

**⚠ The translation of this document is outdated.**  
**Translation validity: 01.01.2017.–22.05.2018.**  
**Amendments not included: 26.04.2018., 03.04.2019.**

Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:  
19 December 2006 [shall come into force from 1 January 2007];  
8 November 2007 [shall come into force from 1 January 2008];  
13 December 2007 [shall come into force from 1 January 2008];  
8 May 2008 [shall come into force from 11 June 2008];  
14 November 2008 [shall come into force from 1 January 2009];  
12 June 2009 [shall come into force from 1 July 2009];  
20 December 2010 [shall come into force from 1 January 2011];  
19 September 2013 [shall come into force from 1 January 2014];  
6 November 2013 [shall come into force from 1 January 2014];  
25 September 2014 [shall come into force from 22 October 2014];  
23 November 2016 [shall come into force from 1 January 2017];  
15 December 2016 [shall come into force from 1 January 2017].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*<sup>1</sup> has adopted and  
the President has proclaimed the following law:

# Natural Resources Tax Law

## Chapter I General Provisions

### Section 1. Terms Used in This Law

The following terms are used in this Law:

1) **manager** - natural resources taxpayer or commercial company which on the basis of an agreement entered into with the natural resources taxpayer organises and co-ordinates the collection and recycling or recovery of the relevant waste or also transporting it for recycling or recovery in other countries, taking into account recycling or recovery quantities laid down in the laws and regulations regarding environmental protection;

2) **management system** - complex of organised activities by which the collection and recycling or recovery of the relevant waste or transporting it for recycling or recovery in other countries is organised, managed and performed, taking into account recycling or recovery quantities laid down in the laws and regulations regarding environmental protection;

3) **natural resources** - part of nature, also soil, ground, subterranean depths, air, waters, biological diversity;

4) **extraction of natural resources** - separation of natural resources from natural environment thereof, also collection of edible park snails (*Helix pomatia* L.);

5) **use of natural resources** - utilisation of natural resources, as well as utilisation of useful properties of subterranean depths by pumping natural gas into geological structures and emission of polluting substances into the environment;

6) **limit** - the maximum permissible quantity of extraction, use of natural resources or pollution emitted thereby (also landfill waste) laid down in the permit or licence, expressed in the relevant units of measurement of quantity;

7) **economic activity** - sale of natural resources, manufacturing of goods, performance of works, provision of services and other activities carried out for remuneration;

8) **goods harmful to the environment** - goods for manufacturing or distribution for which restrictions have been specified or for waste management for which specific requirements are specified if they have or may have a negative impact on the environment, life or health of human beings during the cycle of circulation thereof;

9) **bioplastics** - biodegradable plastics (biopolymer), the ingredients of which fully or partly are obtained from renewable source material;

10) **oxy-degradable plastics** - plastic material that includes additives which catalyse the fragmentation of the plastic material into micro-fragments, but do not make it compostable (plastic material is not biodegradable) and of which packaging, including plastic carrier bags, and disposable tableware and accessories are produced;

11) **plastic** - a polymer within the meaning of Article 3(5) of Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006, to which additives or other substances may have been added, and which is capable of functioning as a main structural component of packaging, including carrier bags, and disposable tableware and accessories;

12) **plastic carrier bags** - carrier bags, with or without handle, made of plastic which are supplied to consumers at the point of sale of goods or products;

13) **lightweight plastic carrier bags** - carrier bags made of plastic and the thickness of the material of which does not exceed 50 microns and the weight of one bag does not exceed three grams (the weight of 1000 bags does not exceed three kilograms).

*[8 November 2007; 14 November 2008; 12 June 2009; 20 December 2010; 23 November 2016; 15 December 2016]*

## **Section 2. Purpose of the Natural Resources Tax**

The purpose of the natural resources tax (hereinafter - tax) is to promote economically efficient use of natural resources, restrict pollution of the environment, reduce manufacturing and sale of environment polluting substances, promote implementation of new, environment-friendly technology, support sustainable development in the economy, as well as to ensure environmental protection measures financially.

## **Section 3. Taxpayers**

(1) A taxpayer shall be a person who:

1) has received or in accordance with the laws and regulations regarding environmental protection or use of subterranean depths he or she had a duty to receive a permit, a licence or a C category polluting activity certificate laid down in the laws and regulations regarding environment pollution and who in the territory of the Republic of Latvia, continental shelf or exclusive economic zone:

a) extracts taxable natural resources,

b) sells taxable natural resources extracted in such economic activity which is not related to the extraction of mineral resources from subterranean depths,

c) uses useful properties of the subterranean depths, by pumping natural gas into geological structures,

d) emits taxable polluting substances into the environment or buries waste,

e) [15 December 2016];

f) uses water resources for production of electricity in a hydroelectric power plant;

1<sup>1</sup>) [15 December 2016];

2) who first in the territory of the Republic of Latvia:

a) sells goods harmful to the environment or goods in packaging (also together with imported goods, the primary, secondary and tertiary packaging attached thereto) or coal, coke and lignite (brown coal), fireworks, as well as attaches packaging to an aggregate of goods or products (purchase) in packaging or without it because of customer's convenience or advertising design,

b) for ensuring his or her economic activities uses goods harmful to the environment, except for goods taxable upon

selling thereof or goods purchased in packaging (also together with imported goods, the primary, secondary and tertiary packaging attached thereto), except for goods in packaging taxable upon selling thereof,

c) upon provision of a service, attaches packaging to the product, and this packaging gets to the recipient of the service after provision of the service;

d) for ensuring his or her economic activities thereof uses coal, coke and lignite (brown coal), except for coal, coke and lignite (brown coal), which are taxable when sold, and fireworks;

3) in the territory of the Republic of Latvia in public catering and retail trade sells disposable tableware and accessories which are manufactured from plastic (polymers), paper, cardboard, composite materials thereof (laminates) with polymer or metal components, metal foil, wood or other natural fibres (hereinafter - disposable tableware and accessories);

4) utilises in its activities radioactive substances after the utilisation of which radioactive waste is created, and which it is necessary to store or to dispose of in the territory of the Republic of Latvia;

5) registers vehicles permanently for the first time in Latvia for which Section 3, Paragraph one of the Management of End-of-Life Vehicles Law applies.

(2) A person who carries out a deal for the supply of goods harmful to the environment or for goods in packaging in a customs warehouse or free zone shall pay the tax if he or she puts goods harmful to the environment or goods in packaging into free circulation and sells them in the territory of the Republic of Latvia.

(3) If a person who manufactures goods passes them over to another person for packaging, the taxpayer shall be the person who first sells these packaged goods in the territory of the Republic of Latvia.

(4) If a person who manufactures and sells goods in the territory of the Republic of Latvia or imports goods in packaging from other countries, uses reusable packaging that is leased from another person, the taxpayer shall be the person who leases such packaging for packaging of goods.

[19 December 2006; 8 May 2008; 12 June 2009; 20 December 2010; 6 November 2013; 23 November 2016; 15 December 2016]

#### **Section 4. Taxable Objects and Tax Rates**

(1) The following shall be taxable:

1) natural resources in accordance with Annexes 1 and 2 to this Law, as well as the collection of edible park snails (*Helix pomatia* L.) for further economic use;

2) use of the useful properties of subterranean depths by pumping natural gas into geological structures;

3) waste disposal and emission of polluting substances in accordance with Section 14.<sup>1</sup> and Annexes 3, 4 and 5 to this Law;

4) [15 December 2016];

5) goods harmful to the environment in accordance with Annex 6 to this Law;

6) packaging of goods and products (hereinafter also - packaging) and disposable tableware and accessories in accordance with Section 24 of and Annex 7 to this Law. Also such packaging shall be taxable, which is added by the service provider to products and which remains with the service recipient after the service is provided;

7) radioactive substances in accordance with Annex 8 to this Law;

8) vehicles to which Section 3, Paragraph one of the Management of End-of-Life Vehicles Law is applicable;

9) coal, coke and lignite (brown coal) in conformity with Annex 9 to this Law;

10) fireworks of Category F1, F2, F3 and F4.

(2) The tax rates for the use of useful properties of subterranean depths, by pumping natural gas into geological structures; for C category polluting activities in fields regarding which no conditions are laid down in laws and regulations and for which it is also not possible to calculate the volume of polluting substances; for the collection of edible snails (*Helix pomatia* L.) for further economic use; for packaging in cases where it is not possible to justify the type of material and weight thereof with accounting documents; for vehicles and for fireworks shall be laid down in Sections 14, 15, 20, 24, 24.<sup>1</sup> and 26 of this Law accordingly. In other cases tax rates, as well as their terms of validity shall be laid down in Annexes to this Law.

(3) The Cabinet in accordance with the division of tax rates laid down in Annexes to this Law shall determine:

1) classification of natural resources, polluting substances, waste and radioactive substances and their conformity with the tax rate groups;

2) classification of goods harmful to the environment, technical specifications and their conformity with the tax rate groups.

(4) The Cabinet shall determine when the packaging of goods and articles is non-taxable.

(5) To plastic carrier bags ensured by a merchant because of customer's convenience or advertising design at the sales points of goods or production, regardless of whether a separate payment is collected for these bags, a tax rate laid down in Section 24 of this Law shall be applied. A tax rate laid down in Annex 7 to this Law shall be applied to plastic bags manufactured from bioplastics or oxy-degradable plastics and which are referred to in this Paragraph. If the goods are sold in plastic bags in which a merchant has prepacked them and packed before placement on the sales point, a tax rate laid down in Annex 7 to this Law shall be applied to these bags.

(6) [20 December 2010]

*[19 December 2006; 8 November 2007; 8 May 2008; 14 November 2008; 12 June 2009; 20 December 2010; 6 November 2013; 23 November 2016; 15 December 2016]*

## **Chapter II**

### **Exemption from the Payment of Tax**

#### **Section 5. Exemption from the Payment of Tax for the Use of Natural Resources**

The tax shall not be paid for:

1) background pollution if the taxpayer has proven the relevant pollution level by monitoring data performed in accordance with the requirements laid down in laws and regulations;

2) use of water (flow) in fishery facilities, fish farms and pond farms;

3) the use of thermal and technical water, which has been pumped back into the water intake level after utilisation, without changing the chemical composition of the water (except for desalination);

4) placement of ballast sand in locations specified by the local government of that area;

5) the introduction of pollutants into the filtration layer of the soil or the ground (absorbent) if in the treatment installation project it is provided for as a pollution treatment method;

6) a volume of pollutant that due to accidental leakage has entered the environment in an unlawful manner, which the guilty person has collected or neutralised in accordance with the time period and requirements stipulated by the State Environmental Service;

7) the reduction of the level of groundwater in the process of pumping out water if the pumping out thereof is associated with the extraction of mineral resources;

8) water utilised for manufacturing needs if after treatment it is reused.

*[6 November 2013; 23 November 2016]*

#### **Section 6. Exemption from the Payment of Tax for the Utilisation of Radioactive Substances**

(1) The tax for the utilisation of radioactive substances, for the performance of their functions, shall not be paid by State institutions which ensure:

1) radiation safety and nuclear safety supervision and control;

2) metrology;

3) contingency plans in the event of radiation accidents;

4) radiometric control on the State borders;

5) the performance of criminal procedural activities.

(2) The tax for the utilisation of radioactive substances shall not be paid for by medical treatment institutions, where radioactive substances are necessary for the medical treatment and diagnosis of oncological, cardiological diseases and heart diseases amenable to surgery, ensuring health care of mothers and children, renal transplantation and

ensuring HIV infected patient care in accordance with State programmes, as well as if radioactive substances are used in the medical treatment and diagnosing of other diseases.

(3) The tax for the utilisation of radioactive substances shall not be paid by radioactive waste disposal and management undertakings.

(4) A person who utilises radioactive substances shall not pay the tax if the purchase contract includes guarantees that the used ionising radiation source shall be sent back to the State of manufacture.

(5) A person who utilises radioactive substances shall not pay the tax if these radioactive substances are used for demonstration in exhibitions, fairs or similar events and they are brought into Latvia for a time period not exceeding 30 days.

#### **Section 7. Exemption from the Payment of Tax for Vehicles, which are Registered Permanently for the First Time in the Republic of Latvia**

(1) The tax for vehicles shall not be paid by the manufacturer of the vehicle or the authorised representative thereof, or the seller of used vehicles, if he or she ensures the conformity with the requirements laid down in the laws and regulations regarding the management of end-of-life vehicles, as well as conforms to one of the following requirements:

1) has established and applies an end-of-life vehicle management system and has entered into an agreement with an institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in the laws and regulations regarding the application of this system (hereinafter - end-of-life vehicle management agreement);

2) has entered into an agreement with a manager regarding participation in an end-of-life vehicle management system (if the manager has entered into an end-of-life vehicle management agreement with an institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations).

(2) The Cabinet shall determine:

1) the procedures for the manufacturer of vehicles or authorised representative thereof, seller of used vehicles, who permanently registers a used vehicle for the first time in Latvia, to submit documents to an institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in the laws and regulations confirming the establishment and application of an end-of-life vehicle management system or participation in the operation of such system;

2) the procedures for the manufacturer of vehicles or authorised representative thereof, or the seller of used vehicles, who permanently registers a used vehicle for the first time in Latvia, to submit a report on the collection and recycling of end-of-life vehicles (if it does not pay tax for vehicles) and report form and information to be included therein;

3) the essential provisions of an end-of-life vehicle management agreement;

4) the requirements for the establishment and application of end-of-life vehicle management system, as well as for the manager whose contract partners do not pay tax for vehicles;

5) the procedures for the taxpayer who has established and applies the management system for end-of-life vehicles itself and does not pay tax and the manager whose contracting partners do not pay tax for vehicles to submit an audited report on collection and recycling of the end-of-life vehicles, report form and information to be included therein.

(3) The institution subordinated to the Ministry of Environmental Protection and Regional Development shall control the fulfilment of the operational programme of end-of-life vehicle management system, as well as inform the State Revenue Service and the State joint stock company Road Traffic Safety Directorate in writing by the 20th date of the next month following the quarter after it has taken a decision on exemption from tax, and provide the necessary information thereto.

(3<sup>1</sup>) If the management agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations is entered into by the manager, he or she shall inform his or her contract partners regarding the agreement entered into and the applicable exemption from payment of the tax.

(4) A taxpayer or manager shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one of this Section has been terminated in accordance with the procedures laid down in laws and regulations because a taxpayer or manager fails to apply an end-of-life vehicle management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of the Environmental Protection and Regional Development. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(5) A taxpayer or manager shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one of this Section has been terminated in accordance with the procedures laid down in laws and regulations because a taxpayer or manager has failed to submit a report referred to in Paragraph two, Clause 2 of

this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in the laws and regulations governing the environmental protection. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(6) Challenge and appeal of a decision referred to in Paragraphs four and five of this Section regarding unilateral withdrawal from an agreement in cases when a taxpayer or manager fails to apply an end-of-life vehicle management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager fails to submit a report referred to in Paragraph two, Clause 2 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in the laws and regulations governing the environmental protection shall not suspend the operation of the decision.

(7) Procedures by which the agreement referred to in Paragraph one of this Section shall be entered into and terminated, including the procedures by which unilateral withdrawal shall take place in cases when a taxpayer or manager fails to apply an end-of-life vehicle management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager fails to submit the report referred to in Paragraph two, Clause 2 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in the laws and regulations governing the environmental protection shall be determined by the Cabinet.

(8) In terminating the management agreement laid down in this Section, the taxpayer or manager, who was exempted from payment of the tax, shall, within three months after the day when the agreement was terminated, submit to the institution subordinated to the Ministry of Environmental Protection and Regional Development, with which the management agreement had been entered into, a report on collection of end-of-life vehicles and processing for a period of time from the beginning of the calendar year until the time when exemption from payment of the tax was terminated.

(9) A person, who permanently registers a vehicle for the first time in Latvia, shall not pay the tax for a vehicle, if he or she has purchased a certification note from the manager who has established and applies the end-of-life vehicle management system and has entered into an end-of-life vehicle management agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations. A certification note justifies a payment made by the person to the manager that the manager will accept the relevant vehicle when it will be end-of-life and will perform the appropriate management thereof.

(10) The Cabinet shall determine:

1) the requirements for a manager who sells a certification note, a sample form of the certification note and information to be included therein, as well as the procedures by which the information regarding the sold certification notes shall be provided for in the State Register of Vehicles and Drivers;

2) the procedures by which a manager who sells certification notes shall submit a report on the sold certification notes to the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations, a sample form of the report and the information to be included therein.

*[8 May 2008; 14 November 2008; 12 June 2009; 20 December 2010; 23 November 2016; 15 December 2016]*

## **Section 8. Exemption from the Tax Payment for Packaging and Disposable Tableware and Accessories**

(1) A taxpayer shall not pay the tax for packaging or disposable tableware and accessories if he or she ensures the fulfilment of the norms for used packaging and disposable tableware and accessories recovery laid down in the laws and regulations regarding environmental protection, as well as complies with one of the following conditions:

1) has established and applies the used packaging or disposable tableware and accessories management system and has entered into an agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations regarding application of the used packaging or disposable tableware and accessories management system (hereinafter - agreement regarding management of the used packaging or disposable tableware and accessories);

2) has entered into an agreement with the packaging or disposable tableware and accessories manager regarding participation in the used packaging or disposable tableware and accessories management system (if the manager is registered in the State Environmental Service and has entered into agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in the laws and regulations regarding management of the used packaging or disposable tableware and accessories).

(2) The Cabinet shall determine:

1) the procedures for the packaging or disposable tableware and accessories manager to submit to the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and

regulations documents which confirm the application of the used packaging or disposable tableware and accessories management system and participation of the contracting partners of the manager in the operation of such system;

2) the procedures for the taxpayer to submit documents to the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations which confirm the application of the used packaging or disposable tableware and accessories management system established by the taxpayer;

3) the requirements for the establishment and application of the used packaging or disposable tableware and accessories management system, as well as the requirements for the taxpayer who has personally established and applies the used packaging or disposable tableware and accessories management system and does not pay tax, and the requirements for the packaging or disposable tableware and accessories managers whose contracting partners do not pay tax for packaging or disposable tableware and accessories;

4) the procedures for the taxpayer who has personally established and applies the used packaging or disposable tableware and accessories management system and does not pay tax and the packaging or disposable tableware and accessories manager whose contracting partners do not pay tax for packaging or disposable tableware and accessories to submit an audited report on the management of the used packaging or the management of disposable tableware and accessories, the calculated tax, report form and information to be included therein;

5) the procedures for the taxpayer who has personally established and applies the used packaging or disposable tableware and accessories management system and does not pay the tax to submit a report on the management of the used packaging or the management of disposable tableware and accessories, the calculated tax, report form and information to be included therein; and

6) the documents with which it is certified that packaging, which has been in contact with hazardous chemical substances or hazardous chemical products, after the use of the packaged substances, has been purified to such a level that it no longer is deemed to be hazardous waste, and the procedures for the issue of such documents;

7) the essential provisions of the agreement regarding management of the used packaging or disposable tableware and accessories;

8) the procedures for determination of the amount of recycling and recovery of used packaging and disposable tableware and accessories within the framework of the used packaging or disposable tableware and accessories management systems;

9) the procedures for the institution subordinated to the Ministry of Environmental Protection and Regional Development to take a decision regarding application of exemption from the payment of tax for packaging and disposable tableware and accessories;

10) the procedures for the institution subordinated to the Ministry of Environmental Protection and Regional Development to examine a report and an audited report on the management of the used packaging or disposable tableware and accessories, and calculated tax.

(3) The institution subordinated to the Ministry of Environmental Protection and Regional Development shall control the fulfilment of the operational programme for the packaging or disposable tableware and accessories management system, as well as inform the State Revenue Service in writing by the 20th date of the next month following the quarter after it has taken a decision on exemption from tax, and provide the necessary information thereto.

(4) A taxpayer who sells disposable tableware and accessories and is the first who sells the goods in packaging or the first to use the goods purchased in packaging for ensuring economic activities thereof in order to receive exemption from tax shall ensure both the management of the used packaging and the establishment and application of a disposable tableware and accessories management system.

(5) To disposable tableware and accessories shall be applied the same recycling and recovery norms (by years) as for packaging in accordance with the laws and regulations regarding packaging management. Used packaging and disposable tableware and accessories may be managed by applying a unified management system.

(6) If the management agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations has been entered into by the manager, he or she shall inform in writing his or her contract partners regarding the agreement entered into and the exemption from payment of tax to be applied, indicating the date and number of the decision by the State Environmental Service which has been taken regarding the entering into of a management agreement and the application of exemption, as well as indicating to which used packaging and disposable tableware and accessories types of material the exemption shall be applied and for what time period the exemption has been granted.

(7) Exemption from the payment of tax for packaging, which has been in contact with hazardous chemical substances or hazardous mixtures, shall be applied in the following cases:

1) if the packaging after the use of the packaged substances, has been purified to such a level that it no longer is

deemed to be hazardous waste, and this may be documentarily proven, and the packaging is managed in accordance with the requirements of this Section;

2) if the packaging after the use of the packaged substances it is not possible to purify to such a level that it no longer is deemed to be hazardous waste, such packaging is managed in accordance with the requirements of the laws and regulations regarding management of hazardous waste and this may be documentarily proven.

(8) A taxpayer shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one, Clauses 1 or 2 of this Section has been terminated in accordance with the procedures laid down in laws and regulations because a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(9) A taxpayer shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one, Clauses 1 or 2 of this Section has been terminated in accordance with the procedures laid down in laws and regulations because a taxpayer or manager fails to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(10) Challenge and appeal of a decision referred to in Paragraphs eight and nine of this Section regarding unilateral withdrawal from an agreement in cases when a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager has failed to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations shall not suspend the operation of the decision.

(11) Procedures by which the agreement referred to in Paragraph one of this Section shall be entered into or terminated, including the procedures by which unilateral withdrawal shall take place in cases when a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager has failed to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations shall be determined by the Cabinet.

(12) A taxpayer, who has been exempted from payment of the tax in compliance with Paragraph one of this Section, shall cover from his or her own resources the costs for used packaging or disposable tableware and accessories management, including costs for separate collection, sorting and recycling or recovery of such waste.

(13) Upon termination of the management agreement laid down in this Section, within three months after the day when the agreement was terminated:

1) a taxpayer, who has established and applied the used packaging or disposable tableware and accessories management system and has been exempted from payment of the tax, shall submit a report on the management of the used packaging or the management of disposable tableware and accessories and the tax calculated for the time period from the beginning of the calendar year until the time when exemption from payment of the tax was discontinued, to the institution subordinated to the Ministry of Environmental Protection and Regional Development, with which the agreement regarding management has been entered into;

2) a manager, the contract partners of which do not pay the tax for packaging or disposable tableware and accessories, shall submit an audited report on the management of the used packaging or the management of disposable tableware and accessories and the tax calculated for the time period from the beginning of the calendar year until the time when exemption from payment of the tax was discontinued, to the institution subordinated to the Ministry of Environmental Protection and Regional Development with which the agreement regarding management has been entered into.

*[19 December 2006; 8 May 2008; 14 November 2008; 12 June 2009; 20 December 2010; 23 November 2016; 15 December 2016]*

## **Section 9. Exemption from the Payment of Tax for Goods Harmful to the Environment**

(1) A taxpayer shall not pay the tax for goods harmful to the environment if he or she ensures the fulfilment of norms for the recovery of the waste of goods harmful to the environment laid down in the laws and regulations regarding environmental protection, as well as complies with one of the following conditions:

1) has established and applies a waste management system for goods harmful to the environment and has entered



into an agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in the laws and regulations regarding application of a waste management system for the waste of goods harmful to the environment (hereinafter - agreement regarding management of the waste of goods harmful to the environment);

2) has entered into an agreement with a waste manager for the waste of goods harmful to the environment regarding participation in the waste management system for spent goods harmful to the environment (if the manager has entered into agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in the laws and regulations regarding management of the waste of goods harmful to the environment).

(2) The Cabinet shall determine:

1) the procedures for the waste manager for the waste of goods harmful to the environment to submit to the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations confirming application of a waste management system for the waste of goods harmful to the environment and participation of contracting parties of the manager in operation of such system;

2) the procedures for the taxpayer to submit to the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations documents confirming application of the waste management system for the waste of goods harmful to the environment established by taxpayer;

3) the requirements for the establishment and application of waste management systems for the waste of goods harmful to the environment, and also the requirements for the taxpayer who has personally established and applies a management system for the waste of goods harmful to the environment and does not pay tax, and the requirements for waste managers for the waste of goods harmful to the environment whose contracting partners do not pay tax for goods harmful to the environment;

4) the procedures for the taxpayer who has personally established and applies a management system for the waste of goods harmful to the environment and does not pay tax, and the waste manager for the waste of goods harmful to the environment whose contracting partners do not pay tax for goods harmful to the environment to submit an audited report on the waste management of the waste of goods harmful to the environment, the calculated tax, the report form and information to be included therein;

5) the procedures for the taxpayer who has established and applies a management system for the waste of goods harmful to the environment itself and does not pay tax to submit a report on the waste management of the waste of goods harmful to the environment, the calculated tax, the report form and information to be included therein;

6) the procedures for the determination of the amount of collection, recycling and recovery of the waste of goods harmful to the environment within the framework of management systems for the waste of goods harmful to the environment;

7) the essential provisions of the agreement regarding management of the waste of goods harmful to the environment;

8) the procedures by which the institution subordinated to the Ministry of Environmental Protection and Regional Development shall take a decision regarding exemption from the payment of tax for goods harmful to the environment;

9) the procedures by which the institution subordinated to the Ministry of Environmental Protection and Regional Development shall examine a report and an audited report on the management of the waste of goods harmful to the environment and calculated tax.

(3) The institution subordinated to the Ministry of Environmental Protection and Regional Development shall control the fulfilment of the operational programme of the waste management system for goods harmful to the environment, as well as inform the State Revenue Service in writing by the 20th date of the next month following the quarter after it has taken a decision on exemption from tax, and provide the necessary information thereto.

(4) If the management agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and laid down in laws and regulations has been entered into by the manager, he or she shall inform in writing his or her contract partners regarding the agreement entered into and the exemption from payment of tax to be applied by indicating the date and number of the decision by the State Environmental Service which has been taken regarding the entering into of a management agreement and the application of exemption, as well as indicating to which types of goods harmful to the environment the exemption shall be applied and for what time period the exemption has been granted.

(5) A person who brings in and for ensuring his or her economic activities uses electrical and electronic equipment shall not pay the tax if in the supply contract is included guarantees that the used electrical and electronic equipment shall be sent back to the supplier state.

(6) A taxpayer shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one, Clauses 1 or 2 of this Section has been terminated in accordance with the procedures laid down in

laws and regulations because a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(7) A taxpayer shall forfeit the right to exemption from tax laid down in this Section, if the agreement referred to in Paragraph one, Clauses 1 or 2 of this Section has been terminated in accordance with the procedures laid down in laws and regulations because a taxpayer or manager fails to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations. Application of exemption from the payment of tax shall be terminated starting from the first day of the first month of the next quarter following the day of agreement termination.

(8) Challenge and appeal of a decision referred to in Paragraph six and seven of this Section on unilateral withdrawal from an agreement in cases when a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager has failed to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations shall not suspend the operation of the decision.

(9) Procedures by which the agreement referred to in Paragraph one of this Section shall be entered into or terminated, including the procedures by which unilateral withdrawal shall take place in cases when a taxpayer or manager fails to apply a management system or applies it partly and does not fulfil the commitments included in the agreement with the institution subordinated to the Ministry of Environmental Protection and Regional Development and in cases when a taxpayer or manager has failed to submit a report referred to in Paragraph two, Clauses 4 and 5 of this Section to the institution subordinated to the Ministry of Environmental Protection and Regional Development within a month after the period of time laid down in laws and regulations shall be determined by the Cabinet.

(10) A taxpayer who fails to pay the tax in compliance with Paragraph one of this Section shall cover waste management costs of the waste of goods harmful to the environment, including the costs for separate collection, sorting and recycling or recovery of such waste.

(11) Upon termination of the management agreement laid down in this Section, within three months after the day when the agreement was terminated:

1) a taxpayer, who has established and applied the waste management system for goods harmful to the environment and has not paid the tax, shall submit to the institution subordinated to the Ministry of Environmental Protection and Regional Development, with which the agreement was entered into, a report on the management of the waste of goods harmful to the environment and the tax calculated for the time period from the beginning of the calendar year until the time when exemption from payment of the tax was discontinued;

2) a manager, the contract partners of which did not pay the tax for goods harmful to the environment, shall submit an audited report on the management of the waste of goods harmful to the environment and the tax calculated for the time period from the beginning of the calendar year until the time when exemption from payment of the tax was discontinued, to the institution subordinated to the Ministry of Environmental Protection and Regional Development with which the agreement regarding management was entered into.

*[19 December 2006; 8 May 2008; 14 November 2008; 12 June 2009; 20 December 2010; 23 November 2016; 15 December 2016]*

#### **Section 10. Exemption from the Payment of Tax for the Emission of Carbon Dioxide**

(1) The tax shall not be paid for the emission of carbon dioxide (CO<sub>2</sub>) by operators of stationary technological installation and aircraft operators who are included in the scheme for emission allowance trading within the European Union and comply with the requirements of the Law On Pollution regarding transfer of emission allowances.

(2) The tax shall not be paid for the emission of carbon dioxide (CO<sub>2</sub>) which emerges while using renewable energy resources and peat in stationary technological installations referred to in Annex 2 to the Law On Pollution (also in such installations in which the manufacturing capacity or amount of the manufactured production does not exceed indicators referred to in Annex 2 to the Law On Pollution).

*[20 December 2010]*

#### **Section 11. Exemption from Payment of Tax for the Utilisation of Substances Depleting the Ozone Layer**

The tax for the utilisation of substances depleting the ozone layer shall not be paid by a merchant who in accordance with the technological and environmental protection requirements laid down in the laws and regulations regarding environmental protection, utilises ozone layer depleting substances for manufacturing other chemical

substances if the substance depleting the ozone layer completely changes its chemical composition during the chemical transformation process.

## **Chapter III**

### **Calculation of the Tax for Extraction and Use of Natural Resources**

#### **Section 12. Limiting of Extraction and Use of Natural Resources**

(1) In order to extract or use natural resources, a taxpayer must obtain a permit, licence or C category polluting activity certificate laid down in the laws and regulations regarding environmental protection and the use of subterranean depths.

(2) In order to use natural resources extracted during construction of underground and surface structures, in economic activities, installation of surface water bodies, and the cleaning and deepening of river beds, as well as in order to use the mineral resources extracted during economic activities for which the tax has not been paid, it shall be required to obtain a permit for use of natural resources in accordance with the procedures stipulated by the Cabinet.

(3) Tax for natural resources, which are acquired in the construction of underground and surface structures, installation of surface water bodies, the cleaning and deepening of river beds and are used for economic activities, shall be paid irrespective of the fact whether in accordance with the laws and regulations regarding use of subterranean depths it is necessary to obtain a permit for use of natural resources. If the natural resources are used not for economic activities, but for personal use within the borders of one's own land, the tax for natural resources need not be paid. If in accordance with the laws and regulations regarding use of subterranean depths a permit for use of natural resources is not necessary, the tax for natural resources used in economic activities shall be calculated as for the extraction of natural resources within limits.

*[19 December 2006]*

#### **Section 13. General Requirements for Calculation of the Tax for Extraction and Use of Natural Resources**

(1) The tax shall be calculated in accordance with tax rates for each unit of extracted or used natural resource or pollution emitted into the environment. The tax shall be paid for the actual amount of extracted natural resources, as well as for the volume of natural gas pumped into geological structures in the current tax period and the type and volume of environmental pollution.

(2) A taxpayer shall verify the type and volume of actually extracted or used natural resources or the volume of emitted pollution in accordance with methods laid down in laws and regulations, the relevant permit or licence, analyses performed by accredited laboratories or standardised calculations.

(3) A taxpayer shall verify the accounting for the volume of the extracted and used natural resources and pollution.

(4) The tax for extraction and use of natural resources within the specified volume limits shall be calculated in accordance with the rates laid down in Annexes to this Law.

(5) If within the tax period the taxpayer has extracted or used less natural resources than laid down in the limit, but cannot prove the actual amount, the tax shall be paid for the type and amount of extraction of natural resources or pollution complying with the limit.

(6) If the taxpayer has not extracted natural resources during the tax period, it shall be indicated in accounting documents and the regional environmental board shall be informed about it at the end of tax period. In such case the tax for the relevant tax period need not be paid.

(7) The tax shall be calculated and paid for mineral resources included in the authorisation for extraction of widespread mineral resources or the licence for use of subterranean depths and for by-products obtained during the process of extraction of mineral resources the extraction of which is not included in the authorisation for extraction of widespread mineral resources or the licence for use of subterranean depths but for which the tax shall be paid in conformity with Annex 1 to this Law.

*[23 November 2016; 15 December 2016]*

#### **Section 14. Calculation of the Tax for the Volume of Natural Gas Pumped into Geological Structures in Current Tax Period**

In accordance with the procedures stipulated by the Cabinet, the following tax rate shall be applied for the volume of natural gas pumped into geological structures in the current tax period:

- 1) 0.0143 euros for pumping 100 cubic metres of natural gas;
- 2) [23 November 2016];

3) [23 November 2016];

4) [23 November 2016];

[19 September 2013; 23 November 2016]

#### **Section 14<sup>1</sup>. Calculation of the Tax for Emission of PM<sub>10</sub> Particles in the Air when Carrying out Reloading of Bulk Freights in Open Terminals or other Open Reloading Sites**

A person carrying out the reloading of bulk freights in open terminals or other open reloading sites, shall calculate the tax for emission of PM<sub>10</sub> particles in the air in compliance with the volume laid down in the limit by applying the tax rate laid down in Annex 4 to this Law in twenty-fold amount.

[20 December 2010]

#### **Section 15. Calculation of the Tax for Environmental Pollution in Performing Category C Polluting Activities**

(1) The tax for the type and volume of pollution for category C polluting activity shall be calculated and paid in compliance with the type and volume declared by the taxpayer. The taxpayer shall ensure the registration of the type and volume of the pollution caused by the activity thereof.

(2) The volume of the pollution emitted into the environment shall be determined on the basis of conditions and methodologies laid down in the laws and regulations regarding environmental protection or using calculations.

(3) If installation operators perform category C polluting activities in fields regarding which no conditions are laid down in laws and regulations, and it is not possible to calculate the amount of polluting substances, the tax amount shall be 71.14 euros per year. If a taxpayer within the installation performs several category C polluting activities, but has obtained one category C polluting activities certification, then the tax in the amount of 71.14 euros shall be paid for all the category C polluting activities performed in the installation. If a taxpayer has obtained several category C polluting activities certifications, then for each activity for which a certification has been issued, 71.14 euros shall be paid. If a person has obtained category C polluting activities certification and if he or she has commenced economic activity during the time which does not coincide with the first month of an assessment period for the tax, the tax shall be calculated as one twelfth of the annual tax rate (71.14 euros) for each month of a taxation period after receipt of a certification.

(4) If a person, who has received a confirmation for category C polluting activity and who pays the tax in the amount laid down in Paragraph three of this Section, has terminated a polluting activity or economic activity prior to the end of the taxation period, the tax shall be calculated as one twelfth of the annual tax rate (71.14 euros) per each month of the taxation period until termination of the activity.

[19 December 2006; 8 May 2008; 12 June 2009; 20 December 2010; 19 September 2013]

#### **Section 16. Calculation of the Tax for Emission of Carbon Dioxide (CO<sub>2</sub>)**

(1) A limit for the emission of carbon dioxide (CO<sub>2</sub>) laid down in Annex 4 to this Law is not defined, and the tax for the whole volume of emission of carbon dioxide (CO<sub>2</sub>) shall be calculated, applying the rates laid down in Annex 4 to this Law. The volume of carbon dioxide (CO<sub>2</sub>) emission from stationary technological installations shall be calculated, taking into account the type and chemical composition of the heating fuel, raw materials and ancillary substances, volume of the heating fuel used, raw materials and ancillary substances, quantity of the manufactured production, lowest calorific value and oxidation factor or conversion factor.

(2) Procedures for the calculation of the volume of carbon dioxide (CO<sub>2</sub>) emission shall be determined by the Cabinet.

#### **Section 17. Calculation of the Tax for Volume of Greenhouse Gasses Emitted by Operators of Stationary Technological Installations and Aircraft Operators**

[15 December 2016]

#### **Section 18. Calculation of the Tax for Soil**

The tax for soil shall be calculated and paid, if the soil is sold, in accordance with the tax rate laid down in Annex 1 to this Law.

#### **Section 19. Calculation of the Tax for Extraction of Water**

The tax for the extraction of surface water and groundwater shall be paid if the extraction of water exceeds 10 cubic

metres daily. If the limit for the extraction of water has been specified less than 10 cubic metres daily in the relevant permit of the taxpayer, the tax in accordance with Section 21 of this Law shall only be paid for the volume of water which has been extracted above the limit, in accordance with the tax rate laid down in Annex 2 to this Law. To groundwater which is used as an ingredient of drinks or as an ingredient of food products in the production process, a tax rate for groundwater, including fresh water and spring water used in water supply, laid down in Annex 2 to this Law shall be applied. The tax for extraction of groundwater, fresh water, mineral water and spring water for further sale shall be paid for the amount actually extracted in the taxation period.

[19 December 2006; 8 May 2008; 12 June 2009]

#### **Section 19<sup>1</sup>. Calculation of the Tax for the Use of Water Resources for Production of Electricity in a Hydroelectric Power Plant**

The tax rate for the use of water resources for production of electricity in a hydroelectric power plant shall be 0.00853 euros per 100 cubic metres of the water that has flown through the hydrotechnical structure. The Cabinet shall determine the procedures by which the water flown through the hydrotechnical structure shall be calculated on the basis of the quantity of electricity produced and the efficiency coefficient of the operation of the hydroelectric station.

[06 November 2013; 23 November 2016]

#### **Section 20. Calculation of the Tax for the Collection of Edible Park Snails (*Helix pomatia* L.) for Further Economic Utilisation**

A tax rate of 0.04 euros per kilogram shall be applied for the collection of edible park snails (*Helix pomatia* L.) for further economic utilisation in accordance with the procedures stipulated by the Cabinet.

[19 September 2013]

#### **Section 21. Calculation of the Tax for Unlawful Extraction or Use of Natural Resources**

(1) The tax for extraction or use of natural resources or for pollution emitted into the environment above the volume laid down in limits shall be calculated applying the tax rate tenfold.

(2) If a person who extracts or uses natural resources or performs polluting activities has not received the required permit, licence or C category polluting activity certificate, the tax shall be calculated applying the tax rate tenfold.

(3) If the environment has been polluted or natural resources have been extracted without the receipt of the necessary permit or C category polluting activity certificate, it shall be assumed that the actual volume emitted or extracted is such as emitted or extracted by equipment of an equal capacity and operation profile in the calculated time period of use of that equipment, unless the taxpayer can prove the actual amount.

#### **Section 22. Calculation of the Tax for Pollution Emitted into the Environment due to Force Majeure or during a Certain Period of Time due to Atypical Operation of the Device**

(1) The tax for pollution emitted into the environment due to force majeure shall be calculated for the whole volume of pollution in the same manner as for pollution emitted within specified limits, taking into account the proviso that the taxpayer has informed the State Environmental Service without delay, but not later than within one working day in writing and performed measures co-ordinated with the State Environmental Service in order to prevent further pollution.

(2) If the taxpayer has not informed the State Environmental Service about the occurrence of force majeure and has not performed measures in order to prevent further pollution, the volume of actually emitted pollution shall be added to the limit specified to the taxpayer. The tax for pollution of the environment within the specified limit shall be paid in accordance with the tax rate laid down in Annexes to this Law, but for pollution emitted into the environment above the specified limit the tax shall be paid tenfold.

(3) The tax for pollution emitted into the environment due to atypical operation of the device, including adjusting or testing of a new device or a part thereof prior putting into service thereof or following the reconstruction in accordance with that laid down in the technical documentation of the device, as well as testing of the device or a part thereof in accordance with that laid down in the technical documentation, shall be calculated for the whole volume of pollution in the same manner as for pollution emitted within specified limits, if the operator ensures the compliance with the provisions stipulated by the environmental protection institutions when the device is operating under atypical conditions.

[12 June 2009]

## **Chapter IV Calculation of the Tax for Goods Harmful to the Environment, for Packaging, for Coal, Coke and Lignite (Brown Coal), for Disposable Tableware and**

# Accessories, for Radioactive Substances, for Vehicles and for Fireworks

[6 November 2013]

## Section 23. Calculation of the Tax for Goods Harmful to the Environment

(1) The tax for goods harmful to the environment shall be calculated in accordance with the tax rates for types of goods pursuant to Annex 6 of this Law.

(2) The tax for sale of goods harmful to the environment in Latvia or use of goods harmful to the environment for ensuring economic activities thereof shall be calculated in euros per each physical unit or weight unit of goods.

(3) [19 December 2006]

(4) [19 December 2006]

(5) The weight or number of goods harmful to the environment shall be justified by accounting documents. The taxpayer shall ensure for the accounting of goods harmful to the environment in order to justify tax calculations.

(6) The Cabinet shall determine:

1) the accounting documents to be used in confirming the weight of goods harmful to the environment and the information to be included therein;

2) the methods for the determination of the weight of the goods harmful to the environment if the taxpayer does not have accounting documents confirming the weight of the goods harmful to the environment at his or her disposal;

3) the procedures for the determination of a person who may perform the audit of the waste management system for the waste of goods harmful to the environment;

4) the procedures for auditing of the waste management system for goods harmful to the environment.

[19 December 2006; 19 September 2013]

## Section 23<sup>1</sup>. Tax Calculation for Coal, Coke and Lignite (Brown coal)

(1) The tax for coal, coke and lignite (brown coal) shall be calculated in accordance with the rates referred to in Annex 9 to this Law for each weight unit of coal, coke and lignite (brown coal) depending upon its thermal input.

(2) The weight and thermal input of coal, coke and lignite (brown coal) shall be justified by accounting documents. The taxpayer shall ensure for the accounting of coal, coke and lignite (brown coal) in conformity with the thermal input thereof in order to justify tax calculations.

(3) If the thermal input of coal, coke and lignite (brown coal) in accounting documents is indicated in specified intervals, the highest limit of the interval shall be used for the calculation of the tax.

(4) Coal, coke and lignite (brown coal), which is used for the production of electricity, as well as in the heat energy and electricity production cogeneration process, a 0 per cent tax rate shall be applied.

(5) In selling coal, coke and lignite (brown coal) to a person, who has a licence for the electricity production or a licence for the heat energy and electricity production in cogeneration process, taking into account Paragraph four of this Section, a taxpayer shall apply a 0 per cent tax rate. If a person (energy supply merchant) referred to in this Section uses coal, coke and lignite (brown coal) for the purposes other than electricity production or the heat and electricity production in cogeneration process, he or she shall pay a tax in accordance with the tax rates laid down in Annex 9 to this Law.

[19 December 2006; 8 November 2007]

## Section 24. Calculation of the Tax for Packaging and for Disposable Tableware and Accessories

(1) The tax for packaging and disposable tableware and accessories shall be calculated in accordance with the rates referred to in Annex 7 to this Law for each weight unit of packaging material type or each weight unit of disposable tableware or accessories material type.

(2) The type and weight of packaging material and the type and weight of material of disposable tableware and accessories shall be substantiated with accounting documents. The taxpayer shall ensure the accounting of packaging and disposable tableware and accessories in order to substantiate tax calculations.

(3) The Cabinet shall determine:

1) accounting documents confirming the weight and type of packaging materials and the information to be included

therein;

2) the authority which issues the statement regarding the packaging material and the type and weight of disposable tableware and accessories material if the taxpayer does not have the necessary accounting documents confirming the material of packaging or the type and weight of disposable tableware and accessories material at his or her disposal;

3) the methodology for specifying the type and weight of packaging material if the taxpayer does not have the accounting documents confirming the type and weight of packaging material at his or her disposal;

4) the maximum tolerances from the weight norm of packaging and disposable tableware and accessories if the weight is substantiated with accounting documents;

5) the methodology for the determination of type and weight of disposable tableware and accessories material if the taxpayer does not have the accounting documents confirming the type and weight of disposable tableware and accessories material at his or her disposal;

6) the procedures for determination of a person who may perform the audit of the used packaging management systems and the management systems for disposable tableware and accessories;

7) the procedures for auditing the used packaging management systems and the management systems for disposable tableware and accessories;

8) the procedures for labelling of packaging made of bioplastics and oxy-degradable plastics and disposable tableware and accessories and the information (labelling) to be indicated on such packaging and such tableware and accessories regarding the type of materials.

(4) A taxpayer who pays the tax for packaging and who pursuant to the laws and regulations regarding environmental protection does not have to perform the recycling and recovery of the used packaging shall calculate the tax in accordance with the tax rates laid down in Annex 7 of this Law for each weight unit of packaging material type or, if it is not possible to ensure substantiation of the type and weight of packaging material with accounting documents, 120 euros per year.

(5) In the case referred to in Section 4, Paragraph five of this Law the following tax rate shall be applied to plastic carrier bags:

1) lightweight plastic carrier bags - 4.80 euros per one kilogram;

2) plastic carrier bags the thickness of material of which is more than 50 microns and the weight of one bag is more than three grams (the weight of 1000 bags exceeds three kilograms) - 1.50 euros per one kilogram.

(6) A tax rate laid down in Clause 2 of Annex 7 to this Law for packaging and disposable tableware and accessories of plastic (polymer) source materials shall be applied for packaging and disposable tableware and accessories on which the information (labelling) laid down in laws and regulations is not indicated.

(7) Tax rates for packaging of composite materials (laminates) laid down in Annex 7 to this Law shall be applied according to the material which is prevailing in terms of weight.

*[13 December 2007; 14 November 2008; 19 September 2013; 6 November 2013; 15 December 2016]*

#### **Section 24<sup>1</sup>. Calculation of the Tax for Fireworks**

A taxpayer shall calculate and pay the tax for fireworks marketed in the Republic of Latvia or used for ensuring of his or her economic activity by applying the tax rate in the amount of three per cent from the purchase value of such fireworks. The taxpayer shall ensure accounting of fireworks marketed and used for ensuring of his or her economic activity in order to justify the calculation of the tax.

*[15 December 2016]*

#### **Section 25. Calculation of the Tax for Radioactive Substances**

The tax for radioactive substances, based upon documents certified by the supplier regarding the composition of the radioactive substances and the total radioactivity, shall be calculated in accordance with the rates referred to in Annex 8 to this Law for each cubic metre of radioactive waste, which has been created utilising such substances, as well as taking into account the following conditions:

1) the tax for utilisation of radioactive substances shall be calculated in proportion to the radioactivity of that radioactive waste which will be created utilising radioactive substances, pursuant to the relevant tax rate, but the tax shall not be less than 0,001 from the rate for radionuclide groups 1, 2, 3, 4, 5 and 6 and 0.2 from the rate for radionuclide group 7;

2) if an open and a closed radioactive radiation source are used concurrently, the tax shall be calculated for each

radioactive radiation source separately, taking into account the conditions referred to Clause 1 of this Section.

#### **Section 26. Calculation of the Tax for Vehicles**

(1) The tax rate for one vehicle shall be 55 euros.

(2) The Cabinet shall determine:

1) the requirements for one person who is entitled to perform the audit of the management system for end-of-life vehicles;

2) the procedures for auditing of the management system for end-of-life vehicles.

*[20 December 2010; 19 September 2013; 6 November 2013; 23 November 2016]*

### **Chapter V**

## **Payment of the Tax, Reports on the Calculated Tax, Division of Tax Payments and Utilisation of Local Government Special Environmental Protection Budget Resources**

#### **Section 27. Procedures for the Payment of the Tax and Submission of Reports on Calculated Natural Resources Tax**

(1) The Cabinet shall determine:

1) the procedures for the accounting of type and quantity of extracted or used natural resources, environmental pollution and goods harmful to the environment, packaging, disposable tableware and accessories, radioactive substances and fireworks;

2) the procedures for the calculation and payment of the tax;

3) the report form for the calculated natural resources tax and procedures for filling in and submission thereof.

(2) A taxpayer shall submit a report on the calculated natural resources tax (hereinafter - report) by the 20th date of the next month following the quarter to the State Revenue Service for the previous quarter, except in the cases referred to in Paragraph four of this Section when the report for the previous year shall be submitted by 20 January of the following year.

(3) A taxpayer shall calculate and pay the tax for the preceding quarter by the 20th date of the next month following the quarter into a budget account specified by the State Revenue Service if it is not specified otherwise in this Section.

(4) A taxpayer shall calculate and pay the tax into a budget account specified by the State Revenue Service for the preceding year by 20 January of the following year for:

1) pollution emitted into the environment due to C category polluting activities regardless of the tax amount calculated;

2) the calculated tax if according to the basic rates the tax amount does not exceed 142.29 euros per year for all taxable objects of the taxpayer in total.

(5) A taxpayer shall pay the tax for the vehicle into a budget account specified by the State Revenue Service prior to the first permanent registration of that vehicle in Latvia. If the vehicle is deleted from the register within six months after registration because it is brought out of Latvia, the tax paid shall be reimbursed within 30 days after receipt of the relevant submission by the taxpayer. The Cabinet shall determine the procedures for payment of tax and reimbursement of the tax paid for the vehicle.

(6) If the tax is paid (or is intended to be paid) in accordance with Paragraph five of this Section, but said vehicle is not brought out of Latvia or is brought out and then again brought back into Latvia and reregistered in Latvia, the tax shall be paid in accordance with this Section.

(7) A taxpayer shall submit a report to the State Revenue Service regarding the preceding quarter by the 20th date of the next month following the quarter, except for cases referred to in Paragraph four of this Section when the report on the preceding year shall be submitted by 20 January of the following year. A taxpayer who is exempt from the payment of the tax in conformity with Section 8 or 9 of this Law shall not submit a report to the State Revenue Service for the period in which the exemption from payment of the tax was applied. For this period the taxpayer or manager shall submit to the Ministry of Environmental Protection and Regional Development or the subordinate institutions thereof the report laid down in the laws and regulations regarding procedures by which exemptions from the payment of tax for packaging, disposable tableware and accessories and goods harmful to the environment, regarding the



calculated tax.

(8) Persons who pay tax for the first permanent registration of the vehicle in Latvia shall not submit a report. The State joint stock company Road Traffic Safety Directorate by the 5th date of the next month following the quarter shall send to the State Revenue Service information in electronic form regarding the vehicles permanently registered in Latvia for the first time to which Section 3, Paragraph one of the End-of-Life Vehicles Management Law is applicable.

(9) If a foreign person who is not registered as a taxpayer in the State Revenue Service is the first to sell goods harmful to the environment or goods in packaging or to use them for ensuring economic activities thereof in the Republic of Latvia, the permanent representative of the foreign person, recipient of the goods or other person in Latvia with whom a written agreement regarding assumption of liabilities in relation to the tax has been entered into shall pay the tax and submit a report instead of the foreign person.

(10) If a foreign person who is not registered as a taxpayer in the State Revenue Service and does not have permanent representation or who has not entered into a written agreement regarding the assumption of liabilities in relation to the tax sells goods harmful to the environment or goods in packaging or uses them for ensuring economic activities thereof in the Republic of Latvia, the tax in the State budget shall be paid by the foreign person itself. In such a case the foreign person shall not submit a report.

(11) A taxpayer who sells goods harmful to the environment or goods in packaging to another person who brings them out from the Republic of Latvia and can substantiate the bringing out of the relevant goods harmful to the environment or goods in packaging with documents:

1) shall not pay the tax if the sale and bringing out of goods harmful to the environment or goods in packaging has taken place in one tax payment period;

2) shall count in the paid tax amount as advance payment of tax if the sale and bringing out of goods harmful to the environment or goods in packaging has taken place in different tax payment periods and the taxpayer can substantiate the tax payment with documents.

(12) A person whose economic activity is of a seasonal nature and who pays the tax for the acquisition and use of natural resources and emission of pollutants into the environment, shall submit a report to the State Revenue Service for the taxation period when the tax had to be paid.

(13) A taxpayer who, to ensure his or her economic activity, imports goods harmful to the environment used for the production of new goods, if these new goods are exported from the Republic of Latvia and a taxpayer can substantiate the export of the relevant goods with documents:

1) shall not pay the tax if the import of goods harmful to the environment, use of goods for the production of new goods and the export of these new goods has taken place in one tax payment period;

2) shall include the paid tax amount as advance payment of tax if the import of goods harmful to the environment, use of goods for the production of new goods and the export of these new goods has taken place in different tax payment periods.

*[19 December 2006; 14 November 2008; 12 June 2009; 20 December 2010; 19 September 2013; 6 November 2013; 23 November 2016; 15 December 2016]*

## **Section 28. Inclusion of Tax Payments in the Budget**

(1) The State Revenue Service shall divide tax payments according to budgets pursuant to place of registration of the taxpayer.

(2) Tax payments for the extraction or use of natural resources or environmental pollution (except for cases referred to in Paragraphs three and four of this Section), within the amounts specified by the limits, shall be paid as follows:

1) 40 per cent - into the State basic budget;

2) 60 per cent - into the special environmental protection budget of such local government in the territory of which the relevant activity is performed.

(3) Tax payments for:

1) the utilisation of useful properties of the subterranean depths by pumping natural gas into geological structures shall be paid into the special environmental protection budget of such local government in the territory of which the relevant activity is performed (if the activity takes place in the territory of several local governments - proportionally to the territory utilised);

2) the use of radioactive substances to the amount of 100 per cent shall be paid into the special environmental protection budget of such local government in the territory of which the radioactive waste disposal site is located;

3) the emissions of carbon dioxide (CO<sub>2</sub>) in the air shall be paid in the amount of 60 per cent into the State basic budget and in the amount of 40 per cent - into the special environmental protection budget of such local government in the territory of which the relevant activity is performed.

(4) Tax payments for goods harmful to the environment, packaging, disposable tableware and accessories, vehicles, coal, coke and lignite (brown coal), fireworks, for the use of water resources for production of electricity in a hydroelectric power plant, and for illegal extraction or use of natural resources shall be paid in the State basic budget.

(5) Fine payments collected for violations of this Law shall be paid into the State basic budget.

(6) Late payment money for tax payments shall be paid into the State basic budget and special environmental protection budgets of local governments in accordance with the divisions laid down in Paragraph two, three and four of this Section.

*[19 December 2006; 12 June 2009; 6 November 2013; 23 November 2016]*

### **Section 29. Use of Special Environmental Protection Budget Resources of Local Governments**

(1) Special environmental protection budget resources of local government and the resources of the environmental protection fund established by a local government shall only be used for the financing of such measures and projects which are related to environmental protection, for example, education and instruction in the field of environmental protection, environmental monitoring, preservation and protection of biological diversity, air protection and climate changes, protection and restoration of soils and the ground, strengthening of the performance of environmental protection institutions and public environment inspectors, waste management, radioactive waste administration. Local government may also use the special environmental protection budget resources or the resources of the environmental protection fund established by local government as compensation to residents residing in an area subject to the impact of a waste landfill site and for covering administration costs for the account of closing of the landfill site opened in the Treasury.

(2) Local government may establish an environmental protection fund for local government using the resources of the special environmental protection budget.

*[20 December 2010; 15 December 2016]*

## **Chapter VI Tax Administration**

### **Section 30. Competence of Tax Administration**

(1) The Ministry of Environmental Protection and Regional Development and institutions subordinate thereto shall control the use of natural resources, the amount of goods harmful to the environment, coal, coke and lignite (brown coal), packaging and radioactive substances used for ensuring economic activities and the conformity with norms for recovery of the used packaging, as well as the amount of fireworks.

(2) Calculation of the tax shall be controlled by the Ministry of Environmental Protection and Regional Development, institutions subordinate thereto and the State Revenue Service.

(3) Control, accounting, collection and distribution of tax payments shall be performed by the State Revenue Service.

(4) The Ministry of Environmental Protection and Regional Development, institutions subordinate thereto and the State Revenue Service shall co-operate in the implementation of this Law and in the exchange of information and data related to tax and application thereof on regular basis.

*[19 December 2006; 20 December 2010; 6 November 2013]*

## **Chapter VII Liability**

### **Section 31. Liability of Reduction of Tax Base and Other Violations of the Law**

(1) Also a fine shall be collected from the taxpayer in twofold amount of the unpaid tax pursuant to basic rates in the following cases:

1) for the extraction or use of natural resources or the amount of pollution emitted into the environment not indicated (hidden) in reports;

2) for the amount of goods harmful to the environment, packaging, coal, coke and lignite (brown coal), disposable tableware and accessories, radioactive substances of fireworks sold or used for ensuring economic activities thereof not indicated (hidden) in reports.

(2) The fine for packaging provided in Paragraph one, Clause 2 of this Section shall be calculated in accordance with the procedures laid down in Section 24, Paragraph three of this Law provided that costs related to the issuance of the statement of the institution specified by the Cabinet is covered by taxpayer.

(3) Upon termination of the management agreement in cases referred to in Section 7, 8 or 9 of this Law, the institution subordinated to the Ministry of Environmental Protection and Regional Development shall take a decision on duty to pay tax and inform the manager, the taxpayer and the State Revenue Service in writing thereof by indicating in the decision the calculated amount of tax. The institution subordinated to the Ministry of Environmental Protection and Regional Development shall indicate in the decision the full amount to be collected which is formed by the unpaid tax tenfold the amount for the volume which is not recovered in accordance with the requirements of laws and regulations and the agreement regarding the particular reference period, and the time period for payment on the basis of which the State Revenue Service has the right to recover the amount indicated according to a non-contentious procedure. The taxpayer or manager shall perform the specified tax payment in conformity with the decision within 30 days after notification of the decision.

(4) If the taxpayer has indicated to the manager incomplete amount of tax objects or has not indicated it at all and as a result of it the recovery norms have not been fulfilled, the taxpayer has a duty to carry out the tax payment laid down in conformity with Paragraph three of this Section. If customers of the management system have indicated the amount of tax objects in full amount, but the manager has not fulfilled the recovery norms, the manager has a duty to perform the tax payment laid down in conformity with Paragraph three of this Section.

[19 December 2006; 8 May 2008; 14 November 2008; 12 June 2009; 20 December 2010; 6 November 2013; 23 November 2016; 15 December 2016]

### **Section 32. Fines for Late Payments**

Fines for late payments shall be calculated and collected in accordance with the procedures and amounts laid down in the Law On Taxes and Fees.

## **Transitional Provisions**

1. With the coming into force of this Law, the Law On Natural Resources Tax (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1995, No. 22; 1997, No. 3; 2000, No. 10; 2002, No. 3; 2004, No. 2, 10) is repealed.

2. Until 1 July 2006 Cabinet Regulation No. 555 of 29 June 2004, Procedures for Calculation and Payment of Natural Resources Tax shall be in force as far as they do not contradict with this Law.

3. Until 31 December 2006 Cabinet Regulation No. 270 of 25 June 2002, Procedures for Application of Natural Resources Tax Relief to Undertakings (Companies) Implementing a Voluntary Programme for the Management of Packaging Waste shall be in force as far as they do not contradict with this Law.

4. Until 1 July 2006 the Cabinet shall issue Regulations referred to in this Law, except for Regulations referred to Section 9 of this Law which the Cabinet shall issue until 1 April 2006. The Cabinet shall issue Regulations referred to in Section 23, Paragraph six, Clauses 3 and 4 and Regulations referred to in Section 24, Paragraph three, Clauses 7 and 7 of this Law until 1 October 2006.

5. Section 8 of this Law shall come into force on 1 January 2007.

6. Section 27, Paragraph two of this Law regarding submission of report in electronic form for co-ordination in the State Revenue Service shall be applicable from the day when a secure electronic signature is ensured for the electronic document. Until then the report for the preceding quarter shall be submitted to the relevant regional environmental board of the State Revenue Service in paper form and, where possible, in electronic form.

7. Tax paid in subsidies until 30 June 2006 for goods harmful to the environment shall be reimbursed from grants provided to the State Environmental Protection Fund in annual State Budget Law for legal persons who in accordance with technological and environmental protection requirements laid down in laws and regulations perform recycling or recovery of waste of these goods in the territory of the Republic of Latvia or bring out such waste for recovery or recycling outside the territory of the Republic of Latvia, as well as for implementation of the target programme.

8. Until 1 October 2006 the Ministry of Environment on the basis of the recommendation of the Packaging Management Council is entitled to specify exemptions from tax up to 80 per cent to merchants who implement a voluntary management programme for used packaging in accordance with Cabinet Regulation No. 270 of 25 June 2002, Procedures for Application of Natural Resources Tax Relief to Undertakings (Companies) Implementing a Voluntary Programme for the Management of Packaging Waste and in accordance with the criteria and requirements for

voluntary management programmes of the used packaging as specified by the Cabinet. Exemptions from the tax in accordance with Cabinet Regulations referred to in this Clause may be specified for a time period not longer than until 31 December 2006 and applied until the end of this time period.

9. Exemptions from the tax granted to packagers prior to this Law coming into force shall be applied until the end of the relevant time period, but not longer than until 31 December 2006.

10. In addition to the tax calculated and paid for the volume of packaging which is not recycled or recovered up to 31 December 2006 in accordance with the norms of recycling or recovery of the packaging waste laid down in the Packaging Law and other laws and regulations governing packaging management, a fine triple the amount of tax rate shall be calculated and paid. The taxpayer shall calculate and pay the fine for the amount of unrecycled or non-recovered packaging after submission of the annual report laid down in the Packaging Law to the regional environmental board of the State Environmental Service or the Environment State Bureau. If, upon examination of the annual report, the regional environmental board determines that the norms of recycling or recovery of the packaging waste were not fulfilled, the environmental State inspector shall draw up an inspection act and present it to the taxpayer. If the taxpayer has not paid the fine, the decision on the amount of the tax to be additionally paid into the budget of the State Revenue Service, indicating the time period for payment of the additionally calculated sum. The taxpayer shall make the additional payments of the tax in accordance with the decision within 20 days after becoming acquainted with the decision. The State Revenue Service has the right to recover the indicated amount on an uncontested basis.

*[19 December 2006; 12 June 2009]*

11. The conditions of exemption from the tax granted to the manufacturer of vehicles or the authorised representative thereof shall not change after the coming into force of this Law until the end of time period of exemption from the relevant tax.

12. The tax paid for the vehicle until 31 December 2006 shall be reimbursed in the form of grants to the end-of-life vehicle recycling company for collected (also collected discarded end-of-life vehicles) and recycled vehicles, as well as for the implementation of target programmes in accordance with the Management of End-of-Life Vehicles Law. The end-of-life vehicle recycling company may not receive grants for recycled vehicles for the management of which this company has entered into an agreement with the relevant manufacturer of vehicles or the authorised representative thereof if the manufacturer of the vehicles or authorised representative thereof is exempted from payment of the tax.

13. Reports referred to in Section 8, Paragraph four, Clause 4 and Section 9, Paragraph two, Clause 4 of the Law shall be audited from year 2008 when reports on year 2007 shall be submitted to the Ministry of Environment.

14. The Cabinet shall, by 1 July 2007, issue the new regulations provided for in Section 4, Paragraph three, Clauses 1 and 2; Section 4, Paragraph four; Section 12, Paragraph two; Section 14, Section 15, Paragraph one; Section 16, Paragraph two; Section 17, Section 20; Section 23, Paragraph six, Clauses 1 and 2; Section 24, Paragraph three, Clauses 1, 2, 3, 4 and 5; Section 27, Paragraph one, Clauses 1, 2 and 3 of this Law. Up to the day of the coming into force of such regulations, but not longer than up to 1 July 2007, Cabinet regulation No. 504 of 20 June 2006, Procedures for the Calculation and Payment of Natural resources Tax, insofar as it is not in contradiction with this Law.

*[19 December 2006]*

15. Amendments to Sections 7, 8 and 9 of this Law shall come into force on 1 July 2008.

*[8 May 2008]*

16. The Cabinet shall, by 1 July 2008, issue new regulations provided for in Section 7, Paragraph two of this Law. Until the day of the coming into force of such regulations, but not longer than until 1 July 2008, Cabinet Regulation No. 503 of 20 June 2006, Procedures for the Payment and Refund of Natural Resources Tax for Vehicles and Procedures for Exemption from Payment of Natural Resources Tax for Vehicles, shall be in force, insofar as it is not in contradiction with this Law.

*[8 May 2008]*

17. The Cabinet shall, by 1 July 2008, issue new regulations provided for in Section 8, Paragraph two and in Section 9, Paragraph two of this Law. Until the day of the coming into force of such regulations, but not longer than until 1 July 2008, Cabinet Regulation No. 915 of 6 November 2006, Procedures for Exemption from the Natural Resources Tax for Packaging and Disposable Tableware and Accessories, and Cabinet Regulation No. 437 of 26 June 2007, Procedures for Exemption from Payment of natural Resources Tax for Goods Harmful to the Environment, shall be in force, insofar as it is not in contradiction with this Law.

*[8 May 2008]*

18. Amendments to Section 19 of this Law in respect of specification of tax rate for groundwater which is used as an ingredient of drinks or as an ingredient of food products in the production process shall be applied starting from 1

January 2008.

*[8 May 2008]*

19. The Cabinet shall, by 1 April 2009, issue the regulations provided for in Section 24, Paragraph three, Clause 8 of this Law.

*[14 November 2008]*

20. The requirements referred to in Section 24, Paragraph six of this Law shall come into force on 1 January 2010.

*[14 November 2008; 12 June 2009]*

21. Section 7, Paragraph nine of this Law in respect of exemption of a person from payment of the tax shall come into force on 1 April 2011.

*[20 December 2010]*

22. The reports referred to in Section 7, Paragraph two, Clause 5 of this Law shall be audited starting from 2012 by submitting a report for 2011 to the institution subordinated to the Ministry of Environmental Protection and Regional Development.

*[20 December 2010]*

23. The requirements referred to in Section 17 of this Law in respect of aircraft operators shall be applicable starting from 1 January 2013.

*[20 December 2010]*

24. Until 28 February 2011 the Cabinet shall issue the regulations referred to in Section 7, Paragraph two, Paragraph ten and Section 26, Paragraph two of this Law. Until the day of coming into force of these regulations, but no longer than until 28 February 2011, the Cabinet Regulation No. 450 of 17 June 2008, Regulation Regarding Payment and Refund Procedure of Natural Resources Tax for Vehicles and Regarding Procedure for Exemption from the Payment of Natural Resources Tax for Vehicles, shall be applied insofar as it is not in contradiction with this Law.

*[20 December 2010]*

25. On the basis of the norms that were in force until 31 December 2010, the exemption from the tax granted for the manufacturer of the vehicle or the authorised representative thereof shall be valid until the end of the term of exemption from the relevant tax.

*[20 December 2010]*

26. Cabinet shall, not later than by 30 June 2017, issue the regulations referred to in Section 8, Paragraph two, Clause 8 of this Law.

*[15 December 2016]*

## **Informative Reference to the European Union Directives**

*[8 May 2008; 12 June 2009; 20 December 2010; 15 December 2016]*

1. This Law contains legal norms arising from:

1) Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC;

2) Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (Text with EEA relevance);

3) Council Directive 2004/74/EC of 29 April 2004 amending Directive 2003/96/EC as regards the possibility for certain Member States to apply, in respect of energy products and electricity, temporary exemptions or reductions in the levels of taxation;

4) Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles;

5) Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (WEEE);

6) Directive 2003/108/EC of the European Parliament and of the Council of 8 December 2003 amending Directive 2002/96/EC on waste electrical and electronic equipment (WEEE);

7) European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste;

8) Directive 2004/12/EC of the European Parliament and of the Council of 11 February 2004 amending Directive 94/62/EC on packaging and packaging waste;

9) Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and repealing Directive 91/157/EEC (Text with EEA relevance);

10) Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008 amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community;

11) Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives;

12) Directive (EU) 2015/720 of the European Parliament and of the Council of 29 April 2015 amending Directive 94/62/EC as regards reducing the consumption of lightweight plastic carrier bags (Text with EEA relevance);

13) Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (Text with EEA relevance).

2. The legal norms have been co-ordinated with the European Commission and European Union Member States in accordance with Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and Directive 98/48/EC of the European Parliament and of the Council of 20 July 1998 amending Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations.

This Law shall come into force on 1 January 2006.

This Law has been adopted by the Saeima on 15 December 2005.

President V. Vīķe-Freiberga

Rīga, 29 December 2005

Law On Natural Resources Tax  
**Annex 1**

[23 November 2016]

## Tax Rates for Extraction of Natural Resources

No.	Type of resources	Unit of measurement	Rate in time period from 1 January 2014 to 31 December 2014 (euro)	Rate in time period from 1 January 2015 to 31 December 2015 (euro)	Rate in time period from 1 January 2016 to 31 December 2016 (euro)	Rate from 1 January 2017 (euro)
1.	Soil	m <sup>3</sup>	0.43	0.43	0.43	0.86
2.	Sandy loam and clay loam, aleirite	m <sup>3</sup>	0.14	0.14	0.14	0.14
3.	Quartz sand	m <sup>3</sup>	0.45	0.45	0.45	0.45
4.	Sand	m <sup>3</sup>	0.21	0.21	0.21	0.21
5.	Sand-gravel	m <sup>3</sup>	0.36	0.36	0.36	0.36
6.	Clay, other clayey rock for the production of construction materials	m <sup>3</sup>	0.21	0.21	0.21	0.21
7.	Dolomite for					

	decoration (finishing)	m <sup>3</sup>	0.36	0.36	0.36	0.45
8.	Dolomite	m <sup>3</sup>	0.21	0.21	0.21	0.21
9.	Limestone	m <sup>3</sup>	0.28	0.28	0.28	0.28
10.	Freshwater limestone (friable and chunky)	m <sup>3</sup>	0.14	0.14	0.14	0.18
11.	Travertine	m <sup>3</sup>	1.42	1.42	1.42	1.78
12.	Gypsum	m <sup>3</sup>	0.54	0.57	0.60	0.60
13.	Field stones	m <sup>3</sup>	0.57	0.57	0.57	0.57
14.	Pigmentary soil	m <sup>3</sup>	0.14	0.14	0.14	0.18
15.	Peat (moisture - 40%)	ton	0.55	0.55	0.55	0.55
16.	Organogenic sapropel (algal and zoogenic - algal) and organogenic lime with ash < 30% (moisture - 60%)	ton	0.71	0.71	0.71	0.90
17.	Other sapropel (moisture - 60%)	ton	0.14	0.14	0.14	0.18
18.	All types of medicinal mud	ton	0.71	0.71	0.71	0.90

Law On Natural Resources Tax  
**Annex 2**

[23 November 2016]

### Tax Rates for Extraction of Water

No.	Source for the extraction of water or type of water	Unit of measurement	Rate in the time period by 31 December 2016 (euros)	Rate from 1 January 2017 (euros)
1.	Surface water	m <sup>3</sup>	0.009	0.013
2.	Ground water, including freshwater and spring waters used in water supply:			
2.1.	high value ground water	m <sup>3</sup>	0.04	0.05
2.2.	medium value ground water	m <sup>3</sup>	0.03	0.041
2.3.	low value ground water	m <sup>3</sup>	0.014	0.02
3.	Medicinal mineral water or mineral water used for medical treatment in thermal or hydrotherapy institution in the territory of extraction of water	m <sup>3</sup>	0.14	0.28
4.	Ground water, also freshwater and spring waters sold further on:			
4.1.	high value ground water	m <sup>3</sup>	1.42	1.85
4.2.	medium value ground water	m <sup>3</sup>	0.85	1.11
4.3.	low value ground water	m <sup>3</sup>	0.43	0.56

Law On Natural Resources Tax  
**Annex 3**

### Tax Rates for Disposal of Waste by 31 December 2016

No.	Type of waste	Unit of measurement	Rate (euro)
1.	Municipal waste	ton	12.00
2.	Construction and building destruction waste (including soil excavated from polluted sites in non-treated form)	ton	21.34
3.	Asbestos in the form of fibres and dust	ton	35.57
4.	Hazardous waste	ton	35.57
5.	Production waste	ton	21.34

### Tax rates for disposal of waste from 1 January 2017

No.	Type of waste	Unit of measurement	Rate in time period from 1 January 2017 to 31 December 2017 (euro)	Rate in time period from 1 January 2018 to 31 December 2018 (euro)	Rate in time period from 1 January 2019 to 31 December 2019 (euro)	Rate from 1 January 2020 (euro)
1.	Municipal waste and production waste which are not deemed as hazardous waste in accordance with the laws and regulations regarding waste classification and characteristics making waste hazardous	ton	25.00	35.00	43.00	50.00
2.	Hazardous waste and production waste which are deemed as hazardous waste in accordance with the laws and regulations regarding waste classification and characteristics making waste hazardous	ton	45.00	50.00	55.00	60.00

Law On Natural Resources Tax  
**Annex 4**

[23 November 2016]

### Tax Rates for Air Pollution

No.	Classification of emission	Unit of measurement	Rate in time period from 1 January 2014 to 31 December 2014 (euro)	Rate in time period from 1 January 2015 to 31 December 2016 (euro)	Rate from 1 January 2017 (euro)
1.	Emission of carbon dioxide (CO <sub>2</sub> ) from the polluting activity referred to in Chapter I, Clause 1 of Annex 2 to the law On Pollution if the production capacity does not exceed the indicator referred to in Annex 2 to the law On Pollution	ton	2.85	3.50	4.50
2.	Emission of carbon dioxide (CO <sub>2</sub> ) from the polluting activity referred to in Chapter I, Clauses 5, 6, 8,				



	9, 10, 11, 12, 13, 14, 15, 17, 18, 23 and 24 of Annex 2 to the law On Pollution if the production capacity or the amount of the products produced does not exceed the indicator referred to in Chapter I of Annex 2 to the law On Pollution and the greenhouse gas emission permit has not been issued to it	ton	2.85	3.50	4.50
3.	Particles PM <sub>10</sub>	ton	51.22	75.00	75.00
4.	Carbon monoxide (CO)	ton	7.83	7.83	7.83
5.	Ammonia (NH <sub>3</sub> ), hydrogen sulphide (H <sub>2</sub> S) and other non-organic compounds	ton	18.50	18.50	18.50
6.	Sulphur dioxide (SO <sub>2</sub> ), nitrogen oxide (NO <sub>x</sub> - nitrogen oxide sum, recalculated to NO <sub>2</sub> )	ton	85.37	85.37	85.37
7.	Volatile organic compounds and other hydrocarbons (C <sub>n</sub> H <sub>m</sub> )	ton	85.37	85.37	85.37
8.	Heavy metals (Cd, Ni, Sn, Hg, Pb, Zn, Cr, As, Se, Cu) and compounds thereof, recalculated for the relevant metal, and vanadium pentoxide recalculated to vanadium	ton	1138.30	1138.30	1138.30

Law On Natural Resources Tax  
**Annex 5**

[6 November 2013]

### Tax Rates for Water Pollution

No.	Classification of polluting substances according to the category of hazardousness	Unit of measurement	Rate (euro)
1.	Non-hazardous substances	ton	5.50
2.	Suspended substances (non-hazardous)	ton	14.23
3.	Moderately-hazardous substances, except total phosphorus (P kop)	ton	42.69
4.	Hazardous substances	ton	11,382.97
5.	Especially hazardous substances	ton	71,143.59
6.	Total phosphorus (P kop)	ton	270.00

Law On Natural Resources Tax  
**Annex 6**

[15 December 2016]

### Tax Rates for Goods Harmful to the Environment

#### 1. Tax rates for goods harmful to the environment except for electrical and electronic equipment which are laid down in Section 1, Clause 22 of the Waste Management Law

No.	Type of goods	Unit of measurement	Rate in time period from 1 January 2014 to 31 December 2016 (euro)	Rate from 1 January 2017 (euro)

1.	Lubricating oils	kg	0.17	0.17
2.	Electric batteries and galvanic power sources (including those that are incorporated in appliances and vehicles):			
2.1.	electric batteries, lead	kg	0.74	0.74
2.2.	electric batteries Ni-Cd and Fe-Ni	kg	4.00	4.00
2.3.	galvanic elements and galvanic pile	kg	11	11
2.4.	other electrical batteries	kg	17.03	17.03
3.	Substances depleting the ozone layer (freons, halons and others) (odp - ozone depletion potential)	kg onp	2.22	2.22
4.	All types of tyres	kg	0.33	0.66
5.	Oil filters	pieces	0.33	0.33

**2. Tax rates for electrical and electronic equipment which are laid down in Section 1, Clause 22 of the Waste Management Law by 30 June 2018**

No.	Type of goods	Rate (euros) per1 kg
1.	Large household equipment (except for large refrigeration equipment, cold storage depots and refrigerators)	1.44
2.	Large refrigeration equipment, cold storage depots and refrigerators	2.33
3.	Small household equipment	3.00
4.	Information technology and electronic communications equipment (except for monitors and mobile telephones)	3.00
5.	Monitors	2.33
6.	Mobile telephones	3.33
7.	Equipment provided for wide consumption (except for television sets)	1.44
8.	Television sets	2.33
9.	Electrical and electronic instruments (except for large stationary production machinery which is not portable or is permanently fixed)	3.01
10.	Gas-discharge light bulbs	8.58
11.	Lighting installation (except for gas-discharge light bulbs)	2.22
12.	Monitoring and control tools	2.00
13.	Toys, sports and recreation inventory	3.00
14.	Medical devices (except for implanted and contaminated medical devices)	2.00
15.	Automatic vending machines	3.00

**3. Tax rates for electrical and electronic equipment which are laid down in Section 1, Clause 22 of the Waste Management Law from 1 July 2018**

No.	Type of goods	Rate (euros) per1 kg
1.	Category 1. Temperature exchange equipment	2.50
2.	Category 2. Screens, monitors, and equipment containing screens having a surface greater than 100 cm <sup>2</sup>	3.50
3.	Category 3. Light bulbs	8.58
4.	Category 4. Large equipment (any external dimension greater than 50cm), including household appliances, IT and telecommunication equipment, consumer equipment, luminaires, equipment reproducing sound or images, musical equipment, electrical and electronic tools, toys, leisure and sports equipment, medical devices, monitoring and control instruments, automatic dispensers, equipment for the generation of electric currents and other equipment (except for the equipment falling under Category 1, 2 and 3 of this Annex)	3.00
5.	Category 5. Small equipment (no external dimension greater than 50 cm), including household appliances, consumer audio-video equipment, luminaires, equipment reproducing sound or images, musical equipment, electrical and electronic tools, toys, leisure and sports equipment, medical devices, monitoring and control instruments, automatic dispensers,	3.00

	equipment for the generation of electric currents and other equipment (except for the equipment falling under Category 1, 2, 3 and 6 of this Annex)	
6.	Category 6. Small information technology and telecommunication equipment (no external dimension greater than 50 cm)	3.50

Law On Natural Resources Tax  
**Annex 7**

[6 November 2013; 25 September 2014; 23 November 2016; 15 December 2016]

### Tax Rates for the Packaging of Goods and Products and for Disposable Tableware and Accessories

No.	Type of material of the packaging of goods and products and disposable tableware and accessories	Rate (euros) per 1 kg of material
1.	Of glass source materials	0.44
2.	Of plastic (polymer) source materials, except bioplastic or oxy-degradable plastic, polystyrene source materials	1.22
3.	Of metal source materials	1.10
4.	Of wood, paper and cardboard or other natural fibre and bioplastic source materials	0.24
5.	Of oxy-degradable plastic source materials	0.70
6.	Of polystyrene source materials	2.20

Law On Natural Resources Tax  
**Annex 8**

[19 September 2013]

### Tax Rates for Radioactive Substances

No.	Characteristics of the radioactive substance	Unit of measurement	Rate (euro)
1.	1st radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste > 10 <sup>12</sup> Bq), closed radiation source	m <sup>3</sup> waste	711.44
2.	2nd radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste > 10 <sup>12</sup> Bq), open radiation source	m <sup>3</sup> waste	1422.87
3.	3rd radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste 10 <sup>9</sup> -10 <sup>12</sup> Bq), closed radiation source	m <sup>3</sup> waste	2134.31
4.	4th radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste 10 <sup>9</sup> -10 <sup>12</sup> Bq), open radiation source	m <sup>3</sup> waste	4268.62
5.	5th radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste 10 <sup>6</sup> -10 <sup>9</sup> Bq), closed radiation source	m <sup>3</sup> waste	3557.18
6.	6th radionuclide group (allowable total radioactivity 1 m <sup>3</sup> waste 10 <sup>6</sup> -10 <sup>9</sup> Bq), open radiation source	m <sup>3</sup> waste	7114.36
7.	7th group, ionising radiation sources, for which any radionuclide activity exceeds the allowable limits for 1 m <sup>3</sup> waste	m <sup>3</sup> waste	14,228.72

Law On Natural Resources Tax  
**Annex 9**

[23 November 2016]

## Tax Rates for Coal, Coke and Lignite (Brown coal)

No.	Classification of coal, coke and lignite (brown coal)	Unit of measurement	Rate in the time period up to 31 December 2016 (euros)	Rate in time period from 1 January 2017 to 31 December 2017 (euro)	Rate in time period from 1 January 2018 to 31 December 2018 (euro)	Rate from 1 January 2019 (euro)
1.	Coal, coke and lignite (brown coal) with thermal input (GJ/t) indicated in accompanying documents	GJ/t	0.30	0.35	0.36	0.38
2.	Coal, coke and lignite (brown coal) with thermal input (GJ/t) not indicated in accompanying documents	t	8.54	9.80	10.25	10.65

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<sup>1</sup> The Parliament of the Republic of Latvia

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