



SCREENING CHAPTER 16 TAXATION

AGENDA ITEM : EXCISE DUTY OTHER CONSUMPTION GOODS

**Country Session: The Republic of TURKEY
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CONTENTS

1. Legislation
2. Goods Within the Scope
3. Taxation of Other Consumption Goods
4. CN Codes of Other Consumption Goods
5. Taxable Event
6. Taxpayer
7. Tax Base
8. Authority of the Council of Ministers Regarding Tax Rates
9. Declaration, Assessment and Payment of Duty
10. Exemptions



1- LEGISLATION

- Law on Excise Duty, No : 4760
- Cabinet Decrees
- Communiqués on Excise Duty



2. GOODS WITHIN THE SCOPE

There are **117 CN Codes** in List No: (IV) annexed to the Excise Duty Law No: 4760, under which other consumption goods placed



2. GOODS WITHIN THE SCOPE (cont'd)

Some of other consumption goods laid down in List No (IV) are:

- Caviar
- Furs
- Precious stones
- Cosmetics
- Refrigerators, freezers
- Mobile phones
- Revolvers



3. TAXATION OF OTHER CONSUMPTION GOODS

- No application of minimum specific tax
- Application of proportional excise duty
- Tax rates applied are 6,7% and 20%



4. CN CODES OF OTHER CONSUMPTION GOODS AND THEIR TAX RATES

<u>CN CODE</u>	<u>Name of Goods</u>	<u>Tax Rates</u>
84.15	Air conditioning machines	6,7 %
84.18	Refrigerators, freezers	6,7 %
85.19	Record players, cassette players	6,7 %
85.28	Reception apparatus for TV	6,7 %
1604.30	Caviar	20 %
43	Furs	20 %
71.03	Precious stones	20 %
33.07	Cosmetics	20 %
8525.20.91.00.11	Mobile phones	20 %
9405.10.50.10.11	Crystal chandeliers	20 %
9302.00	Revolvers	20 %



5. TAXABLE EVENT (Article 3)

Taxable event occurs for the goods in this List is their

- importation,
- delivery by their manufacturers,
- sale by auction before excise duty is applied.



5. TAXABLE EVENT (cont'd)

Taxable event occurs on importation of the goods laid down in List No (IV) is:

- incurrance of the liability to pay import duties,
- registration of customs declaration

pursuant to Customs Law No: 4458.



6. TAX PAYER (Madde 4)

Taxpayers of duty for goods involved are the persons who

- manufacture,
- import,
- sell by auction before excise duty is applied.



7. TAX BASE (Article 11)

Tax base of excise duty for goods involved in this List is the base of value added tax, excluding excise duty.



8. AUTHORITY OF THE COUNCIL OF MINISTERS REGARDING TAX RATES (Article12)

The Council of Ministers has the authority

- to decrease rates down to zero for each products,
- to increase up to 25%

for goods in this List.



9. DECLARATION, ASSESSMENT AND PAYMENT OF DUTY (Article 14)

- Taxation period is each monthly period of calendar year.
- Tax return is submitted to tax office until the 15th day of the month following the end of the taxation period.
- The duty is paid within the submission period.



10. EXEMPTIONS

a. Common Exemptions

b. Diplomatic Exemption

c. Special Exemptions to List No (IV)

- Exemption on security institutions' guns purchasing
- Exemption on deliveries of goods to public institutions free of charge



a. Common Exemptions

Common exemptions for the Lists annexed to Excise Duty Law indicated below are also valid for other consumption goods;

- exportation exemption
- supply of good destined for export
- importation exemptions



b. Diplomatic Exemption

For goods in List No (IV) diplomatic exemption is not foreseen.



c. Special Exemptions to List No (IV)

There are two exemptions foreseen only for the goods laid down in this List;

- Exemption on acquisition of guns by security forces,
- Delivery of goods in List No (IV) to public bodies free of charge.



- **Exemption on security institutions' guns purchasing (Article 7)**

- Deliveries to**

- Ministry of National Defence,
- Commandership of Coastal Guard,
- National Intelligence Organisation,
- General Directorate of Public Security,
- General Directorate of Customs Guard
- General Commandership of Gendarmerie

- Importation by** these institutions

of goods listed in List No: (IV) (CN Codes 9302.00 and 93.03 exc.)



- **Exemption on deliveries of goods to public institutions free of charge (Article 7)**

- ❑ According to Article 7/5 of Law, free of charge delivery to or import of goods laid down in List: (IV) by
 - general or annexed budget governmental agencies
 - special provincial administrations
 - municipalities
 - villages
 - and unions established by any of these are exempted.