

Draft amendment to the Excise Duties Act in connection with COVID-19



22nd April 2020

The Chamber of Deputies approved the draft amendment to the Excise Duties Act in connection with SARS CoV-2 coronavirus spread.

In addressing the current situation, excise duties seem to have been most ignored so far; the draft amendment to the Excise Duties Act is thus one of the first (and hopefully not the last) attempts to mitigate the negative financial impact on companies producing or trading (at least in part) goods subject to excise duties.

The draft amendment that was discussed by the Chamber of Deputies under expedited legislative procedure on Tuesday 21 April, originally targeted entities engaged in the production and sale of tobacco products. Under the amendment, these entities should be given more time to withdraw from the market cigarettes with an “old” tobacco label (marked “V”).

Since 1 March 2020, tobacco products have been subject to new excise duty rates; as a result, under the current wording of the Act, cigarettes with old labels have to be withdrawn from circulation by the end of May 2020. In light of proposals to amend the draft, the amended act has extended the deadline until the end of June 2020.

The extension of the deadline applies to both the storage of cigarettes with an old tobacco label and the actual sale to final consumers. The deadline for the disposal of cigarettes and the refund of excise duty has also been extended by 1 month.

Based on a proposal to amend the draft, the amended law also reflects a proposal that should help beer trading companies. Excise warehouse operators should, in justified cases, be allowed to re-store beer in an excise warehouse for the purposes of its disposal or reprocessing and get a refund of the excise duty paid.



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