Taxation and calculation of excise duty

UPON TAXATION, THE RESULT OF RECOVERING IS PROCEEDED FROM

Upon imposing the excise duty on packaging, in the first place, the result of actual recovering shall be proceeded from. A payer of excise duty who has not complied with the recovery rates of packaging shall pay excise duty for the quantity of the packaging deficiency.

In order to obtain an exemption from excise duty, the recovery rates of packaging must be complied with during the period of taxation and **taxable period is,** in general**, one quarter.**

EXAMPLES ON CALCULATION OF THE RECOVERY AND PACKAGING EXCISE DUTY

Example 1
A self-employed person produces goods and packages its goods into paperboard boxes. He/she places the goods produced in the first quarter on the market. He/she does not deal with the collection or recovery of the packaging of the goods placed on the market.
It means that the obligation to pay packaging excise duty on the total weight of the cardboard packaging placed on the market in the first quarter shall be created by the self-employed person for the 70 per cent of the packaging placed on the market (70 per cent of the total mass of the paper and paperboard waste placed on the market is obliged to be recovered).

Example 2
A self-employed person who has recovered the 65 per cent of the required 70 per cent of the total mass of paper and paperboard waste and thereby recycled the 50 per cent instead of the 60 per cent of the total mass by way of recycling, pays the 10 per cent of the quantity of paper and paperboard waste deficit packaging not recycled.
The energy recovery has been complied with whereas the required 10 per cent (70% – 60%, i.e. the difference between the total mass level and the actual quantity) has been met. The energy recovery of the 65 per cent of the total mass wherefrom 50 per cent has been recycled is thus 15 per cent (65% – 50%).
The excise duty is required to pay for the 10 per cent of the quantities of paper and paperboard waste not recycled.

Example 3
In the case of plastics there are two levels for recovery upon recycling; 45 per cent and 22.5 per cent. This means that at least 22.5 per cent is required to be recycled in such a way that the plastic packaging waste is reprocessed into plastics. This part which remains between the 45 per cent and 22.5 per cent may be recycled in other way as well, for example, producing oil from plastics. But if 45 per cent of the total mass of the plastic packaging waste have been recycled, for example, by way of reprocessing into pellets, then the percentage of recycling is completed.
If, for example, 35 per cent of the total mass of plastic waste is recovered and 15 per cent of this is energy recovery, 10 per cent is recycled by way of material and 10 per cent is recycled in other way, for example, producing oil, then the excise duty shall be paid totally for 25 per cent of plastic waste.

The process of calculation is as follows: the recycling by way of material is not completed by 12.5 per cent (22.5% – 10%) and the recycling in other way is not completed either by 12.5 per cent (22.5% – 10%). The energy recovery is completed, i.e. 15 per cent is recovered, but 10 per cent is required (55% – 45%, i.e. the difference between the total mass and the rate of recycling).
In this case, the excise duty shall be paid for the 25 per cent (12.5% + 12.5%) of the quantity of plastic waste.

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