

The manufacturer or the importer.

Period for submission of declaration:

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.

Rates:

The rate of excise duty 15 IRL 0.566 for every 7 200 matches (and in proportion for any less number).

Deferment of payment:

Deferment of payment of the duty on home-manufactured matches is allowed to the 15th 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 (No 221) (Excise Duties) Order, 1975, and Imposition of Duties (No 244) (Excise Duties on Spirits, Beer and Hydrocarbon Oils) Order 1979 as amended

Beneficiary:

The central government.

Duty payable on:

Ethyl alcohol in all forms.

Duty due when:

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 the warehouse.

With certain exceptions alcohols must be matured for at least three years before they are released for home consumption.

Exemptions:

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.

Declaration and date for submission:

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.

Duty payable by:

The distiller or the importer.

Rates:

The duty on spirits is chargeable by reference to its pure alcohol content.

The excise duties on alcohol other than denatured alcohol are basically:

	per litre of alcohol in the spirit
If warehoused for three years or upwards	IRL 21.562
If not warehoused or warehoused for less than three years	IRL 21.610

Provision is made, at the option of the importer, for charging duty on imported alcohol on the basis of the liquid (i.e. bulk) litre for liqueurs and certain other products; the rate of duty in these cases is calculated on assumed strengths.

Deferment of payment:

Payment of duty on Irish-made alcohol may be deferred 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 in the period of 21 December to 31 December;
- in the case of alcohol released in the period 1 December to 20 December inclusive, the duty must be paid on the last day of that month.

An additional duty of IRL 0.013 per litre of alcohol in the spirit 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 (No 221) (Excise Duties) Order, 1975 and Imposition of Duties (No 245) (Excise Duties on Wine and Made-Wine) Order, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

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.

Duty due when:

The wine is sent out for sale or when it is imported.

Duty payable by:

The manufacturer or the importer.

Rates:

	per litre
Still wine:	
Of an actual alcoholic strength by volume not exceeding 15% vol.	IRL 1.52
Of an actual alcoholic strength by volume exceeding 15% vol. but not exceeding 18% vol.	IRL 2.16
Of an actual alcoholic strength by volume exceeding 18% vol. but not exceeding 22 % vol.	IRL 2.80
Sparkling wine:	
Wine whether still or sparkling of an actual alcoholic strength by volume exceeding 22% vol.	IRL 3.02
An additional duty for every 1% vol. or fraction of 1% vol. above 22% vol.	IRL 0.21

EXCISE DUTY ON MADE-WINE

Paragraph 6 (2) of the Imposition of Duties (No 221) (Excise Duties) Order, 1975 and Imposition of Duties (No 245) (Excise Duties on Wine and Made-Wine) Order, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

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 beer, wine, grape must in fermentation or with fermentation arrested otherwise than by the addition of alcohol, cider, perry, piquette, spirits or table waters.

Duty due when:

The product is sent out of the manufactory or when it is imported.

Duty payable by:

The manufacturer or importer.

Rates:

Still:	per litre
Of an actual alcoholic strength by volume not exceeding 15% vol.	IRL 1.43
Of an actual alcoholic strength by volume exceeding 15% vol. but not exceeding 18% vol.	IRL 2.01
Of an actual alcoholic strength by volume exceeding 18% vol. but not exceeding 22% vol.	IRL 2.53

Sparkling:	per litre
Whether still or sparkling of an actual alcoholic strength by volume exceeding 22% vol.	IRL 2.73
An additional duty for every 1% vol. or fraction of 1% vol. above 22% vol.	IRL 0.21

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 15th 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

Beneficiary:

The central government.

Duty payable on:

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 1.2% of alcohol by volume.

Duty due when:

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.

Exemptions:

Beer brewed at home for use by the occupier of the house or his servants is not liable to duty in certain circumstances.

Rebates:

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.

Declaration and date for submission:

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.

Rates:

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 1 055°.

Where the specific gravity of beer is different from the standard of 1 055° the duty is varied proportionately.

The rate of excise duty on home-made and imported beer is IRL 119.647 per standard barrel.

Deferment of payment:

Deferment of payment is allowed as follows:

- for beer not dealt with below, to a date not later than the 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; (however, duty must be paid not later than 28 December in respect of beer charged with duty in October).
- 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 and Section 43 of the Finance Act, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

Cider and perry.

Duty due when:

The beverage is removed from the premises of the manufacturer; or on importation.

Duty payable by:

The manufacturer or the importer.

Collection:

The manufacturer furnishes a weekly return of the quantity on which duty became payable in the previous week.

Rates:

	per gallon
Of an actual alcoholic strength by volume not exceeding 6% vol.	IRL 0.39
Of an actual alcoholic strength by volume exceeding 6% vol. but not exceeding 8.7% vol.	IRL 1.80
Of an actual alcoholic strength by volume exceeding 8.7% vol.	IRL 4.59

Deferment of payment:

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, as amended

Beneficiary:

The central government.

Duty payable on:

Soft drinks, including those intended to be diluted.

Duty due when:

The table waters are removed from the manufactory, or at importation.

Duty payable by:

The manufacturer or importer.

Submission of declaration:

The manufacturer submits a declaration (not later than the first working day in every week) on the quantity of table waters manufactured by him and removed for sale from his premises.

Rate:

The rate of excise duty is IRL 0.372 per gallon.

Deferment of payment:

Payment of duty may be deferred to a date not later than the 15th 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 unit for consumption.

EXCISE DUTY ON TYRES AND TUBES

Emergency Imposition of Duties (No 66) Order, 1935; Imposition of Duties (No 221) (Excise Duties) Order, 1975

Beneficiary:

The central government.

Duty payable on:

Tyres (including retreads and remoulds) and inner tubes.

Duty due when:

The tyre is delivered from the premises of the manufacturer or is imported.

Duty payable by:

The manufacturer or importer.

Declaration and date for submission:

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.

Rate:

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.

Exemptions:

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.

Deferment of payment:

Deferment of payment of the duty on home-manufactured tyres is allowed to the 15th day of the month following the month in which the tyres were delivered from the manufactory.

Relief:

There is provision whereby a licensed manufacturer of motor vehicles may import or take delivery of tyres without payment of excise duty, for the purpose of manufacture of motor vehicles liable to excise duty.

EXCISE DUTY ON MECHANICAL LIGHTERS

Section 75 of Finance Act 1980

Beneficiary:

The central government.

Duty payable on:

Portable mechanical lighters, complete or substantially complete.

Duty due when:

In the case of mechanical lighters manufactured in the State, on delivery from the premises of the manufacturer. Imported mechanical lighters are chargeable with duty on importation, or if delivered to the warehouse or the licensed premises of a manufacturer, on their removal for home use.

Duty payable by:

The manufacturer or importer.

Period for submission of declaration:

The manufacturer submits a monthly return of mechanical lighters 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 unless deferment arrangements apply (see below).

Rate:

The rate of excise duty is IRL 0.20 for each lighter.

Deferment of payment:

Deferment of payment of the duty on both home-manufactured and imported mechanical lighters is allowed to the 15th day of the month following that in which the duty is charged.

EXCISE DUTY ON GRAMOPHONE RECORDS

Imposition of Duties (No 236) (Excise duties on motor vehicles, televisions and gramophone records) Order, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

Gramophone records.

Duty payable when:

The gramophone records are delivered from the premises of a manufacturer or an approved importer or on importation.

Duty payable by:

The manufacturer or importer.

Rate:

40% of the ex factory or import value.

Deferment of payment:

Payment of each month's liability may be deferred until the last day of the month following the month of charge.

EXCISE DUTY ON TELEVISIONS

Imposition of Duties (No 236) (Excise duties on motor vehicles, televisions and gramophone records) Order, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

Televisions.

Duty payable when:

The televisions are delivered from the premises of a manufacturer or an approved importer or on importation.

Duty payable by:

The manufacturer or importer.

Rates:

Colour televisions:	
with a screen the maximum dimension of which does not exceed 17 in.	IRL 57
with a screen the maximum dimension of which exceeds 17 in. and does not exceed 24 in.	IRL 72
with a screen the maximum dimension of which exceeds 24 in.	IRL 89
Monochrome televisions:	
with a screen the maximum dimension of which does not exceed 17 in.	IRL 18
with a screen the maximum dimension of which exceeds 17 in.	IRL 28

Deferment of payment:

There is provision for deferment of payment of excise duty to a day not later than the last day of the month following the month in which excise duty is charged.

BETTING DUTY

Finance Act, 1926, Section 24, as amended
Finance Act, 1931, Section 20

Beneficiary:

The central government.

Duty payable on:

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.)

Duty due when:

The bet is placed.

Duty payable by:

The bookmaker.

Exemptions:

Bets on horse races, or greyhound coursing (and racing) contests, made at the venue where the races or contests take place.

Payment:

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 :

20% of the amount of the bet.

RATES

A tax levied by local authorities on the occupiers of certain types of immovable property.

Beneficiaries:

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.

Basis of assessment:

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.

Exemptions:

- 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.

Partial remissions:

- 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.

Collection:

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.

Rates-linked State grants:

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

Beneficiary:

The central government.

1. Conveyance duty:

Duty payable on:

Chargeable on instruments of conveyance and transfer of lands, houses and other property other than stocks and marketable securities.

Basis of assessment:

Consideration or price recited in instrument.

Exemptions:

Instruments relating to the purchase of property by a State department.

Rates:

Consideration not exceeding IRL 1 000	exempt of duty
Consideration exceeding IRL 1 000 and not exceeding IRL 2 000	0.5%
Consideration exceeding IRL 2 000 and not exceeding IRL 6 000	1%
Consideration exceeding IRL 6 000 and not exceeding IRL 7 500	1.12% - 1.60%
Consideration exceeding IRL 7 500 and not exceeding IRL 10 000	2%

Consideration exceeding IRL 10 000 and not exceeding IRL 20 000	3%
Consideration exceeding IRL 20 000 and not exceeding IRL 50 000	4%
Consideration exceeding IRL 50 000	6%

2. Lease duty:

Duty payable 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:

Mortgage charges, bonds and other instruments securing the payment or repayment of money.

Basis of assessment:

The sum guaranteed.

Rate:

Ad valorem duty at the rate of 0.125% on the instrument of mortgage etc., where the amount secured exceeds IRL 10 000.

No stamp duty is chargeable on instruments of security for amounts up to IRL 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 3 p. Deeds of contracts, under seal, are chargeable with the fixed duty of 50 p.

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.

Rates:

On policies not exceeding two years	5 p
On policies exceeding two years, of less than IRL 1 000	5 p per IRL 100 or part thereof
On policies exceeding two years, of IRL 1 000 or over	50 p per IRL 1 000 or part thereof

7. Stamp duty on sweepstakes:

Income Tax Acts, 1932 and 1967.

Tax payable by:

Hospital Sweepstakes Board.

Basis of assessment:

Surplus income available after deduction of fees, expenses, etc.

Duty payable when:

Quarterly.

Rates:

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.

Exemptions:

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.

Rates:

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

Beneficiary:

The State.

From 1 January, 1978 all proceeds accrue to the Exchequer.

Duty payable by:

Keeper of the vehicle.

Payment:

Payment can be made on an annual, half-yearly or quarterly basis, on annual basis only, if yearly rate of duty is IRL 10 or less.

Rates of duty:

Motor cars

Based on fiscal horsepower. (The fiscal horsepower 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 horsepower are ignored).

	Rate of duty
Not exceeding 8 hp	IRL 4 per hp per annum
Exceeding 8 hp, but not 12 hp	IRL 5 per hp per annum
Exceeding 12 hp, but not 16 hp	IRL 6 per hp per annum
Exceeding 16 hp (no upper limit)	IRL 8 per hp per annum
Electrically propelled	IRL 22 per hp per annum

Goods vehicles: According to unladen weight

Examples:

Weight between	813 kg and 1 016 kg	IRL 37 per annum
Weight between	1 778 kg and 2 032 kg	IRL 61 per annum
Weight between	2 794 kg and 3 048 kg	IRL 93 per annum
Weight between	3 810 kg and 4 064 kg	IRL 125 per annum
Weight between	4 826 kg and 5 080 kg	IRL 165 per annum
Weight between	8 890 kg and 9 144 kg	IRL 465 per annum
Weight between	13 970 kg and 14 224 kg	IRL 865 per annum

Motor cycles:

All classes subject to IRL 5 annual registration fee only since 1 April 1980.

Other vehicles:

Are taxed in a number of different ways. A flat rate of IRL 10 per annum was introduced for all agricultural tractors and vehicles used as excavators and trench diggers as from 1 April 1980.

Exemptions:

Chiefly taxis, hearses, 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 (No 236) (Excise duties on motor vehicles, televisions and gramophone records) Order, 1979, as amended

Beneficiary:

The central government.

Duty payable on:

Motor vehicles.

Duty payable when:

The motor vehicle is delivered from the premises of a manufacturer or an approved importer or on importation.

Duty payable by:

The manufacturer or importer.

Exemptions:

Vehicles which are designed and constructed primarily for off-road use (except for racing vehicles, scrambling vehicles and other sporting vehicles), agricultural tractors, two-wheeled tractors, fire-engines, fire escapes, road sweepers invalid carriages or armoured fighting vehicles.

Deferment of payment:

Payment of each month's liability may be deferred until the last day of the month following the month of charge.

R a t e s :

Category A motor vehicles (mainly private motor vehicles)	50% of the price to dealer
Category B motor vehicles (vehicles not included in Category A)	11.5% of the price to dealer

EXCISE DUTY ON MOTOR VEHICLE PARTS AND ACCESSORIES

Imposition of Duties (No 221) (Excise duties) Order, 1975

Beneficiary:

The central government.

Duty payable on:

Motor vehicle parts and accessories.

Duty payable upon:

Importation.

Duty payable by:

The importer.

Exemptions:

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.

Reliefs:

There is provision whereby a licensed manufacturer of motor vehicles may import motor vehicle parts and accessories without payment of excise duty for the purpose of manufacture of motor vehicles liable to excise duty.

Rate:

37.5% of the value at importation.

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)

DPR No 597 of 29 September 1973 (ordinary supplement No 1 G.U. No 268 of 16 October 1973) supplemented and amended by DPR No 60 of 28 March 1975 (G.U. No 84 of 29 March 1975), DL No 259 of 6 July 1974, which, with amendments, become Law No 384 of 17 August 1974 (G.U. No 224 of 28 August 1974), Law No 576 of 2 December 1975 (G.U. No 321 of 4 December 1975), DPR No 683 of 23 December 1975 (G.U. No 341 of 21 December 1975), DPR 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), DPR No 888 of 30 November 1977 (G.U. No 336 of 18 December 1977), DL 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), Law No 909 of 9 December 1977 (G.U. No 344 of 19 December 1977), Law No 31 of 29 February 1980 (G.U. No 59 of 29 February 1980), Law No 146 of 24 April 1980 (G.U. No 115 of 28 April 1980)

Beneficiary:

The State.

Tax payable by:

Natural persons, including non-residents.

Basis of assessment:

Total net income, comprising:
- for residents, world income; for non-residents, Italian income only;
- income of others but fully available to the taxpayer;
- income imputed to such persons as a result of family relationships;
- income arising from family businesses;
- income arising from shares in partnerships.

Exemptions:

- 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 and attendance allowances paid to blind civilians.

- University scholarships awarded by the State.

- 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 the amount of each category of income: all expenses incurred in obtaining such income are deductible.

- From total income, all or part of certain charges that affect the capacity to pay tax including local income taxes, rates, ground rent and charges on property (canoni, censi, livelli); interest payment; 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 108 000 for a dependent spouse, i.e. whose income does not exceed LIT 960 000; additional sums of between LIT 12 000 and LIT 228 000, according to the number of dependent persons, are deductible for each dependant 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 dependent children is doubled for the other spouse; a rebate of LIT 12 000 is applied for other dependants.

In respect of income from employment, LIT 168 000 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 186 000. Furthermore, the recipients of income from employment (including pensioners and seasonal workers) whose earned income or total income from all sources does not exceed an annual gross sum of LIT 2 500 000 are entitled to a further deduction of LIT 52 000 in respect of the period of employment during the year. This entitlement begins on 1 January 1980.

Furthermore, until 31 December 1977 there was, for earned income not exceeding LIT 6 million, a special deduction of LIT 24 000 to compensate for the rising prices of mineral oils.

Married couples:

Incomes are taxed separately.

Non-residents:

Non-resident persons are taxed on income arising in Italy.

The following are considered to have arisen in Italy:

- income from property;
- investment income transmitted by the State or by persons resident in Italy;
- income from employment on Italian territory or employment abroad in the interests of the State or of a public body;
- income from self-employment deriving from activities carried out on Italian territory;
- business income arising from activities carried out on Italian territory by permanent establishments;
- income from speculative or occasional activities, etc., carried out on Italian territory;
- capital gains resulting from the winding up or transfer of businesses established on Italian territory;
- income from partnerships credited to the non-resident partner in accordance with his shares;
- pensions, allowances and life annuities;
- income from self-employment, and from the use of patents, registered trade markes, products of the intellect, etc.

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.

Collection:

By deduction at source (except in respect of business income), the deduction constituting either payment on account or actual settlement of liability, or 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 (full settlement in place of the declaration of income).

By November of every year a payment on account must be made in respect of the tax due for the following year of an amount equal to 75% of the tax due during the preceding period.

R a t e s :

Progressive by income bracket according to the following table:

Income (In LIT million)	% rate
Up to 3	10
from 3 - 4	13
from 4 - 5	16
from 5 - 6	19
from 6 - 7.5	22
from 7.5 - 9	25
from 9 - 11	27
from 11 - 13	29
from 13 - 15	31
from 15 - 17	32
from 17 - 19	33
from 19 - 22	34
from 22 - 25	35
from 25 - 30	36
from 30 - 35	38
from 35 - 40	40
from 40 - 50	42
from 50 - 60	44
from 60 - 80	46
from 80 - 100	48
from 100 - 125	50
from 125 - 150	52
from 150 - 175	54
from 175 - 200	56
from 200 - 250	58
from 250 - 300	60
from 300 - 350	62
from 350 - 400	64
from 400 - 450	66
from 450 - 500	68
from 500 - 550	70
from 550	72

Special features:

The taxpayer's total income also includes 50% of incomes from the property of minor children subject to a legal usufruct on the part of the parents (the other 50% is attributed to the other spouse, where there is one), and incomes fully available to the taxpayer, or which the taxpayer is entitled to administer without rendering accounts.

Income from property is assessed according to the cadastral system. A tax credit is accorded in respect of income accruing abroad.

System of separate taxation:

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.

System of substitutive taxation:

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 five 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: 20%. 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.

System of deduction at source:

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.

Carry-over of losses:

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)

DPR No 598 of 29 September 1973 (ordinary supplement No 1, G.U. No 268 of 16 October 1973) amended by DPR No 60 of 28 March 1975 (G.U. No 84 of 28 March 1975), by Law No 576 of 2 December 1975 (G.U. No 321 of 4 December 1975), Law No 904 of 16 December 1977 (G.U. No 343 of 17 December 1977) and by DL 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)

Beneficiary:

The State.

Tax payable by:

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 a commercial activity.

Basis of assessment:

Total net income, comprising net profits as shown in the profit and loss account, or the statement of the company's income. Profits already subject to withholding tax are not included in the base of assessment. Non-commercial resident companies and non-resident companies with a permanent establishment in Italy which carry out commercial activities covered by separate accounts are authorized by law on certain conditions, to keep simplified accounts.

Exemptions and concessions:

The following items are exempt:

- income from buildings belonging to the Holy See;
- income from land and buildings 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, municipalities, 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.

Collection:

By direct payment to the tax collector's office within the period for filing a return. By November of every year (or by the eleventh month after the end of the accounting year if it does not fall on 31 December) a payment on account must be made against the tax due for the following year, of an amount equal to 75% of the tax due for the preceding period.

Collection may be by means of assessment books on certain conditions. By direct payment to the tax collector's office by means of assessment books.

Rate:

25% on total taxable income.

Special features:

A tax credit in respect of income accruing abroad is granted for the purposes of this tax as well.

Carry-over of losses:

Up to five years.

Profits distributed by companies:

Profits distributed by companies are subject to the following deductions at source:

(a) Profits paid in any form and under any name by limited companies and limited partnerships by shareholding and by limited liability companies whether or not cooperatives including mutual insurance companies

The withholding tax of 10% constitutes payment on account of personal income tax and corporation tax. Bonus issues, scrip issues and free increases in the nominal value of shares are subject to the same withholding tax, if they were decided before 18 December 1977, irrespective of the tax year during which the shareholder receives them. The tax deduction at source of 10% applies to profits distributed by cooperative societies (limited guarantee rural and craft cooperatives) to individual shareholders, on whatever date the payment was decided, but there is no deduction at source on profits paid by popular cooperative banks.

(b) Profits paid on savings shares

The deduction of 15% constitutes settlement of liability; however, holders of registered savings shares may opt for deduction of a payment on account of 10%. This option is open only to resident taxpayers holding savings shares registered in their own names; non residents are subject to the 15% deduction in settlement of liability.

(c) Profits on foreign securities

A deduction of 10% constituting a payment on account is applied to profits from foreign securities; the application of the deduction depends on the date when the foreign dividends actually become available to an Italian bank for payment, not on the date when the dividends were agreed, as the company paying the dividends is established abroad.

From the tax periods current at 18 December 1977, members of limited liability companies (companies with share capital, private companies (limited partnerships by shareholding), 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 one-third 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 arrangement whereby taxpayers could opt for a deduction in actual settlement of liability were discontinued from 1 January 1979 in cases where express arrangements exist for a deduction constituting payment in advance.

LOCAL INCOME TAX
(Imposta locale sui redditi)

DPR No 599 of 29 September 1973 (ordinary supplement No 1, G.U. No 268 of 16 October 1973), Law No 576 of 2 December 1975 (G.U. No 321 of 4 December 1975), DPR 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 DL 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 :

Municipalities, 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 or not constituting legal persons, 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.
- Income from buildings owned by the Holy See as provided for in the Lateran Treaty.

- 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.

Collection:

By direct payment through a credit institution, or by payment to the tax collector's office, depending on whether the taxpayer is a natural person or a legal person.

The arrangements for payments on account are the same as those applying to personal income tax and corporation tax.

On certain conditions, collection may be by means of assessment books.

Rate:

The rate applied is 15% until 31 December 1980.

Special features:

The following items are exempt:

- income from employment;
- income from self-employment (artists, performers, members of the professions);
- 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 or carrying on their principal activities in Italy, income accruing from activities abroad otherwise than through a permanent establishment with separate management and accounts, is taxed as if accruing in Italy.

COMMUNAL TAX ON APPRECIATION OF IMMOVABLE PROPERTY
(Imposta comunale sull'incremento di valore degli immobili)

DPR No 643 of 26 October 1972 (ordinary supplement No 3 to G.U. No 292 of 11 November 1972), supplemented and corrected by DPR No 688 of 23 December 1974 (G.U. No 338 of 28 December 1974) by Law No 694 of 22 December 1975 (G.U. No 343 of 31 December 1975), by Law No 904 of 16 December 1977 (G.U. No 343 of 17 December 1977) and by DPR No 959 of 13 December 1977 (G.U. No 1 of 2 January 1978)

Tax payable to:

The financial authorities through the registry offices which are responsible for assessment and collection of the tax.

Beneficiary:

Municipality where immovable property subject to the tax is situated.

Tax payable by:

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 acquired.

Basis of assessment:

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 No 1044 of 20 October 1954 and No 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 ten 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.

Cost and deductions:

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. 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.

Exemptions and reductions:

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)

DL No 496 of 14 April 1948 (G.U. 118 of 22 May 1948), Law No 849 of 28 July 1961 (G.U. 216 of 1 September 1961), Law No 1117 of 29 September 1965 (G.U. 254 of 9 October 1965), DPR No 1074 of 26 July 1965 (G.U. 235 of 18 September 1965), DPR No 600, 29 September 1973 (G.U. No 268, 16 October 1973)

Beneficiary:

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.

Duty payable by:

Persons placing bets. Winners receive less than the amount to which they would be entitled if the duty did not exist.

Collection:

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.

Special features:

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.

Collection:

By means of assessment books.

DUTY ON BETTING CONTROLLED BY CONI AND UNIRE
(Imposta unica sui concorsi pronostici esercitati dal CONI e dall'UNIRE)

DL No 496 of 14 April 1948 (G.U. 118 of 22 May 1948), DPR No 581 of 18 April 1951 (G.U. 173 of 31 July 1951), Law No 1117 of 19 September 1965 (G.U. 254 of 9 October 1965), Law No 764 of 15 November 1973 (G.U. No 310 of 1 December 1973), DPR No 600 of 29 September 1973 (G.U. 268, 16 October 1973)

Beneficiary:

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.

Duty payable by:

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.

Collection:

CONI and UNIRE pay the duty on each event to the provincial tax offices in Rome on a weekly basis.

Rates:

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.

Special feature:

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, RD No 1175 of 14 September 1931 (ordinary supplement to G.U. 214 of 16 September 1931) and subsequent amendments

Beneficiaries:

The municipalities.

Tax payable by:

Persons owning or keeping one or more dogs.

Basis of assessment:

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.

Exemptions:

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 live-stock;
- dogs owned by persons temporarily resident in the municipality whose stay does not exceed two months or who already pay the licence in another municipality;
- puppies during the period strictly necessary until weaning, but not for more than two months;
- dogs used by the armed forces and police dogs.

Collection:

By means of assessment books.

R a t e s :

The licence is paid annually; the following rates apply from 1 January 1980, pursuant to the provisions of Article 26 of DL No 153 of 7 May 1980:

- dogs in category (a): LIT 25 000
- dogs in category (b): LIT 8 000
- dogs in category (c): LIT 3 000

SUCCESSION AND GIFTS DUTY
(Imposta sulle successioni e donazioni)

DPR No 637, 26 October 1972 (Supplement No 2 to G.U. No 292 of 11 November 1972); Law No 576 of 2 December 1975 (G.U. No 321 of 4 December 1975); DPR No 914 of 6 December 1977 (G.U. No 348 of 22 December 1977)

Beneficiary:

The State.

Duty payable by:

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.

Basis of assessment:

The total value and the various portions of inheritances and legacies. The subject of the gift.

Exemptions:

- 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.

Deductions:

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 a brother 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)

DPR No 633 of 26 October 1972 (Supplement No 1 to G.U. No 292 of 11 November 1972), amended by DPR No 687 of 23 December 1974, Law No 387 of 17 August 1974 (G.U. No 224 of 17 August 1974) and Law No 493 of 16 October 1975 (G.U. No 276 of 17 October 1975); DL No 46 of 18 March 1976 (G.U. No 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); DPR No 24 of 29 January 1979, DPR No 94 of 31 January 1979

Beneficiary:

The State.

Tax payable by:

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.

Tax payable on:

Supply of goods and provision of services in Italy; imports.

Basis of assessment:

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.

Exemptions are also granted for postal services and the national telegraphic service; medical services; convalescence and care supplied by hospitals, clinics and nursing homes to taxpayers entitled to social security benefits; donations of human organs, blood and milk and of blood plasma; the specific services of funeral undertakers.

D e d u c t i o n s :

Taxes paid by the taxpayer or taxes debited to his account in respect of goods and services imported or purchased for the purposes of his undertaking, trade 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 yeach year.

C o l l e c t i o n :

The tax is payable monthly, quarterly or annually.

Rates :

Bread, milk and pastas	0%
Basic products (of outmost necessity and high consumption); certain artificial links and company canteens	2%
Certain agricultural and fishery products, certain services (i.e. hotels, on-the-spot consumption and shows), most textiles	8%
The normal rate	15%
Cars up to 2 000 cc, photographic and film equipment, petrol, etc.	18%
Luxury products (precious stones, furs, cars exceeding 2 000 cc, etc.)	35%

DUTY ON MINERAL OILS
(Imposta di fabbricazione sugli oli minerali)

RDL No 334 of 28 February 1939, which became Law No 739 of 2 June 1939, (G.U. No 49 of 28 September 1939), Article 1 of DL No 989 of 23 October 1964,, (Ordinary supplement, G.U. No 264 of 27 October 1964), which became Law No 1350 of 18 December 1964, (G.U. No 317 of 23 December 1964), with subsequent amendments (most recently, DL No 14 of 20 February 1974 (1), DL No 14 of 20 February 1974 (2), (G.U. No 49 of 20 February 1974), DL No 578 of 29 September 1973, (G.U. No 253 of 29 September 1973), which became Law No 733 of 15 November 1973 (3), DL No 251 of 6 July 1974 (G.U. No 176 of 6 July 1974) which became Law No 346 of 14 August 1974, with amendments (4); DL No 46 of 18 March 1976 (G.U. No 73 of 18 March 1976), DL 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); DL 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); DL No 287 of 10 June 1977, which became, with amendments, Law No 492 of 1 August 1977; DL No 936 of 23 December 1977, which became, with amendments, Law No 38 of 23 February 1978; DM of 9 October 1979; DL No 660 of 30 December 1979, which became, with amendments, Law No 31 of 29 February 1980

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 No 989 of 23 October 1964, which became Law No 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) :

	per hl (at 15° C)
1. Crude natural mineral oils	LIT 6 000
2. Light oils and preparations:	
- white spirit (acqua ragia minerale)	LIT 6 450
- special oils other than white spirit (2)[1]	LIT 34 638
- petrol (2)[1]	LIT 39 753

[1] Petrol having a lead content not exceeding 0.40 grams/litre is charged at LIT 34 506 (Law No 32 of 19 March 1973).

	per hl (at 15° C)
3. Medium oils and preparations:	
- paraffin	LIT 4 750
- products other than paraffin (2)	LIT 34 638
4. Heavy oils and preparations:	
- gas oils	LIT 15 030
- special fuel oils	LIT 5 400
- fuel oils	LIT 4 000
- white lubricating oils	LIT 20 000
- other lubricating oils	LIT 18 000
	per quintal
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 18 000

Reduced rates:

Subject to regulations in force, reduced rates granted for petroleum products used for the purposes listed in Table B annexed to Law No 32 of 19 March 1973, last amended by Decree Law No 251 in 1974 (see Note 4). Some examples are given below:

	per hl
1. paraffin used for domestic lighting and heating	LIT 2 373
2. diesel fuels and the like:	
- for use as power fuel (engine propulsion)	LIT 1 630
3. fuel oils other than special ois, for use directly as fuels in boilers and furnaces:	
- heavy	LIT 1 000
- medium viscosity	LIT 625
- low viscosity	LIT 730
- very low viscosity	LIT 2 100

Imports:

Rates are the same as on mineral oils manufactured in Italy. The tax on imports is called a 'frontier surcharge'.

Exports:

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 sul gas di petrolio liquefatti)

DL No 1071 of 24 November 1954 (G.U. No 270 of 24 November 1954), which became Law No 1167 of 10 December 1954 and subsequent amendments; Law No 1161 of 15 December 1971; DL No 14 of 20 February 1974 (G.U. No 49 of 20 February 1974); DL No 251 of 6 July 1974 (G.U. No 176 of 6 July 1974) which became Law No 251 of 14 August 1974; DL 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); DL No 660 of 30 December 1979, which became, with amendments, Law No 31 of 29 February 1980

Beneficiary:

The State.

Provision is made for sharing the yield from the duty with the regions (75%) and the municipalities (LIT 5.40/kg on liquefied petroleum gas for use as fuel for motor propulsion).

Rates:

- LPG, in cylinders, used as fuel	LIT 20/kg
- LPG introduced direct into urban distribution systems	LIT 36/m^3
- LPG used as fuel for motor propulsion	LIT 42 322/100 kg

Special features:

A tax equal to 10% of the amount of manufacturing tax levied in the case of use as fuel is levied on liquefied petroleum gases used for certain purposes.

Imports:

Duty at the same rate as on petroleum gases produced in Italy.

Exports:

Exemption or repayment.

DUTY ON METHANE USED AS FUEL FOR MOTOR PROPULSION
(Imposta di consumo sul gas metano per l'autotrazione)

DL No 46 of 18 March 1976 (G.U. No 73 of 18 March 1976); DL 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)

Beneficiary:

The State.

Duty payable by:

- Operators of establishments for the extraction or production of methane, and operators of methane pipe-lines.
- Importers.

Basis of assessment:

The cubic metre of methane at a temperature of 15° C and at normal pressure.

Rate:

LIT 107.13 per m^3.

Duty payable when:

At the latest, by the 15th day of the month following the month in which production is declared for the uses mentioned above.

Imports:

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)

DL 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; DL 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)

Beneficiary:

The State.

Duty payable by:

Persons supplying the product directly to consumers. Importers.

Basis of assessment:

The cubic metre of methane at a temperature of 15°C and at normal pressure.

Rate:

LIT 30 per m^3.

Payment:

At the latest, by the 15th day of the month following the month in which production is declared for the uses mentioned above.

Imports:

Rates are the same as on methane manufactured in Italy.

CONSUMPTION TAX ON MANUFACTURED TOBACCO
(Imposta sul consumo dei tabacchi lavorati)

Law No 825 of 13 July 1965 last amended by Law No 724 of 10 December 1975 (G.U. No 4 of 7 January 1976)

Beneficiary:

The State.

Tax payable by:

Consumers of tobacco.

Basis of assessment:

The retail price.

Collection:

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.

Rates:

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)

DL No 163 of 20 April 1971 (G.U. No 98 of 21 April 1971) amended by Law No 376 of 18 June 1971 (G.U. No 154 of 19 June 1971); OPR No 1198 of 1 October 1971 (G.U. No 13 of 17 January 1972); DL No 19 of 20 February 1975 (G.U. No 50 of 21 February 1975) amended by Law No 109 of 14 April 1975 (G.U. No 105 of 21 April 1975)

Beneficiary:

The State.

Duty payable by:

Consumers of mechanical lighters.

Basis of assessment:

The number of times each category of product will give a light, related to the duty on matches.

Collection:

The duty is paid in advance by the manufacturer when the lighters leave the factory or by the importer at the time of importation.

Rates:

	per lighter
(a) Car lighters	LIT 600
(b) Non-refillable lighters	LIT 600
(c) Lighters, in general	LIT 1 500
(d) Each spare 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)

DL No 560 of 11 March 1923 (G.U. No 72 of 27 March 1923) and subsequent amendments; DM of 23 June 1977 (G.U. No 178 of 1 July 1977), fixing the rates for the period 1 July 1977-30 June 1979

Beneficiary:

The State.

Duty payable by:

Consumers of matches.

Basis of assessment:

The retail price fixed for each type of products.

Collection:

The duty is paid in advance by the Association of Match Manufacturing Industries when the matches leave the factories.

Rates:

Normally, from 40 to 45% of the retail price. Rates are usually fixed every two years.

DUTY ON SPIRITS
(Imposta sugli spiriti)

DM of 8 July 1924 (G.U. 195 of 20 August 1924) and subsequent amendments

Beneficiary:

The State.

Scope:

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. Standard State duty:

   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. Special State 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.

Exemptions:

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 :

	per hl of pure alcohol
1. Manufacturing tax:	
- standard rate (at 15.56°C)	LIT 290 000
2. Standard State duty:	
- spirits belonging to the first class:	
various (general rate)	LIT 130 000
spirit obtained from molasses, sorghum, sugar cane, 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
- spirits belonging to the second class: duty-free, with the exceptions mentioned above	
3. Special State duty:	
normally, for alcohol of the first class	LIT 6 000 or 1 000[1]
for methyl alcohol, propyl alcohol and isopropyl alcohol, provided such products have been denatured in accordance with current regulations	LIT 2 000

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.

[1] LIT 1 000, industrial uses authorized.

DUTY ON BEER
(Imposta sulla birra)

DM Consolidated Law of 8 July 1924 (G.U. No 195 of 20 August 1924) and subsequent amendments; DL No 478 of 1 October 1979, whiche became, with amendments, Law No 599 of 30 November 1979

Beneficiary:

The State.

Duty payable on:

The wort, i.e. the intermediate product in the manufacture of beer.

Collection:

The duty is payable by the brewer, prior to the manufacturing process, on the basis of his declaration.

Rates:

LIT 1 000 per hl/degree of the wort as measured by the official saccharometer at 17.5°C (with flat-rate deductions of 10% for losses in manufacture).

Imports:

The same duty is levied on imported as on Italian beer.

Exports:

Full refunds are granted. Application for this refund must be received within two years.

DUTY ON SUGARS
(Imposta sugli zuccheri)

DM Consolidated Law of 8 July 1924 (G.U. No 195 of 20 August 1924) and subsequent amendments

Beneficiary:

The State.

Duty payable on:

- First-category sugar, with a refined sugar yield of over 94%.
- Second-category sugar, when the refined sugar yield does not exceed the above-mentioned percentage.

Exemptions:

Denatured sugar used in animal feedingstuffs and in a special feed for bees.

Rates:

Standard rate:

- First category	LIT 3 300/100 kg
- Second category	LIT 3 168/100 kg
- Molasses	LIT 1 585/100 kg of sucrose contained in molasses for human consumption

Reduced rates:

The duty is levied at reduced rates in the case of sugar used in the manufacture of certain products (jams etc.), whether domestic or imported.

Imports:

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)

DM Consolidated Law of 8 July 1924 (G.U. 195 of 20 August 1924), and subsequent amendments

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

The State.

R a t e s :

		per 100 kg
- 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 manufacture of crystallized fruit and of 'mostarde de frutta'	LIT 1 045
- Glucose in liquid form		LIT 525
- Invert sugar in liquid form obtained from grape-juice or locust beans		LIT 2 062
- Invert sugar in liquid form obtained from any other substance		LIT 2 475
- Invert sugar in solid form obtained from any substance		LIT 2 887
- Leavulose (see invert sugar)		

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

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)

DL No 875 of 6 October 1955 (G.U. 231 of 6 October 1955), which became Law No 1112 of 3 December 1955 (G.U. 280 of 5 December 1955), and DPR No 1208 of 31 December 1969 (G.U. No 69 of 17 March 1970)

Beneficiary:

The State.

Duty payable on:

Natural coffee in bean and pellicle form, and roasted coffee, whether ground or not.

Collection:

The duty is paid according to weight when the goods are cleared through customs.

Rates:

	per 100 kg
- 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

Imports:

The duty is levied on importation.

Exports:

No refunds are given.

DUTIES ON FIREARMS, AMMUNITION AND EXPLOSIVES
(Imposta di fabbricazione sulle armi da sparo, sulle munizioni e sugli esplosivi)

DL No 252 of 6 July 1974 (G.U. No 178 of 9 July 1974) amended by Law No 393 of 14 August 1974 (G.U. No 227 of 31 August 1974)

Beneficiary:

The State.

Duties payable by:

Manufacturer or importer.

Basis of assessment and rates:

(a) Long-barrelled firearms for warfare, or of that type; each	LIT 100 000
(b) Short-barrelled 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

Exemptions:

Products intended for use by the armed forces, the police and other services of the State.

Imports:

Duty is levied on imported products at the same rate as on home-produced products.

E x p o r t s :

Rebate or refund.

DUTY ON SEED OILS
(Imposta sugli oli di semi) [1]

DPR No 1217 of 22 December 1954 (G.U. No 5 of 8 January 1955) last amended by Law No 417 of 4 August 1975 (G.U. No 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 abolished by Law No 417 of 1975.

DUTY ON MARGARINE
(Imposta sulla margarina)

Law No 417 of 4 August 1975 (G.U. No 230 of 29 August 1975)

Beneficiary:

The State.

Duty payable on:

Margarine.

Exemptions:

Margarine for use in the food industry is exempted; that intended for direct consumption is taxed.

Collection:

Duty is payable when margarine leaves the factory.

Rates:

LIT 1 000/100 kg net.

Imports:

Duty is levied on imported margarine at the same rate as on home-produced margarine.

Exports:

Margarine exported directly is duty-free.

DUTY ON COCOA
(Imposta sul cacao)

DL 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)

Beneficiary:

The State.

Duty payable on:

Cocoa, cocoa butter and cocoa skins and husks.

Rates:

	per 100 kg
- 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

Imports:

The duty is payable on importation since no cocoa is produced in Italy itself.

Exports:

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; DL No 478 of 1 October 1979, which became, with amendments, Law No 599 of 30 November 1979

Beneficiary:

The State.

Duty payable on:

Bananas, fresh and dried and banana flour.

Collection:

The duty is payable according to weight when the goods are cleared through customs.

Rates:

Fresh bananas	LIT 350/kg net
Banana flour and dried bananas	LIT 1 000/kg net

Imports:

The duty is payable on importation.

Exports:

No refunds are given.

DUTY ON ELECTRICITY
(Imposta sull'energia elettrica)

DL No 1199 of 6 October 1948 (G.U. No 233 of 6 October 1948) and subsequent amendments; Law No 391 of 17 July 1975 (G.U. No 224 of 23 August 1975)

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 quantity of electric energy consumed as measured by meters.

R a t e s :

Electric energy:
- 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.

GOVERNMENT STAMPS – SPIRITS
(Contrassegni di Stato – Spiriti)

DL No 611 of 29 July 1964 (G.U. No 186 of 29 July 1964), which became, with amendments, Law No 762 of 15 September 1964 (G.U. No 234 of 23 September 1964); DL No 745 of 26 October 1970 (G.U. No 272 of 26 October 1970 - special issue) which became Law No 1034 of 18 December 1970 (G.U. No 323 of 23 December 1970); Law No 307 of 9 July 1975 (G.U. No 194 of 23 July 1975); DL No 451 of 3 July 1976 (G.U. No 175 of 6 July 1976) which became, with amendments, Law No 614 of 19 August 1976 (G.U. No 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	2.000	2.500	3.000
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 No 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)

DPR No 640 of 26 October 1972 (ordinary supplement to G.U. No 292 of 11 November 1972) amended by Law No 708 of 24 December 1974 and Law No 656 of 5 December 1975; Law No 20 of 1 February 1978; Law No 78 of 19 March 1980

Beneficiary:

The State.

Tax payable by:

All persons organizing entertainments and events, including the organizers of gaming, in gaming houses and those accepting bets on races or competitions.

Basis of assessment:

The gross takings from each performance or event. For bets, the amount of wagers collected; for gaming, the positive difference between the amounts collected and those paid to gamblers.

Exemptions:

Certain kinds of free tickets or passes, educational film shows, admission to zoological gardens, itinerant menageries, film societies.

Collection:

The tax is levied by the representatives of SIAE (the Italian authors' and publishers' society), which has been officially authorized to collect it.

Rates:

The rates range from 1% to 60% depending on the nature of the entertainment, plus value-added tax.

STATE LOTTERIES
(Lotterie nazionali)

Law No 722 of 4 August 1955 (G.U. No 191 of 20 August 1955); DPR No 1143 of 30 December 1970 (G.U. No 111 of 5 May 1971); DPR No 600 of 27 September 1973 G.U. No 268 of 16 October 1973); Law No 66 of 22 February 1974; Law No 105 of 26 March 1977 (G.U. No 97 of 9 April 1977)

Beneficiary:

Lotteries are a State monopoly.

Tax payable by:

Lottery ticket purchasers.

Collection:

Separate accounting.

Special features:

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)

RD 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; DPR No 600 of 27 September 1973 (G.U. 268 of 16 October 1973)

Beneficiary:

Lotteries are a State monopoly.

Duty payable by:

Lotto players. Duty is deducted from winnings.

Collection:

The gross takings from lotto are paid weekly to the receivers at the provincial tax offices.

Special feature:

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)

RD Law No 1933 of 19 October 1938 (G.U. No 298 of 30 December 1938), which became Law No 973 of 5 June 1939 (G.U. No 164 of 15 July 1939), Law No 585 of 15 July 1950 (G.U. of 17 August 1950), Law No 67 of 18 February 1963 (G.U. No 97 of 10 April 1963), DPR No 600 of 29 September 1973 (G.U. No 268 of 16 October 1973)

Beneficiary:

The State.

Duty payable by:

Commercial and industrial firms.

Basis of assessment:

The total value of the prizes.

Collection:

Paid to the Treasury.

Rates:

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)

RD Law No 1933 of 19 October 1938 (G.U. No 298 of 30 December 1938), which became Law No 973 of 5 June 1939 (G.U. No 164 of 15 June 1939); Law No 585 of 15 July 1950 (G.U. No 585 of 17 August 1950); DPR No 600 of 29 September 1973 (G.U. No 268 of 15 October 1973)

Beneficiary:

The State.

Duty payable by:

Legal entities, welfare and charitable committees.

Basis of assessment:

Gross takings.

Exemptions:

Lotteries and lucky dips financed by municipalities, provinces and other legal bodies where the sum provided for prizes does not exceed LIT 100 000.

Collection:

Paid to the Treasury.

Rate:

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)

DPR No 641 of 26 October 1972 (G.U. No 292 of 11 November 1972, ordinary supplement No 3), DL No 46 of 18 March 1976, which became Law No 249 of 10 May 1976 (G.U. No 129 of 17 May 1976); DL No 854 of 28 December 1976, which became Law No 36 of 21 February 1977 (G.U. No 52 of 24 February 1977); DL No 11 of 1 February 1977, which became Law No 90 of 31 March 1977 (G.U. No 90 of 2 April 1977); DL No 216 of 26 May 1978, which became Law No 388 of 24 July 1978

Beneficiary:

The State.

Duty payable by:

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.

Exemptions and reductions:

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.

Collection:

In the normal way, i.e. by payment to the current post office checking account of the registry office for taxes on official concessions in Rome, or, when expressly provided, by means of revenue stamps.

Rates:

The rates, of which there are a great number, 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); DL No 216 of 26 May 1978, which became, with amendments, Law No 388 of 24 July 1978

Beneficiary:

The State.

Tax payable by:

The tax is payable by the insurer, but he is entitled to recover it from the policy holder. The latter pays the tax on insurance policies taken out abroad.

Tax payable on:

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 movable or immovable 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.

Basis of assessment:

The amount of the premium and any additional sum paid by the policy holder to the insurer or in the case of mutual benefit insurance, the sum, under whatever name, paid by the insured person to the mutual benefit society; contributions towards guarantee funds for the payment of indemnities are tax-free.

Collection:

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 policy holder to the registry office in cases where the policy holder is responsible for payment of the tax.

Rates:

Range from 1% to 15%, according to type of insurance or of annuity contract (third-party insurance for motor vehicles and vessels: 7%).

COMMUNAL TAX ON ADVERTISING AND DUTY ON BILL-POSTING
(Imposta comunale sulla pubblicità — Diritti sulle pubbliche affissioni)

DPR No 639 of 26 October 1972 (ordinary supplement No 2 to G.U. of 11 November 1972), amended by Art. 26 of DL No 153 of 7 May 1980 (G.U. No 127 of 10 May 1980), now being converted into a Law

(a) Communal tax on advertising

Beneficiaries:

The municipalities.

Tax payable by:

Persons advertising goods or services, within the municipality, by any visual or aural means other than those subject to the duty on bill-posting.

Basis of assessment:

The tax is levied on the basis of the duration of the advertising and, with a few exceptions, the surface area of the advertisement, according to a scale fixed by each municipality within the maximum limits laid down by law for the various types of advertising and for the category to which the municipality belongs in terms of population.

Exemptions:

- 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 m^2 per window or entrance.
- 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 1/2 m^2 in area, even when this is not specifically laid down in the said laws or regulations.

Collection:

The tax is paid direct to the municipal tax office.

Special feature:

The rates provided for in DPR No 639 of 1972 were doubled from 1 January 1980.

(b) Duty on bill-posting

Beneficiaries:

The municipalities.

Duty payable on:

Bills, notices and photographs, of any material whatsoever, posted by the municipal authority in the special spaces it has reserved for this purpose within the municipality.

Duty payable by:

Persons requesting the service and persons on behalf of whom the service is rendered.

Rates:

The rates of duty on bill-posting, which are fixed by the municipality within the limits laid down by law, vary with the duration of the display and the size of the advertisement.

Exemptions:

Almost all cases of exemption relate to the bills and notices of public bodies and various authorities on specific subjects.

Collection:

The duty is paid direct to the municipal tax office.

Special feature:

The rates provided for in DPR No 639 of 1972 were doubled from 1 January 1980.

STAMP DUTY
(Imposta di bollo)

DPR No 642 of 26 October 1972 (ordinary supplement No 3 to G.U. No 292 of 11 November 1972); DL No 254 of 6 July 1974, which became Law No 883 of 17 August 1974; DL No 854 of 23 December 1976, which became Law No 36 of 21 February 1977, DL No 216 of 26 May 1978, which became Law No 388 of 24 July 1978; Law No 59 of 7 February 1979

Beneficiary:

The State.

Basis of assessment:

The duty is payable on the deeds, documents and records listed in the official tariff.

Exemptions:

- 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.
- Documents relating to tax assessment and collection.
- Invoices and equivalent documents relating to the sale of goods or supply of services on which value-added tax is charged.
- Deeds and documents relating to compulsory social insurance and to pensions.
- Deeds and documents relating to compulsory schooling.
- Deeds and records concerning disputes arising in connection with insurance, labour relations, public employment and pensions.

Collection:

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 150 to 10 000;
- proportional rates range from 0.10% to 10%.

STOCK EXCHANGE TURNOVER TAX
(Imposta sui contratti di borsa)

RD No 3278 of 30 December 1923 (ordinary supplement to G.U. No 117 of 17 May 1924) and subsequent amendments

Beneficiary:

The State.

Tax payable by:

Persons effecting stock exchange transactions.

Basis of assessment:

The sum involved in the transaction.

Collection:

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.

Rates:

- 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 portion 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)

DPR No 634 of 26 October 1972, (ordinary supplement No 1 to G.U. No 292 of 11 November 1972) and subsequent amendments; DPR 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); DPR No 914 of 6 December 1977 (G.U. No 348 of 22 December 1977); Law No 952 of 23 December 1977; DPR No 953 of 23 December 1977 (G.U. No 356 of 31 December 1977)

Beneficiary:

The State.

Tax payable by:

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 may not charge them to any other person (DPR No 634, Article 55).

Basis of assessment:

Determined by two basic criteria:

- the market value of the property or rights transferred;
- the price or consideration agreed between the parties.

Collection:

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 days for deeds received abroad or where the deed is to be used in a procedure (DPR No 634, Articles 5 and 6) - except for documents whose registration is not compulsory (annexed Table B of the DPR No 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 (DPR No 914).

Concessions:

Accorded under DPR No 634, Article 80 (2) and DPR No 601 of 29 September 1973 in force since 1 January 1974; these measures lay down entirely new provisions governing concessions, replacing all those in force up to 31 December 1973.

Rates:

Rates are proportional, varying in accordance with the intrinsic nature of the document and the legal consequences of the clauses contained therein (DPR No 634, Article 19). The tariff is given in DPR No 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.

Law No 952 of 23 December 1977 introduced a Treasury tax on registration.

MORTGAGE TAX AND CADASTRAL DUTY
(Imposte ipotecarie e catastali)

DPR No 635 of 26 October 1972 (Supplement No 1 to G.U. 292 of 11 November 1972) and subsequent amendments

Beneficiary:

The State.

Tax payable by:

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.

Basis of assessment:

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.

Collection:

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.

Rates:

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 DPR No 39 of 5 February 1953 (supplement to G.U. No 33 of 10 February 1953) and subsequent amendments

Beneficiary:

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.

Tax payable by:

Owners of motor vehicles.

Basis of assessment:

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 authorized weight (lorries authorized to carry both passengers and goods at different times).

Exemptions:

- Certain types of motor vehicles used for public services are exempt.
- Vehicles imported temporarily are exempt for a limited period.

Reductions:

Certain motor vehicles used for special kinds of transport or having certain specific characteristics.

Collection:

The tax is normally payable to the registration offices. However, under an agreement with the public authorities 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.

Rates:

- 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 (from 51 cc 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 5 930 and LIT 12 940 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 5 095 and LIT 9 170 depending on hp rating; in the case of vehicles of over 9 hp, the annual tax is between LIT 10 695 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 by 50% for hired cars and taxis, and for vans of a net capacity of not less than 600 kg owned by firms and registered for goods transport.

- 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 4 875 to LIT 63 295 depending on hp rating; over 92 hp the tax is LIT 8 730 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 No 281 of 16 May 1970).

Furthermore, the 5% surcharge referred to in Law No 729 of 24 July 1971 is allocated to the State.

Special provisions are made for the regions with special status.

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 taxe, 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

Beneficiary:

The State.

Tax payable by:

All individuals whose domicile for fiscal purposes or usual place of residence is in Luxembourg or who receive taxable income there.

Basis of assessment:

Total net income, less special expenses. Total net income is calculated by taking total net income, determined separately for each of eight 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.

Exemptions:

- 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: LFR 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 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 LFR 12 000 is granted, where special expenses are no higher than this amount;
  (2) special expenses which may be deducted 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 director' fees).

Collection:

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.

Rates:

- Taxpayers 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 LFR 79 200 the rate is 0%; for the second band from LFR 79 200 to LFR 95 400, the rate is 18%. The rate then increases by 2% or 3% per band. For income exceeding LFR 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 taxpayers 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.

Carry-over of losses:

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 le 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 an 1964) and the implementing Grand Ducal regulations, concerning the procedure for calculating the withholding tax and the annual adjustment

Tax payable by:

- Workers receiving income from employment or former employment or non-exempted sickness, maternity or accident payments.
- Persons in receipt of retirement or ald-age pensions from an independent retirement fund.

Collection:

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 (= LFR 12 000 per year for workers in paid employment and LFR 6 000 per year for persons in receipt of pensions) for special expenses (= LFR 12 000 per year) and the compensatory reduction for wage-earners (LFR 15 000) or the reduction for retired persons.

The reduction for retired persons is fixed at LFR 21 000, if the taxable income does not exceed LFR 192 000; at LFR 15 000, increased by an eight of the difference between LFR 240 000 and the taxable income, if the latter is more than LFR 192 000; at LFR 15 000 if the taxable income exceeds LFR 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 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, p. 1210) and 27 December 1973 (Mémorial A, 1973, p. 1959) and four Grand Ducal implementing regulations

Beneficiary:

The State.

Tax payable by:

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.

Basis of assessment:

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.)

Exemptions:

'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 - Schachtel-privileg)

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 by 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 LFR 400 000.
- LFR 80 000 plus 50% of income in excess of LFR 400 000 when taxable income is between LFR 400 000 and LFR 600 000.
- 30% when taxable income is between LFR 600 001 and LFR 1 000 000.

- LFR 300 000 plus 72% of income in excess of LFR 1 000 000 when taxable income is between LFR 1 000 000 and LFR 1 313 000.

- 40% when taxable income is in excess of LFR 1 313 000.
  To provide resources for the unemployment fund, corporation tax liability has been raised to 101% of the liability under the above rules.

Carry-over of losses:

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

Beneficiary:

The State.

Tax payable by:

Members of boards of directors receiving fees.

Basis of assessment:

All fees.

Non-residents:

As for residents.

Collection:

The tax is withheld at source by the company concerned.

Rates:

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).

Special feature:

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

Beneficiary:

The State.

Tax payable by:

Bookmakers.

Basis of assessment:

An initial fixed duty is payable when the office is opened, and a proportional tax is levied on bets and winnings.

Collection:

The proportional tax is payable within a fortnight of the time when the bets are settled.

Rates:

- In the case of the fixed duty, the maximum payable is LFR 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)

Beneficiary:

The State.

Tax payable by:

Individuals and legal persons except partnerships (sociétés de personnes), members of which are taxed individually on the value of their participation.

Basis of assessment:

Total property, gross (farms and forestry holdings, all other movable and immovable, tangible and intangible property), less debts.

Exemptions:

Savings banks properly so-called, pension funds, 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.

Deductions:

For individuals, an allowance of LFR 100 000 is granted from the basis of assessment for the taxpayer himself (plus LFR 100.000 for the spouse and for each child).

Married couples:

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 s :

0.5%.

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

The minimum taxable net wealth of companies is LFR 500 000 (LFR 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 and various other Grand Ducal laws and regulations

Beneficiary:

The State.

Duty payable by:

Heirs and legatees of persons domiciled in Luxembourg.

Basis of assessment:

Market value at the time of decease of the entire net estate inherited from a person domiciled in Luxembourg, except for real estate located abroad.

Exemptions:

The 'legal portion' going to direct descendants is not taxed, nor is any estate going to a spouse with common descendants.

Estate duty is payable only if the net inherited exceeds LFR 20 000.

Collection:

By means of assessment books.

Rates:

- 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 LFR 100 000, the portion payable on the basis of the above rates is increased progressively by 10% to 220% (portion in excess of LFR 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 portion'.

- 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 12 February 1979 on value-added tax (Mémorial A, 1979, p. 451 et seq.); Law of 22 December 1979 on the budget of public receipts and expenditure for the 1980 fiscal year (Mémorial A, 1979, p. 1913 et seq.) and various regulations and administrative circulars

Beneficiary :

The State.

Tax payable by :

- Any natural or legal person who habitually performs independent activities connected with an economic activity.
- Importers.

Tax due when :

- 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.

Basis of assessment :

- For goods delivered and services rendered: the remuneration received (exlusive 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, levies, taxes (other than VAT), charges and incidental expenses involved up to the first point of destination of the goods within Luxembourg.

Deductions :

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 international transport, exports and operations assimilated thereto.

- 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 les 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 19/20/21/26	
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 (RGBl I, p. 113); Provisions of 1 February 1939 implementing the Law on fire protection tax (RGBl 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)

Beneficiary:

The State.

Tax payable by:

Fire insurance underwriters.

Basis of assessment:

Premiums, including incidental expenses, paid to the underwriter.

Collection:

Returns and payments are made on a quarterly basis.

Rate:

4%.

INSURANCE TAX
(Impôt sur les assurances)

Law on insurance tax of 9 July 1937 (RGBl I, p. 793);
Provisions implementing the Law on insurance tax of 13 July 1937 (RGBl I, (RGBl 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)

Beneficiary:

The State.

Tax payable by:

Insured persons, guaranted by the underwriter.

Tax payable on:

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.).

Basis of assessment:

Generally, the premium including incidental expenses; for hail, the sum insured.

Exemptions:

Certain types of insurance contract, notably compulsory contracts with social insurance institutions.

Collection:

Returns and 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 (RGBl 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)

Beneficiary:

The municipalities.

Tax payable by:

Owners of real estate located in the municipalities.

Basis of assessment:

Standard value of all real estate, whether buildings or land without buildings, assessed on the basis of the valuation law.

Exemptions:

Real estate belonging to public corporations and used for public purposes; real estate used for charitable, sporting, religious, or scientific purposes; land and buildings belonging to hospitals; public roads and waterways; cemeteries.

Non-residents:

The same system is applied as in the case of resident persons and companies, since the tax, as a tax on material values, is payable on all real estate located in Luxembourg.

Collection:

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 :

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 various other laws and Grand Ducal Decrees

Beneficiary:

The State.

Basis of assessment and rates:

- Stamp duty ranging from LFR 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 LFR 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 LFR 1 per LFR 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.

Exemptions:

Certain types of document are exempt from stamp duty, because of their nature or their purpose, or because of the status of the parties concerned.

Shares or bonds issued by companies are exempt from stamp duty.

Collection:

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 13 May 1964; 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

Beneficiary:

The State.

Basis of assessment:

Market value of property transferred or sums and securities for which legal acts are executed.

Exemptions:

Certain types of legal acts are exempt from registration taxes because of the nature or purpose of the legal procedure in question or of the status of the parties.

Collection:

As a general rule, the taxes are collected when civil, judicial or extra-judicial acts are registered.

Rates:

Fixed rates ranging from LFR 20 (the standard rate) to LFR 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.

Tax levied on sales of real property:

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%.

Tax levied on companies:

- 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 LFR 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: fixed duty of LFR 20.

Subscription tax on shares and bonds:

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 LFR 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 0.20% (minimum LFR 2 000 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

Beneficiary:

The State.

Basis of assessment:

- In the case of registration and renewal of registration: the principal amount of the debt registered.
- In the case of transfer: the price or market value of the property concerned (real property, inland waterway vessels and aircrafts).

Exemptions:

- 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.

Collection:

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 :

A special duty (registrar's fee) ranging from LFR 50 to 500, 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; one-fifth of this sum is paid to the mortgage registrers 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) 7 June 1980 (Mémorial A, 1980, p. 845 and various other Grand Ducal and ministerial regulations

Beneficiary:

The State.

Tax payable on:

Motor vehicles, trailers and semi-trailers using the public highway, other than those running on rails.

Tax payable by:

The person in whose name the vehicle is registered.

Basis of assessment:

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.

Exemptions:

Vehicles used by the central government, the municipalities or public enterprises or for public benefit; ambulances; tractors used exclusively for agricultural purposes; vehicles used by the diplomatic corps, invalid vehicles and vehicles rented out with driver.

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	LFR 126 per 100 cc
from 2 401 to 3 600 cc	LFR 3 030 per 100 cc
3 601 and over	LFR 3 030 plus LFR 84 per 100 cc

- For private cars with engines running on fuels other than light mineral oils or electricity: these rates are increased by 50%.

II. On the basis of weight:

	up to 2 400 kg	above 2 400 kg
- Private cars driven by a rotary piston engine or an electric or turbine engine	LFR 315 per 200 kg of unladen weight	LFR 3 780 plus LFR 105 per 200 kg in excess of 2 400 kg
- Buses and coaches	LFR 315 per 200 kg of unladen weight	LFR 3 780 plus LFR 105 per 200 kg in excess of 2 400 kg
- Lorries, vans, tractors, and truck tractors	LFR 320 per 200 kg of unladen weight	LFR 3 840 plus LFR 400 per 200 kg in excess of 2 400 kg
- Trailers and semi-trailers	LFR 280 per 200 kg of unladen weight	LFR 3 360 plus LFR 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

Beneficiaries:

The municipalities.

Tax payable by:

Business, industrial, mining or handicraft undertakings located in Luxembourg.

Basis of assessment:

- 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 LFR 800 000 per taxpayer and per tax year, it is not taken into consideration. If it is between LFR 800 000 and LFR 2 400 000, it is reduced by half of the amount by which it falls short of LFR 2 400 000.

Deductions:

An allowance of LFR 400 000 is granted on profits made by natural persons and partnerships (sociétés de personnes) and of LFR 200 000 on profits made by companies having a share capital (sociétés de capitaux). An allowance of LFR 700 000 is granted on operating capital, the value of which is rounded off to the nearest LFR 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 :

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 five 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

Beneficiary:

The State.

Tax payable by:

Holders of licences to sell beverages.

Tax payable on:

The licence.

Collection:

- A once-and-for-all tax payable when a bar or café is opened or transferred.
- An annual tax payable thereafter.

Rates:

- The tax payable on the opening of a bar or café is between LFR 1 000 and 3 500; it is between LFR 2 000 and 7 000 when there is not less than one bar or café to each 200 inhabitants; the tax is between LFR 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 LFR 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
(Taxe 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

Beneficiaries:

The municipalities.

Tax payable by:

Organizers of public entertainments.

Tax payable on:

Cinema shows, fairs, lotteries, fancy dress balls, skittles, juke-boxes, etc.

Collection:

By means of tax returns.

Rates:

There is a fixed duty varying from LFR 200 to 300 annually in the case of skittles and from LFR 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/Stb. 519, as amended by the Laws of 20 December 1979 (Stb. 709, 713 and 714)

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, less certain personal liabilities and deductible losses (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 (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).

[1] Through the provincial fund, the provinces receive 0.908% in 1980 of the revenue from almost all taxes in the Netherlands; through the municipal fund the municipalities receive 12.55% of this revenue in 1980. (The 1981 figures have not yet been decided.)

Exemptions:

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 HFL 20 000 in cases where businesses are, partly or wholly transferred or wound up;
- 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.

Investment:

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.

Reserve for old age for self-employed persons:

Since 1 January 1973, taxpayers 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, immunize 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 HFL 44 280 and 10% of profits over HFL 44 280 may be added to the 'reserve for old age', on condition that the minimum amount added for this year is HFL 806 and the maximum amount added is HFL 12 721. 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 taxpayer 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 below).

Married couples:

Married couples are assessed jointly unless they live apart permanently. The wife's income from a job which she herself momently performs, including the running of a firm, the excercise of a profession and helping to a certain extent with work in her husband's firm, is taxed separately.

Children:

The net income derived from the capital, and the personal liabilities (except national insurance premiums), of a child under 18 years of age are added to the income and liabilities of the parent who has the authority over the child).

Collection:

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 18% for the first step and rises to 72% for incomes over HFL 180 486.

The amount exempt from tax is:

- for single persons who do not support a child under 27 years of age and who are:	
- below the age of 35 and have never been married	HFL 6 087
- below the age of 35 and have been married	HFL 8 183
- between 35 and 65 years of age	HFL 8 183
- 65 years of age and over	HFL 10 069
- for single persons who support a child under 27 years of age and who are:	
- below the age of 65	HFL 10 489
- 65 years of age and over	HFL 12 375

In the case of single parents who are employed outside the home and have a child under 16 years of age, these amounts are increased by a maximum of HFL 3 361.

- married women	HFL 2 101
- married men:	
- below the age of 65	HFL 10 489
- 65 years of age and over	HFL 13 180

Married persons living apart permanently are deemed to be single. In the case of persons who are 45% or more incapacitated for work and are below the age of 65, the amounts are increased by HFL 1 815.

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%.

Carry-over of losses:

Losses are deducted from the income in the two preceding calendar years and eight following calendar years. Under certain circumstances, the period of eight 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)

Tax payable by:

- 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)

Tax payable by:

Persons holding - directly or in the form of certificates - shares and profit-participation bonds of Dutch joint-stock companies.

Tax payable on:

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.

Rate:

The rate is 25%, except where it is lowered by virtue of an agreement to prevent double taxation.

MUNICIPAL TAX ON IMMOVABLE PROPERTY
(Gemeentelijke belasting op onroerend goed)

Law of 24 December 1970/Stb. 608

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 by :

(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.

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

The same arrangements as for residents.

Collection:

The tax is collected by way of assessment by the central government after it has received the necessary information from the municipalities.

Rates:

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.

CORPORATION TAX
(Vennootschapsbelasting)

Corporation Tax Law 1969/Stb. 469

Beneficiary:

The State.
(See Note 1, N 01.)

Tax payable by:

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.

Basis of assessment:

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.

Exemptions:

- The following are not subject to corporation tax:

  legal persons whose activities are of a social or charitable nature or otherwise in the public interest;

- The following are exempt from corporation tax:

  dividends on a holding by a company of at least 5% in a subsidiary (tax concession for parent companies); this concession is sometimes also applicable in the case of holdings in foreign companies;

  Investment allowance and anticipated depreciation; see Personal Income Tax (N 01).

Non-residents:

See under 'Tax payable by' above.

Collection:

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.

Rates:

The tax equals 48% of the taxable amount or, if this amount is less than HFL 50 000, 45% of this amount plus 15% on that part which exceeds HFL 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%.

Carry-over of losses:

See Personal Income Tax (N 01).

TAX ON GAMES OF CHANCE
(Kansspelbelasting)

Law governing the tax on games of chance, 14 September 1961/Stb. 313

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

The State.
(See Note 1, No 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 or 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 HFL 1 000 and prizes not exceeding the participants outlay are tax-free.

C o l l e c t i o n :

The tax is deducted at source on prizes won in games of chance organized in the Netherlands. For prizes won in games of chance organized abroad, the tax must be paid by the prize-winner on the basis of a declaration made by the prize-winner himself.

R a t e :

25%.

Special features:

Winnings from games of chance are not taxable under personal income tax, provided they do not form part of a business's profits; in this case the tax on winnings from games of chance is not deductible from personal income tax.

COMMUTER TAX
(Forenzenbelasting)

Municipal by-laws based on Articles 272 (F) and 275 of the Law on Municipalities

Beneficiaries:

The municipalities.

Tax payable by:

Individuals whose main residence is not in the municipality in question but who spent more than 90 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 90 days of the tax year.

Basis of assessment:

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.

Exemptions:

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.

Reductions:

The municipalities may lay down reductions.

Non-residents:

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/Stb. 520

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

The State.
(See Note 1, No 1.)

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

Individuals resident in the Netherlands, and possessing assets there, and individuals resident abroad possessing certain types of assets in the Netherlands.

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

Net wealth at the beginning of the year (= difference between assets and liabilities).

E x e m p t i o n s :

Non-taxable items include pension rights and the following items, provided they do not form part of the assets of an enterprise: furniture and works of art, legal usufruct rights, certain life insurance policies, life annuities, goodwill, jewels, etc.

An exemption of HFL 90 000 is applied to assets invested by a trader in his enterprise.

D e d u c t i o n s :

Single persons under 35 years of age	43 000
Married men, widowers, widows, and single persons over 35 years of age	66 000
Allowance for each child	15 000

An additional allowance of HFL 38 000 is granted to persons over 65 years of age and to invalids.

Married couples:

Tax is levied on the combined wealth of married couples, unless they are living apart permanently.

Non-residents:

Persons resident abroad are liable to taxation if they possess, on Dutch territory, real estate 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.

Collection:

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.

Rates:

The temporarily increased rate (from 5 to 8%) is maintained.

SUCCESSION DUTIES
(Successierechten)

Law on Succession Duties 1956 (28 June 1956), Stb. 362

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

The State.
(See Note 1, N 01.)

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 HFL 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 in the case of gifts to legal persons operating in the public interest, there is an exemption treshold of HFL 5 000; persons receiving State gifts; public corporations; members of the Royal Family; and varying allowances are granted in the case of children.

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 09 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% of unrelated persons.

TURNOVER TAX – VALUE-ADDED TAX
(Omzetbelasting – Belasting over de toegevoegde waarde)

Law on Turnover Tax 1968/Stb. 329

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

The State.
(See Note 1, N 01.)

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

Traders (producers, dealers, and suppliers of services) and anyone importing goods into the Netherlands.

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

1. Supplies of goods effected in the Netherlands by a trader in the course of his business.
2. Supplies of services effected in the Netherlands by a trader in the course of his business.
3. The importation of goods.

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

- The amount of the consideration charged for goods or services supplied in the Netherlands.
- In the case of imports the amount charged in respect of the supply of goods to the person for whom they are intended.

D e d u c t i o n s :

Normally, input tax is deducted.

Exemptions:

- Certain supplies of goods and services with regard to real estate.
- Certain services supplied by banks, insurance companies and the post office, medical services, etc.
- The activities of youth organizations, sports clubs, non-profit-making institutions of a social nature, schools and universities, composers, writers, etc.

Collection:

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 traders and for most imports from Belgium and Luxembourg, as under (a) above.

Rates:

The normal rate is 18%. A rate of 4 1/2% is applicable to goods and services which can, in general, be regarded as necessities.

Exports:

A rate of 0% applies to goods exported by a trader and to services supplied to a person resident abroad.

DUTY ON MINERAL OILS
(Accijns van minerale oliën)

Law governing duty on mineral oils (25 June 1964), Stb. 207

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

The State.
(See Note 1, N 01.)

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.

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.

Collection:

The duty is paid on the 15th day of the month following that for which declaration is made.

Rates:

- Light oils, liquid at a temperature of 15°C and under atmospheric pressure, each hl at 15°C	HFL 52.35
- Other light oils	-
- Medium oils, each hl at 15°C	HFL 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	HFL 3.26
- Other diesel oil and light fuel oil, each hl at 15°C	HFL 18.46
- Heavy fuel oil and other mineral oils, each 100 kg net weight	HFL 1.40

Exports:

Duty on exported mineral oils is reimbursed.

DUTY ON TOBACCO
(Tabakaccijns)

Law governing duty on tobacco products (25 June 1964)/Stb. 208

Beneficiary:

The State.
(See Note 1, N 01.)

Basis of assessment:

Cigars, cigarettes, smoking tobacco, 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.

Duty payable on:

The manufacture or import of tobacco products.

Duty due when:

The goods enter into free circulation.

Collection:

The duty is settled by affixing tax bands supplied by the central government against payment of the appropriate amount of duty.

Rates:

In percentages of the retail price:

1. Cigars weighing 3 kg or more per 1 000	11.5%
2. Other cigars (cigarillos)	16%
3. (a) Smoking tobacco, dry chewing tobacco, snuff	31.5-36.9%
(b) Wet chewing tobacco	0%

4. Cigarettes	49.8% + HFL 8.60 per 1 000 provided the excise duty paid is at least HFL 39.48 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.

DUTY ON WINE AND DUTY ON SPARKLING BEVERAGES
(Wijnaccijns en accijns van mousserende dranken)

Law governing duty on products containing alcohol (30 May 1963)/Stb. 240

Beneficiary:

The State.
(See Note 1, N 01.)

Basis of assessment:

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.

Duty payable on:

The manufacture in, and import into the Netherlands of the above products.

Duty due when:

The goods are released for consumption, or on importation for release for consumption.

Declaration and payment:

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 at plus : HFL 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°, HFL 0.75

   (b) if the beverages have a strength of more than 15°, on each tenth of a degree over 12°, HFL 1.18

2. Excise duty on wine, which applies to sparkling imported fermented beverages, is levied at plus: HFL 41.38

   (a) for sparkling fermented beverages, manufactured from grapes, dried grapes or currants:
      (i) if the beverages have a strength of more than 12° but not more than 15°, for each tenth of a degree over 12° HFL 0.75
      (ii) if the beverages have a strength of more than 15°, for each tenth of a degree over 12°, HFL 1.18

   (b) for other sparkling fermented beverages whose strength if over 12°, for each tenth of a degree over 12° HFL 0.75

Excise duty levied on sparkling wines, which applies to sparkling fermented beverages manufactured in the Netherlands or imported, is levied at:

(a) for beverages of a strength less than 6° HFL 10.35

(b) for beverages manufactured from other fruits than grapes, dried grapes or currants, which have a strength of more than 6° HFL 51.72

(c) for other sparkling beverages HFL 103.44

3. From 1 January 1976, a special duty of HFL 41.38 per hectolitre is levied on wine and a special duty of HFL 103.44 per hectolitre on sparkling beverages (applicable only to beverages manufactured from grapes, dried grapes and currants and having an alcoholic strength of more than 6% vol.).

E x 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 of non-alcoholic beverages (15 December 1971), Stb. 731

Beneficiary:

The State.
(See Note 1, No 1.)

Duty payable on:

Manufacture on national territory and imports.

Duty due when:

At the time when the goods are released for consumption or imported for release for consumption.

Basis of assessment:

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.

Declaration and payment:

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 :

	per 100 litres
Mineral water	HFL 7.25
Soft drinks	HFL 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), Stb. 241

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

The State.
(See Note 1, N 01.)

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.

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

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.

R a t e s :

Per hectolitre/degrees of wort:

- for the first 10 000 hectolitre/degrees	HFL 3.76
- between 10 001 and 50 000 hectolitre/degrees	HFL 4.06
- between 50 001 and 1 250 000 hectolitre/degrees	HFL 4.45
- over 1 250 000 hectolitre/degrees	HFL 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	HFL 17.56
- from 10 to 14% in weight	HFL 25.09
- from 14 to 16% in weight	HFL 30.10
- from 16% in weight and over	HFL 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), Stb. 240

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

The State.
(See Note 1, N 01.)

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

- Ethyl alcohol and products containing ethyl alcohol (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.
- Propyl alcohol, isopropyl alcohol and products containing such alcohols.

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.

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

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 20°C	HFL 2 667
- 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 (HFL 874 per hectolitre of pure alcohol at 20°C)

I m p o r t s :

A duty of HFL 26.67 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), Stb. 206

Beneficiary:

The State.
(See Note 1, N 01.)

Basis of assessment (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 Common Customs Tariff are not deemed to be sugar.

Duty payable upon:

The manufacture in the Netherlands and import into the Netherlands of sugar.

Duty due when:

The goods are released for consumption, or imported for release for consumption.

Declaration and payment:

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):

	per 100 kg net weight
- Sugar in solid form	HFL 4.34
- Sugar in paste or liquid form lighter in colour than 'colour 6 of the Union scale' or whose purity factor is higher than 90 per unit of context	HFL 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:

	per 100 kg net weight
- Not less than 5 but not more than 15%	HFL 0.43
- More than 15 and not more than 25%	HFL 0.87
- More than 25 and not more than 40%	HFL 1.40
- More than 40 and not more than 60%	HFL 2.17
- More than 60 and not more than 75%	HFL 2.93
- More than 75 and not more than 90%	HFL 3.58
- More than 90%	HFL 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

Beneficiary:

The State.

Tax payable by:

Manufacturers and importers of motor cars.

Tax payable on:

- Supply by the manufacturer.
- Import of motor cars.

Exemptions:

- Vehicles seating more than eight passengers.
- Special vehicles for the transport of sick persons or prisoners.
- Police vehicles, military vehicles and fire engines.
- Motor tricycles for disabled persons.

Collection:

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) not more than HFL 10 000	16%
(b) more than HFL 10 000 but not more than HFL 22 000	19%
(c) more than HFL 22 000	21.5%.

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.

TAX ON LEGAL TRANSACTIONS
(Belastingen op rechtsverkeer)

Law governing the tax on legal transactions (24 December 1970), Stb. 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.
(See Note 1, N 01.)

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 reorganization, the net increase in nominal value.

(d) The purchase or sale price.

Exemptions:

(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 organization;
- 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 reorganization 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 HFL 25 000 and if they are not transferable.

2. If the capital is amalgamated by an organization, having an objective of general interest, and in which only public organizations 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.

Tax payable upon:

(a) 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.

Tax payable by:

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.

Rates:

(a) 6% (in the case of an acquisition from land consolidation: 1%)

(b) 6%

(c) 1%

(d) 1.2%

Collection:

(a) Payment on declaration; the declaration is made by presenting the notarized deed for registering.

(b) Payment on quarterly declaration, or monthly declaration when the amount exceeds HFL 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 HFL 6 000 per quarter.

TAX ON MOTOR VEHICLES
(Motorrijtuigenbelasting)

Law governing tax on motor vehicles, (21 July 1966)/Stb. 332 amended by the law of 18 December 1969/Stb. 548

Beneficiary:

The State.

Tax payable by:

The keeper of the vehicle.

Tax payable on:

Road use by motor vehicles (except motor-assisted bicycles and vehicles running on rails).

Basis of assessment:

The unladen weight of the vehicle (including the weight of the trailer attached to the vehicles).

Exemptions:

Vehicles used by certain public services; farm tractors; motor and steam rollers used, for example, in roadmaking; ambulances; taxis; vehicles for invalids; cars used by car dealers and repair shops for specific routes; and vehicles used by non-residents if reciprocity is granted.

Non-residents:

Persons resident abroad are liable to taxation for the period during which they wish to use their vehicle in the Netherlands, provided they are not otherwise exempt.

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 surcharges accruing to the State road fund.

For motor cars, the surcharge is calculated according to weight.

For other categories of vehicle, the surcharge is 145%. The maximum annual amount of the surcharge per vehicle is HFL 736.

Examples of rates (surcharges included):

- Motor cars - from HFL 171 to HFL 2 852 per annum
- Lorries - from HFL 98 to HFL 7 274 per annum
- Buses - from HFL 343 to HFL 7 047 per annum.

TAX ON AIR POLLUTION
(Heffingen luchtverontreiniging)

'Wet inzake de luchtverontreiniging' (26 November 1970), Stb. 580
'Heffingenbesluit brandstoffen luchtverontreiniging' (23 June 1972), Stb. 307

Beneficiary:

The State.

Tax payable on:

Mineral oils: as for the duty on mineral oils.

Coal: mined on national territory or imported.

Gas: produced on national territory or imported.

Tax payable when:

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.

Basis of assessment:

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'.

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	HFL 0.59
Medium oils	per hectolitre	HFL 0.10
Diesel oil and light fuel oil	per hectolitre	HFL 0.10
Heavy fuel oil and other mineral oils	per 1 000 kg	HFL 1.08
Coal	per 1 000 kg	HFL 0.79
Gas	per gigajoule	HFL 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)/Stb. 386

Beneficiaries:

The municipalities.

Tax payable by:

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.

Basis of assessment:

The turnover of spirits during the calendar year.

Non-residents:

As for residents.

Collection:

The tax is assessed and collected by the municipalities on the basis of the taxpayers' returns.

Rates:

- For licences of hotels, restaurants, cafés and canteens: HFL 5 to HFL 7.50 per 50 litres of spirits.
- For holders of licences for the sale of spirits for consumption off the premises: HFL 3 to HFL 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 i e s :

The 'Waterschappen', (i.e. public corporations responsible for drainage, dykes, roads, bridges, etc. in a particular area).

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

Persons holding rights in rem as regards land and waters, and sometimes built-up land, within the area of jurisdiction of the Waterschap concerned.

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

Surface area of the property.

E x e m p t i o n s :

None, except for a few traditional cases laid down in the statutes.

R e d u c t i o n s :

In some Waterschappen, the land is classified according to the amount of care it requires. Under this system, owners of high land pay less.

C o l l e c t i o n :

The tax is collected on the basis of assessments made by the authorities.

R a t e s :

Rates vary with the Waterschap concerned. Costs are apportioned per hectare. The minimum amount paid, to cover collection costs, is HFL 7.5.

ADMINISTRATIVE LEVY FOR THE BENEFIT OF PUBLIC PROFESSIONAL ORGANIZATIONS
(Administratieve heffingen krachtens verordeningsbesluiten van publiekrechterlijke bedrijfsorganen)

Based on Article 126 of the 1950 law relating to the organization of businesses

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

Professional organizations.

L e v y 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 organizations.

R a t e s :

The rates vary very widely with the professional organizations concerned.

TAX ON DOGS
(Hondenbelasting)

Municipal by-laws based on Article 272 (d) of the Law on Municipalities

Beneficiary:

The municipalities.

Tax payable by:

Owners of one or more dogs.

Basis of assessment:

The number of dogs owned.

Exemptions:

No tax is due on young dogs, police dogs, and guide dogs for the blind.

Non-residents:

As residents.

Collection:

The tax due is assessed and collected by the tax departments of the municipalities.

Rates:

The rates vary with the municipality concerned, ranging from HFL 20 to HFL 60 per annum for one dog.

They are often progressive, if several dogs are owned, and are sometimes related to the income level of the owner.

UNITED KINGDOM

INCOME TAX

Income and Corporation Taxes Act 1970, Income and Corporation Taxes (No 2) Act 1970, Finance Acts 1970-81

Beneficiary:

The central government.

Tax payable by:

Persons resident or ordinarily resident in the United Kingdom and persons to whom income arises in the United Kingdom.

Basis of assessment:

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.

Exemptions:

Among others, certain social security benefits, wound and disability pensions of members of the armed forces, war widows' pensions, income from educational scholarships, interest on national savings certificates, the first UKL 70 interest on ordinary accounts with the National Savings Bank and gambling winnings. Charitable bodies are also generally exempt.

Deductions:

Tax allowances for single people, married couples, for other dependents, and for registered blind people. Special reliefs for taxpayers over a certain age with modest incomes. Relief for premiums on insurance to provide a retirement annuity, contributions to approved pension schemes and interest paid to building societies.

Married couples:

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.

Non-residents:

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.

Collection:

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 6 April to the following 5 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.

Rates:

Personal tax rates range from 30% (basic) to 60%. There is also a 15% surcharge on investment incomes in excess of UKL 5 500.

Special features:

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 1976-81

Beneficiary:

The central government.

Tax payable by:

United Kingdom residents receiving payment for employment in the United Kingdom. Non-residents paid for work done in the United Kingdom.

From 6 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 6 April 1977 where the employment is carried on wholly or partly outside the United Kingdom special deductions may be given. (Between 6 April 1974 and 5 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 non-resident 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.

Basis of assessment:

All earnings less personal allowances and allowable deductions.

Exemptions:

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 up to and including 1981.

Beneficiary:

The central government.

Tax payable by:

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.

Basis of assessment:

All profits, (including income and capital gains) with the exception of dividends and other distributions received from resident companies.

Exemptions:

Charitable bodies are generally exempt from corporation tax on their profits.

Deductions:

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.

Collection:

Annual assessment of profits arising in a financial year (1 April to 31 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 nine months after the end of the accounting period or (depending on the circumstances) on 1 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.

Rates:

Financial year 1973 to 1980: 52% but 40% for small companies, for industrial and provident societies, housing associations and building societies.

Carry-over of losses:

Trading losses may be off-set against future income from the same trade or against other profits of the same or previous accounting period.

Special features:

Where the distribution to its shareholders by a close company (broadly, one which is under the control of five 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 taxable income.

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.

Special rules for North Sea oil:

Under the Oil Taxation Act 1975, profits from oil extraction activities in the UK may not be reduced by losses from other activities. Any petroleum revenue tax liability arising in an accounting period is a deduction for corporation tax purposes.

CAPITAL GAINS TAX

Capital Gains Tax Act 1979 (with effect from 6 April 1979 this consolidated exerting provisions) as amended by Finance Bill 1981, and Income and Corporation Taxes Act 1970 as amended from time to time

Beneficiary:

The central government.

Tax payable by:

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.

Tax payable on:

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.

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.

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[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 UKL 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 UKL 100 in the year.

Basis of assessment:

Chargeable gains less allowable losses in a year of assessment or accounting period in the case of a company.

Exemptions:

- Persons wholly or partially exempted include local authorities, charities, approved superannuation funds, friendly societies, registered trade unions and other persons qualifying for exemption from income tax. It is proposed in Finance Bill 1980 to exempt authorized unit investment trusts.

- It is proposed in Finance Bill 1980 that the first UKL 3 000 of an individual's gains in a year should be exempt.

- 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.

Reliefs:

- 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.

- It is proposed in Finance Bill 1980 that the tax on gains arising on gifts may in certain circumstances be deferred.

- It is proposed in Finance Bill 1980 that capital losses which arise on disposals of unquoted shares in trading companies may subject to certain conditions be set against income.

- 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.

- 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.

Computation of gains:

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.

Collection:

By assessment.

Rates:

The basic rate is 30% for persons other than companies.

Companies gains are charged to corporation tax at an effective rate of 30%.

Carry-over of losses:

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.

Beneficiary:

The central government.

Tax payable on:

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. Settled property situated outside the United Kingdom is chargeable to tax if the settlor was domiciled in the United Kingdom at the time when the settlement was made.

Tax payable by:

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.

Basis of assessment:

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.

Exemptions:

These include: the first UKL 50 000 of transfers from a spouse domiciled in the UK to a spouse domiciled abroad; full exemption for transfers between other spouses; the first UKL 3 000 of a donor's total of gifts in a tax year; the first UKL 250 of a donor's total of gifts to any one donee in a tax year; gifts out of income, provided certain conditions are fulfilled; certain dispositions for the maintenance of the family; transfers to charities or political parties (with a limit of UKL 200 000 (charities) or UKL 100 000 (political parties) on the total of gifts made on death or within one year of death); certain works of art, historic, scientific or artistic interest conditional upon reasonable public access being given; 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.

Reliefs:

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 immovable property, where the value has fallen since the date of death; and relief for transfers occuring in quick succession. There is a measure of relief for tax paid in other countries in respect of the same transfer. There are double taxation agreements with the Republic of Ireland, USA, South Africa, France, The Netherlands, India, Italy, Pakistan, Sweden and Switzerland.

Deductions:

Reasonable funeral expenses and bona fide debts and encumbrances.

Collection:

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 eight years, in cases, free of interest. In other cases, interest is chargeable after the due date at 9% (for transfers on death) or 12% (for other transfers).

Rates:

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 three years before the death. No tax is charged in any event on the first UKL 50 000 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 15% on the tranche from UKL 50 000 to UKL 60 000 through 35% on the tranche from UKL 160 000 to UKL 510 000 to 50% on the tranche over UKL 2 010 000. The scale of rates for transfers on death and within three years before the death rises from 30% on the tranche from UKL 50 000 to UKL 60 000 through 50% on the tranche from UKL 110 000 to UKL 130 000 to 75% on the tranche over UKL 2 010 000.

DEVELOPMENT LAND TAX

Development Land Tax Act 1976 as amended by Finance Acts 1977-81

Beneficiaries:

The central government and local authorities.

Tax payable by:

Persons not resident in the United Kingdom, as well as those who are resident.

The term 'persons' includes individuals, companies, trustees and personal representatives acting in that capacity.

Tax payable on:

Development value realized on the disposal of an interest in land on or after 1 August 1976. Disposal includes any occasion when the ownership of an interest in land is transferred in whole or in part (except on death), for example by sale, grant of a lease, exchange, or gift; or when the owner of an interest in land receives any sum by virtue of his ownership even though the person paying that sum does not acquire any interest in the land.

The commencement of a project of material development is a deemed disposal. Immediately before such a project is begun, every major interest in the land is treated as having been disposed of and immediately reacquired at its market value.

Basis of charge:

The development value on which the tax is charged, is the difference between the disposal price (or market value where tax is chargeable on the carrying out of development) less any incidental expenses and, whichever is the highest of three base values. The base values are:

Base A: the cost of acquiring the interest, together with any increase in its current use value over the period of ownership, and any expenditure on relevant improvements;

Base B: 110% of the current use value of the interest at the date of disposal, together with any expenditure on relevant improvements;

Base C: 110% of the sum of the cost of acquisition and expenditure on improvements.

Where Base A applies and the interest being disposed of was acquired before 1 May 1977, the acquisition cost together with any relevant improvements may be increased by a special addition.

Exemptions:

- Local authorities and other similar bodies are totally exempt from the tax.
- Urban development corporations established under the Local Government Planning and Land Act 1980.
- The first UKL 50 000 of development value realized in a financial year is exempt.
- An individual's private residence is exempt and so also is not more than one residence occupied by a dependent relative; the building of a house on land owned at 12 September 1974 for occupation by the owner or a member of his family is also exempt.
- Development authorized by planning permission to win or work minerals is exempt.
- A project of material development started within three years of the acquisition of the interest in land on which the development takes place, is exempt, if it can be shown that no significant amount of development value would have been realized had the project commenced immediately after the acquisition.
- The disposal of land acquired by a charity before 13 September 1974 is exempt.
- Land held as stock in trade at 12 September 1974 is also exempt if planning permission was also held at that date.
- Liability to the tax on the commencement of a project of material development may in certain circumstances be deferred where, for example, the project is being carried out by an industrialist for his own use; a similar concession applies to charities where the land was acquired before 13 September 1974 and to statutory undertakers.

Interaction with other taxes:

Provision is made to ensure that development value realized is not effectively charged both to development land tax and other taxes, for example capital gains tax, capital transfer tax or corporation tax.

C o l l e c t i o n :

By assessment. However local authorities (and certain other bodies which have compulsory purchase powers) when acquiring an interest in land are, for the time being, obliged to deduct from the consideration an amount in respect of the vendor's development land tax liability (if any). The tax so deducted is retained by the acquiring authority and a vendor is treated as having paid an amount of development land tax equal to the deduction.

Special provisions apply where a person acquires an interest in development land from a person who is not resident or ordinarily resident in the United Kingdom.

R a t e :

The rate of tax is 60%.

EXCISE DUTY ON HYDROCARBON OIL

Hydrocarbon Oil Duties Act 1979, as amended by the Finance (No 2) Act 1979 and the Finance Act 1981 and the amendment of Units of Measurement (Hydrocarbon Oil, etc.) Order 1977

Beneficiary:

The central government.

Duty payable on:

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.

Duty payable when:

The oil is delivered for home use in the United Kingdom.

Exemptions and reliefs:

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.

Collection:

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.

Rates:[1]

	per litre
Light oil (mainly motor and aviation spirit) and petrol substitutes[2]	13.82 pence
Light oil used in approved furnaces	7.7 pence
Heavy oil for use in road vehicles (mainly diesel oil)[2]	11.91 pence
Kerosene, other than aviation turbine fuel	0.22 pence
Other heavy oil (including aviation turbine fuel) delivered other than for use in road vehicles	7.7 pence
Gas used as road fuel	6.91 pence

[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 UK 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

Tobacco Products Duty Act 1979, as amended by the Finance (No 2) Act 1979, the Finance Act 1980, and the Tobacco Products (Amendment of Units of Measurement) Order 1979

Beneficiary:

The central government.

Excise duty payable on:

Delivery of United Kingdom manufactured and imported tobacco products for home use.

Basis of assessment:

Cigarettes are chargeable with an ad valorem duty calculated on their retail price and a specific duty per 1 000 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.

The duty on other chargeable tobacco products is based on their weight as determined before delivery for home use.

Collection:

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 approved secure store 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	21% of the retail price plus UKL 19.03 per 1 000
Cigars	UKL 35.91 per kg
Hand-rolling tobacco	UKL 30.96 per kg
Other smoking tobacco and chewing tobacco	UKL 22.96 per kg

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 DUTY ON MATCHES AND MECHANICAL LIGHTERS

Matches and Mechanical Lighters Duties Act 1979

Beneficiary:

The central government.

Excise duty payable on:

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.

Collection:

Each factory where matches or mechanical lighters are manufactured in the United Kingdom must hold a licence 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.

Rates:

- Matches: UKL 1.1500 per 7 200 matches
- Mechanical lighters: UKL 0.500 per lighter

EXCISE DUTY ON SPIRITS

Alcoholic Liquor Duties Act 1979, as amended by Finance Act 1980 and the Alcoholic Liquors (Amendment of Enactments relating to strength and to Units of Measurement) Order 1979 and Finance Act 1981

Beneficiary:

The central government.

Excise duty payable on:

Spirits made in the United Kingdom and imported spirits.

Basis of assessment:

Duty is charged on spirits in accordance with their alcoholic strength. The strength of spirits is expressed in terms of percentage volume at 20°C. This represents the ratio of the volume of ethyl alcohol, measured at 20°C, contained in the mixture of ethyl alcohol and water, to the total volume of the mixture measured at the same temperature.

Exemptions:

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 recognized medical preparations are exempt from spirits duty.

Collection:

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 :

	per litre of alcohol in the spirit
Spirits:	
- if warehoused for three years or more	UKL 13.60
- if warehoused for less than three years or not warehoused	UKL 13.63

EXCISE DUTY ON WINES AND MADE-WINES

Alcoholic Liquor Duties Act 1979, as amended by the Finance Act 1980 and the Alcoholic Liquors (Amendment of Enactments relating to strength and to Units of Measurements) Order 1979

Beneficiary:

The central government.

Excise duty payable on:

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 or the must of fresh grapes, whether or not the liquor is fortified with spirits or flavoured with aromatic extracts; '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.

Basis of assessment:

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.

Collection:

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 of 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 importation or at the local collector's office respectively.

R a t e s :

Wine of an alcoholic strength[1]		per hectolitre
exceeding	not exceeding	
-	15%	UKL 95.20
15%	18%	UKL 122.90
18%	22%	UKL 144.70
22%	-	UKL 144.70 plus UKL 13.60 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 UKL 20.90 per hectolitre
Made-wine of an alcoholic strength[1]		**per hectolitre**
exceeding	not exceeding	
-	10%	UKL 61.80
10%	15%	UKL 92.50
15%	18%	UKL 113.90
18%	-	UKL 113.90 plus UKL 13.60 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 UKL 9.60 per hectolitre.

[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.

EXCISE DUTY ON CIDER

Alcoholic Liquor Duties Act 1979, as amended by the Finance Act 1981, and the Alcoholic Liquors (Amendment of Enactments relating Strength and to Units of Measurement) Order 1979

Beneficiary:

The central government.

Excise duty payable on:

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.

Basis of assessment:

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).

Collection:

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. It can be postponed.

Rates:

	per hectolitre
Cider (or perry) of a strength less than 8.7% of alcohol by volume at 20°C	UKL 7.20

EXCISE DUTY ON BEER

Alcoholic Liquor Duties Act 1979, as amended by the Finance Act 1981, and the Alcoholic Liquors (Amendment of Enactments relating to Strength and to Units of Measurement) Order 1979

Beneficiary:

The central government.

Excise duty payable on:

Beer, ale, porter, stout and any other liquor manufactured for sale that is described as beer or a beer substitute.

Basis of assessment:

The excise duty on beer is assessed by reference to the quantity and specific gravity of the unfermented infusion form which the beer is produced (the worts).

Collection:

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 brewings 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.

Rates:

	per hectolitre
Where the worts before fermentation were of a specific gravity:	
- of 1030° or less	UKL 18.00
- exceeding 1030°	
- for the first 1030°	UKL 18.00
- for every additional degree (in excess of 1030°)	UKL 0.60

Deductions:

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.

Special feature:

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.

Repayment of duty:

(a) Drawback

Excise duty is repaid, if the duty-paid beer is exported as marchandise, 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.

PETROLEUM REVENUE TAX

Oil Taxation Act 1975, as amended by Finance (No 2) Act 1979, Petroleum Revenue Tax Act 1980, Finance (No 2) Act 1980 and Finance Act 1981

Beneficiary:

The central government.

Tax payable by:

Persons, including companies, whether resident or non-resident, holding or participating in the holding of licences granted under the Petroleum (Production) Act 1934 or the Petroleum (Production) Act (Northern Ireland) 1964.

Tax payable on:

Profits from substances won or capable of being won under the authority of the above-mentioned licences (except methane drained from mines for safety reasons).

Basis of assessment:

The participator's share of the assessable profit or allowable loss for the field in each chargeable period: each chargeable period being a period of six months ending at the end of June or December. Subject to the exceptions below, each field is assessed in isolation.

Special reliefs:

1. The 'uplift' - a supplement of 35% of, broadly, exploration and development expenditure - designed to compensate for the non-allowance of interest payments and to increase net of tax returns to companies early in the life of a field.

2. The 'oil allowance' provides PRT exemption of up to (currently) 1/4 million tonnes for each chargeable period, to a fixed maximum amount (now 5 million tonnes) of production per field.

3. 'Safeguard' limits the PRT charge each calendar year to not more than 80% of the amount (if any) by which the profit (without deduction of 'upliftable' expenditure) exceeds 15% of the cumulative 'upliftable' (broadly capital) expenditure on historical cost basis.

Computation of liability:

For PRT, revenues are, broadly; the price receivable for oil disposed of at arm's length, plus the market value of oil kept for refining or disposed of other than at arm's length plus half the increase in stock values. PRT is calculated on the revenues of the participator less:

(i) royalty (12 1/2%);

(ii) field expenditure (including any 'uplift');

(iii) oil allowance.

This figure is subject to any relief under the 'safeguard'.

Collection:

By assessment and a system of advance payments.

Rate:

70%.

Carry-over of losses:

Where a field shows a PRT loss for any period (as calculated from the paragraphs above) that loss may be carried forward and offset against PRT profits in later periods, or carried back against PRT profits in earlier years. However, if a field is eventually abandoned with unrelieved PRT losses, then any participator may set his share of those losses against his PRT profits on other fields.

A participator in a field may deduct from his PRT liability abortive exploration expenditure on other acreage where a commercial find is unlikely.

SUPPLEMENTARY PETROLEUM DUTY

Finance Act 1981

Beneficiary:

The central government.

Tax payable by:

Every participator in an oil-field.

Tax payable on:

The gross profit during a chargeable period accruing to the participator from an oil-field, calculated as for the purposes of the petroleum revenue tax.

Rate:

20%.

GENERAL AND POOL BETTING DUTIES

Betting and Gaming Duties Act 1972 as amended by the Finance Acts 1972 and 1974

Beneficiary:

The central government.

Duty payable by:

The bookmaker with whom the bet is made, or the operator of the totalizator, the promoter of pool betting.

Duty payable on:

All bets made in United Kingdom with a bookmaker, including trade bets, or with a promotor of pool betting, and all bets made by means of the facilities provided by the Horse race Totalizator Board and other totalizators.

Basis of assessment:

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.

Collection:

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 control 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	8%
Pool betting duty	40%[1]

S p e c i a l f e a t u r e 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 1/3%.

BINGO DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance Act 1981

Beneficiary:

The central government.

Duty payable by:

The promotor of the bingo.

Duty payable on:

The value of the stakes and the prizes.

Collection:

Promotors need to register in order to play chargeable bingo. They then send in monthly accounts made up with the weekly figures.

Rate:

10% of the stakes plus one-ninth 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

Beneficiary:

Local government.

Tax payable by:

Occupiers of non-agricultural land and buildings.

Tax payable on:

Occupied non-agricultural land and buildings.

Basis of assessment:

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.

Exemptions:

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.

Collection:

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.

Rates:

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 UKL 6 266 million in 1979-80 at outturn prices exclusive of rate rebates. In the financial year beginning on April 1980, the rate poundages fixed by the 403 rating authorities in England and Wales ranged from 80 pence to 178 pence in the pound.

RATES – SCOTLAND

Lands Valuation (Scotland) Act 1854
Local Government (Scotland) Act 1947
Valuation and Rating (Scotland) Act 1956
Local Government (Financial Provisions etc.) (Scotland) Act 1962
Local Government (Financial Provisions) (Scotland) Act 1963
Local Government (Scotland) Act 1966
Valuation for Rating (Scotland) Act 1970
Rating Act 1971
Local Government (Scotland) Act 1973
Local Government (Scotland) Act 1975
Rating (Caravan Sites) Act 1976
Rating (Charity Shops) Act 1976
Valuation and Rating (Exempted Classes) (Scotland) Act 1976
Local Government (Scotland) Act 1978
Rating (Disabled Persons) Act 1978

Beneficiary:

Local Government.

Tax payable by:

Occupiers of non-agricultural land and buildings.

Tax payable on:

Occupied non-agricultural land and buildings.

Basis of assessment:

The rateable value of property, and the rate poundage fixed by the local authorities. The rateable value which in most cases is related to a property's annual rental value is determined by assessors appointed by valuation authorities (regional and islands councils). 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.

E x 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 one-third of local government expenditure and amounted to, at the latest estimate UKL 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 1977

Beneficiaries:

Local and central government - on 1 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.

Tax payable by:

Occupiers of non-agricultural land and buildings.

Tax payable on:

Occupied non-agricultural land and buildings.

Basis of assessment:

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 1 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 1980 was UKL 110.6 million, of which approximately 68% is retained by central government.

STAMP DUTY

Stamp Act 1891 and subsequent Finance Acts and corresponding legislation in Northern Ireland

Beneficiary:

The central government.

Duty payable on:

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.

Basis of assessment:

Duties are at various fixed and ad valorem rates depending on the nature of the document etc.

Exemptions:

- Transfers of property other than stocks or marketable securities if the sale price or value does not exceed UKL 20 000.
- 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 UKL 50.
- Leases of land or property for a term not exceeding seven years or for an indefinite term for a yearly rent not exceeding UKL 400 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.

- Leases of furnished premises for any definite term less than a year where the rent is not above UKL 400.

C o l l e c t i o n :

By impressed or sometimes adhesive stamps on the relevant documents etc. There are penalities 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;
- transfer of property other than stocks or marketable securities:
  - where the value is between UKL 20 000 and UKL 25 000: 0.5% of the sale price or value;
  - where the value is between UKL 25 000 and UKL 30 000: 1% of the sale price or value;
  - where the value is between UKL 30 000 and UKL 35 000: 1.5% of the sale price or value;
  - where the value exceeds UKL 35 000: 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 UKL 50: 5 pence per UKL 100 of the sum insured if not exceeding UKL 1 000 and 50 pence per UKL 1 000 of the sum insured if over UKL 1 000;
- purchase life or superannuation annuities: 5 pence per UKL 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 UKL 250 and the premium does not exceed UKL 20 000 no charge is made on the premiums. If the yearly rent exceeds UKL 250 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 UKL 400 are liable to a fixed duty of UKL 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] as amended by the Finance Act 1980 and the Finance Act 1981

Beneficiary:

The central government.

Duty payable by:

The keeper and user of a vehicle, who is not necessarily the legal owner.

Duty payable on:

Vehicles kept or used on a public road.

Basis of assessment:

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.

Exemptions:

Certain vehicles including invalid carriages, road maintenance vehicles, ambulances and fire-engines, and electrically-propelled vehicles are exempt from duty.

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[1] In Northern Ireland, vehicle excise duty is charged under the Vehicles (Excise) Act (Northern Ireland) 1972 (as amended by the Finance Act 1981) and, with certain exceptions, mainly in respect of goods vehicles, is levied at the same rate as in Great Britain.

Collection:

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.

Rates:

For a private car, the cost of a licence in Great Britain is UKL 70 a year. Motor-cycles and three-wheelers, etc. pay UKL 7, UKL 14 and UKL 28 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 UKL 70 and for one exceeding 10 tons[1] is UKL 230 a year. For each additional 1/4 ton or part of a 1/4 ton a further UKL 45 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 UKL 41 and for an unladen goods vehicle exceeding 9 tons UKL 168. 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 UKL 12 per year. There are also preferential rates of duty for farmers' and showmen's goods vehicles.

[1] 1 ton = 1 016 kg.

GAMING LICENCE DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance (No 2) Act 1975 and Finance Act 1980

Beneficiary:

The central government.

Duty payable on:

A half-yearly licence for the premises valid from 1 April or 1 October each year.

Basis of assessment:

A flat rate amount, payable on application, plus a further payment on a sliding scale based on the gross gaming yield of the premises.

Collection:

The flat rate payment must be made to the local collector's office prior to the next licensing period. The sliding scale payment is made at the end of the licensing period (when the gross yield is known).

Rates for the half year:

UKL 250 per licence plus a duty assessed on the following sliding scale:

	Rate
part of gross gaming yield:	
- the first UKL 250	2 1/2%
- the next UKL 500	5%
- the next UKL 1 750	10%
- the remainder	20%

GAMING MACHINE LICENCE DUTY

Betting and Gaming Duties Act 1972, as amended by the Finance (No 2) Act 1975, Finance Act 1980 and 1981

Beneficiary:

The central government.

Duty payable on:

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.

Basis of assessment:

Gaming machines in the following categories:

(a) A gaming machine is chargeable at the lower rate if it can only be played by a coin or coins of a value not exceeding 2 pence.

(b) a machine is chargeable at the higher rate:
   (i) if it is on premises which have local authority approval and is not within (a) above; or
   (ii) if it is not on premises which have local authority approval and can only be played by a coin or coins of a value exceeding 2 pence but not exceeding 5 pence;

(c) a machine is chargeable at the peak rate in any other case.

No licence is required for penny machines.

Collection:

Payment must be made to the local collector's office prior to the next licensing period.

R a t e s :

A. Premises with local authority approval:

- Lower rate	UKL 25 per machine
- Higher rate	UKL 60 for the first machine
	UKL 120 for each machine other than the first

B. Premises without local authority approval:

- Lower rate	UKL 75 per machine
- Higher rate	UKL 200 per machine

C. Peak rate UKL 400 per machine

Half-yearly licences are dutiable at 11/20 of the rates at A and C above.

VALUE-ADDED TAX

Finance Act 1972, as amended by the Finance Acts 1973, 1974, 1975 (No 2) 1975, 1976, 1977, 1978, (No 2) 1979, 1980 and 1981

Beneficiary:

The central government.

Tax payable by:

- Anyone carrying on a business with a taxable turnover (including zerorated goods and services) of more than UKL 15 000 per year.
- Persons making entry of imported goods.

Tax payable on:

- The supply of goods and services by way of business.
- Imported goods and certain services provided in the United Kingdom by overseas businesses.

Basis of assessment:

- 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.

Exemptions:

Without deduction of tax paid at earlier stages; transactions in land (this includes rents, but provision of hotel and similar accommodation 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.

Collection:

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.

Rates:

- Standard rate: 15%.

- 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, fuel oil, gas oil and certain grades of kerosene; 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 authorized 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 (No 2) Act 1975 and the Finance Act 1981

Beneficiary:

The central government.

Tax payable on:

Cars, motor cycles and motor caravans made in the United Kingdom or registered for road use in the United Kingdom.

Basis of assessment:

The wholesale value of the vehicle.

Collection:

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.

Rate:

10%.

European Communities — Commission

Inventory of taxes — 1981 edition

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The present work is also published in French, the title being:
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