

Adopted amendments to the Law on Excise Duties

TAX ALERT
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The Serbian Parliament adopted the Law on Amendments to the Law on Excise Duties which was published in the Official Gazette of the Republic of Serbia no. 103 on 14 December 2015.

Law on Amendments to the Law on Excise Duties (hereinafter: the Law) went into effect on 22 December 2015, and is to be applied starting on 1 January 2016.

Oil derivatives

Starting as of 1 January 2016 new, higher excise duties are applicable to oil derivatives:

derivative	starting 1 January 2016	up to 31 December 2015
unleaded petrol	52.50 din/lit	50 din/lit
gas oil	54.00 din/lit	50 din/lit
liquefied petroleum gas	41.00 din/kg	40 din/kg

Also, on 1 January 2016 new amounts are applicable for refund of excise duties paid by the end customer for oil derivatives:

derivative	starting 1 January 2016 paid excise duty shall be refunded up to	up to 31 December 2015 paid excise duty was refunded up to
gas oil used as motor fuel for transportation of people and goods	45.50 din/lit	41.06 din/lit
gas oil used for heating	7.00 din/lit	2.59 din/lit
liquefied petroleum gas used as motor fuel for transportation of people and goods	23.00 din/lit	21.31 din/lit
liquefied petroleum gas used for heating	6.00 din/kg	4.58 din/kg

Refund of excise duty paid on gas oil used as motor fuel for freight ships in domestic river transport is cancelled.

The exemption from payment of excise duty on oil derivatives is extended up to 31 December 2016 for:

- liquefied petroleum gas (tariff codes for nomenclature CT: 2711 12 11 00 do 2711 19 00 00) and other oil derivatives produced from oil fractions with a distillation range up to 380°C (tariff codes for nomenclature CT: 2710 12 11 00, 2710 12 15 00, 2710 12 21 00, 2710 12 25 00, 2710 12 90 00, 2710 19 11 00, 2710 19 15 00, 2710 19 29 00, 2710 19 31 00, 2710 19 35 00, 2710 19 99 00, 2710 20 90 19 and 2710 20 90 99), which are used as raw materials and fuel in fraction distillation processes for further polymerization, steam cracking and butadiene extraction, as well as products which are generated from the fraction distillation process for further polymerization, steam cracking, butadiene extraction and production of MTBE (Methyl Tertiary Butyl Ether);
- liquefied petroleum gas for light liquefied hydrocarbons from the tariff code nomenclature CT: 2711 19 00 00 when they are used as raw materials in the production of liquefied petroleum gas and primary benzene in separation processes.

Alcoholic beverages

The law defines low alcohol beverages as beverages which have alcohol content above 1.2% and at most 15%, which are produced from fruit juices or refreshing non-alcoholic beverages, with addition of refined ethyl alcohol or alcohol beverages or herbal extracts or alcohol beverages produced through fermentation (wine, apple cider, perry, etc.), where the quality of fruit juices, refreshing non-alcoholic beverages, refined ethyl alcohol, alcoholic beverages, wine and alcoholic beverages produced through fermentation must be compliant with regulations that relate to their quality. Accordingly, the range of non-alcoholic beverages which are subject to excise duty has been expanded.

Starting as of 1 January 2016 excise duty on alcoholic beverages is payable as follows:

alcoholic beverage	starting 1 January 2016 excise	up to 31 December 2015
spirits produced from fruit, grapes, wine and other fruit spirits with added herbal extracts, plant parts or agricultural products	124.00 din/lit	121.89 din/lit
spirits produced from grain and other agricultural raw materials	316.00 din/lit	309.23 din/lit
other spirits	203.00 din/lit	198.19 din/lit
low-alcohol beverages	21.00 din/lit	20.35 din/lit
beer	24.00 din/lit	23.04 din/lit

Producers of low-alcohol beverages who as at 31 December 2015 have in stock produced low-alcohol beverages which have an alcohol content above 1.2% and at most up to 5%, are required to perform a stock count and to submit stock count lists to the Tax Authority by 15 January 2015. Starting as of 1 January 2016 these producers are required to submit to the Tax Authority information about their stocks on the last day in the month for each month, until such stocks are exhausted. Such low-alcohol beverages are not marked with excise duty stamps.

Electricity

The Law specifies that the base for calculation of excise duty on electrical energy should include costs which are not dependent on electricity consumption and the fee for privileged electricity producers.

Contact details:

Igor Lončarević

Partner, Tax & Legal
T: +381 60 20 55 570
iloncarevic@kpmg.com

Biljana Bujić

Partner, Tax & Legal
T: +381 60 20 55 511
bbujic@kpmg.com

Nenad Nešovanović

Director, Tax & Legal
T: +381 60 20 55 543
nnesovanovic@kpmg.com

Jelena Miljković

Senior Manager, Tax & Legal
T: +381 60 20 55 516
jmiljkovic@kpmg.com

KPMG d.o.o. Beograd

Kraljice Natalije 11
11000 Belgrade, Serbia
T: +381 11 20 50 500
F: +381 11 20 50 550
tax@kpmg.rs
kpmg.com/rs

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