

Excise Duties

Excise duties are taxes that have to be paid directly by the producer of specific products. They are usually measured by quantity. In principle, production and wholesale of goods that are subjected to excise duties are processed through tax warehouses. In these warehouses they may be produced and stored untaxed. Excise duties become due whenever goods leave the warehouse. Usually the local German customs office is responsible for the collection.

Germany raises the following excise duties:

- The **energy tax** mainly affects natural resources of energy like mineral oil, coal and natural gas.

- The **tax on spirits** is levied on alcoholic products which are not subjected to specific excise duties and that have a percentage above 1.2 percent.
- The **tax on specific alcoholic beverages** as the beer tax, the tax on sparkling wine, and the tax on alcopops, which is added to the tax on spirits.
- The **tobacco tax** is levied by revenue stamps.
- The **coffee tax**.

Within the European Union, excise duties are only harmonized in regard of their minimum tax rate. Therefore excise duties are still determined by the destination principle. The relevant goods are taxed in the country where

they are used. However, they may be shipped tax free to tax warehouses within the European Single market. Since January 2011, the movement of duty suspended excisable goods (i.e. for which no excise duties have yet been paid) within the EU is monitored electronically by the **EMCS** (Excise Movement and Control System) procedure. Excise goods include alcohol and alcoholic beverages, tobacco, and energy products. The use of the EMCS is mandatory for both sending and receiving such products. The system documents the movement of excise goods electronically and facilitates a rapid transfer of the relevant information to all parties involved (importers, exporters and customs administrations).

Nevertheless, due to the destination principle, excise duties are also levied on taxable goods from other EU Member States that were

already taxed before entering Germany. Affected entrepreneurs may apply for tax refund in the country of origin. Taxable goods that are imported from outside the European Union are taxed during the customs clearance.

The German Customs Administration provides a comprehensive description of German excise duties and the relevant taxation procedures on its website as well as individual support. You may also verify an excise duty number with the EU's SEED-Database.

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