

1702: System of exempting domestic excises on import goods

Domestic excises is to be levied on import goods include consumption tax, liquor tax, tobacco tax, special tobacco surtax, gasoline tax, local gasoline tax, liquefied petroleum gas tax, and petroleum and coal tax, and those excises are supposed to be imposed once import declaration is made. However, some of those goods for which customs duty is exempted in accordance with the tax exemption provisions of the relevant tax laws are also exempted from taxation of domestic excises, pursuant to the Law for the Collection of Excise Taxes on Imports.

Such goods, to which exemption of domestic excises together with customs duty is applicable, include personal hand luggage, properties to be moved due to house-moving, gifts for charity or disaster relief, cargoes belonging to diplomats, duty-exempted re-exported goods, etc.

For requesting the application of this tax exemption system, it is necessary to give certain required information either on the application form for tax exemption, when submission of such a form is required at the time of import declaration, or on the export declaration form if the said application was not required.

Also, in case that tax exemption is granted on condition that imported goods will be re-exported (exemption for re-export), submission of security money may be required in some cases when the Director-General of regional customs considers it necessary, where the value of such security is to be equal to the value of domestic excise to be exempted.

For the relation of this tax exemption system with the duty exemption provisions, please see Code# 1703 (**Application of the Consumption Tax on the Duty-Exemption Procedures (Customs Tariff Law etc.)**)

(Article 13 of the Law for the Collection of Excise Taxes on Imports, and Article 13 of the Cabinet Order for Enforcement of the said Law)