

THE REPUBLIC OF LATVIA LAW
On Natural Resource Tax
12 December 1990

Article 1. The objectives of the tax

The objectives of the natural resource tax is to limit mismanagement of natural resources and environmental pollution, as well as to accumulate means for the funding of environmental protection measures.

The tax consists of a payment for the utilization of natural resources and environmental pollution within set limits, and fines on pollution and utilization exceeding the limit.

The use of the means acquired from the tax payments for enterprises that are not connected with environmental protection measures is not admissible.

Article 2. Taxpayers

The taxpayers are all legal entities and physical persons who utilize natural resources of the Republic of Latvia and have received due permit (licence).

Article 3. Ways of natural resource utilization

The utilization of natural resources is understood as:

- 1) involvement of natural resources in national economy;
- 2) introduction or leakage of polluting substances into the environment.

Article 4. Taxable objects

Resources obtained from the nature as well as pollution introduced into the nature are taxable.

The types of environmental pollution and the list of natural resources which are taxable, as well as the respective limits of pollution and utilization of resources are determined by the Environmental Protection Committee of the Republic of Latvia and approved by the Supreme Council of the Republic of Latvia.

The tax is computed for each natural resource or unit of pollution in accordance with the tax rates (see Appendix).

Article 5. Order of payment

The tax is paid for the actual scope of natural resource utilization and environmental pollution.

The tax is paid on the basis of data on natural resource utilization and environmental pollution as specified by the licence, as to the consumption or within the set limits.

The tax on environmental pollution within the set limits is paid into the budgets in the following ratio: 25 percent into the state budget of the Republic of Latvia, 75 percent - into the budget of the local self-government.

The tax on the involvement of natural resources in economic activities is paid into the extra-budget fund of the local self-government on the territory of which the respective activities take place.

Payments for pollution that exceeds the limit and excessive utilization of natural resources are made into the Environmental Protection Fund. This tax has elevated rates which are three times the basic rates of the tax, imposed upon the income left to an enterprise after all the other tax payments have been made.

The tax is collected by the State Financial Inspection of Latvia.

Article 6. Control over the payment of the tax

Utilization of natural resources as specified by the limits and licences is controlled by the Environmental Protection Committee of the Republic of Latvia.

Person guilty of concealment or falsification of inspection or control data is responsible before the laws of the Republic of Latvia.

A fine amounting to 0.1 percent of the sum to be paid is charged for each overdue day of the tax payment.

All dispute on the utilization of natural resources should be settled in accordance with the laws of the Republic of Latvia.

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