

Sweden announces draft bill to impose new excise tax on plastic bags

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Executive summary

The Swedish Government aims to minimize the circulation of micro plastic in the environment. In the [2020 budget bill](#), the Swedish Government announced its plan to impose a new excise tax on plastic bags. Accordingly, a draft bill has been published imposing a tax on plastic bags which are typically used by consumers for packing and carrying groceries.

The new excise tax is proposed to apply from **1 May 2020**. It will however be possible to apply for registration as a warehouse holder for plastic bags from **1 March 2020**.

Detailed discussion

Tax rates

The normal tax rate is SEK3 per plastic bag. Plastic bags that are thinner than 15 micrometers and have a volume of less than 7 liters are proposed to be taxed at SEK0.3 per plastic bag.

Tax liability

The obligation to report and pay tax occurs in the following situations:

- ▶ During import to Sweden from the countries outside the European Union (EU)
- ▶ Movement of the taxable plastic bags from other EU Member States
- ▶ Production of taxable plastic bags in Sweden

Some exemptions may apply.

Tax suspension regime

According to the Government's proposal, it will be possible to register as a warehouse holder for plastic bags in order to suspend reporting and payment of the excise tax.

Reporting and payment of tax on plastic bags

Any company subject to this tax must submit monthly excise returns. The tax must be paid before the last day for the reporting and filing of an excise return which is generally the 12th day of the month following the reporting period.

Exempt goods

Plastic bags for permanent use are proposed to be exempt from the mentioned tax.

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