

Elements of comparative law on excise duty

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Abstract

Originally established financial purposes, namely serving the objective of procuring financial resources available to the authorities in recent decades, excise duties were given and the significance of financial levers which influenced phenomena with negative externalities in the economy and society. Thus, excise duties were imposed to limit or combat harmful effects resulting from pollution or consumption of goods harmful to health. It is almost universal practice excise duty on petroleum products, alcoholic beverages, tobacco or tobacco products.

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1. Introduction

Excise taxes are taxes that establish special consumption only on certain goods and services (hence the name of special taxes), representing a category of indirect taxes particularly important. Thus, special consumption tax which is due for production, import or sale of certain product categories (Şaguna, Tofan, 2010).

However, being established mainly in financial consideration, excise duty acquired, especially in recent years, a size socioeconomic and used as levers not to stimulate, but to inhibit certain activities and processes considered to have negative consequences for society members, and human society as a whole. They are generalized in all countries and in some regions are set and levied by common rules (harmonized excise duty in the European Union put in place to facilitate the free movement of goods and services without creating market distortions (Lazăr, 2011).

Regarding subject to excise duty, literature retains the idea that, as a rule, goods and services on which excise duty has set an inelastic demand and are not substitutable. For these reasons, excise duties are taxes that have a very high fiscal efficiency (Corduneanu, 1998).

Moreover, with increasing living standards, especially in developed countries, the scope of goods considered luxury narrowed so certain goods that were previously excised currently not bear such fees (electronics, appliances, leisure goods etc.).

2. Typology of Excise taxes. Economic and social implications

Excise taxes are placed and on services such as gambling or under the doctrine of sexual services (in jurisdictions where they are legalized). In a review of literature retain the idea that in a broader sense, goods and services considered *vice* can be seen as assets that generate negative externalities, but taking into account the effects on health of humans or the crime, effects whose correction requires the allocation of significant public funds. In this context it is considered that this dual classification of such goods and services “double taxation justifies” them or, more accurately, a charge in excess. In such cases, the duty could be placed at a first level, taking into account the negative externalities of such goods or services, and at a second level, taking into account the nature of *vice* thereof.

Incidentally, this is done in some countries, including Romania. Another classification of excisable goods can be made by the supervisory regime of production, processing and delivery, as follows:

- a) goods that require special supervision, such as: alcohol and alcoholic beverages, tobacco products, petroleum products; thus, production, processing and delivery of these goods is carried out only in premises authorized by the tax authorities (approved warehouses);
- b) goods which do not require a special surveillance, such as coffee, furs, jewelry, etc.).

Excise taxes can be put in different phases of the economic circuit, but for reasons of tax efficiency they are arranged, most often at the production.⁵

Subject to excise duty is the person who by law is obliged to pay to the budget. Since the duty becomes chargeable at the time of release for consumption, this is tantamount to exiting the suspension arrangement, subject to excise duty is often the entrepreneur tax or importer, where immediately after import, the goods are not placed in a under suspension. Whereas, for products that do not require a special supervise subject is the person who manufactures or procures goods.

Shares used in sizing are expressed either as a percentage of excise duties (*ad valorem*) of the tax base or fixed amounts on certain quantity of excise goods. Literature noted that usually practiced specific quotas as it seeks to avoid distortions occurring in distribution channels and limit inflationary effects. However, according to doctrine, there are situations when practiced simultaneously percentage rates and specific rates, excise duty being the result of summing values obtained by applying the two categories of shares. This method of determining the rates of excise duty is practiced in the European Union, for certain products, such as cigarettes. Consequently, for example, after a comparison made in the literature on excise rates for cigarettes in EU countries (July 1st 2010), stands position of the Nordic countries (Sweden, Denmark) that records the lowest share of excise in price retail of cigarettes, something that comes out of the pattern north of taxation. At the opposite pole, Bulgaria, recorded the largest share of excise in the final price. Also, excise largest in absolute share can be found in the UK and lowest in Poland.

Also on indirect taxation through excise duties in the European Union in the literature is observed differences and a multitude of situations depending on excisable product, as follows:

- ✓ for beer, the rate is fixed in euros per hectolitre / degrees Plato, while wine, fermented beverages other than beer and wine and intermediate products share is expressed as a fixed amount per hectolitre of product. And for alcohol, the rate is determined as a fixed amount per hectolitre of pure alcohol.
- ✓ In some countries (Spain, Portugal, the Netherlands), applicable rates for beer varies depending on the concentration expressed in degrees Plato, so that one can speak of a differentiation of taxation makes the tax is not proportional. There are also reduced rates for small independent breweries, allowances can not be below 50% of national quotas normal (standard).
- ✓ If there differentiated rates for wines and sparkling wines, still wines, mandatory minimum rate being zero. Wines weak or alcohol with a concentration of less than 8.5%, there is a reduced rate.
- ✓ For intermediate products mandatory minimum rate is 45 euros / hl and reduced rates are applicable to products with an alcohol content below 15%.
- ✓ In the case of alcohol, the minimum rate required is 550 euros / hl of pure alcohol respectively 1,000 euros / hl of pure alcohol for countries that already practice excise superior level of 1,000 euros / hl of pure alcohol. Reduced rates are available for small distilleries, which have annual production capacity below 10 hl of pure alcohol.
- ✓ In another context, in terms of excise duty rates for major automotive fuels in the European Union (July 1st 2010) and OECD (2007), in a review of the literature we find the following⁷:

Country	Premium unleaded gasoline (CO 94-96)			Diesel fuel used in non-commercial activities		
	Excise		VAT	Excise		VAT
	NATIONAL CURRENCY /Euro for EU	USD	%	NATIONAL CURRENCY /Euro for EU	USD	%
Australia	0.381	0.278	10.00	0.381	0.278	10.00
Austria	0.442-0.475	0.495-0.532	20.00	0.347-0.375	0.389-0.420	20.00
Belgia	0.613-0.628	0.687-0.703	21.00	0.393-0.408	0.440-0.457	21.00
Canada	0.252	0.198	6/14	NA**	-	6/14
Cehia	0.505	0.566	20.00	0.431	0.483	20.00
Danemarca	0.566	0.634	25.00	0.386	0.432	25.00
Finlanda	0.627	0.702	23.00	0.364-0.391	0.408-0.438	22.00

Country	Premium unleaded gasoline (CO 94-96)			Diesel fuel used in non-commercial activities		
	Excise		VAT	Excise		VAT
	NATIONAL CURRENCY /Euro for EU	USD	%	NATIONAL CURRENCY /Euro for EU	USD	%
Franța	0.607-0.640	0.671-0.717	19.60	0.428	0.479	19.60
Germania	0.655-0.669	0.734-0.749	19.00	0.470-0.486	0.526-0.544	19.00
Grecia	0.670	0.750	23.00	0.412	0.461	23.00
Ungaria	0.444	0.497	25.00	0.360	0.403	25.00
Islanda	NA	-	24.50	NA	-	24.50
Irlanda	0.543	0.608	21.00	0.449	0.503	21.00
Italia	0.564	0.632	20.00	0.423	0.474	20.00
Japonia	53.800	0.405	5.00	32.100	0.241	5.00
Coreea	744.290	0.962	10.00	494.190	0.638	10.00
Luxemburg	0.462-0.465	0.517-0.520	15.00	0.310-0.313	0.347-0.350	15.00
Mexic	0.780	0.107	15.00	*	-	15.00
Olanda	0.714	0.800	19.00	0.421-0.432	0.472-0.484	19.00
Noua Zeelandă	0.484	0.325	12.50	0.116	0,078	12.50
Norvegia	4.970	0.524	25.00	2.142	0.226	25.00
Polonia	0.390-0.582	0.437-0.652	22.00	0.302	0.338	22.00
Portugalia	0.583	0.653	21.00	0.364	0.408	21.00
Slovacia	0.514	0.576	19.00	0.368	0.412	19.00
Spania	0.424-0.456	0.475-0.511	16.00-18.00	0.331	0.371	18.00
Suedia	0.373-0.542	0.418-0.607	25.00	0.425-0.465	0.476-0.521	25.00
Elveția	0.735	0.415	7,6	0.771	0.436	7,6
Turcia	1.363	1.747	18.00	0.835	1.071	18.00

Country	Premium unleaded gasoline (CO 94-96)			Diesel fuel used in non-commercial activities		
	Excise		VAT	Excise		VAT
	NATIONAL CURRENCY /Euro for EU	USD	%	NATIONAL CURRENCY /Euro for EU	USD	%
Marea Britanie	0.627	0.702	17.50	0.627	0.702	17.50
SUA	0.105	0.105	-	0.122	0.122	-
România	0.348	0.390	24.00	0.293	0.328	24.00
Slovenia	0.484	0.542	20.00	0.427	0.478	20.00
Bulgaria	0.350	0.392	20.00	0.307	0.344	20.00
Cipru	0.359	0.403	15.00	0.330	0.370	15.00
Letonia	0.380	0.427	21.00	0.330	0.370	21.00
Lituania	0.434	0.486	21.00	0.274	0.307	21.00
Estonia	0.423	0.474	20.00	0.393	0.440	20.00
Malta	0.459	0.515	18.00	0.352	0.394	18.00

Source:

[http://ec.europa.eu/taxation_customs/resources/documents/taxation/exercise_duties/alcoholoc_beverages/rates/excise_duties-part i alcohol en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/taxation/exercise_duties/alcoholoc_beverages/rates/excise_duties-part_i_alcohol_en.pdf)

Conclusion

Being indirect taxes, excise presents the technical elements event and chargeability (just as with VAT). Thus, the event is the time when the goods or their extraction or when imposing. And, chargeability occurs at the time of release for consumption. Release for consumption is any product output from a suspension regime. In principle, to be considered under suspension, excise goods must be in the tax warehouse. Right of deduction arises in the case of excise duty, but it is much smaller than in the case of VAT. For example, it can check for alcohol excise taxes already paid food used as feedstock for the production of other excisable alcoholic beverages.

The deadline for paying the excise duty is usually in:

- ✓ the last decade of the calendar month following the month in which duty became payable;
- ✓ the last decade of the calendar month following the month in which took place the final consumer billing (electricity or natural gas);
- ✓ customs import declaration when registering (for imported products which are not placed under a suspensive procedure).

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