

**THE LAW OF UKRAINE**  
**On Amending Some Laws of Ukraine Regarding**  
**Registration of Vehicles**

The Verkhovna Rada of Ukraine hereby decrees to:

I. Make amendments to the following laws of Ukraine:

1. The Law of Ukraine "On Tax on Owners of Vehicles and other Self-Propelled Machines and Mechanisms" (Vidomosti Verkhovnoyi Rady Ukrainy, 1997, No.15, p.117; 1998, « 25, p.147; 1999, « 5-6, Art.39, No.40, p.361; 2000, p. 78, No.43, p. 363; 2001 p. No. 10, p.44; 2004 No.8, p.67; 2005, Nos. 17-19, p. 267) shall read as follows:

«The Law of Ukraine

"On Tax on Owners of Vehicles and other Self-Propelled Machines and  
Mechanisms"

«This Law introduces the tax on owners of some types of ground vehicles and water vessels, self-propelled machines and mechanisms as a source of funding of construction, reconstruction, repair and maintenance of motor roads of common use and carrying out of environmental measures on water basins.

**Article 1. Taxpayers**

Payers of the tax imposed on owners of vehicles and other self-propelled machines and mechanisms shall be enterprises, institutions and organizations – legal entities, foreign legal entities (hereinafter – “legal entities”), as well as citizens of Ukraine, foreign citizens and stateless individuals (hereinafter – “private individuals”) undergoing the first registration in Ukraine, registration, re-registration and/or have vehicles registered in Ukraine in compliance with the effective legislation, which are subjects of taxation pursuant to Article 2 hereof.

**Article 2. Objects of taxation**

Objects of taxation are:

tractors (wheeled) – code under the Ukrainian classification of goods of foreign economic activity (hereinafter - code) – 8701, other than track-laying;  
road tractors – code 87 01 20

motor vehicles for the transport of ten or more persons, including the driver, - code 87 02;

motor cars - code 87 03;

trucks - code 87 04;

special purpose motor vehicles, other than those used for the transport of passengers and cargoes, - code 87 05 (except for fire fighting vehicles and ambulances);

motor-cycles (mopeds) and cycles fitted with a motor - code 87 11, except for those of a cylinder capacity not exceeding 50 cm<sup>3</sup>, - code 87 11 10;

yachts and sailing vessels with or without an auxiliary motor (except for sport ones) - code 89 03 91;

motorboats and cutters, other than outboard motorboats (except for sport), - code 89 03 92;

other vessels (except for sport) - code 89 03 99.

Vehicles not subject to taxation:

track-laying tractors - code 87 01 30;

motor-cycles (mopeds) and cycles fitted with a motor with a cylinder capacity not exceeding 50 cm<sup>3</sup> - code 87 11 10;

special purpose motor vehicles (fire fighting vehicles and ambulances)- code 87 05;

works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods, - code 87 09;

agricultural machinery – codes 84 32; 84 33;

only yachts, sailing vessels and sport boats - codes 89 03 91; 89 03 92; 89 03 99.

### Article 3. Rates and collection of the tax

The tax imposed on owners of motor vehicles and other self-propelled machines and mechanisms shall be paid in the following amounts:

Code	Description of Taxation Objects	Tax Rate for 1 Year (based on 100 cm <sup>3</sup> of a cylinder capacity, based on 1 kW of an engine power or 100 cm. of a length)
8701	tractors (other than track-laying tractors – code 87 01 30 and road tractors)  At the time of the first registration in Ukraine:	UAH 2.5 from 100 cm <sup>3</sup>

8701 20	only road tractors	
	new	UAH 15 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 15 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 500 based on 100 cm <sup>3</sup>
8702	motor vehicles for the transport of ten or more persons, including the driver with cylinder capacity:	
	not exceeding 6,000 cm <sup>3</sup>	
	new	UAH 5 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 5 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 500 based on 100 cm <sup>3</sup>
	6,001 cm <sup>3</sup> and above	
	new	UAH 5 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 5 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 10 based on 100 cm <sup>3</sup>
8703	motor cars (other than motor cars powered by an electric motor – code 8703 90 10 00), of a cylinder capacity:	
	not exceeding 1,000 cm <sup>3</sup>	
	new	UAH 3 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 5 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 100 based on 100 cm <sup>3</sup>
	exceeding 1,001 cm <sup>3</sup> , but not exceeding 1,500 cm <sup>3</sup>	
	new	UAH 4 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 5 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 200 based on 100 cm <sup>3</sup>

	exceeding 1,501 cm <sup>3</sup> , but not exceeding 1,800 cm <sup>3</sup> new	UAH 5 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 7 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 300 based on 100 cm <sup>3</sup>
	exceeding 1801 cm <sup>3</sup> , but not exceeding 2500 cm <sup>3</sup> new	UAH 10 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 12 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 500 based on 100 cm <sup>3</sup>
	exceeding 2,501 cm <sup>3</sup> , but not exceeding 3,500 cm <sup>3</sup> new	UAH 25 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 30 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 750 based on 100 cm <sup>3</sup>
	exceeding 3,501 cm <sup>3</sup> and more new	UAH 40 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 45 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 1,000 based on 100 cm <sup>3</sup>
8703901000	vehicles with electric motors	UAH 0.5 based on 1 kW
8704	motor vehicles for the transport of goods of a cylinder capacity: not exceeding 8,200 cm <sup>3</sup> new	UAH 15 based on 100 cm <sup>3</sup>
	used for not exceeding 5 years	UAH 50 based on 100 cm <sup>3</sup>
	used for from 5 to 8 years	UAH 700 based on 100 cm <sup>3</sup>

	used for over 8 years	UAH 1,000 based on 100 cm <sup>3</sup>
	exceeding 8,201 cm <sup>3</sup> , but not exceeding 15,000 cm <sup>3</sup>	
	new	UAH 20 based on 100 cm <sup>3</sup>
	used for not exceeding 5 years	UAH 30 based on 100 cm <sup>3</sup>
	used for from 5 to 8 years	UAH 50 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 1,000 based on 100 cm <sup>3</sup>
	exceeding 15,001 cm <sup>3</sup> and more	
	new	UAH 25 based on 100 cm <sup>3</sup>
	used for not exceeding 5 years	UAH 30 based on 100 cm <sup>3</sup>
	used for from 5 to 8 years	UAH 50 based on 100 cm <sup>3</sup>
	used for over 8 years	UAH 300 based on 100 cm <sup>3</sup>
8705	special purpose motor vehicles (except for fire fighting vehicles and ambulances)	
	new	UAH 5 based on 100 cm <sup>3</sup>
	used for not exceeding 8 years	UAH 5 based on 100 cm <sup>3</sup>
	Used for over 8 years	UAH 100 based on 100 cm <sup>3</sup>
8701	At the time of registration, re-registration, and a regular overhaul: tractors (other than track-laying tractors – code 8701 30 and road tractors)	UAH 2.5 based on 100 cm <sup>3</sup>
8701 20	road tractors	UAH 15 based on 100 cm <sup>3</sup>
8702	motor vehicles for the	

	transport of ten or more persons, including the driver	
	of a cylinder capacity:	
	not exceeding 6,000 cm <sup>3</sup>	UAH 5 based on 100 cm <sup>3</sup>
	exceeding 6,000 cm <sup>3</sup> and more	UAH 5 based on 100 cm <sup>3</sup>
8703	motor cars (other than motor cars powered by an electric motor – code 8703 90 10 00) of a cylinder capacity:	
	not exceeding 1000 cm <sup>3</sup>	UAH 3 based on 100 cm <sup>3</sup>
	exceeding 1001 cm <sup>3</sup> , but not exceeding 1500 cm <sup>3</sup>	UAH 4 based on 100 cm <sup>3</sup>
	exceeding 1501 cm <sup>3</sup> , but not exceeding 1800 cm <sup>3</sup>	UAH 5 based on 100 cm <sup>3</sup>
	exceeding 1801 cm <sup>3</sup> , but not exceeding 2500 cm <sup>3</sup>	UAH 10 based on 100 cm <sup>3</sup>
	exceeding 2501 cm <sup>3</sup> , but not exceeding 3500 cm <sup>3</sup>	UAH 25 based on 100 cm <sup>3</sup>
	exceeding 3501 cm <sup>3</sup> and more	UAH 40 based on 100 cm <sup>3</sup>
8703 9010 00	vehicles with electric motors	UAH 0,5 based on 1 kW
8704	motor vehicles for the transport of goods of a cylinder capacity:	
	not exceeding 8,200 cm <sup>3</sup>	UAH 15 based on 100 cm <sup>3</sup>
	exceeding 8,201 cm <sup>3</sup> , but not exceeding 15,000 cm <sup>3</sup>	UAH 20 based on 100 cm <sup>3</sup>
	exceeding 15,001 cm <sup>3</sup> and more	UAH 25 based on 100 cm <sup>3</sup>
8705	special purpose motor vehicles (except for fire fighting vehicles and ambulances)	UAH 5 based on 100 cm <sup>3</sup>
8711	motor-cycles (mopeds) and cycles fitted with an motor (except for those of	

	a cylinder capacity not exceeding 50 cm <sup>3</sup> , - code 87 11 10 00 00) of a cylinder capacity:	
	not exceeding 500 cm <sup>3</sup>	UAH 3 based on 100 cm <sup>3</sup>
	exceeding 501 but not exceeding 800 cm <sup>3</sup>	UAH 5 based on 100 cm <sup>3</sup>
	exceeding 801 cm <sup>3</sup> and more	UAH 10 based on 100 cm <sup>3</sup>
	yachts and sailing vessels with or without an auxiliary motor (except for sport ones):	
8903 9110 00	seagoing vessels	UAH 14 based on 100 cm. of a length
8903 91 91 00	yachts and sailing vessels of a weight not exceeding 100 kg.	UAH 7 based on 100 cm. of a length
8903 91 93 00	yachts and sailing vessels of a weight exceeding 100 kg. and of a length not exceeding 7.5 m.	UAH 7 based on 100 cm. of a length
8903 91 99 00	yachts and sailboats of a weight exceeding 100 kg. and of a length exceeding 7.5 m.	UAH 14 based on 100 cm. of a length
	motorboats and cutters, other than outboard motorboats (except for sport):	
8903 92 10 00	seagoing	UAH 14 based on 100 cm of a length
8903 92 91 00	motorboats and cutters of a length not exceeding 7.5 m.	UAH 7 based on 100 cm. of a length
8903 92 99 00	motorboats and cutters of a length exceeding 7.5 m.	UAH 14 based on 100 cm. of a length
	other vessels (except for sport):	

8903 99 10 00	of a weight not exceeding 100 kg.	UAH 7 based on 100 cm. of a length
8903 99 91 00	of length not exceeding 7.5 m. and of a weight exceeding 100 kg.	UAH 7 based on 100 cm. of a length
8903 99 99 00	of a length exceeding 7.5 m. and of a weight exceeding 100 kg.	UAH 14 based on 100 cm. of a length

“The first registration in Ukraine” shall mean the registration of a motor vehicle in Ukraine carried out by competent Ukrainian government bodies for the first time in respect of the appropriate motor vehicle in question.

The tax imposed on owners of ground motor vehicles specified in this Law shall be paid at the location of legal entities and the place of residence of private individuals to special accounts of Territorial Highway Funds of the republican budget of the Autonomous Republic of Crimea, oblast budgets and the budget of the city of Sevastopol.

The Territorial Highway Funds shall allocate 85% of the amount of the said tax to finance expenses related to the construction, renovation, repairs and maintenance of motor roads of common use and roads in rural localities, and the balance of 15% to local government budgets for repair and maintenance of streets in towns and villages, being in municipal ownership, going onto motor roads of common use of state importance.

The tax on owners of water vessels specified in this Law shall be directed to the local government budgets (local budgets) at the place of registration of such vessels.

#### Article 4. Tax benefits

The following shall be exempted from the tax:

a) private individuals mentioned in clauses 1 and 2 of Article 14 of the Law of Ukraine “On the Status and Social Protection of Persons, Who Suffered in the Result of the Chernobyl Accident”, Articles 4 – 11 of the Law of Ukraine “On the Status of War Veterans and Guarantees of their Social Protection”, Articles 6 and 8 of the Law of Ukraine "On Principal Foundations of Social Protection of Labor Veterans and other Elderly Citizens in Ukraine”, as well as disabled persons, irrespective of their disability group (including disabled children upon petition of social protection authorities) – in respect of one motor car (motor side-car) of a cylinder capacity not exceeding 2,500 cm<sup>3</sup> or one motor-cycle of a cylinder capacity not exceeding 750 cm<sup>3</sup> or one motorboat or cutter (except for sport) of a length not exceeding 7.5 m.;



b) natural persons mentioned in clauses 3 and 4 of Article 14 of the Law of Ukraine “On the Status and Social Protection of Persons, Who Suffered in the Result of the Chernobyl Accident” in respect of one motor car of a cylinder capacity not exceeding 2,500 cm<sup>3</sup> or one motor-cycle of a cylinder capacity not exceeding 750 cm<sup>3</sup> or one motorboat or cutter (except for sport) of a length not exceeding 7.5 m., before their evacuation or during 3 years after their displacement from the guaranteed voluntary re-allocation zone or the enhanced radio-ecological control zone;

c) 50 per cent of the tax – persons, who own motor cars (code 87 03) of cylinder capacity not exceeding 2,500 cm.<sup>3</sup> registered in Ukraine before 1990, and motor vehicles for the transport of goods (code 87 04) of a cylinder capacity not exceeding 6,001 cm.<sup>3</sup>, made prior to 1990, and registered in Ukraine before 1990 – in respect of one of the specified automobiles”.

d) persons that under the law are payers of fixed agricultural tax, for wheeled tractors (code 8701, except for road tractor – code 8701), and trucks (code 8704).

Benefits, established by this Article shall not apply to vehicles registered in Ukraine for the first time, except for motor cars for the disabled (code 87 03) of cylinder capacity not exceeding 2,500 cm.<sup>3</sup>, purchased at the expense of the state or local budget, and/or granted to the disabled for free pursuant to the effective Ukrainian legislation.

Local governments – according to their powers – shall be entitled to make decisions on tax exemption of persons having license to drive a vehicle of an appropriate category in respect of one motor car (code 87 03) of cylinder capacity not exceeding 2,500 cm.<sup>3</sup>, or one truck (code 8704) of cylinder capacity not exceeding 6,001 cm.<sup>3</sup> per one person, except for vehicles registered in Ukraine for the first time.

## Article 5. Terms of tax payment

The tax on owners of vehicles and other self-propelled machines and mechanisms shall be paid by:

private individuals – prior to the first registration in Ukraine, registration, re-registration of vehicles, and prior to the technical inspection annually, or every two years, but within the first six months of the year, when the technical inspection is carried out;

legal entities – every quarter in equal installments before the 15<sup>th</sup> day of the month that falls after the reporting quarter.

legal entities - prior to the technical inspection every quarter in equal installments by the 15<sup>th</sup> day of the month falling after the reporting quarter.

Legal entities shall – for vehicles purchased during a year, except for those registered in Ukraine for the first time – pay the tax prior to their registration for the month left before the end of the year, starting the month, where a vehicle was registered. Vehicles registered in Ukraine for the first time shall be taxed prior to their first registration. The calculation of the amount of tax for such vehicles shall be filed to an appropriate tax authority within 10 days from their registration.

The amount of tax for vehicles deregistered (re-registered) by legal entities during a year shall be recalculated, except for the tax paid at the time of the first registration in Ukraine. The amount of the tax shall be recalculated prior to the deregistration (re-registration) for the months left before the end of the year, starting from the one, where a vehicle was deregistered.

Private individuals – taxpayers shall present to authorities performing the first registration, re-registration and deregistration or a technical inspection of vehicles, receipts or payment orders confirming the tax payment both for the previous (where a payment is made) and the current year, and payers exempt from the tax – an appropriate document, confirming their eligibility to such benefits.

Legal entities – taxpayers shall present to authorities performing the first registration in Ukraine, registration, re-registration, deregistration or technical inspection of vehicles, payment orders on tax payment with the endorsement (note) of a banking institution on crediting the tax on ground vehicles to territorial highway funds, and on water vessels – to appropriate budgets of local governments (village, town, city).

Where there are no documents confirming the payment of tax, or documents confirming eligibility to tax benefits, the vehicle shall not be registered for the first time in Ukraine, registered, deregistered and/or technically inspected.

#### Article 6. The procedure of calculation and payment of the tax

The tax imposed on owners of vehicles and other self-propelled machines and mechanisms shall be calculated by legal entities based on their reporting data on the number of vehicles and other self-propelled machines and mechanisms as of January 1 of the current year. The tax imposed on owners of ground vehicles shall be calculated based on the cylinder capacity or engine power of each type and brand of a vehicle, and the tax on owners of water vehicles – based on the length of a vehicle by rates, specified in Article 3 hereof.

Legal entities – based on the financial statement (balance sheet) shall – within the terms established by the law for the annual reporting period - file to appropriate tax authorities at the place of registration of vehicles, calculations of the amount tax on ground vehicles and other self-propelled machines and

mechanisms for the current year according to the form approved by the central tax authority of Ukraine.

In the event of stealing a vehicle, the tax shall not be paid by its owner, if the fact of stealing is confirmed by appropriate documents issued by authorities that initiated a relevant criminal case.

If the right to use a vehicle is assigned by a private individual to another person by virtue of the power of attorney, the tax imposed on owners of vehicles shall be paid by its owner, or on his/her behalf by a person, to whom such right is assigned, assuming it is provided for in the power of attorney granting the right to use a vehicle, at the place of registration of such vehicle.

The amount of tax imposed on owners of vehicles and other self-propelled machines and mechanisms paid by private individuals, shall be calculated based on the rates specified in Article 3 hereof. Vehicles purchased during the year, except for those registered in Ukraine for the first time, shall be taxed proportionally to the number of months left before the end of the year starting the month, where a vehicle was registered.

Where legal entities and private individuals are identified to have failed to pay the tax on owners of vehicles and other self-propelled machines and mechanisms, such entities/individuals must pay the tax for no more than three previous years.

Recalculation of a mistakenly paid tax is allowed for no more than three previous years.

Authorities carrying out state registration of vehicles shall inform on a monthly basis tax authorities on vehicles registered or deregistered during a previous month according to the form approved by the central tax authority of Ukraine, and their owners.

#### Article 7. Liability of payers

In the event of concealment (degradation) of objects of taxation, owners of vehicles shall be charged the amount of the unpaid tax, as well as a forfeit or fine in accordance with the procedure established by law.

Officials guilty of concealment (failure to keep account) of taxation objects, as well as of no or improper accounting, failure to submit, or untimely submission, or submission under an inappropriate form of calculations or other documents related to calculation and payment of the tax, shall be held liable as provided by the effective legislation.

Tax arrears, as well as the amounts of fines and forfeit shall be collected from taxpayers as provided by legislation.

#### Article 8. Appeal of actions of tax authorities' officials

Actions of tax authorities' officials related to charging of the tax and imposing of financial sanctions shall be appealed in accordance with the effective Ukrainian legislation ».

2. Paragraph four of part two of Article 1 and paragraph three of part four of Article 9 of the Law of Ukraine "On Fixed Agricultural Tax" (Vidomosti Verkhovnoyi Rady Ukrainy, 1999, No.5-6, p/39, No.9-10, p.69, 2000, No.37, p.308, 2001, No.11, p.47; 2003, No.46, p.365; 2005, No.6, p/137) shall be deleted.

3. Clause 7 of part one, Article 8 of the Law of Ukraine "On the Procedure of Importation (Sending) in Ukraine, Customs Clearance and Taxation of Personal Belongings, Goods and Vehicles, Imported (Sent) by Individuals into the Customs Territory of Ukraine" (Vidomosti Verkhovnoyi Rady Ukrayiny, 2002, No. 1, p. 2) shall read as follows:

"7) vehicles in the number of one by each goods position and goods imported (sent) by citizens, and are a part of inheritance under law, left in resident's favor outside Ukraine, providing its composition is acknowledged by authorities executing notary actions in the country of inheritance. The said documents shall be legalized in an appropriate diplomatic (consular) Ukrainian institution, unless otherwise provided by the international treaties of Ukraine.

Vehicles imported by citizens into Ukraine as inheritance are subject to temporary registration with government authorities for the term up to three years with issuing documents entitling temporary operation of such vehicles without the right of alienation and/or transfer for use to other persons, with payment of the tax imposed on owners of vehicles and self-propelled machines and mechanisms.

Vehicles specified in this clause may be alienated or transferred in ownership and/or operation, and/or disposal, during three years from their importation into the customs territory of Ukraine, only upon the payment in full of all taxes and duties (mandatory payments), envisaged by the Ukrainian legislation as of the day of importation of a vehicle into the customs territory of Ukraine».

4. To delete the words "in 5 years" in Article 3<sup>-1</sup> of the Law of Ukraine "On Certain Issues Related to Importing of Motor Vehicles into the Customs Territory of Ukraine" (Vidomosti Verkhovnoyi Rady Ukrainy, 2005, No. 34, p. 435; 2006, No.8, p.93).

## II. Final provisions

1. This Law shall take legal effect starting January 1, 2007.

2. The Cabinet of Ministers of Ukraine within 3 months from taking legal effect by the present Law shall:

reconcile its regulations in conformity with the present Law;

ensure revision or cancellation by ministries and other central executive authorities of their regulations contradicting the present Law.

Kiev

December 6, 2006

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