

Breakdown of tax revenue by budget in 2021

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Tax		State basic budget	Local governments budgets	State special budget
State compulsory social security contributions ¹		2.78%		97.22%
Value added tax		100%		
Personal income tax ²		25%	75%	
Enterprise income tax		100%		
Excise duty		100%		
	<i>on the extraction or use of natural resources or environmental pollution</i>	60%	40%	
	<i>on the use of radioactive substances</i>		100%	
	<i>on the use of the useful properties of subterranean depths by pumping natural gas into geological structures</i>		100%	

Tax		State basic budget	Local governments budgets	State special budget
Natural resources tax	<i>on the incineration of waste, emissions of carbon dioxide (CO₂) into the air, products harmful to the environment, packaging, disposable tableware and equipment and vehicles, coal, coke and lignite, fireworks, the use of water resources for the production of electricity in a hydroelectric power plant and the unlawful extraction and use of natural resources</i>	100%		
	<i>on the disposal of municipal waste and industrial waste which is not considered to be hazardous waste</i>	100%		
	<i>on the disposal of hazardous waste and industrial waste which is considered to be hazardous waste</i>	80%	20%	
Immovable property tax			100%	
Tax on lotteries and gambling	<i>from state lotteries</i>	100%		
	<i>from gambling organised via telecommunications</i>	100%		
	<i>from local lotteries</i>		100%	
	<i>from gambling</i>	95%	5%	
Customs duty ³		100%		

Tax			State basic budget	Local governments budgets	State special budget
Vehicle operation tax			100%		
Company car tax			100%		
Electricity tax			100%		
Micro-enterprise tax ⁴			100%		
Solidarity tax, its breakdown:	1%	<i>for healthcare</i>	100%		
	10%	<i>for personal income tax</i>	25%	75%	
	14%	<i>for public pensions</i>			100% ⁵

¹ Part of the revenue is transferred to the State funded pension scheme. From 2018, a part of the state social security contribution in the amount of 1% is a payment for the financing of health care, which is transferred into the State basic budget, but the remaining payment for social security remains in the State special budget

² As of 1 January 2021, in accordance with Section 13 of the Law On the State Budget for 2021, the distribution of revenue is 25% and 75% (previously 20% and 80%)

³ 80% of customs duty revenue are credited to the budget of the European Union

⁴ MET is split: 80% state social insurance contributions and 20% personal income tax

⁵ From 2021, 14% are transferred to the state pension special budget non-personalized, which were registered in the personal account of the taxpayer in 2019-2020, under the Law on State Pensions

Source: MoF data

<https://www.fm.gov.lv/en/breakdown-tax-revenue-budget-2021>