

# Excise Duty

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Excise duty is a specific consumption tax applicable to certain groups of consumer goods produced or imported in the country.

In Latvia, excise goods are subject to excise duty in accordance with the Law On Excise Duties.

The purpose of excise duty is to limit the consumption of goods that are harmful to the environment and people, as well as to give revenue to the State by imposing additional consumption tax (in addition to value added tax) on goods which are not essential goods and which do not affect the disadvantaged. However, the main objective of excise duty is fiscal, i.e., to ensure the revenues of the State budget.

The harmonisation of excise duty has been extended to the determination of minimum rates of duty, the harmonisation of the structure of taxable goods, as well as the harmonisation of the procedures for the movement of such goods and the payment of duty. Taking into account that the European Union allows Member States to apply excise duty also to other goods, non-alcoholic beverages and coffee are also subject to excise duty in Latvia.

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Useful information

<https://www.fm.gov.lv/en/excise-duty-1>