

Global VAT Newsletter

Members of the MGI Worldwide Global VAT Group from Denmark, Italy, Netherlands and Poland set out some of the recent changes to VAT rates for energy, fuel and e-commerce

Denmark: Clarification of the excise duty rules in terms of e-commerce

The implementation of the OSS has in many ways made it easier for distance online sellers to handle the VAT declaration and payment.

However, the implementation of the OSS in Denmark had some consequences related to the Danish national excise duties, as a VAT registration locally was necessary for submitting the return related to excise duties. As such, the buyers were actually liable to report the national excise duties instead.

The excise duty legislations are now aligned with the OSS and the non-Danish established distance sellers are now allowed to register and pay the national excise duties.

In Denmark there are a lot of excise duties, and distance sellers are often not aware of these. We have in the below given a couple of examples where the distance seller has not been aware of the excise duties and to additional elements that are included by the excise duties:

- A Danish private person buys protein bars on-line on a German website. The protein bars are covered with chocolate and the distance seller will need to be registered for the excise duty on chocolate and confectionery (or substitutes for chocolate)

- A Danish private person buys pesticides/chemicals for the garden/lawn which is liable to excise duty in Denmark, and as such the distance seller is liable to register for the excise duty “pesticides” in Denmark.
- Other excise duties to be aware of in respect of distance selling (not exhaustive):
 - Coffee and the
 - Electric light bulbs
 - Batteries

It should be noted that the obligation to report the excise duties in regard to distance sellers of goods related to EU-harmonized duties, has always been with the seller and never with the buyer.

The clarification had effect as of February 1st , 2022 and from that day, distance sellers are obliged and able to register for national excise duties in Denmark. This is regardless of whether the sellers have a Danish VAT registration or not due to OSS.

Please let us know if you have clients doing distance selling to Denmark where you need clarification as to whether the client is liable to register and pay excise duties.



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Italy: Changes to VAT rates and excises due to rising prices of energy and fuel

In Italy, the following changes have been or will be made in 2022:

1. Reduction VAT rate on natural gas

The Italian government approved to temporarily reduce the VAT rate on natural gas from 22% to 10%. This measure is valid from October 2021 to June 2022.

2. Reduction VAT rate on electricity

The Italian government proposed to temporarily reduce the VAT rate on electricity from 22% to 10% for all the year 2022 to Italian companies whose main activity is manufacturing goods of a list of kind. The companies who export more than 10% of their turnover could claim for a VAT exemption on electricity.

3. Reduction excise taxes on fuel

The excise taxes on fuel are reduced since 1 March 2022 until 2 May 2022. These reductions are 30.5 cents for gasoline and diesel and 8.5 cents for LPG.



Should you have any further questions, please contact:

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Netherlands: Changes to VAT rates and excises due to rising prices of energy and fuel

In the Netherlands, the following changes have been or will be made in 2022:

1. Reduction VAT rate on energy

The Dutch government proposed to temporarily reduce the VAT rate on energy (natural gas, electricity and district heating) from 21% to 9%.

This measure will apply for a period of six months and will take effect on 1 July 2022.

2. Reduction excise taxes on fuel

The excise taxes on fuel are reduced since 1 April 2022 until 31 December 2022. These reductions are 17.3 cents for gasoline, 11.1 cents for diesel and 4.1 cents for LPG.



Should you have any further questions, please contact:

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Poland: VAT rates on certain types of goods temporarily reduced

Since 1 February, VAT rates on certain types of goods have been temporarily reduced to 0%. This change is valid until 31.07.2022, i.e., after that the rates should be basically the same as before (however, it is not excluded that these measures will be continued).

In general terms, these are:

- Selected food products previously taxed at 5%.
- Soil conditioners, growth promoters and growing media, excl. mineral substrates.
- Fertilisers and plant protection products normally intended for use in agricultural production
- Planting soil
- Natural gas

For fuels, on the other hand, the VAT rate was reduced from 23% to 8%.

If your firm sells goods that fall under the above-mentioned catalogue, the currently applicable VAT rates should be applied, also in B2B sales. If goods have already been sold with an excessively high (old) VAT rate since 01.02., it would not be so bad if the buyer/customer were entitled to unlimited input tax deduction; he would still be able to deduct the VAT charged by the supplier.



For more detailed questions, please contact:

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