

Electricity tax

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Electricity tax was introduced in Latvia on 1 January 2007, in accordance with the Council Directive [2003/96/EC](#) of 27 October 2003, restructuring the Community framework for the taxation of energy products and electricity and the requirements of 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.

In Latvia electricity is subject to electricity tax in accordance with the [Electricity Tax Law](#).

Taxpayers



Electricity taxable persons are persons who, in accordance with the [Electricity Market Law](#), may engage in trade in electricity and have entered into contracts or otherwise agreed regarding the supply (selling) of electricity, as well as autonomous producers, who comply with the specified criteria and final customers of electricity if a contract or another agreement has been entered into for the purchase of electricity on the exchange.

Taxation period



The taxation period of the tax is one calendar month.

The taxpayer shall pay the tax calculated in the taxation period for electricity supplied to final customers in this period to the State budget not later than by the 23rd date of the following month after the end of the relevant taxation period.

Tax rate



The electricity tax rate is EUR 1.01 per megawatt hour.

For electricity supplied to persons for the provision of street lighting services, the tax shall be calculated at the rate of EUR 0 per megawatt hour.

Tax exemptions



Electricity used for the following purposes shall be exempt from tax:

the carriage of goods and public carriage of passengers, including on rail transport and in public carriage of passengers in towns;

household users.

Electricity supplied from representatives or organisations of other European Union Member States or other foreign states shall be exempt from tax:

in connection with diplomatic or consular relations;

for international organisations, which have been recognised as such by the institutions of the states where such organisations are located, as well as for the members of such organisations in accordance with the international conventions establishing such organisations or the agreements of the headquarters thereof;

for the armed forces of any Member State of the North Atlantic Treaty Organisation other than the Member State, within which the electricity duty is chargeable, as well as the armed forces referred to in Article 1 of Council Decision 90/640/EEC, for the consumption of those armed forces, as well as for the civilian staff accompanying them or for the needs of the messes or canteens of these armed forces;

for consumption under agreements entered into with foreign states other than Member States or international organisations provided that such an agreement is allowed or approved with regard to the exemption from value added tax.

Representatives or organisations of other Member States or other foreign states in the Republic of Latvia referred to in Paragraph three of this Section are allowed to receive electricity if they have been issued a document specified in Annex II of Council Implementing Regulation (EU) [No 282/2011](#) of 15 March 2011 laying down implementing measures for Directive [2006/112/EC](#) on the common system of value added tax.

Legislation



[Electricity Tax Law](#)

Cabinet Regulation No. 52 of 24 January 2017, [Procedures for the Application of Electricity Tax Exemptions](#)

Cabinet Regulation No. 820 of 20 December 2016, [Regulations Regarding the Sample Form of the Electricity Tax Declaration and the Procedures for Completing thereof](#)

Useful information



Additional information on electricity tax is available on the [website of the State Revenue Service](#)

Information reports and tax studies are available here