

## **DIVISION VIII. EXCISES**

### **Chapter 32. Excise**

#### **Article 201. The concept of excise**

1. Excise is an indirect tax included in the sales price of excisable goods.

2. The production on the territory of the Republic of Taxastan or the import of excisable goods is subject to excise taxes, except where exempt from tax.

### **Article 202. Taxpayers**

1. Except as otherwise provided for in this Division, excise taxpayers are all legal and physical persons producing excisable goods on the territory of the Republic of Taxastan, or importing excisable goods.

2. With respect to goods produced on the territory of the Republic of Taxastan from customer-supplied raw materials, the excise taxpayer is the producer.

### **Article 203. Object of taxation**

The object of taxation is the following taxable transactions:

- a. In the case of excisable goods produced on the territory of the Republic of Taxastan, the taxable transaction is the removal of excisable goods from the production premises.
- b. In the case of imports, the taxable transaction is the import of excisable goods onto the territory of the Republic of Taxastan in accordance with the customs legislation.

### **Article 204. Amount of taxable transaction**

1. Points 2-4 of this Article shall apply in cases where the assessment of excise is based on the value of excisable goods and an excise rate expressed in percent of the value. In other cases excise shall be assessed by multiplying the excise rate expressed as a fixed amount per unit of goods by the respective quantity of excisable goods.

2. In the case of excisable goods produced on the territory of the Republic of Taxastan, the amount of the taxable transaction is determined on the basis of the compensation received or receivable by the taxpayer from the customer or any other person, excluding the amount of the excise and VAT, but no less than the wholesale market price (excluding the excise and VAT). In the case of goods that the taxpayer sells at the retail level, the amount of the taxable transaction is determined as the wholesale market price (excluding the excise and VAT).

3. In the case of imports, the amount of the taxable transaction shall be the customs value of the goods, determined in accordance with the customs legislation of the Republic of Taxastan (but not less than the wholesale market price, excluding the excise and VAT), plus the amount of duties and taxes payable on the import of the goods into the Republic of Taxastan, except for value-added tax and the excise.

4 The price of the container, with the exception of returnable containers, is included in determining the amount of the taxable transaction.

### **Article 205. Time of taxable transaction**

1. In the case of excisable goods produced in the Republic of Taxastan, the taxable transaction takes place at the time of removal of the goods from the production premises.
2. In the case of imports of excisable goods, the taxable transaction takes place at the time of import, according to the customs legislation.
3. For purposes of this chapter, goods are not considered to be removed from the production premises as long as they are stored in a bonded warehouse.

### **Article 206. Taxation of exports**

Exports of excisable goods are taxed at a zero rate except supplies of excisable goods to countries which levy tax on exports of excisable goods to the Republic of Taxastan.

### **Article 207. Exemptions**

1. The following are exempt from excise:
  - a. alcoholic beverages produced by a physical person and used for his personal consumption within the limits imposed by the Government of the Republic of Taxastan;
  - b. the import of one liter of alcoholic beverages and one carton of (200) cigarettes by a physical person for personal consumption and, in the case of a person entering the Republic of Taxastan by automobile, the contents of the gas tank;
  - c. goods carried across the territory of the Republic of Taxastan in transit;
  - d. the temporary import of goods onto the territory of the Republic of Taxastan, except those intended for re-export;
  - e. goods guaranteed by collateral and intended for reexport;
  - f. excisable goods, except alcohol and tobacco products, imported as humanitarian aid in cases of natural disasters;
  - g. imports to the Republic of Taxastan of goods from countries which levy excises on exports of goods (works, services) to the Republic of Taxastan. In cases where the excise paid in the country of origin is less than the excise for

such goods determined in accordance with this division, the imported goods shall be subject to excise for the amount of the difference.

2. The excise exemptions specified in subpoints (c) through (g) of point 1 of this Article are applied only in the cases where the conditions for exemption from customs duty are met. Thus, if for purposes of customs duty an import falls under a drawback regime, or if the conditions for payment of customs duty in case of violation of the exemption requirements are met, the same regime applies to the excise.

### **Article 208. Excise credit for inputs**

1. A person who purchases an excisable good (raw materials) and uses the good for the production of other excisable goods that are subject to tax is allowed a tax credit in the amount of the excise paid on the purchase of the raw materials, or a refund of the excise.

2. A credit or refund is allowed for excise paid for excisable goods used:

- a. as samples for analysis or for inspection required in the course of production;
- b. for scientific research;
- c. for medical purposes by hospitals and pharmacies.

3. A credit or refund of excise under this Article is allowed only upon presentation of an invoice indicating payment of excise by the producer of the raw materials, or in the case of the import of raw materials – upon presentation of the corresponding documentation. The amount is refunded to the taxpayer from the appropriate budget by the financial authority jointly with the tax authority within 45 days after the filing of the documents with the tax authorities.

### **Article 209. Tax rates and list of excisable products**

The following excisable products shall be taxed at the following rates:

No.	Products as defined by headings of the harmonized system	Rate (as a percentage)
1	All the products indicated under heading 2203 (beer) and the mixtures of beer and non-alcoholic beverages included in heading 2206 of an alcoholic strength by volume of 0.5 percent or more.	(unit of currency) per liter
2	Wine, vermouth, fruit wines, wine stock, and other beverages defined in all the items of headings 2204, 2205, and 2206, with the exception of those defined in line 3.	(unit of currency) per liter

3	Ethyl alcohol and other spirits defined in all the items of headings 2207.10 and 2208, and beverages indicated in headings 2204, 2205, and 2206 of an alcoholic strength by volume of 22 percent or more.	(unit of currency) per liter
4	Tobacco products defined in all the items of headings 2402 and 2403.	__ percent
5	Automotive gasoline as defined by heading 2710. Diesel fuel.	__ percent
6	Passenger cars and other vehicles defined in all the items of heading 8703.	__ percent
7	Automobile tires defined in all the items of headings 4011.10 and 4012.	__ percent

### **Article 210. Payment of excise**

1. In the case of the production of excisable goods, excises are due with respect to taxable transactions occurring in each reporting period no later than:

the 13th of the month – for the first 10 days of the month;

the 23rd of the month – for the second 10 days of the month;

the 3rd of the following month – for the remaining days of the month.

2. The reporting period for excises are the periods specified in point 1 of this Article.

3. If the taxpayer is in arrears on payment of excise tax for any period, then starting with the time the arrear arises and until it is settled, the excise tax becomes due at the time the taxable transaction occurs and the taxpayer is not allowed to remove goods from the production premises before payment of the tax relating to those goods.

4. In the case of imports of goods, the excise is collected by the customs agencies according to the same procedure as for customs duties.

### **Article 211. Filing of returns**

1. In the cases mentioned in Article 211(1), a taxpayer must file a return according to procedures established by the Tax Committee of the Republic of Taxastan by the deadlines indicated for payment of the tax, indicating taxable transactions during the accounting period.

2. A payer of excise must include an application for a credit mentioned in Article 209 with the excise return; a person who is not a payer of excise tax shall file a special application for a refund, which may be submitted at any time during one year from the time the right to a refund arose.

### **Article 212. Refund of excise on re-exports**

1. In the case of goods that are imported for the purpose of subsequent re-export, excise is payable on the import of the goods and then is refunded according to the actual quantity reexported. Refunding is carried out within 45 days of receipt of the written application for refund.

2. Point 1 of this Article does not apply to goods, the import of which is exempt under Article 208(1)(e).

### **Article 213. Excise stamps**

The Government of the Republic of Taxastan may decree that excisable, domestic and imported excisable goods are subject to marking with excise stamps. It is forbidden to import or sell such excisable goods without stamps. The tax authorities are entitled to confiscate such excisable goods which are received for sale without excise stamps.

### **Article 214. Excise tax invoices**

1. Subject to point 3 of this Article, a taxpayer who supplies an excisable good is required to write out and issue an excise tax invoice in accordance with the instructions in effect to the person who receives the good.

2. An excise tax invoice is an invoice executed in the form stipulated by the Tax Committee of the Republic of Taxastan and containing the information described in Article 196(2).

3. In the case of the supply of goods at retail, a simplified form of excise tax invoice prescribed by the Tax Committee of the Republic of Taxastan may be used.