

CONSUMPTION TAX TRENDS 2012

GUIDELINES FOR COMPLETING THE TABLES

Delegates are asked to check and/or complete the tables showing data as at 1 January 2012.

Please note that the following tables should not be completed by delegates:

- Tables 3.1 to 3.7 are completed with data provided in Revenue Statistics;
- Table 4.1. (VAT Revenue Ratio) is completed by the Secretariat; and
- Table 5.4. (taxation of mineral oils) is completed with data provided by the International Energy Agency (IEA).

In checking the tables, delegates should not make the conversion from the national currencies to USD (except for Table 6.3). Conversions are performed by the Secretariat on the basis of private consumption Purchase Power Parity (PPP) rates taken from the OECD Economic Database. The PPP rates are provided for ease of reference in the last table in this annex

Table 3.9 Coverage of different VAT/GST rates

Zero rate: in this context, supplies are zero rated where VAT/GST is not levied on the amount charged by the taxpayer while deduction of input tax is still allowed. In some countries these supplies are called “GST Free Supplies”. The supplies of goods and services for export, those consumed outside the country or considered as taking place abroad are not listed in this table. Neither are operations closely linked to exports international transport, customs regimes or duty-free shops.

Table 3.11 VAT/GST exemptions

Common exemptions, which are referred to in footnote to the table, cover the most common exemptions in most member countries. Countries that apply additional exemptions are requested to list them after the term “Standard exemptions” in the left-hand column. Where no “Standard exemptions” are mentioned for a specific country, this means that it does not generally exempt the operations listed in footnote 1. The right-hand column should be filled out when the country taxes these listed operations with a positive VAT/GST rate.

Exempt means, in this context, supplies for which VAT/GST is not levied on the amount charged by the taxpayer while the latter is not allowed to deduct related input tax. In some countries these supplies are called “Input Taxed Supplies”.

3.12. Restrictions to the right to deduct input tax

The purpose of this table is to give an overview of the limitations to the right to deduct input tax on specific goods, services and intangibles **because of their nature** with a view to ensure (input) taxation of their **deemed** final consumption. The table may include for example input tax blockings on food, drinks, luxuries, cigarettes, restaurants, entertainment, accommodation, travel and vehicles. The table should **not** include:

- input tax blockings related to the exemption of outputs (e.g. limited right of deduction for inputs used to provide financial and insurance services, medical care, education, etc listed in Table 3.11. VAT/GST exemptions); and
- input tax blockings for goods, services and intangibles actually used for the private consumption of the business owner or its employees.

Table 5.1. Taxation of beer

Up to the 2010 edition, this table had two different columns for countries where the tax base was assessed per hectolitre per degree Plato and for those assessing the tax per content of absolute alcohol. To make comparison easier, these two columns have been merged and all amounts have been converted in excise per hectolitre per degree of absolute alcohol. Although there is no precise conversion between degrees Plato and degrees of absolute alcohol it is assumed for tax purposes that 1% alcohol is equivalent to 2.5 degrees Plato.

Countries where legislation provides tax rates per hectolitre per degree Plato are asked to convert tax amounts into rates per degree alc. per hectolitre (tax rates expressed in degree Plato should be multiplied by 2.5 to obtain the rates in degree alcohol).

Tables 6.1 and 6.2

The purpose of these tables is to give an overview of the taxes on vehicles in member countries, in particular to show the level of taxes and the criteria for assessing the tax base (e.g. cylinder capacity, weight, type, utilisation, CO² emissions, etc).

Please pay peculiar attention to the column “Rebates and Exemptions” where e.g. bonus-malus schemes are described. The bonus-malus item was added by the Secretariat and would deserve careful examination as a special section in Chapter 5 will be devoted to car taxes and polluting emissions.

Table 6.3

The purpose of this table is to allow a broad practical comparison of the level of taxation across member countries for five typical vehicles. It is not intended to reflect all specificities in the calculation of the taxes (e.g. specific tax base calculation rules such as possible inclusion of registration taxes in the VAT/GST base). It should not reflect the possible price (without tax) differences between countries because of local market constraints. In addition, relatively low registration taxes or an absence of such taxes do not necessarily reflect a general low taxation of vehicles as a whole. In some countries, low registration taxes can be compensated by higher annual taxes.

For simplification purposes, all vehicles are supposed to have air conditioning and are used for private purposes.

When local taxes, fees or duties apply, the table shows data for the capital of the country.

The amounts of taxes presented in this table result from a conversion into USD at market price as at 1 January 2012.