

GOVERNMENT OF THE REPUBLIC OF LITHUANIA  
**RESOLUTION No 529**  
**ON THE APPROVAL OF THE PROCEDURE FOR THE APPLICATION OF**  
**EXCISE TAX RELIEF ON BEER MADE BY THE SMALL BREWERIES**

10 May 2000

Vilnius

Pursuant to paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania (Official Gazette No. 30-530, 1994; No. 117-2996, 1997; No. 114-3194, 1998; No. 66-2132, 1999; No. 113-3289, 1999), the Government of the Republic of Lithuania has resolved:

1. to approve the Procedure for the Application of Excise Tax Relief on Beer Made by the Small Breweries (attached hereto).

2. to establish that:

2.1. enterprises making beer in the Republic of Lithuania, which pursuant to the Procedure for the Application of Excise Tax Relief on Beer Made by the Small Breweries as approved by this Resolution are entitled to excise tax relief on beer as prescribed by paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania, shall submit a request referred to in the said Procedure for excise tax relief on beer marketed in the year 2000 within a period of one month since the coming into effect of this Resolution;

2.2. the sum of the excise tax payable by the enterprises referred to in point 2.1 above shall be recalculated and the overpaid sum shall be credited or refunded in accordance with the procedure prescribed by the Law on Tax Administration of the Republic of Lithuania.

Prime Minister

Andrius Kubilius

Minister of Finance

Vytautas Dudėnas

## Procedure for the Application of Excise Tax Relief on Beer Made by the Small Breweries

### I. General provisions

1. This procedure shall regulate the application of excise tax relief on beer made by the small breweries which meet the requirements of paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania. A small brewery shall be considered to be legally and economically independent of other enterprises making beer provided it is not associated with any other enterprise or enterprises where beer is being made. The association of a small brewery with another enterprise or other enterprises engaged in the making beer shall be established in accordance with the criteria stipulated by paragraph 12 of Article 3 of the Law on Competition of the Republic of Lithuania (Official Gazette, No. 30-856, 1999), which defines a group of associated undertakings.

### II. Application of excise tax relief on beer made by enterprises registered in the Republic of Lithuania

2. An enterprise registered in the Republic of Lithuania and engaged in the making of beer (hereinafter referred to as a small brewery of Lithuania), which fulfils the requirements of point 1 of the present Procedure above and plans to brew no more than 800 thousand decalitres of beer in the calendar year and seeks a 50 per cent reduction in the excise rate on 100 thousand decalitres of beer shall submit a written request for excise tax relief in a freely chosen form to the county division of the city (region) state tax inspectorate in the territory of which this brewery operates. The request shall stipulate the volume of beer the small brewery of Lithuania plans to make in the current calendar year.

3. The request for the application of excise tax relief in the current calendar year must be submitted by the date fixed for filing an account of excise taxes for the first month of the current calendar year. The small breweries of Lithuania, which pursuant to the Law on Excise Taxes of the Republic of Lithuania must pay advance contributions, shall submit their requests by the date fixed for paying an advance contribution for the first decade of the first month of the current year.

4. On filing the request referred to in point 2 of the present Procedure above, the small brewery of Lithuania shall be entitled to an excise rate on the first 100 thousand decalitres of beer marketed in Lithuania in the current calendar year reduced by 50 per cent.

5. If the volume of beer made by the small brewery of Lithuania in the calendar year actually exceeds 800 thousand decalitres, the said brewery shall recalculate the excise tax by applying the excise rate prescribed by Article 5<sup>1</sup> of the Law on Excise Taxes of the Republic of Lithuania in respect of all beer marketed in the said calendar year. The difference between the excise rates shall be paid by January 30 of the calendar year following the calendar year for which the request was submitted.

### III. Application of excise tax relief on beer made by new enterprises engaged in the making of beer

6. An enterprise which started making beer in the current calendar year and which conforms to the status of a small brewery of Lithuania and meets the requirements of point 1 of the present Procedure shall submit the request for the application of excise tax relief within a period of one month since the making of beer started. The request shall state the volume of beer projected to be made by the end of the current calendar year and the conditional annual volume of beer which shall be calculated by dividing the projected volume of beer indicated in the request by a number of months for which the making of beer has been planned (including the month on which the production started) and multiplying the result by 12. The request may be submitted only by such a new enterprise the conditional annual volume of beer of which, calculated in the said manner, does not exceed 800 thousand decalitres.

7. If, on filing the request for the application of excise tax relief, the new enterprise engaged in the making of beer actually brews more beer by the end of the calendar year in which the production started than the prescribed 800 thousand decalitres obtained by calculating the conditional annual volume of beer in the manner referred to in point 6 above, the said enterprise shall recalculate the excise tax by applying the excise rate prescribed by Article 5<sup>1</sup> of the Law on Excise Taxes of the Republic of Lithuania in respect of all beer marketed in the said calendar year. The difference between the excise rates shall be paid by January 30 of the calendar year following the calendar year for which the request was submitted.

#### IV. Application of excise tax relief on beer made by enterprises registered in foreign states

8. Excise tax relief prescribed by paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania shall be only applied if beer was produced by such an enterprise registered in a foreign country, which meets the requirements of paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania and point 1 of the present Procedure (hereinafter referred to as a small foreign brewery).

9. Excise tax relief on beer made by small foreign breweries and put into free circulation in the calendar year may only be applied after the end of the calendar year.

10. Excise tax relief shall be applied only on the first 100 thousand decalitres of beer made by a small foreign brewery and put into free circulation in Lithuania in the calendar year.

11. After the end of the calendar year an enterprise of the Republic of Lithuania importing beer made by a small foreign brewery (hereinafter referred to as an importer) shall be entitled to apply by May 1 to the Customs Department under the Ministry of Finance with the request for the recalculation of the excise tax on the first 100 thousand decalitres of beer made by the small foreign brewery and put into free circulation in the Republic of Lithuania.

12. Data on the volume of beer made by the small foreign brewery in the preceding calendar year as well as documents certifying conformity of the said brewery with other requirements of paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania and point 1 of the present Procedure shall be attached to the request. All the documents submitted together with the request have to be approved by a tax inspector of the foreign country in which the small foreign brewery is registered, and the approved translations of the documents in the Lithuanian language must also be presented. The documents submitted shall stipulate the date on which the small foreign brewery started making beer. If the making of beer started in the calendar year for which the importer seeks the recalculation of the excise rate on beer put into free circulation in the Republic of Lithuania, the request may only be submitted if the volume obtained by calculating the

conditional annual volume in accordance with point 6 of the present Procedure does not exceed 800 000 decalitres.

13. The Customs Department under the Ministry of Finance shall examine the importer's request and the documents attached thereto pursuant to the procedure prescribed by the Customs Department. If the documents certify the conformity of the small foreign brewery with the requirements of paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania and point 1 of the present Procedure, the excise tax on imported beer made by the small foreign brewery shall be recalculated in respect of the first 100 thousand decalitres put into free circulation in the Republic of Lithuania. The overpaid excise tax shall be refunded in accordance with the procedure prescribed by law.

14. If several importers make the request for the recalculation of the excise tax on beer made by one and the same small foreign brewery, the excise tax relief may only be applied in respect of the first 100 thousand decalitres of beer of the said small foreign brewery put into free circulation in the Republic of Lithuania in the calendar year. In such a case the excise tax on imported beer paid by the importer or importers (if the first 100 thousand decalitres were imported in portions by several importers), which was (were) the first to import 100 thousand decalitres of beer made by the small foreign brewery (or the portion of beer indicated) shall be recalculated.

15. If an importer imports beer made by a number of small foreign breweries, the excise tax relief following the present Procedure may be applied in respect of beer made by each small foreign brewery and imported by the importer.

## V. Final provisions

16. If a small brewery of Lithuania or a small foreign brewery the request for the application of excise tax relief in respect of beer of which put into free circulation in the Republic of Lithuania was submitted or the said excise tax relief was applied do not meet the requirements of paragraph 3 of Article 6 of the Law on Excise Taxes of the Republic of Lithuania or the requirements of point 1 of the present Procedure, the excise tax shall be recalculated or shall not be refunded, or may be recovered by applying the excise rate prescribed by Article 5<sup>1</sup> of the Law on Excise Taxes of the Republic of Lithuania.

17. All the disputes related to the application of the present Procedure shall be settled in the procedure prescribed by law.