

**LAW**

**ENVIRONMENTAL PROTECTION TAX**

*Pursuant to the Constitution of the Socialist Republic of Vietnam in 1992 has been amended and supplemented a number of articles under Resolution No.51/2001/QH10; National Assembly promulgated the Law on Environmental Protection Tax*

**Chapter 1**

**GENERAL PROVISIONS**

**Article 1. Adjusting scope**

This Law provides for taxable subject, un-taxable subject, taxpayers, tax base, tax declaration, tax calculation, tax payment and environmental protection tax refund.

**Article 2. Interpretation of terms**

In this Law, the terms below are construed as follows:

1. Environmental protection tax means indirect-collected tax, collected on products and goods (hereafter referred to as goods) when used to cause negative environmental impacts.
2. Absolute tax rate means tax rate prescribed by the amount of money per unit of taxable goods.
3. Taxable-plastic bag means bags; packages are made from polyethylene plastic film unit, its technical name is a porous plastic bag
4. Hydrogen-chlorofluorocarbon liquid (HCFC) means group of substance causing reduction of ozone used as refrigerant.

**Article 3. Taxable subject**

1. Gasoline, oil, grease, including:

- a) Gasoline, except ethanol;
- b) aircraft fuel;
- c) diesel oil;
- d) Petroleum;
- e) Fuel oil;
- f) lubricants;
- g) Grease.

2. Coal, including:

- a) Lignite;
- b) Anthracite Coal (anthracite);

- c) Fat coal;
- d) Other coal.
- 3. Hydrogen-chlorofluorocarbon liquid (HCFC).
- 4. Taxable-plastic bag.
- 5. Herbicide which is restricted from use.
- 6. Pesticide which is restricted from use.
- 7. Forest product preservative which is restricted from use.
- 8. Warehouse disinfectant which is restricted from use.
- 9. When it is necessary to supplement other taxable objects as per period, the National Assembly Standing Committee shall consider and regulate.

The Government shall specify this Article.

#### **Article 4. Un-taxable object**

- 1. Goods is not specified in Article 3 of this Law shall not be subject to environmental tax.
- 2. Goods provided for in Article 3 of this Law shall not be subject to environmental tax in the following cases:
  - a) Goods transported in transit or transshipped through the border gate, Vietnam border in accordance with the law, including the transportation of goods from exporting countries to importing countries through the border gate of Vietnam but it is not made import & export procedures into and out of Vietnam; transit goods through the border gate, the border of Vietnam on the basis of agreements signed between the Government of Vietnam and a foreign government or an agreement between agencies, representative authorized under the provisions of law by government of Vietnam and foreign governments;
  - b) Goods temporarily imported for re-export within the time limit prescribed by law;
  - c) Goods directly exported by production facilities or entrusted for the export business to export, except for organizations, households and individuals to purchase goods which environmental protection taxable subject to export.

#### **Article 5. Taxpayer**

- 1. Environmental protection taxpayer is organizations, households and individuals producing, importing goods under taxable subject provided for in Article 3 of this Law.
- 2. Environmental protection taxpayer in some specific cases shall be provided for as follows:
  - a) in case of goods importing commission, the person who entrusted importing goods shall be taxpayer;
  - b) In cases where organizations, households and individuals act procurement hub of coal to develop small, retail but they can not produce the documents proving that goods have been paying environmental protection tax, the organizations, households individuals act as procurement hub shall be taxpayer.

#### **Chapter 2.**

## TAX BASE

### Article 6. Tax base

1. Tax base of environmental protection is the number of taxable goods and absolute rate.
2. The number of taxable goods shall be provided for as follows:
  - a) For goods produced in the country, the number of taxable goods is the quantity of goods produced and sold, exchanged, internally consumed, donated;
  - b) For imported goods, the number of taxable goods is the quantity of imported goods.
3. Absolute rate for tax calculation specified in Article 8 of this Law.

### Article 7. Tax calculation method

The amount of environmental protection tax payable equal the quantity of unit of dutiable goods multiply absolute rate specified on a unit of goods.

### Article 8. Tariff table

1. Absolute rates are specified in the tariff table below:

No	Goods	Calculation unit	Tax rate
<b>I</b>	<b>Gasoline, oil, grease</b>		
<b>1</b>	Gasoline, except ethanol	lit	<b>1.000-4.000</b>
<b>2</b>	aircraft fuel	lit	<b>1.000-3.000</b>
<b>3</b>	diesel oil;	lit	<b>500-2.000</b>
<b>4</b>	Petroleum	lit	<b>300-2.000</b>
<b>5</b>	Fuel oil	lit	<b>300-2.000</b>
<b>6</b>	lubricants	lit	<b>300-2.000</b>
<b>7</b>	Grease	kg	<b>300-2.000</b>
<b>II</b>	<b>Coal</b>		
<b>1</b>	Lignite	Tấn	<b>10.000-30.000</b>
<b>2</b>	Anthracite Coal (anthracite)	Tấn	<b>20.000-30.000</b>
<b>3</b>	Fat coal	Tấn	<b>10.000-30.000</b>
<b>4</b>	Other coal	Tấn	<b>10.000-30.000</b>
<b>III</b>	<b>Hydrogen-chlorofluorocarbon liquid (HCFC).</b>	kg	<b>1.000-5.000</b>
<b>IV</b>	Taxable-plastic bag	kg	<b>30.000-50.000</b>
<b>V</b>	Herbicide which is restricted from use	kg	<b>500-2.000</b>
<b>VI</b>	Pesticide which is restricted from use	kg	<b>1.000-3.000</b>
<b>VII</b>	Forest product preservative which is restricted from use	kg	<b>1.000-3.000</b>
<b>VIII</b>	Warehouse disinfectant which is restricted from use	kg	<b>1.000-3.000</b>

2. On the basis of the tax bracket prescribed in Clause 1 of this Article, the National Assembly Standing Committee provide for specific tax rate to each type of dutiable goods ensuring the following principles:

- a) The tax rate on taxable goods in line with socio-economic development policy – social in each period;
- b) The tax rate on taxable goods shall be determined under the extent of causing negative environmental impacts of the goods.

### **Chapter 3.**

#### **TAX DECLARATION, TAX CALCULATION, AND TAX REFUND**

##### **Article 9. Taxable time**

1. For goods manufactured, sold, exchanged, donated, taxable time is the time transferring the ownership or right to use goods.
2. For manufactured goods brought into internal consumption, taxable time is the time when taxable goods brought into use.
3. For imported goods, taxable time is the time of registration of customs declarations.

For gasoline, petroleum produced or imported for sale, taxable time is the time when the business hub of petrol and oil sold.

##### **Article 10. Tax declaration, tax calculation and tax payment**

1. The tax declaration, tax calculation, tax payment for environmental protection on goods produced and sold, exchanged, internally consumed, donated shall be made by the month and the provisions of the law on tax administration.
2. The tax declaration, tax calculation, tax payment for environmental protection on imported goods shall be made at the same to time of import tax declaration and tax payment.
3. Environmental protection tax is only paid once for goods produced or imported.

##### **Article 11. Tax refund**

Environmental protection taxpayer is paid tax refund in the following cases:

1. Imported goods are still stored in warehouse, storage at the border gate and are subject to be supervised by the customs authority for re-export to foreign countries;
2. Imported goods to transport, sell abroad through agents in Vietnam; gasoline, petrol sold for vehicles of foreign firms on the route through Vietnam's ports or means of Vietnam's transportation on international transport road under the provisions of law;
3. Goods temporarily imported for re-export by business mode of temporary import for re-export.
4. Goods imported by the importer re-exporting to foreign countries;
5. Goods temporarily imported for participation in fairs, exhibitions and introduction of products in accordance with the law when re-exported to foreign countries.

### **Chapter 4.**

#### **IMPLEMENTING PROVISIONS**

## **Article 12. Effect**

1. This Law takes effect from January 1<sup>st</sup>, 2012.
2. The provisions on charges of petrol, oil in the Ordinance on fees and charges No. 38/2001/PL-UBTVQH10 expire effect from the date when this law takes effect.

## **Article 13. Detailing and regulating the implementation**

The Government shall detail and guide the implementation of the articles and clauses assigned in the Law; guide the necessary content of this law in order to meet requirements of state management.

*This law was adopted by the National Assembly of Socialist Republic of Vietnam term XII, 8<sup>th</sup> session through November 15<sup>th</sup>, 2010.*

**CHAIRMAN OF NATIONAL ASSEMBLY**

**Nguyen Phu Trong**

---

*This translation is made by **LawSoft**, for reference only. **LawSoft** is protected by copyright under clause 2, article 14 of the Law on Intellectual Property. **LawSoft** always welcome your comments*