



5) motor petrol, kerosene, aviation turbo jet fuel, gas oil (diesel fuel oil), heavy fuel oil, black oil, orimulsion;

6) luxury motor vehicles;

7) electricity;

8) publications of erotic and violent character.

9) lubricants of all types;

10) sugar, including sugar contained in food preparations (according to the list approved by the Government of the Republic of Lithuania);

11) liquid perfume, cosmetic preparations and toiletries as well as other products not specified herein, which contain ethyl alcohol and which, because of their low price, may be used as alcoholic beverage substitutes (according to the list compiled and the price limit set by the Government of the Republic of Lithuania) provided only that the concentration of ethyl alcohol in the products exceeds the minimum ethyl alcohol concentration specified by the Government.

2. Imports as the object of excise duty shall be non-Lithuanian goods specified in paragraph 1 hereof which create a debt to the customs under the Customs Code of the Republic of Lithuania (hereinafter referred to as the Customs Code).

#### **Article 4. Taxable Value**

The taxable value shall be:

1) of goods made in the Republic of Lithuania - the selling price of goods exclusive of the excise duty and VAT;

2) of imports - the sum total of customs value of goods and customs duty thereon. Customs value of imports shall be calculated according to the procedure laid down in the Customs Code.

#### **Article 5. Taxable Goods**

1. Excise duties shall be calculated on goods referred to in Article 3 of this Law, which are :

1) transferred from the warehouse of finished goods to another legal or natural person or to an enterprise without the rights of a legal person, to whom the right of disposal is assigned pursuant to the issued transfer documents. Such documents must contain mandatory requisites provided for in Article 10 of the Republic of Lithuania Law on the Principles of Accounting;

2) imported goods - in the cases specified in the Customs Code, when a debt to the customs is created.

2. The enterprises specified in subparagraphs 9 and 11 of paragraph 1 of Article 6 of this Law must calculate and pay, in the manner prescribed by the Government of the Republic of Lithuania, the excise duty in the amount specified in Article 5<sup>1</sup> of this Law for the transferred (sold or otherwise transferred into ownership) or used aviation turbo jet or ship fuel acquired or imported without paying the excise duty, except where:

1) the aviation turbo jet fuel is transferred or used for filling (providing with supplies) the aircraft carrying passengers and/or cargo by international or local routes or providing other paid services, also the aircraft taking part in the international military exercise or the aircraft used for fulfilling the functions of the central or local government authorities;

2) the ship fuel is transferred or used for filling (providing with supplies) the ships carrying passengers and/or cargo by international or local routes or providing other paid services, also the ships used for fulfilling the functions of the central or local government authorities or fishing vessels.

3. Excise duty is an element of the price of goods and, except for the excise duty on sugar, it shall not be indicated in the invoices and payment documents. The excise duty on sugar shall be indicated in the manner prescribed by the Government of the Republic of Lithuania.

#### **Article 5<sup>1</sup>. Rates of Excise Duties**

1. Under this Law goods shall be taxed at the following rates:

1) undenatured ethyl alcohol and alcoholic beverages, except for mead bandy, champagne, wine, beer and medicinal preparations with medicinal herbs, containing ethyl alcohol, which have been registered with the State Medicines Register of the Republic of Lithuania - 0.30 LTL/% vol/l;

2) mead brandies - 12 LTL/% vol/l;

3) wines (fortified wines including) with actual alcoholic strength by volume of 13% or less:

a) wines of fresh grapes - 0.16 LTL/% vol/l;

b) grape musts, other fermented beverages and their mixtures - 0.12 LTL/% vol/l;

4) wine (fortified wine including) of an actual alcoholic strength by volume of more than 13% but not more than 18% vol.:

beverages (according to the list compiled and the price threshold set by the Government) - 10 LTL/l of the preparation;

21) black oil and orimulsion - 20 LTL/t.

2. Repealed.

3. If the declared price of the imported motor vehicle attributed to the category of luxury vehicles as specified in subparagraph 16 of paragraph 1 hereof is less than the price of a new analogous motor vehicle, when calculating the taxable portion of the price the maximum tax-exempt price shall be reduced proportionately.

4. The amount of sugar (in percentage) on which the excise duty prescribed by subparagraph 19 of paragraph 1 hereof is levied shall be specified by the Government.

5. The codes of goods listed in paragraph 1 hereof shall be specified by the Government according to the Combined Customs Tariffs and Foreign Trade Statistical Nomenclature (hereinafter - CTN).

#### **Article 6. Exemptions from Excise Duties**

1) goods imported as charity;

2) goods imported by natural persons (travellers), where the amount of imports does not exceed the amount to which the Government has granted exemption from import 20.2;

3) goods imported by diplomatic and consular missions of foreign states, also international organisations for their official operations, if exemption of said goods from excise duties is provided under agreements between the international organisations and the Republic of Lithuania;

4) postal parcels sent to the customs territory of the Republic of Lithuania, the weight whereof does not exceed 31.5 kg and the value whereof is not in excess of 400 LTL;

5) imported goods exempt from import 20.23 under the Customs Code;

6) unbottled alcoholic beverages and their raw material provided that they are imported for the production of alcoholic beverages by state-owned enterprises licenced to produce said beverages;

7) exports;

8) imported goods provided that they are exempt from import 20.23 under the Law of the Republic of Lithuania on Customs Tariffs;

9) aviation turbo jet fuel (the code shall be specified by the Government according to the CTN) imported or purchased from the Lithuanian producers by enterprises possessing a licence to engage in the import of, trade in or export of oil products, provided it is indicated in the licence that the enterprise engages in the filling of aircraft (aeroplanes) and the fuel code according to the CTN is stated.

10) tobacco (the code according to the CTN shall be specified by the Government), imported by the enterprises of the Republic of Lithuania which manufacture cigarettes. The list of enterprises which qualify for the tax relief shall be compiled by the Government. In cases when the specified tobacco will be used in the enterprises not for cigarette production but for other purposes, the specified enterprises must calculate and pay thereon the excise duty of the established amount;

11) ship fuel (the code according to the CTN shall be specified by the Government) which is imported or purchased from the Lithuanian producers by enterprises possessing a licence to engage in the import of, trade in or export of oil products, provided it is indicated in the licence that the enterprise engages in the filling of ships (bunkering) and the fuel code according to the CTN is stated.

2. Moreover, excise duty shall not be imposed on ethyl alcohol when the ethyl alcohol and raw materials containing ethyl alcohol are sold to :

1) the enterprises of the Republic of Lithuania for the production of vinegar and alcoholic beverages subject to excise duty;

2) pharmaceutical enterprises and health care institutions for medical and pharmaceutical purposes; to enterprises producing veterinary medicines for the production of veterinary medicines and to veterinary supply enterprises for veterinary purposes.

3. 100 000 decalitres of beer sold in a year's time by small beer making companies (hereinafter referred to as small-scale breweries) shall be taxed at a 50% lower rate than the excise duty rate on beer set in Article 5<sup>1</sup> of this Law. As used in this Law, a small-scale brewery eligible for the tax relief is a brewery with the total output during a calendar year not in excess of 800 000 decalitres of beer, which is legally and economically independent from any other brewery, whose industrial premises are separated from any other brewery and which is not operating under a licence issued by another company. The procedure of application of the above tax relief shall be established by the Government of the Republic of Lithuania or the competent institution.

4. Vodka of alcoholic strength by volume of more than 30% but not more than 37% vol., which meets the technological and quality requirements set by the Government

shall be taxed at a lower rate - 0.27 LTL/% vol/l. The tax relief shall be applicable upon the adoption by the Government of an appropriate resolution.

**Article 7. Refund of Excise Duties or Waiver of Excise Duties Recovery**

1. Excise duties paid on imports shall be refunded in the cases specified by the Customs Code.
2. Recovery of excise duties on imports shall be waved in the cases prescribed by

### **Article 10. Recovery of Excise Duties**

1. The payment of excise duties on goods (except for imports) shall be supervised by local State Tax Inspectorates which shall recover, in the manner prescribed by the Law on Tax Administration, the underpaid amounts of excise duties, also interest and penalties under the Law on Tax Administration.

2. The payment of excise duties on imports shall be supervised by the local customs which shall recover, in the manner established by the Customs Code, the underpaid amounts of excise duties and interest thereon for the current year and five preceding years.

### **Article 11. Refund of Erroneously Paid (Recovered) Excise Duties**

Claims for the refund of erroneously paid (recovered) excise duties may be filed within a two-year period after the day of payment (recovery) of the excise duty. Erroneously paid (recovered) amounts of excise duties (including amounts recognised as refundable on the proposal of the local customs) shall be refunded by the local State Tax Inspectorates in accordance with the procedure established by the Law on Tax Administration.

### **Article 12. Sanctions for Violations of Law**

1. If the taxpayer defaults in the payment of excise duties, there shall be collected interest the amount whereof shall be calculated in the manner specified by the Law on Tax Administration. If the taxpayer fails to file a tax return or if excise duties shown in the return are understated, the local State Tax Inspectorate shall impose penalties according to the procedure established by the Law on Tax Administration.

2. In the event of failure to comply with the customs approved treatments established by the Customs Code which results in the emergence of an import debt to the customs, default interest shall be calculated from the day the import debt to the customs is created.

### **Article 13. Final Provisions**

The Government or the institution authorised by it shall establish the procedure of excise duty calculation and payment.

*I promulgate this Law passed by the Seimas of the Republic of Lithuania*



