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Text consolidated by Tulkošanas un terminoloģijas centrs (Translation and Terminology Centre) with amending laws of:

22 April 2004;

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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:

## **On Car and Motorcycle Tax**

### **Section 1. Terms Used in this Law**

The names of the vehicle types used in this Law comply with the classification specified in the Latvian national standard of types of vehicles and definitions thereof and technical data of the registration of vehicles.

### **Section 2. Taxable Object**

Cars and motorcycles shall be the objects taxable with car and motorcycle tax (hereinafter – tax).

### **Section 3. Taxable Persons**

All legal persons and natural persons in whose name the cars and motorcycles are registered in Latvia in accordance with this Law shall be taxable persons.

### **Section 4. Tax Rates**

(1) The tax for cars shall be calculated by adding together the amounts that are acquired by applying the rate according to the age of the car (counting from the year of first registration abroad) pursuant to Paragraph two of this Section and the rate according to the engine volume of the car pursuant to Paragraph three of this Section.

(2) Taking into account the age of the car the following rates are specified:

1) for previously non-registered cars and cars that are not older than one year – 250 lats;

2) for one-year-old cars – 200 lats;

3) for two-year-old cars – 150 lats;

4) for three-year-old cars – 125 lats;

5) for four-year-old cars – 100 lats;

6) for five to seven-year-old cars – 75 lats;

7) for eight-year-old cars – 80 lats;

8) for nine-year-old cars – 85 lats;

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- 9) for ten-year-old cars – 90 lats;
  - 10) for 11-year-old cars – 100 lats;
  - 11) for 12-year-old cars – 110 lats;
  - 12) for 13-year-old cars – 130 lats;
  - 13) for 14-year-old cars – 150 lats;
  - 14) for 15-year-old cars – 170 lats;
  - 15) for 16-year-old cars – 190 lats;
  - 16) for 17-year-old cars – 210 lats;
  - 17) for 18-year-old cars – 230 lats; and
  - 18) for 19 to 25-year-old (inclusive) cars – 250 lats.
- (3) For a car with an engine volume of 3001 cubic centimetres and more the following rates are specified:
- 1) for cars with an engine volume of 3001 cubic centimetres up to 3500 cubic centimetres – 300 lats;
  - 2) for cars with an engine volume of 3501 cubic centimetres up to 4000 cubic centimetres – 400 lats;
  - 3) for cars with an engine volume of 4001 cubic centimetres up to 4500 cubic centimetres – 500 lats; and
  - 4) for cars with an engine volume of 4501 cubic centimetres and more – 600 lats
- (4) The tax for motorcycles shall be calculated according to the age of the motorcycle (counting from the year of first registration abroad), multiplying by 0.25 the corresponding rates for cars specified in Paragraph two of this Section.
- (3) If it is not possible to specify the year of first registration of the car or motorcycle abroad, the tax shall be calculated according to the age of the car or motorcycle, counting from the year of manufacture.
- [17 May 2007]*

## **Section 5. Exemptions**

- (1) Cars and motorcycles that are exempted from customs duties in accordance with Regulation 918/83 of the European Union shall be exempted from the tax.
- (2) Cars and motorcycles that are older than 25 years shall be exempted from the tax.
- (3) The following vehicles shall be exempted from the tax:
  - 1) cars with an electric motor (electromobiles);
  - 2) special passenger cars (for example, ambulances, motor caravans, hearses); and
  - 3) cars that are specially equipped for carrying disabled persons in wheelchairs.
- (4) Specially prepared sports cars and motorcycles shall be exempted from the tax.
- (5) Operational cars and motorcycles, which are intended for the needs of institutions of the Ministry of Interior and the Ministry of Defence or the National Armed Forces, shall be exempted from the tax.
- (6) Disabled persons with movement disorders, to whom medical indications for the purchase of specially modified cars and allowance for the receipt of reimbursement of vehicle expenditures have been specified (for one specially modified car registered on the name of the relevant person), shall be exempted from the tax. If the specially modified car is being sold or the owner thereof changes in any other way, in registering the relevant vehicle in the name of the new owner, tax shall be paid in accordance with Section 6 of this Law, if the new owner does not have the rights to exemption from tax in accordance with this Law.
- (7) Cars and motorcycles, which are registered in other European Union Member States and with which owners or drivers thereof enter Latvia and which are used in Latvia, shall be

exempted from the tax, if registration of such car or motorcycle in Latvia is not provided for in regulatory enactments.

(8) If a car or motorcycle is rebuilt (transformed) from another type of vehicle, to which tax has not been applied or which has been exempted from tax, tax shall be paid prior to registration of such car or motorcycle according to the new provisions.

(9) If tax has not been applied to a car or motorcycle or it has been exempted from tax in accordance with this Law, but is being registered according to the new provisions, according to which exemption from tax is no longer applicable, tax shall be paid prior to registration of such car or motorcycle according to the new provisions.

## **Section 6. Payment of the Tax**

(1) The tax shall be paid for:

- 1) a car or motorcycle to be registered in Latvia for the first time;
- 2) a car or motorcycle to be registered in accordance with Section 5, Paragraph six, Sentence two, Paragraph eight or nine of this Law; and
- 3) a car or motorcycle to be registered in accordance with Section 7 of this Law.

(2) A person shall pay the tax calculated in accordance with this Law into the State budget prior to the registration of the relevant car or motorcycle in the Road Traffic Safety Directorate.

(3) In registering a car or motorcycle in the Road Traffic Safety Directorate in the cases provided in Paragraph one of this Section, a person shall present verification of payment of the tax.

(4) A car or motorcycle shall not be registered in Latvia in cases provided in Paragraph one of this Section, if tax has not been paid in accordance with this Law.

(5) Legal persons and natural persons shall pay the tax for an car or motorcycle, which is temporarily brought in from a foreign state that is not a European Union Member State, in accordance with the procedures specified for the payment of customs duties.

## **Section 7. Reimbursement of Tax**

(1) Tax shall be reimbursed within a time period of 30 days after the receipt of the relevant request of the taxpayer, if the car or motorcycle is deleted from the register for bringing thereof out from Latvia within a time period of six months after registration.

(2) If tax is reimbursed (or is intended to be reimbursed) in accordance with Paragraph one of this Section, but the car 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 Section 6 of this Law.

## **Section 8. Tax Administration**

The Cabinet shall determine the procedures for the collection, payment and administration of the tax, as well as the procedures for the appointment of the tax administration.

### **Transitional Provision**

Tax shall not be paid for those vehicles, which are brought in for free movement in the Republic of Latvia from foreign states until 30 April 2004, if excise tax in accordance with

the Law On Excise Duties (the Law accepted on 25 November 1999 and is in force until 30 April 2004) is paid for the referred to vehicles.  
*[22 April 2004]*

This Law comes into force by a special law.

This Law has been adopted by the *Saeima* on 30 October 2003.

President

V. Vīķe-Freiberga

Rīga, 14 November 2003