

**AMENDMENTS AND SUPPLEMENTATIONS ACT TO THE EXCISE DUTIES AND TAX  
WAREHOUSES ACT**  
in force as of 1 January 2009

In the State Gazette issue 106 dated 12 December 2008 the Amendments and Supplementations Act to the Excise Duties and Tax Warehouses Act (ASAEDTWA) was promulgated.

The main amendments in the Excise Duties and Tax Warehouses Act (EDTWA) are related to:

**1. The scope of the excise-exempt goods is broadened**

EDTWA is harmonized with the European Community Law by the amendment of art.21 EDTWA, in which exemption from excise duty is provided for the following energy products:

- **Coal and coke, when they are exported** by the persons, who produce, import or introduce them to the territory of the country, as well as by the persons, who perform supplies with them **(item 10)**;
- **Electricity, natural gas and energy products**, different from the energy products, included in the Combined Nomenclature (CN) under codes from 1507 to 1518 and are meant for use as heating or motor fuel, **when they are exported from the country (item 11)**;
- **Coal and coke, meant for another member-state**, when they are sent by persons, who produce, import or introduce them to the territory of the country, as well as persons, who perform supplies with them **(item 12)**;
- **Electricity, natural gas and energy products**, different from the energy products, included in the CN codes from 1507 to 1518 and used as heating or motor fuel, when they are directed to another member-state **(item 13)**;
- **Excise goods, which are imported with the personal luggage of travelers, under the condition that this import is VAT exempt (item 14).**

**2. The applicable scope of the exemption from excise duties of some types of energy products is limited**

Taxation with excise duty of energy products in the standard tanks of motor vehicles and in the containers for special use **exceeding the quantities permitted for duty free import by the customs law** at the time of entering of the vehicles into the territory of the country – **is introduced (art. 24, para 1, item 2 EDTWA).**

### 3. Excise duty rates

As of 1 January 2009 new higher excise duty rates on some of the goods, which are subject of taxation under the law, enter into force, for example:

- **On beer** – BGN 1.50 per 1 hectoliter for degree Plato, except on beer, produced by independent small breweries – BGN 0.75 per 1 hectoliter for degree Plato. In 2008 all types of beer have been taxed at rate BGN 1.50 per 1 hectoliter for degree Plato.
- **On electricity** with CN code 2716, except when it was meant for everyday necessities by virtue of the Energy Act – BGN 1.40 per MWH. The rate in 2008 was BGN 1.20 per MWH.
- **On cigarettes** – the specific rate of the excise duty is BGN 41 per 1000 pieces and of the ad valorem rate – 40.5% of the sales price. In 2008 the specific rate of the excise duty was BGN 37 per 1000 pieces and of the ad valorem rate – 35% of the sales price.

According to **§ 18 of the Final Provisions of the ASAEDTWA** the available excise goods, labeled with excise label, bought under the excise rate revoked, shall be realized on the market within three months from the date of implementation of the new excise rate.

### 4. Some regimes related to excise duty taxation of gas oil with CN code 2710 19 41 0 to 2710 19 49 0 are changed

- **The excise duty on gas oil, which is used for heating** at the amount of BGN 50 per 1000 liters, is revoked (**art. 33, para 1, item 1 EDTWA - revoked**).
- The obligation of the licensed warehouse keepers of energy products to mark all types of gas oil with CN codes from 2710 19 41 0 to 2710 19 49 0 is revoked (art. 93, para 1 EDTWA);
- The prohibition on marked gas oil to be kept in the fuel tanks of motor vehicles, private vessels, private aircrafts, as well as in the pumps for recharge and in the tanks of station for recharge of fuel (**art. 94, para 1 EDTWA**) is revoked.

## 5. Independent small breweries

- A new term “Independent small brewery” is introduced and its legal definition in the newly created item 38 of art. 4 EDTWA. Independent small brewery has the statute of a tax warehouse, which is legally and economically independent from other breweries and for which several conditions are fulfilled, pointed out in item 38 of art. 4 EDTWA.
- In relation to the equalization of the independent small breweries to tax warehouses, they have been imposed an obligation till 31 January each year to submit to the competent customs authority at the location of the tax warehouse information about the produced quantities of beer in the previous year (art. 88a EDTWA).
- The excise duty rate on beer produced by independent small breweries is at BGN 0.75 per 1 hectoliter per degree Plato.

## 6. Licensing

A requirement has been introduced the application for issuing a licence for management of tax warehouse to be attached with **a declaration that the person is not in an insolvency and/ or liquidation proceedings** (art. 48, para 2, item 16 EDTWA) along with the other attachments enumerated in art. 48, para 2 EDTWA.

## 7. The regime for warehousing of excise goods

The prohibition for warehousing in a tax warehouse of excise goods, which are not subject of taxation with excise duty, is revoked (**Art. 66, para 2 EDTWA**).

## 8. Administrative and penal provisions

New penalties and property sanctions for violation of the law are implemented with ASAEDTWA. For example, natural persons, who do not submit an excise duty declaration under art.76 or under art.87 EDTWA are penalized with a fine at an amount from BGN 500 up to BGN 1,500, and in case of second-time violation - a fine at an amount from BGN 1,000 to BGN 3,000 is imposed under the amended art. 110, para 1 and para 3 EDTWA.

## 9. Amendments to the Customs Law

The ASAEDTWA introduces amendments and supplementations to the Customs Law (CL), which with enter into force as of 1 January 2009.

ASAEDTWA enters into force as of 1 January 2009.

*The purpose of the information in this paper is only to point out certain issues, related to the application of the new amendments to EDTWA and it is not exhaustive. Should any questions about the application of the new provisions arise, please do not hesitate to contact us on telephone number: +3592 943 33 70, fax number: +3592943 37 07, e-mail: [office@afa.bg](mailto:office@afa.bg) or at the postal address: 1504 Sofia, 38, Oborishte Str.*