

## **1104: Tax Base of Customs Duties**

Customs duties, consumption tax and local consumption taxes are, in principle, levied on imported goods. In this case, the base on which taxes are calculated is called the tax base and the rate of taxation is called the tax rate.

Customs duties are, in principle, stipulated to use the price or quantity of goods at the time of import declaration as a tax base. An ad valorem rate is applied to the dutiable value of the imported goods, whereas a specific rate is imposed as a fixed sum on each article without regard to its value. And, a mixed ad valorem and specific rate is based on both value and volume.

The value of tax base is called the Customs value. For more information about the Customs value, please refer to No. 1403 “Primary Method to Determine the Customs Value of Imported Goods page”.

(Articles 3 and Article 4 of the Customs Law, Article 59-2 of the Cabinet Order for Enforcement of the Customs Law, Article 3 and Articles from 4 to 4-8 of the Customs Tariff Law)