

Albania | Issue 02/12

To keep you up-to-date with the latest economic and financial developments, this bulletin prepared by our Tax Team provides information that may affect the operation of your business in Albania.

National Tax on Single-Use Plastic and Glass Packaging Material

As of the 1st of October 2012, the excise tax on packaging materials is replaced with the national tax called “tax on single-use packaging materials”.

Pursuant to law no. 83/2012 (dated 13.09.2012) “On Some Amendments to law no. 9975, dated 28.07.2008 ‘On National Taxes’ as amended”, (the “Law”), this tax shall be levied at 100 Leke/kg for plastic and 10 Leke/kg for glass materials/items. The tax will be implemented for imports as well as domestic products; it will be levied at 50 Leke/kg for locally produced packaging materials using recycled local plastic waste.

Plastic and glass packaging materials are those classified under codes 39 and 70, respectively, of the Combined Nomenclature.

The agents responsible for the collection of this tax are the (i) General Customs Directorate and its customs branches for imported materials, and (ii) the General Tax Directorate, through its regional directorates for the local production.

Collection of tax by the General Customs Directorate

The tax on single-use plastic and glass packaging materials is collected by the customs administration at the moment of importation of both:

- (i) single-use packaging made of plastic and glass, as set forth in annex 1 and annex 2 of the Law, and
- (ii) goods packaged or stored in single-use packaging materials, as per annex 1 and 2 of the Law.

The Instruction of the Minister of Finance issued for the implementation of the Law provisions (instruction no. 21, dated 01.10.2012 - the “Instruction”) provides that in addition to the above categories, for imports of half-prepared products which are clearly destined for the production of single-use plastic and glass packaging material, the tax is paid at the moment of importation (regardless if the importer is a domestic producer of these packaging material and imports them in the context of this activity or for resale).

The importer has to take the necessary measures to make the distinction and separation of types of packaging of the imported products for purposes of the application of the tax.

Collection of tax by the General Tax Directorate

The tax on single-use plastic and glass packaging material is collected by the tax administration if the goods, as per annex 1 and 2 of the Law, are packaged, held or stored in single-use packaging materials produced in the territory of the Republic of Albania.

The tax shall be paid to the regional tax directorate where the taxpayer is registered, for the entire quantity produced each month, within the 5th day of the following month. Upon such payment, the manufacturer has the obligation to submit at the regional tax directorate, along with the receipt of the paid tax, a form declaring the produced amount. The tax administration is responsible for monitoring the raw materials, granulates and half-prepared items (where applicable) used for the production of single use plastic or glass packaging materials.

Pursuant to the Instruction, all entities producing single-use plastic and glass packaging material, must, within the 30th of October, submit at the regional tax directorate where they are registered the following documents:

- (i) License/permit/approval from the relevant institution, for the production of single use plastic and glass products.
- (ii) A copy of the technological production card. Every change in this card must be notified to the tax authority one month before.

Based on the Law, all taxpayers who have paid excise tax to the customs authorities for imported glass and plastic packaging (pursuant to the law no. 8976, dated 12.12.2002 "On Excise" as amended), and have been provided with an authorization as excise taxpayers, and have been authorized to operate a tax warehouse, shall not, in the event of selling their product (for which the excise has been paid) after 1st of October 2012, be subject of the tax on single-use glass and plastic packaging material. The tax and customs administration will verify the implementation of this provision.

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