

Republic of Lithuania
Law

On Pollution Tax

Pollution tax is an element of economic mechanism designed to reduce pollution and its negative effect on the environment.

As used in this law:

the optimum permissible pollution (OPP) means optimum permissible amount of pollutants discharged into the environment by a separate source of pollution per time unit, which, upon the assessment of the effect of other sources of pollution and the perspective of the development of industrial enterprises, does not exceed the established quality standards of the environment;

temporarily permitted pollution (TPP) means the temporary permissible amount of pollutants discharged into the environment per time unit determined for the period until the OPP is reached;

standard means the amount of pollutants (OPP or TPP) permitted to be discharged into the environment during the taxable period.

Chapter 1

Taxable Object and Taxable Entities

Article 1.

The taxable object shall be physical, chemical or biological pollutants having negative effect on man and environment. The taxes shall be determined taking into account the amount of pollutants, their injuriousness, the standard and the time of its implementation.

Article 2.

Pollution tax shall be paid by legal and natural persons who pollute the environment and for whom the standards have been determined.

Chapter 2

Tax Rates and the Procedure for their Establishment

Article 3.

Tax rates shall be established per one ton of pollutants. Tax rates for water pollutants and air contaminants according to the extent of their deviation from the standards shall be as follows:

- 1) basic;
- 2) increased;
- 3) reduced.

Article 4.

For the pollution of water the polluter shall be liable to pay taxes at the following rate:

- 1) when the determined standard is not exceeded -- according to the basic rate provided in Appendix 1 of this law;
- 2) when the determined standard is exceeded -- according to the increased rate calculated according to formula 1 provided in Appendix 3.

Article 5.

For the discharge of contaminants into the atmosphere from stationary sources, the polluter shall be liable to pay taxes at the following rate:

- 1) when the determined standard is not exceeded -- according to the basic rate provided in Appendix 2 of this law.
- 2) when the determined standard is exceeded -- according to the increased rate calculated as follows:
 - a) for power engineering facilities according to formula 1 provided in Appendix 3,
 - b) for industrial enterprises according to formula 2 provided in Appendix 3.

For each ton of discharged contaminants from mobile sources an enterprise shall pay the tax at the basic rate provided in Appendix 2 of this law.

Vehicles with neutralizers shall be exempt from taxation.

Article 6.

If the discharged amount is lower than the OPP, the basic rate shall be reduced according to formula 3 of Appendix 3.

Article 7.

Legal and natural persons implementing nature protection measures with their own resources and reducing the pollution not less than by 25 percent shall be exempt from the payment of tax at the basic rate for reimbursing the expenditure for the period not exceeding 3 years.

Article 8.

Legal and natural persons which do not keep an estimate of discharged pollutants shall pay the tax according to the amount of discharged pollutants estimated by the officer of the state environmental protection control.

Chapter 3

Procedure of Payment and its Control

Article 9.

The tax shall be computed according to the established form and payed by the taxable entities.

Article 10.

The tax shall be payed by advance payments in equal installments computed from the total amount of annual tax which is computed according to the basic rate for the standard amount of pollutants once in three months up to the 15th day of the first month of the next quarter. At the end of the year the amount of tax shall be recalculated according to the amount of pollutants actually discharged, and annual estimates shall be filed with the State Tax Inspectorate on or before 1 February.

Article 11.

The Department of Environmental Protection of the Republic of Lithuania in conjunction with the Ministry of Finance of the Republic of Lithuania shall control the accuracy of the computation of taxes. Taxes shall be paid for any concealed amount of pollutants, and the economic sanction of increasing the rate of tax tenfold shall be applied.

Article 12.

Legal and natural persons timely not subjected to the payment of taxes shall be liable to pay same for the period not exceeding two preceeding years. The period for which corrections in the erroneously imposed tax may be made, as well as the required amounts of tax may be refunded or recovered shall also embrace two years.

Article 13.

Failure to pay the required tax by the due date shall incur liability for interest at the rate of 0.5 percent for each day that the tax remains unpaid.

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