Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

29 March 2012 [shall come into force on 1 May 2012];

15 November 2012 [shall come into force on 1 January 2013];

12 September 2013 [shall come into force on 1 January 2014];

21 May 2015 [shall come into force on 1 January 2016];

30 November 2015 [shall come into force on 1 January 2016];

23 November 2016 [shall come into force on 1 January 2017];

22 June 2017 [shall come into force on 1 August 2017];

28 July 2017 [shall come into force on 1 January 2019];

30 November 2020 [shall come into force on 1 January 2021].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima* 1 has adopted

and the President has proclaimed the following law:

**Law on the Vehicle Operation Tax and Company Car Tax**

**Chapter I General Provisions**

**Section 1. Purpose and Scope of Application of This Law**

(1) This Law prescribes the objects for the vehicle operation tax and the company car tax, the payers, the procedures for the calculation, payment and administration of these taxes, as well as exemptions from tax payment and tax reliefs.

(2) The vehicle types referred to in this Law conform to the classification provided for in the standard LVS 87:1997/A1:2005, Types of Vehicles and their Definitions.

(3) [23 November 2016]

(4) If the payer of the vehicle operation tax also conforms to the definition of a payer of the company car tax and the definition of the taxpayer specified in other laws and regulations in the field of the transport sector, the payment of the vehicle operation tax shall not exempt this person from payment of other taxes, insofar as it is not otherwise prescribed by regulatory enactments.

[*23 November 2016*]

**Section 1.1 Application of Measurements Referred to in the Law for Determination of Tax Rate**

If numerical values of measurement units referred to in this Law – the amount of carbon dioxide (CO2) emissions, the gross weight of a vehicle in kilograms, the engine capacity in cubic centimetres and maximum engine power in kilowatts – are indicated with a figure after point, a relevant numerical value of the measurement unit shall be used for the determination of a rate of the vehicle operation tax and company car tax, by discarding figures after point.

[*29 March 2012; 23 November 2016*]

**Chapter II Vehicle Operation Tax**

**Section 2. Object of the Vehicle Operation Tax**

All vehicles, except tractor-type machinery, the trailers and semi-trailers of cars whose gross weight does not exceed 3500 kilograms, trams, trolleybuses, off-the-road vehicles, snow motorcycles, mopeds and bicycles, shall be the objects taxable with the vehicle operation tax.

**Section 3. Payers of the Vehicle Operation Tax**

A payer of the vehicle operation tax is a holder indicated in the State Register of Vehicles and Their Drivers, or, if the holder is not indicated - an owner (possessor) of the vehicle, for whom the taxable vehicle referred to in Section 2 of this Law has been registered or is being registered in Latvia or whose taxable vehicle referred to in Section 2 of this Law in his or her ownership, holding or possession is being issued transit number plates in Latvia, or a person the declared place of residence of whom is in Latvia and who uses a vehicle of Category M1 and N1 registered in a foreign country for participation in the road traffic.

[*23 November 2016*]

**Section 4. Rates of the Vehicle Operation Tax**

(1) The vehicle operation tax for such motorcycle, tricycle, and quadricycle which has been registered for the first time after 1 January 2005 and information on the engine capacity of which is included in the vehicle registration certificate shall be payable according to the engine capacity thereof in cubic centimetres (cm3) in the following amount:

1) up to 500 cm3 – EUR 18;

3) between 501 and 1000 cm3 – EUR 36;

3) between 1001 and 1500 cm3 – EUR 54;

4) above 1500 cm3 – EUR 72.

(2) The vehicle operation tax for motorcycles, tricycles, and quadricycles which are not referred to in Paragraph one of this Section shall be EUR 36.

(3) The vehicle operation tax for such car or goods vehicle with gross weight up to 3500 kilograms (kg) which is equipped with an internal combustion engine or by construction is equipped with an internal combustion engine and uses energy from the equipment for the storage of electricity or driving force for its mechanical driving force (for example, an accumulator, condenser, flywheel, or generator) and which was registered for the first time after 31 December 2020 shall be payable by applying the rate depending on the amount of carbon dioxide (CO2) emissions caused by the vehicle in grams (g) per kilometre (km) in conformity with the Worldwide Harmonised Light Vehicles Test Procedure:

1) for vehicles with carbon dioxide (CO2) emissions up to 50 g per km – EUR 0;

2) for vehicles with carbon dioxide (CO2) emissions between 51 g and 95 g per km – EUR 9;

3) for vehicles with carbon dioxide (CO2) emissions between 96 g and 115 g per km – EUR 36;

4) for vehicles with carbon dioxide (CO2) emissions between 116 g and 130 g per km – EUR 66;

5) for vehicles with carbon dioxide (CO2) emissions between 131 g and 155 g per km – EUR 90;

6) for vehicles with carbon dioxide (CO2) emissions between 156 g and 175 g per km – EUR 114;

7) for vehicles with carbon dioxide (CO2) emissions between 176 g and 200 g per km – EUR 132;

8) for vehicles with carbon dioxide (CO2) emissions between 201 g and 225 g per km – EUR 168;

9) for vehicles with carbon dioxide (CO2) emissions between 226 g and 250 g per km – EUR 204;

10) for vehicles with carbon dioxide (CO2) emissions between 251 g and 275 g per km – EUR 258;

11) for vehicles with carbon dioxide (CO2) emissions between 276 g and 300 g per km – EUR 318;

12) for vehicles with carbon dioxide (CO2) emissions between 301 g and 350 g per km – EUR 426;

13) for vehicles with carbon dioxide (CO2) emissions between 351 g and 400 g per km – EUR 582;

14) for vehicles with carbon dioxide (CO2) emissions from 401 g per km – EUR 756.

(4) The vehicle operation tax for such car which is equipped with an internal combustion engine or by construction is equipped with an internal combustion engine and uses energy from the equipment for the storage of electricity or driving force for its mechanical driving force (for example, an accumulator, condenser, flywheel, or generator) and which was registered for the first time after 31 December 2008, or goods vehicle with gross weight up to 3500 kilograms which was registered for the first time after 31 December 2011 shall be payable by applying the rate depending on the amount of carbon dioxide (CO2) emissions caused by the vehicle in grams (g) per kilometre (km) in conformity with the method of the New European Driving Cycle:

1) for vehicles with carbon dioxide (CO2) emissions up to 50 g per km – EUR 0;

2) for vehicles with carbon dioxide (CO2) emissions between 51 g and 95 g per km – EUR 12;

3) for vehicles with carbon dioxide (CO2) emissions between 96 g and 115 g per km – EUR 48;

4) for vehicles with carbon dioxide (CO2) emissions between 116 g and 130 g per km – EUR 84;

5) for vehicles with carbon dioxide (CO2) emissions between 131 g and 155 g per km – EUR 120;

6) for vehicles with carbon dioxide (CO2) emissions between 156 g and 175 g per km – EUR 144;

7) for vehicles with carbon dioxide (CO2) emissions between 176 g and 200 g per km – EUR 168;

8) for vehicles with carbon dioxide (CO2) emissions between 201 g and 225 g per km – EUR 216;

9) for vehicles with carbon dioxide (CO2) emissions between 226 g and 250 g per km – EUR 264;

10) for vehicles with carbon dioxide (CO2) emissions between 251 g and 275 g per km – EUR 336;

11) for vehicles with carbon dioxide (CO2) emissions between 276 g and 300 g per km – EUR 408;

12) for vehicles with carbon dioxide (CO2) emissions between 301 g and 350 g per km – EUR 552;

13) for vehicles with carbon dioxide (CO2) emissions from 351 g per km – EUR 756.

(5) If the information on the amount of CO2 emissions caused by the vehicle referred to in Paragraph three of this Section is not available in the State Register of Vehicles and Their Drivers in conformity with the Worldwide Harmonised Light Vehicles Test Procedure, the vehicle operation tax shall be payable in conformity with the rates specified in Paragraph four of this Section.

(6) If the information on the amount of CO2 emissions caused by the vehicle referred to in Paragraph three or four of this Section is not available in the State Register of Vehicles and Their Drivers, the vehicle operation tax shall be payable in conformity with the rates specified in Paragraph eight of this Section.

(7) In addition to the rate of the vehicle operation tax which is calculated in accordance with Paragraphs three and four of this Section, the rate in the amount of EUR 300 is determined for those vehicles the engine capacity of which exceeds 3500 cm3.

(8) The vehicle operation tax for such car or goods vehicle with gross weight up to 3500 kg which is equipped with an internal combustion engine or by construction is equipped with an internal combustion engine and uses energy from the equipment for the storage of electricity or driving force for its mechanical driving force (for example, an accumulator, condenser, flywheel, or generator) and which has been registered for the first time after 1 January 2005, and for which information on the gross weight, engine capacity, and maximum engine power is included in the vehicle registration certificate, shall be payable by adding together the tax rates according to the gross weight, engine capacity, and maximum engine power of the car, in the following amounts:

1) for gross weight in kilograms (kg):

a) up to 1500 kg – EUR 15;

b) between 1501 kg and 1800 kg – EUR 32;

c) between 1801 kg and 2100 kg – EUR 55;

d) between 2101 kg and 2600 kg – EUR 70;

e) between 2601 kg and 3000 kg – EUR 84;

f) between 3001 kg and 3500 kg – EUR 97;

g) above 3500 kg – EUR 110;

2) for engine capacity in cubic centimetres (cm3):

a) up to 1500 cm3 – EUR 9;

b) between 1501 cm3 and 2000 cm3 – EUR 23;

c) between 2001 cm3 and 2500 cm3 – EUR 37;

d) between 2501 cm3 and 3000 cm3 – EUR 55;

e) between 3001 cm3 and 3500 cm3 – EUR 91;

f) between 3501 cm3 and 4000 cm3 – EUR 160;

g) between 4001 cm3 and 5000 cm3 – EUR 228;

h) above 5000 cm3 – EUR 297;

3) for the maximum engine power in kilowatts (kW):

a) up to 55 kW – EUR 9;

b) between 56 kW and 92 kW – EUR 23;

c) between 93 kW and 129 kW – EUR 37;

d) between 130 kW and 166 kW – EUR 55;

e) between 167 kW and 203 kW – EUR 91;

f) between 204 kW and 240 kW – EUR 160;

g) between 241 kW and 300 kW – EUR 228;

h) above 300 kW – EUR 297.

(9) The vehicle operation tax for a car or goods vehicle with gross weight up to 3500 kilograms (kg) which is not referred to in Paragraph three, four, or eight of this Section shall be payable in conformity with the gross weight thereof in the following amount:

1) up to 1500 kg – EUR 38;

2) between 1501 kg and 1800 kg – EUR 81;

3) between 1801 kg and 2100 kg – EUR 137;

4) between 2101 kg and 2600 kg – EUR 174;

5) between 2601 kg and 3000 kg – EUR 210;

6) between 3001 kg and 3500 kg – EUR 242;

7) above 3500 kg – EUR 274.

(10) The vehicle operation tax for a bus shall be payable in conformity with the gross weight thereof or gross weight and level of engine emissions in the following amounts:

1) up to 1500 kg – EUR 18;

2) between 1501 kg and 1800 kg – EUR 36;

3) between 1801 kg and 2100 kg – EUR 66;

4) between 2101 kg and 2600 kg – EUR 78;

5) between 2601 kg and 3500 kg – EUR 102;

6) between 3501 kg and 12 000 kg:

a) EURO 0, EURO I, EURO II – EUR 252;

b) EURO III, EURO IV – EUR 180;

c) EURO V – EUR 120;

d) EURO VI and less polluting – EUR 96;

7) above 12 000 kg:

a) EURO 0, EURO I, EURO II – EUR 300;

b) EURO III, EURO IV – EUR 210;

c) EURO V – EUR 156;

d) EURO VI and less polluting – EUR 120.

(11) The vehicle operation tax for a goods vehicle with the gross weight from 3501 kg up to 12 000 kg shall be payable in conformity with the level of engine emissions thereof:

1) EURO 0, EURO I, EURO II – EUR 432;

2) EURO III, EURO IV – EUR 300;

3) EURO V – EUR 192;

4) EURO VI and less polluting – EUR 144.

(12) The vehicle operation tax for a goods vehicle with the gross weight above 12 000 kg (except for the tractor unit) shall be payable depending on the number of axles thereof and the level of engine emissions in accordance with Annex 1 to this Law.

(13) The vehicle operation tax for a tractor unit shall be payable depending on the number of axles thereof and the level of engine emissions in accordance with Annex 4 to this Law.

(14) The vehicle operation tax for a two-axle, three-axle, or multi-axle trailer shall be payable depending on the number of axles, the gross weight thereof and the gross weight, the number of axles, and the driving axle suspension type (pneumatic or mechanical suspension) of the trailer’s towing goods vehicle in accordance with Annex 2 to this Law.

(15) The vehicle operation tax for a single-axle trailer and a single-axle semi-trailer shall be EUR 60.

(16) The vehicle operation tax for two-axle, three-axle, or multi-axle semi-trailer shall be payable depending on the number of the axles, the gross weight thereof and the unladen mass, the number of axles, and the driving axle suspension type (pneumatic or mechanical suspension) of the towing tractor unit of the semi-trailer in accordance with Annex 3 to this Law.

(17) If the vehicle operation tax for a two-axle, three-axle, or multi-axle trailer has not been paid in the previous calendar years, the vehicle operation tax rate shall be calculated for the previous calendar years, assuming that the trailer has been towed by a three-axle goods vehicle which has the driving axle mechanical suspension.

(18) If the vehicle operation tax for a two-axle, three-axle, or four-axle semi-trailer has not been paid in the previous calendar years, the vehicle operation tax rate shall be calculated for it for the previous calendar years, assuming that the semi-trailer has been towed by a three-axle tractor unit which has the driving axle mechanical suspension.

(19) If the level of engine emissions of the vehicle referred to in Paragraph ten, eleven, twelve, or thirteen of this Section is not known or there is no confirmation issued by the manufacturer of a vehicle or a representative of the manufacturer for the conformity of engine emissions of the vehicle with certain level, the vehicle operation tax shall be payable in conformity with the rates specified for the EURO 0 level.

[*30 November 2020*]

**Section 5. Payment of the Vehicle Operation Tax**

(1) The vehicle operation tax shall be payable in the State budget for the current calendar year and for the preceding calendar years if the vehicle operation tax has not been paid for the preceding calendar years.

(2) The Road Traffic Safety Directorate shall not carry out the State technical inspection of a vehicle, registration of a vehicle previously not registered in Latvia, registration of a change in owner, registration of a holder, registration of a vehicle rebuild, re-registration of a vehicle removed from the register, as well as the removal of a vehicle from the register for alienation in Latvia or for bringing out, or temporary suspension of the vehicle registration by handing over the number plates, if the tax has not been paid in the amount laid down in this Section for the current calendar year and for the preceding calendar years in cases where the vehicle had been registered in Latvia in the preceding calendar years.

(3) Prior to the State technical inspection of a vehicle, the vehicle operation tax must be paid in the full amount. A technical inspection for a vehicle that has been removed from the register for alienation in Latvia shall be performed if one-twelfth of the transport operation tax has been paid.

(4) When registering a vehicle, the sum of the vehicle operation tax must be paid in the amount to be calculated in accordance with the following formula:

vehicle operation tax = vehicle operation tax for the year x 1/12 x the number of the remaining full months in the current calendar year (including the month of registration).

(41) [28 July 2017]

(42) If a vehicle is being alienated in the cases determined in the laws and regulations by a person specified in the laws and regulations (State institution, a sworn court bailiff, an administrator of insolvency proceedings) who is not the owner or holder of the vehicle, then, when registering such vehicle, the sum of the vehicle operation tax must be paid in the amount to be calculated in accordance with the following formula:

vehicle operation tax = vehicle operation tax for the year x 1/12 x the number of the remaining full months in the current calendar year (excluding the month in which the payment of the stated amount was made).

(5) When removing a vehicle from the register for alienation in Latvia or for bringing out of Latvia, or when temporary suspending the vehicle registration by handing over the number plates, the sum of the vehicle operation tax must be paid in the amount to be calculated in accordance with the following formula:

vehicle operation tax = vehicle operation tax for the year x 1/12 x the number of months which have passed in the current calendar year (including the current month).

(51) In case of insolvency of a taxpayer, if the tax for a preceding period has not been paid, the non-paid tax for a period of time until a declaration of insolvency proceedings shall be recognised as a creditor's claim, but the tax shall be paid from the month when the insolvency has been declared.

(52) The person from which the vehicle is confiscated under a court ruling within criminal proceedings as being criminally acquired shall, within 30 days after coming into effect of the ruling on the confiscation of the vehicle, pay the vehicle operation tax for the previous taxation periods, if it has not been paid, and for the current calendar year which is calculated in accordance with the following formula:

vehicle operation tax = vehicle operation tax for the year x 1/12 x the number of months which have passed in the current calendar year (including the month in which the vehicle was confiscated).

(53) If a sworn court bailiff sells a pledged vehicle of a taxpayer based on a writ of execution, then within 30 days after the pledged vehicle has been sold the taxpayer shall pay the vehicle operation tax for the previous taxation periods, if it has not been paid, and for the current calendar year which is calculated in accordance with the following formula:

vehicle operation tax = vehicle operation tax for the year x 1/12 x the remaining number of months which have passed in the current calendar year (including the month in which the payment of the stated amount was made).

(54) If the vehicle operation tax has not been paid within 30 days after the confiscation of the vehicle or after the pledged vehicle has been sold, the tax administration shall make recovery from the taxpayer, from whom the vehicle has been confiscated in accordance with a court ruling or whose vehicle had been pledged, based on the decision on the recovery of the late tax payment which has been taken in accordance with the law On Taxes and Fees.

(6) When issuing transit number plates for a vehicle, one-twelfth of the vehicle operation tax must be paid.

(7) [29 March 2012];

(71) When extending the term of validity of the transit number plates or the time period for removing a vehicle from the register, one-twelfth of the vehicle operation tax shall be paid.

(8) For the calculation of the vehicle operation tax, the technical data of the vehicles from the State register (hereinafter – the register) on the vehicles and the drivers thereof shall be used.

(81) If the tax is paid for several vehicles in one payment, the taxpayer shall, by using e-services provided by the Road Traffic Safety Directorate, relate information in the register on the purpose of payment with the vehicle registration number for which the tax is paid.

(9) The Cabinet shall determine the procedures by which the vehicle operation tax shall be collected, paid and reimbursed and the procedures by which the vehicle operation tax shall be calculated in cases when there is no technical data on a vehicle in the register.

[*29 March 2012; 21 May 2015; 22 June 2017; 28 July 2017*]

**Section 6. Exemptions from the Payment of the Vehicle Operation Tax**

(1) The vehicle operation tax shall not be paid for:

1) one passenger car, motorcycle, tricycle or quadricycle which is or is being registered in the ownership, holding or possession of a person with disability;

2) [21 May 2015];

3) a vehicle which is being registered in the ownership, holding or possession of a consular or international organisation representation or such person who has diplomatic or consular privileges and immunities;

4) a vehicle which is being written-off or is being written-off concurrently with other registration activity;

5) a vehicle which is registered or is being registered as an emergency vehicle;

6) a time period when the vehicle had been pledged in the cases provided for in the laws and regulations and the use of it in road traffic has been prohibited;

7) the previous time period, if the vehicle had been recognised as a property without an owner, in accordance with the procedures specified by regulatory enactments. When purchasing such vehicle, the new owner shall pay the vehicle operation tax for the current year;

8) the time period when the vehicle has not been at the disposal of the taxpayer as a result of a criminal offence which is attested by documents issued by the person directing the procedures or a foreign competent authority, on by the information on the vehicle entered in the register;

9) the time period when the vehicle registered in Latvia had been brought out of Latvia and had been registered in a foreign country;

10) a vehicle which is registered in the ownership of a natural person, for the time period from death of the natural person until the time of the registration of a change in owner or possessor;

11) [22 June 2017];

12) a vehicle which has or is being registered with the status of a historic motor vehicle;

13) a vehicle which is registered or is being registered as a sports vehicle;

14) the time period when the vehicle had been removed from the register for alienation in Latvia or for bringing out of Latvia, or the vehicle registration had been temporarily suspended by handing over the number plates, or the vehicle had been excluded from the register;

15) such vehicle, which according to its construction uses only the energy stored in the electricity or driving force storage equipment (accumulator, condenser, flywheel or generator) for its mechanical driving force;

16) a passenger car the owner, holder or possessor of which, or the spouse of such person has a child with disability as a dependent. Exemption shall be applied in respect of one passenger vehicle registered in the ownership, holding or possession of such person or the spouse thereof;

17) a vehicle which is removed from the register by the insolvency administrator of the vehicle owner for alienation in Latvia or bringing out of Latvia, or a vehicle the registration of which is temporary suspended, by handing over the number plates;

18) one vehicle which has been or is being registered in the ownership, holding or possession of a member of the Allied Powers Headquarters or his or her dependent, if such person is not a citizen or resident of Latvia.

(2) The Cabinet shall determine the procedures by which the exemption from payment of the vehicle operation tax provided for in this Section shall be applicable.

(3) Exemptions from the payment of the vehicle operation tax shall not be applicable to vehicles used for commercial transportation of passengers or goods. This condition shall not apply to those vehicles, which comply with the conditions in Paragraph one, Clause 15 of this Section.

[*29 March 2012; 21 May 2015; 23 November 2016; 22 June 2017*]

**Section 7. Vehicle Operation Tax Reliefs**

(1) The vehicle operation tax shall be paid in the amount of 50 per cent for a vehicle (except an emergency vehicle), the owner, holder or driver of which is an institution subordinate to the Ministry of the Interior.

(2) The vehicle operation tax shall be paid in the amount of 50 per cent for a vehicle (except an emergency vehicle), the owner, holder or driver of which is an institution subordinate to the Ministry of Defence or the National Armed Forces.

(3) The vehicle operation tax shall be paid in the amount of 50 per cent for a vehicle (except an emergency vehicle), the owner, holder or driver of which is a local government police institution.

(4) A producer of agricultural products, an agricultural service co-operative society and a recognised aquaculture (pond farm type) farm shall pay the vehicle operation tax for a goods vehicle, which is intended by construction for the transportation of different goods, and a trailer or semi-trailer, which is intended by construction for the transportation of different goods, in the amount of 25 per cent, observing the following conditions:

1) a producer of agricultural products and a recognised aquaculture (pond farm type) farm which are registered with the State Revenue Service as taxpayers from economic activity;

2) the producer of agricultural products cultivates all the land in his or her ownership, permanent use or lease to be used for agriculture, which, on 1 January of the current year, has been approved for the receipt of the single area payment in accordance with the regulatory enactments regarding granting of the European Union support to agriculture within the framework of direct support schemes (hereinafter — land to be used for agriculture). Permanent meadows, pastures and perennial grasses sown into arable land on areas of land to be used for agriculture shall be included if the density of farm animals in these areas is not less than 0.2 conditional units of bovine animals per hectare of the approved permanent meadow, pasture and perennial grasses sown into arable land in compliance with the data of the State agency Agricultural Data Centre on 1 January of the current year;

3) if there is one goods vehicle and one trailer or semi-trailer in the ownership, holding or possession of the producer of agricultural products, a relief shall be applied thereto regardless of the area of land to be used for agriculture in the ownership, permanent use or lease thereof;

4) if there are several goods vehicles and several trailers or semi-trailers in the ownership, holding or possession of the producer of agricultural goods, the relief shall be applicable to one goods vehicle and one trailer or semi-trailer per every 50 hectares of land to be used for agriculture in the ownership, permanent use or lease thereof;

5) a relief shall be applicable to the recognised aquaculture (pond farm type) farm for one goods vehicle and one trailer or semi-trailer;

6) the agricultural service co-operative society complies with the annual conformity criteria required for the granting of aid specified in regulatory enactments;

7) if there is one goods vehicle and one trailer or semi-trailer in the ownership, holding or possession of the agricultural service co-operative society, a relief shall be applied thereto regardless of the net turnover of the agricultural service co-operative society indicated in the last submitted annual financial statement of the undertaking;

8) if there are several goods vehicles and several trailers or semi-trailers in the ownership, holding or possession of the agricultural service co-operative society, a relief shall be applied for one goods vehicle and one trailer or semi-trailer per each EUR 99 600 of the net turnover of the agricultural co-operative society indicated in the last submitted annual financial statement of the undertaking.

(41) The vehicle operation tax for vehicles with which a natural person or legal person included in the database of recipients of the Rural Support Service payments carries out own-account carriages shall be paid in the amount of 25 per cent, by complying with the following conditions:

1) if one vehicle is registered in the ownership or holding of the person, the relief for it shall be applied if revenues from agricultural production of the taxpayer in the last submitted annual financial statement of the company or in the last submitted annual income report is at least EUR 5000 (excluding received State and European Union support for agriculture and rural development);

2) if several vehicles are registered in the ownership or holding of the person, the relief for the first one shall be applied if revenues from agricultural production of the taxpayer in the last submitted annual financial statement of the company or in the last submitted annual income return is at least EUR 5000 (excluding received State and European Union support for agriculture and rural development), and the relief for each next vehicle shall be applied per each EUR 70 000 of revenues from agricultural production in the last submitted annual account of the company or the last submitted annual income return (excluding received State and European Union support for agriculture and rural development).

(5) A large family shall pay the vehicle operation tax for one vehicle registered in the ownership, holding or possession of the member thereof in the amount of 50 per cent for the relevant calendar year, if the abovementioned vehicle is registered as:

1) a passenger car or general use car;

2) a load bin or truck, if the number of passenger seats of the relevant vehicle exceeds four seats;

3) a bus with the number of passenger seats up to 16 seats;

4) passenger or goods vehicle or caravan.

(51) The vehicle operation tax shall be payable in the amount of 90 per cent for the vehicle referred to in Section 4, Paragraph three or four of this Law which in addition is equipped with a gas device for the fuel supply.

(6) The Cabinet shall determine the procedures by which exemption from payment of the vehicle operation tax provided for in this Section shall be applicable.

(7) If a vehicle operation tax relief may be applied in accordance with Paragraph one, two, three, four, 4.1 or five of this Section, but this tax payment has not been made for the preceding calendar years, the tax relief shall not be applied thereto when paying the tax for the preceding calendar years.

(8) The vehicle operation tax relief shall not be applicable to a vehicle used for commercial transportation of passengers or goods.

[*29 March 2012; 12 September 2013; 21 May 2015; 23 November 2016; 30 November 2020*]

**Section 8. Reimbursement of the Vehicle Operation Tax**

(1) The vehicle operation tax shall be reimbursed by the State Revenue Service after receipt of a relevant request of the payer of the vehicle operation tax.

(2) The vehicle operation tax shall be reimbursed in the following cases:

1) if a vehicle is removed from the register for alienation in Latvia or for bringing out of Latvia, or written off, if the vehicle registration is temporarily suspended by handing over the State registration number plates, or if the vehicle is excluded from the register, the sum to be reimbursed shall be calculated in accordance with the following formula:

sum to be reimbursed = the vehicle operation tax paid for the year x 1/12 x the number of the remaining full months in the current calendar year;

2) if the vehicle operation tax has been paid twice or several times for the same vehicle, the sum that exceeds the vehicle operation tax specified in this Law shall be reimbursed;

3) if the vehicle operation tax has been paid for a vehicle which is to be registered in Latvia, but such registration may not be performed for any reason, the paid vehicle operation tax shall be reimbursed in full amount;

4) if a goods vehicle or trailer (semi-trailer) has participated in the combined carriage by rail in the territory of Latvia, the vehicle operation tax for such vehicle shall be reimbursed in proportion to the days which have been spent in combined carriage by rail in the territory of Latvia within the calendar year;

5) if the vehicle operation tax applied to a vehicle exceeds the rate of the vehicle operation tax specified in this Law, the sum which exceeds the rate of the vehicle operation tax specified in this Law shall be reimbursed;

6) if a vehicle owner, holder or possessor has paid the vehicle operation tax in full amount, but he or she has the right to receive a vehicle operation tax relief or exemption from payment of the vehicle operation tax, the sum equivalent to the vehicle operation tax relief or exemption from the vehicle operation tax shall be reimbursed.

(3) If a person not registered as the owner, holder or driver of the relevant vehicle has been indicated as the payer of the vehicle operation tax in the payment document is, the vehicle operation tax shall be reimbursed to this person even if the owner, holder or driver of the relevant vehicle has made the relevant tax payment.

[*29 March 2012*]

**Section 9. Administration of the Vehicle Operation Tax**

(1) The Road Traffic Safety Directorate shall, before it provides the service laid down in this Law, ascertain, if the vehicle operation tax is paid in the amount laid down in this Law for a current calendar year and for preceding calendar years, if a vehicle has been registered in Latvia in the preceding calendar years.

(2) The State Revenue Service shall fulfil the duties referred to in Section 18, Paragraph one of the law On Taxes and Fees in respect of the vehicle operation tax, except for the duty laid down in Paragraph one of this Section.

[*21 May 2015*]

**Chapter II.1 Use of Vehicles in Latvia which are Registered in a Foreign State**

[*23 November 2016*]

**Section 9.1 Payment of the Vehicle Operation Tax for a Vehicle Registered in a Foreign Country**

(1) The vehicle operation tax for use in the road traffic of a vehicle of Categories M1 and N1 registered in a foreign country shall be payable in conformity with that specified in Section 4, Paragraph three, four, seven, eight, or nine of this Law, determining the rate of the vehicle operation tax which is calculated according to the following formula:

the vehicle operation tax = the vehicle operation tax for a year × 1/12 × the intended number of those months in which a vehicle of Categories M1 and N1 registered in a foreign country will be used in the road traffic in Latvia.

(2) The vehicle operation tax for a vehicle registered in a foreign country shall be paid by a vehicle driver.

(3) The vehicle operation tax for a vehicle registered in a foreign country shall be administered by the State Revenue Service and the State joint stock company Road Traffic Safety Directorate.

(4) The vehicle operation tax for a vehicle registered in a foreign country shall be collected by using the electronic service system for identification of a vehicle and driver thereof maintained by the State joint stock company Road Traffic Safety Directorate.

(5) Procedures for the collecting and administering the vehicle operation tax for a vehicle registered in a foreign country shall be determined by the Cabinet.

(6) Reliefs of the vehicle operation tax or exemptions from the payment of the vehicle operation tax shall not be applied to a vehicle registered in a foreign country, except for the cases referred to in Paragraph seven of this Section.

(7) The vehicle operation tax for a vehicle registered in a foreign country shall not be paid for a vehicle which has been or is being registered in the ownership, holding or possession of a diplomatic, consular or international organisation representation or of such person who enjoys diplomatic or consular privileges, and for a vehicle registered in a foreign country in the ownership, holding or possession of the official (employee) of the Ministry of Defence and the National Armed Forces, if it is registered in the country where such person carries out service or official duties.

[*30 November 2020*]

**Chapter III Company Car Tax**

**Section 10. Object of the Company Car Tax**

The company car tax shall be paid for the following vehicles registered in the ownership or holding of a merchant or a branch of the foreign merchant, or an agricultural farm, or used on the basis of an employment contract, or lent from a person other than a merchant or a branch of the foreign merchant, or an agricultural farm:

1) a car in the ownership or holding of a merchant, which by its construction and internal equipment is intended for the carriage of passengers and their baggage, the number of seats of which, excluding the driver’s seat, does not exceed eight seats and which has been registered in the register as a car, passenger or general use car;

2) a goods vehicle with gross weight up to 3000 kilograms which is registered as a heavy goods vehicle and which has more than three seats (including driver's seat).

[*30 November 2015*]

**Section 11. Payers of the Company Car Tax**

(1) A company car tax shall be paid by a merchant or a branch of the foreign merchant which is entered in the Commercial Register, or an agricultural farm, which is registered in the Enterprise Register, if in the ownership or holding of the merchant or a branch of the foreign merchant, or the agricultural farm is the vehicle subject to tax referred to in Section 10 of this Law or the merchant or the branch of the foreign merchant, or the agricultural farm has a duty to pay the tax in accordance with Paragraph three of this Section.

(2) If for a vehicle subject to tax both an owner and a holder has been registered, a company car tax shall be paid by the holder, if he or she conforms to the conditions referred to in Paragraph one of this Section.

(3) If a merchant or a branch of the foreign merchant, or an agricultural farm has not been registered in the register as a vehicle holder, however it uses a vehicle on the basis of the employment contract or on the basis of the lending contract which is entered into with a person who is not a merchant or a branch of the foreign merchant, or an agricultural farm, such merchant or the branch of the foreign merchant, or the agricultural farm shall pay the company car tax.

(4) A merchant or a branch of the foreign merchant, or an agricultural farm shall pay the tax if it uses a vehicle on the basis of the lending contract for more than 15 days in one calendar month (regardless of the number of hours used per day and whether a vehicle is used continuously or with interruptions).

(5) A company car tax for one and the same period shall be paid only once regardless of which of the subjects must pay tax for the vehicle in accordance with the law in a particular period.

[*29 March 2012; 15 November 2012; 21 May 2015*]

**Section 11.1 Taxation period**

A taxation period for a company car tax shall be a calendar year.

[*29 March 2012*]

**Section 12. Amount of the Company Car Tax**

(1) The company car tax shall be payable for such vehicle which was registered for the first time after 1 January 2005 and for which information on the engine capacity is included in the vehicle registration certificate in the following amounts:

1) up to 2000 cm3 – EUR 31 per month;

2) between 2001 cm3 and 2500 cm3 – EUR 49 per month;

3) between 2501 cm3 and 3000 cm3 – EUR 66 per month;

4) above 3000 cm3 – EUR 82 per month.

(11) The company car tax for a vehicle which by construction uses only the energy stored in the electricity or driving force storage equipment (for example, accumulator, condenser, flywheel or generator) for its mechanical driving force and which is not referred to in Paragraph one of this Section, shall be EUR 10.00 per month.

(2) The company car tax for a vehicle which is not referred to in Paragraph one and Paragraph 1.1 of this Section shall be EUR 49 per month.

(3) The company car tax in a taxation period shall be formed by the sum of 12 months of the amount of tax laid down in Paragraph one, 1.1 or two of this Section.

[*29 March 2012; 12 September 2013; 21 May 2015; 30 November 2015; 30 November 2020*]

**Section 13. Payment of the Company Car Tax**

(1) The company car tax for each vehicle referred to in Section 10 of this Law registered in the ownership or holding of a taxpayer shall be paid into the State budget for the relevant time period, i.e., for the months, counting from the beginning of a taxation period in which these vehicles are in the ownership or holding of the taxpayer.

(11) If a taxpayer is not registered in the register as a holder of a vehicle, however he or she uses the vehicle on the basis of the employment contract or lending contract which has been entered into with a person who is not the taxpayer, the taxpayer shall pay the company car tax each month until the 15th date of the following month during the validity of such contract.

(2) A taxpayer shall pay the company car tax prior to the State technical inspection to be carried out in a relevant taxation period into the State budget for the months from the beginning of the relevant taxation period until the month (including) in which the State technical inspection is carried out.

(21) A taxpayer shall pay the company car tax into the State budget for a vehicle which is being registered in Latvia for the first time for the calendar month in which the vehicle is registered on the name of a taxpayer as the owner or holder of the vehicle on the day when the vehicle is registered in the register.

(3) A taxpayer shall pay the rest part of the company car tax into the State budget for the remaining months of the taxation period in the next taxation period prior to the State technical inspection of the vehicle.

(31) If a change of the vehicle owner or holder is registered in a taxation period or a vehicle has been removed from the register for alienation in Latvia or for bringing out from Latvia, or the vehicle registration had been temporarily suspended by handing over the number plates, a taxpayer shall, prior to the performance of the abovementioned activities, pay the company car tax for the preceding taxation periods, if it has not been paid, and for a period of time until the performance of the abovementioned activities in a relevant taxation period, including the month in which such activities are performed.

(32) In case of insolvency of a taxpayer, if the tax for a preceding period has not been paid, the non-paid tax for a period of time until a declaration of insolvency proceedings shall be recognised as a creditor's claim, but the tax shall be paid from the month when the insolvency has been declared.

(33) If a vehicle which has been recognised as criminally acquired within criminal proceedings and has been confiscated based on a court ruling is being sold, the company car tax shall be paid from the month in which the change of the vehicle owner is registered. If the change of the vehicle owner is registered in the same month in which the vehicle is confiscated, the company car tax shall be paid from the month following that in which the vehicle is registered. The person from which the vehicle is confiscated under a court ruling within criminal proceedings as being criminally acquired shall, within 30 days after coming into effect of the ruling on the confiscation of the vehicle, pay the company car tax for the previous taxation periods, if it has not been paid, and for the period up until the confiscation of the vehicle, including the month in which the vehicle was confiscated.

(34) If a sworn court bailiff sells a pledged vehicle of a taxpayer based on a writ of execution, then within 30 days after the pledged vehicle has been sold the taxpayer shall pay the company car tax for the previous taxation periods, if it has not been paid, and for the period up until the sale of the vehicle, including the month in which the payment of the stated amount was made.

(35) If the company car tax has not been paid within 30 days after the confiscation of the vehicle or after the pledged vehicle has been sold, the tax administration shall make recovery from the taxpayer, from whom the vehicle has been confiscated in accordance with a court ruling or whose vehicle had been pledged, based on the decision on the recovery of the late tax payment which has been taken in accordance with the law On Taxes and Fees.

(36) If such vehicle is being registered which has been alienated as a result of the execution of confiscation of criminally acquired property or which has been alienated by a sworn court bailiff in performing his or her official activities, the taxpayer shall pay the company car tax for one month before the registration of the purchased vehicle.

(4) A taxpayer has the right to pay the company car tax prior to the State technical inspection in full amount for the whole taxation period.

(5) A taxpayer shall calculate the tax sum referred to in Paragraphs two and three of this Section and payment thereof shall be made at a credit institution or another institution, which has the right to provide payment services, or at the Road Traffic Safety Directorate.

(6) When paying the company car tax at a credit institution or another institution, which has the right to provide the payment services, a taxpayer shall indicate the vehicle registration number, for which the tax is being paid, as the purpose of payment in the payment order. If the tax is paid for several vehicles in one payment, a taxpayer shall, by using e-services provided by the Road Traffic Safety Directorate, relate information in the register regarding the purpose of payment with the vehicle registration number for which the tax is paid.

(7) When applying the exemption from the company car tax laid down in Section 14, Paragraph one, Clauses 7, 8, 9 and 12 of this Law, the tax shall be paid in accordance with the procedures laid down in this Section in the amount laid down in the Law for the preceding taxation period, if it has not been paid, and for the relevant taxation period until the month (including) in which the use of the vehicle is discontinued in the road traffic.

(8) The State technical inspection of a vehicle, the registration of a change in owner or holder, the registration of vehicle rebuilding, the re-registration of a vehicle removed from the register, as well as the removal of a vehicle from the register for alienation in Latvia or for the bringing out of Latvia, or temporary suspension of the vehicle registration by handing over the number plates, the Road Traffic Safety Directorate shall not carry out if the company car tax has not been paid for the relevant vehicle in accordance with this Law for the preceding taxation period and for a period until performance of the abovementioned activities in the taxation period, including the month, in which such activities are carried out.

[*29 March 2012; 15 November 2012; 21 May 2015; 22 June 2017*]

**Section 14. Exemptions from the Payment of the Company Car Tax**

(1) The company car tax shall not be paid:

1) for a vehicle which is registered as an emergency vehicle or is being registered as an emergency vehicle;

2) [30 November 2015];

3) for vehicles in the ownership or holding of a person authorised by the manufacturer of vehicles, which are used as demonstration vehicles and which a merchant or a branch of the foreign merchant has declared in the register;

4) if not less than 90 per cent of the total turnover of a merchant or a branch of the foreign merchant is made up from the lease services of vehicles referred to in Section 10, Clauses 1 and 2 of this Law or the lease services of such vehicles together with trading in vehicles referred to in Section 10, Clauses 1 and 2, for the vehicles intended for short-term lease (up to one year) in the ownership or holding thereof, which the merchant or the branch of the foreign merchant has declared in the register;

5) for vehicles which a taxpayer uses only for the needs of his or her economic activities and has declared in the register;

6) by a taxpayer, if he or she cultivates the land in his or her ownership, permanent use or lease to be used for agriculture, which, on 1 January of the current year, has been approved for the receipt of the single area payment in the Rural Support Service, by conforming to the following conditions:

a) if one vehicle referred to in Section 10, Clause 1 or 2 of this Law is registered in the ownership or holding of the taxpayer, the tax shall not be paid for this one vehicle if revenues from agricultural production of the taxpayer in the last submitted annual financial statement of the company or in the last submitted annual income return is at least EUR 5000 (excluding the received State and European Union support for agriculture and rural development);

b) if several vehicles referred to in Section 10, Clause 1 or 2 of this Law are registered in the ownership or holding of the taxpayer, the tax for one of these vehicles shall not be paid if revenues from agricultural production of the taxpayer in the last submitted annual financial statement of the company or in the last submitted annual income return is at least EUR 5000 (excluding the received State and European Union support for agriculture and rural development), and tax for each next of these vehicles shall not be paid per each EUR 70 000 of revenues from agricultural production in the last submitted annual account of the company or the last submitted annual income return (excluding the received State and European Union support for agriculture and rural development);

7) for the time period when the vehicle has not been at the disposal of the taxpayer as a result of a criminal offence which is attested by documents issued by the person directing the procedures or a foreign competent authority, or by the information on the vehicle included in the register;

8) for the time period when the vehicle had been pledged in the cases provided for in the laws and regulations and the use of it in road traffic has been prohibited;

9) the time period when the vehicle had been removed from the register for alienation in Latvia or for bringing out of Latvia, or the vehicle registration had been temporarily suspended by handing over the number plates;

10) for a vehicle having been registered or being registered with the status of a historic motor vehicle;

11) for a vehicle which is registered or is being registered as a sports vehicle;

12) for the time period when the vehicle registered in Latvia had been brought out of Latvia and had been registered in a foreign country;

13) for a vehicle which is removed from the register by the insolvency administrator of the vehicle owner for alienation in Latvia or bringing out of Latvia, or a vehicle the registration of which is temporary suspended, by handing over the number plates;

14) by a merchant or a branch of the foreign merchant, or an agricultural farm for a vehicle of the natural person which is used on the basis of a lease contract and for which the personal income tax is deducted in accordance with the procedures laid down in the law On Personal Income Tax in respect of such person, when disbursing a lease payment for the vehicle;

15) by a merchant or a branch of the foreign merchant, or an agricultural farm for a vehicle which is used on the basis of a lease contract which has been entered into with the natural person who is registered with the State Revenue Service as a performer of economic activity and who calculates the personal income tax in accordance with summary procedures and pays the personal income tax from the lease payment for the vehicle in accordance with the procedures laid down in the law On Personal Income Tax.

(11) The demonstration vehicles referred to in Paragraph one, Clause 3 of this Section shall be new vehicles (used not less than six months or ran not less than 6000 kilometres), which have been determined as demonstration vehicles in a contract binding on a person authorised by the manufacturer of vehicles which has been entered into with the manufacturer of the vehicle or a regional importer, and which are transferred to third persons for test, comparison runs or other types of runs on a regular basis, in order to promote sale of new cars.

(2) The fact, that a vehicle of the merchant or a branch of the foreign merchant conforms to any of the conditions of Paragraph one, Clauses 3, 4 or 5 of this Section, or that a vehicle of the agricultural farm conforms to the conditions of Paragraph one, Clause 5 of this Section for the application of the exemption, shall be declared by the taxpayer in the register, by using e-services provided by the Road Traffic Safety Directorate. The declaration shall be carried out until the 25th date of the month when the right to exemption has entered into force. The exemption shall be applied starting from the next month and will be applied until that month (excluding it) of the relevant taxation period, when the taxpayer carries out the activities referred to in Paragraph 2.2 of this Section. In respect of the vehicle, which the taxpayer has obtained in his or her ownership or holding and in respect of which there is the right to exemption, the declaration regarding further taxation period shall be carried out within 15 days after the registration of the vehicle in the ownership or holding.

(21) When declaring a vehicle which is used only for the needs of economic activities of the taxpayer, with the register the taxpayer shall indicate a provider of the operation of the journey control system (name, registration number) which can be changed in the register, where necessary, by installing the journey control system offered by other provider in the vehicle.

(22) A taxpayer shall declare a vehicle to which entitlement to exemption from the payment of the company car tax is no longer applicable, with the register within five days after losing the exemption. In such case the company car tax shall be paid starting from the month of the relevant taxation period in which the exemption has been lost.

(23) A taxpayer has the right to change the procedures for the application of the company car tax once in a taxation period – by declaring exemption, or that exemption from the payment of the tax will not be applied anymore.

(3) A taxpayer shall prove the use of the vehicle referred to in Paragraph one, Clause 5 of this Section solely for the economic activities thereof by arranging the accounting of journeys related to the performance of economic activities, indicating the following:

1) the vehicle registration number, mark, model and engine displacement;

2) the route of the journey, the date, as well as the start time and the end time;

3) odometer value on the first and last day of the month. Permissible inconsistency of the data between odometer value and covered kilometres registered by the journey control system during a month shall be up to five percent.

(4) A taxpayer shall organise the registration referred to in Paragraph three, Clause 2 of this Section, using the journey control system referred to in Paragraph five of this Section, which shall ensure the recording and holding of the data related to each trip. The taxpayer has an obligation to keep the data entries of the journey control system (in electronic or printed form) for the time periods laid down in the law On Accounting and to present them to the State Revenue Service upon request.

(5) An installation which receives the signals transmitted by the satellites of the global positioning system (GPS) and determines the precise position of a car in real time and place, shall be considered to be the journey control system. The Cabinet shall determine requirements for journey control systems for the needs of administration of the company car tax.

(51) The sellers and operation providers of journey control systems have an obligation to provide information at their disposal upon request of the State Revenue Service:

1) whether the journey control system is installed in the vehicle of the relevant taxpayer which is declared in the register as to be used only for the needs of economic activities;

2) how systematically and regularly the journey control system installed in the particular vehicle is out of coverage area.

(6) A taxpayer may not change the procedures for accounting referred to in Paragraph three of this Section and, therefore, for the application of the company car tax until the end of the taxation period, except in the case referred to in Paragraph 2.3 of this Section.

[*29 March 2012; 15 November 2012; 12 September 2013; 21 May 2015; 30 November 2015; 23 November 2016; 22 June 2017*]

**Section 15. Reimbursement of the Company Car Tax**

(1) The State Revenue Service shall reimburse the taxpayer the company car tax, if the taxpayer removes a vehicle in the ownership thereof, for which such tax has been paid, from the register for writing-off during the relevant taxation period. If a vehicle is removed from the register, the tax paid shall be reimbursed for the months following the month in which it has been removed from the register.

(2) The State Revenue Service shall reimburse the taxpayer the company car tax if he or she returns the vehicle in the holding thereof, for which the tax has been paid, to the owner thereof. The company car tax shall be reimbursed for the months following the month when the vehicle was returned to the owner.

(21) The State Revenue Service shall reimburse the company car tax to the taxpayer if the exemption from the payment of the company car tax referred to in Section 14, Paragraph one, Clauses 7, 8, 9, 12, 14 or 15 of this Law has entered into force during the relevant taxation period for the vehicle registered in the ownership or holding of the taxpayer for which the tax is paid.

(22) The company car tax shall be reimbursed for the months following the month in which the exemption from the payment of the company car tax referred to in Paragraph 2.1 of this Section has entered into force.

(3) The company car tax shall not be reimbursed if the owner or holder indicated in the vehicle registration certificate has become the holder or owner, respectively, of the same vehicle indicated in the vehicle registration certificate.

(4) In order to receive a reimbursement of the company car tax, the taxpayer shall submit an application to the State Revenue Service for the reimbursement of the company car tax by indicating the make, model and registration number of each car for which the tax reimbursement is being requested, and the number of months for which the tax reimbursement is being requested.

(5) The State Revenue Service shall reimburse the company car tax within 30 days after receipt of the application for the reimbursement of the company car tax.

[*29 March 2012; 15 November 2012; 30 November 2015*]

**Section 16. Administration of the Company Car Tax**

(1) The Road Traffic Safety Directorate, prior to provision of the service laid down in this Law, shall ascertain if the company car tax is paid for a relevant vehicle in accordance with this Law for the preceding taxation period and for the period until the provision of the relevant service in the taxation period, including the month in which the service is provided.

(2) The State Revenue Service shall fulfil the duties referred to in Section 18, Paragraph one of the law On Taxes and Fees in respect of the company car tax, except for the obligation referred to in Paragraph one of this Section.

[*21 May 2015*]

**Transitional Provisions**

1. With the coming into force of this Law, the law On the Annual Duty of Vehicles (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 2001, No. 24; 2003, No. 23; 2004, No. 4, 10; 2006; No. 2, 22; *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia], 2009, No. 200) is repealed.

2. The decision on the reimbursement of the annual duty of a vehicle, which has been paid until 31 December 2010, shall be taken until 30 June 2011 by the State stock company Latvian State Roads, applying the norms of the law On the Annual Duty of Vehicles.

3. Until the day of the coming into force of the Cabinet regulation provided for in this Law, but not later than until 1 July 2011, Cabinet Regulation No. 75 of 23 January 2007, Procedures By Which the Annual Duty of Vehicles Shall be Collected and Paid and by Which Exemptions from the Payment of Duty and Duty Discounts Shall Be Applicable, shall be applicable insofar as it is not in contradiction with this Law.

4. The State technical inspection of a vehicle, the registration of a change in owner, the re-registration of a vehicle removed from the register, or the removal of a vehicle from the register in 2011 and subsequent years shall not be performed on a vehicle which was registered in Latvia in 2010 and for which the annual duty of vehicles had to be paid in 2010, if the annual duty of vehicles for 2010 has not been paid. The annual duty of vehicles shall be payable in 2011 and in subsequent years for 2010 in accordance with the duty rate which was specified in 2010 by the law On the Annual Duty of Vehicles, without applying a relief of the duty to be paid or an exemption from the payment of the duty.

5. The annual rate of the vehicle duty for two-axle, three-axle or multi-axle trailers and two-axle, three-axle or four-axle semi-trailers, which were registered in Latvia in 2010 and for which the annual duty of vehicles had to be paid for 2010 but was not paid, shall be calculated assuming that the trailer had been towed by a three-axle goods vehicle with a driving axle mechanical suspension, and the semi-trailer had been towed by a three-axle tractor unit with a driving axle mechanical suspension, and applying the relevant rate of duty which was specified in 2010 in the law On the Annual Duty of Vehicles.

6. If the annual duty of vehicles has been paid for a vehicle in 2008, 2009 or 2010 and the norm of this Law regarding the reimbursement of tax may be applied, then:

1) the annual duty of vehicles for 2008, 2009 and 2010 shall be reimbursed in 2011;

2) the annual duty of vehicles for 2009 and 2010 shall be reimbursed in 2012;

3) the annual duty of vehicles for 2010 shall be reimbursed in 2013.

7. The electronic declaration procedure specified in Section 14, Paragraph two of this Law shall be applicable from 1 February 2011 and the electronic declaration of vehicles in 2011 shall be performed between 1 February and 28 February. The merchants who perform the technical inspection of a vehicle during this time period, shall perform the electronic declaration before performing the payment required for the technical inspection.

8. If the technical inspection of a vehicle is performed in January 2011, the company car tax shall be payable in the amount specified by this Law. If the owner or holder of vehicle has performed the declaration referred to in Paragraph 7 of these Transitional Provisions and has complied with the conditions referred to in Section 14, Paragraph one, Clause 3, 4 or 5 of this Law, he or she has the right to receive the reimbursement of this tax payment.

9. [28 July 2017]

10. Amendment in respect of expressing Section 6, Paragraph one of this Law in a new wording and amendment in Paragraph three of the abovementioned Section in respect of replacement of the figure shall come into force on 1 January 2013.

[*29 March 2012*]

11. In addition to that laid down in Section 6, Paragraph one of this Law during a period of time from 1 January 2012 until 31 December 2012 the vehicle operation tax shall not be paid for a vehicle the owner, holder or possessor of which or the spouse thereof has a child with mobility disorders as a dependent. Exemption shall be applied in respect of one vehicle registered in the ownership, holding or possession of such person or the spouse thereof.

[*29 March 2012*]

12. Amendments to Section 7 of this Law in relation to supplementation thereof with the words “or semi-trailer” shall come into force on 1 January 2013.

[*29 March 2012*]

13. Amendment to Section 7, Paragraph five of this Law shall be applicable starting from 1 January 2012.

[*29 March 2012*]

14. The persons referred to in Section 7, Paragraph five, and also in Paragraph 11 of these Transitional Provisions, who have paid vehicle operation tax for the period of time from 1 January 2012 until 31 December 2012, have the right to receive tax reimbursement for the paid or overpaid tax by submitting an application to the State Revenue Service.

[*29 March 2012*]

15. Amendments to Sections 10, 11, 13, 14 and 15 f this Law in respect of supplementing of these Sections with agricultural farms, and also Section 14, Paragraph one, Clause 6 of this Law shall come into force on 1 January 2013.

[*29 March 2012*]

16. If a state capital company, when installing a journey control system for a vehicle, in respect of 2011 within the period of time referred to in Paragraph 7 of the Transitional Provisions of this Law, by taking into account the applicable procurement procedures, has not managed to declare the conformity of the registered vehicle with the provisions of Section 14, Paragraph one, Clause 5 of this Law, it has the right to request reimbursement of the company car tax, by submitting an application to the State Revenue Service, in which the make, model and registration number of each car, for which the tax reimbursement is requested, and the number of the months, for which the tax reimbursement is requested, are specified, and also the month, in which a journey control system was installed in the vehicle, is specified. The State Revenue Service shall, upon receipt of the abovementioned submission, reimburse the company car tax for the relevant period, starting from the month in which the state capital company has installed a journey control system.

[*29 March 2012*]

17. Exemption from taxes laid down in Section 14, Paragraph one, Clause 4 of this Law in respect of the merchants, for which the lease services of cars together with trading in cars constitute for not less than 90 per cent of the total turnover, for the vehicles in their ownership or holding intended for short-term lease, shall come into force on 1 January 2013.

[*29 March 2012*]

18. Electronic declaration laid down in Section 14, Paragraph two of this Law in respect of merchants referred to in Paragraph one, Clause 4 of this Section, for which the lease services of cars together with trading in cars constitute for not less than 90 per cent of the total turnover, shall be carried out for the vehicles intended for short-term lease in the ownership or holding thereof until 31 December 2012.

[*29 March 2012*]

19. Section 14, Paragraph five of this Law regarding requirements in respect of journey control systems shall come into force on 1 January 2013. The Cabinet shall issue the regulations referred to in Paragraph five of this Section until 1 October 2012.

[*29 March 2012*]

20. Section 16, Paragraph three of this Law shall come into force on 1 August 2012.

[*29 March 2012*]

21. Rates of the vehicle operation tax laid down in Section 4, Paragraphs 2.1 and 2.3 of this Law shall come into force on 1 January 2019.

[*23 November 2016*]

22. Until the day when the rates of the vehicle operation tax laid down in Section 4, Paragraphs 2.1 and 2.3 of this Law come into force, the rates of the vehicle operation tax shall be applied in accordance with Section 4, Paragraph three of this Law to vehicles which are registered for in the period between 31 December 2008 and 31 December 2016.

[*23 November 2016*]

23. Until the day when the rates of the vehicle operation tax laid down in Section 4, Paragraphs 2.1 and 2.3 of this Law come into force, the vehicle operation tax for vehicles the first date of registration of which is after 31 December 2008 and which are registered for the first time in Latvia after 31 December 2016 shall be paid in the following amount:

1) for vehicles with carbon dioxide (CO2) emissions up to 50 g per one km – EUR 0;

2) for vehicles with carbon dioxide (CO2) emissions between 51 g and 95 g per one km – EUR 12;

3) for vehicles with carbon dioxide (CO2) emissions between 96 g and 115 g per one km – EUR 48;

4) for vehicles with carbon dioxide (CO2) emissions between 116 g and 130 g per one km – EUR 84;

5) for vehicles with carbon dioxide (CO2) emissions between 131 g and 155 g per one km – EUR 120;

6) for vehicles with carbon dioxide (CO2) emissions between 156 g and 175 g per one km – EUR 144;

7) for vehicles with carbon dioxide (CO2) emissions between 176 g and 200 g per one km – EUR 168;

8) for vehicles with carbon dioxide (CO2) emissions between 201 g and 250 g per one km – EUR 264;

9) for vehicles with carbon dioxide (CO2) emissions between 251 g and 300 g per one km – EUR 408;

10) for vehicles with carbon dioxide (CO2) emissions between 301 g and 350 g per one km – EUR 552;

11) for vehicles with carbon dioxide (CO2) emissions from 351 g per one km – EUR 756.

[*23 November 2016*]

24. [28 July 2017]

25. [28 July 2017]

**Informative Reference to Directive of the European Union**

This Law contains norms arising from:

1) Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures;

2) Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States.

This Law shall come into force on 1 January 2011.

This Law has been adopted by the *Saeima* on 20 December 2010.

President V. Zatlers

Rīga, 30 December 2010

Law on the Vehicle Operation Tax and Company Car Tax

**Annex 1**

**Rates of the Vehicle Operation Tax for Goods Vehicles with Gross Weight above 12 000 kg (except for the Tractor Units) Depending on the Number of Axles and Level of Engine Emissions**

[*30 November 2020*]

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Level of engine emissions of the goods vehicle | Number of axles on the goods vehicle | Rate of the tax (EUR) |
| 1. | EURO 0, EURO I, EURO II | not more than 3 axles | 420 |
| not less than 4 axles | 540 |
| 2. | EURO III, EURO IV | not more than 3 axles | 300 |
| not less than 4 axles | 390 |
| 3. | EURO V | not more than 3 axles | 192 |
| not less than 4 axles | 264 |
| 4. | EURO VI and less polluting | not more than 3 axles | 156 |
| not less than 4 axles | 192 |

Law on the Vehicle Operation Tax and Company Car Tax

**Annex 2**

**Rate of the Vehicle Operation Tax for Two-axle, Three-axle and Multi-axle Trailers Depending on the Number of Axles and the Gross Weight of such Trailer and the Gross Weight, Number of Axles and Driving Axle Suspension Type (Pneumatic or Mechanical) of the Goods Vehicle Towing the Trailer**

[*30 November 2020*]

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Number of axles on the goods vehicle towing the trailer | Gross weight of the goods vehicle towing the trailer (kg) | Sum of the gross weight of the goods vehicle towing the trailer and the gross weight of the trailer  (kg) | Rate of the tax for a two-axle trailer (EUR) | | Rate of the tax for three-axle and multi-axle trailer (EUR) | |
| if the driving axle of the towing vehicle has a pneumatic suspension | if the driving axle of the towing vehicle has a mechanical suspension | if the driving axle of the towing vehicle has a pneumatic suspension | if the driving axle of the towing vehicle has a mechanical suspension |
| 1. | 2 | up to 15 000 | up to 29 000 | 60 | 60 | 60 | 60 |
| 29 001–31 000 | 60 | 162 | 60 | 60 |
| 31 001–33 000 | 162 | 294 | 114 | 162 |
| 33 001–36 000 | 294 | 540 | 162 | 204 |
| 36 001–38 000 | 294 | 540 | 204 | 342 |
| more than 38 000 | 294 | 540 | 342 | 534 |
| more than 15 000 | up to 31 000 | 60 | 60 | 60 | 60 |
| 31 001–33 000 | 162 | 186 | 96 | 114 |
| 33 001–36 000 | 294 | 432 | 114 | 162 |
| 36 001–38 000 | 294 | 432 | 204 | 234 |
| more than 38 000 | 294 | 432 | 342 | 426 |
| 2. | 3 or more | up to 23 000 | up to 36 000 | 60 | 60 | 60 | 60 |
| 36 001–38 000 | 156 | 294 | 60 | 60 |
| 38 001–40 000 | 294 | 456 | 60 | 162 |
| more than 40 000 | 456 | 756 | 162 | 366 |
| 23 001–25 000 | up to 36 000 | 60 | 60 | 60 | 60 |
| 36 001–38 000 | 156 | 240 | 60 | 60 |
| 38 001–40 000 | 294 | 402 | 60 | 114 |
| more than 40 000 | 456 | 702 | 162 | 312 |
| more than 25 000 | up to 36 000 | 60 | 60 | 60 | 60 |
| 36 001–38 000 | 102 | 120 | 60 | 60 |
| 38 001–40 000 | 240 | 282 | 60 | 60 |
| more than 40 000 | 402 | 576 | 114 | 192 |

Law on the Vehicle Operation Tax and Company Car Tax

**Annex 3**

**Rate of the Vehicle Operation Tax for Two-axle, Three-axle and Multi-axle Semi-Trailers Depending on the Number of Axles and the Gross Weight of such Semi-trailer and the Unladen Mass, the Number of Axles and Driving Axle Suspension Type (Pneumatic or Mechanical) of the Tractor Unit Towing the Semi-Trailer**

[*30 November 2020*]

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Number of axles on the tractor unit | Sum of the unladen mass of the tractor unit and the gross weight of the semi-trailer | Rate of the tax for a two-axle semi-trailer (EUR) | | Rate of the tax for three-axle and multi-axle semi-trailer (EUR) | |
| if the driving axle of the tractor unit has a pneumatic suspension | if the driving axle of the tractor unit has a mechanical suspension | if the driving axle of the tractor unit has a pneumatic suspension | if the driving axle of the tractor unit has a mechanical suspension |
| 1. | 2 | up to 29 000 | 60 | 60 | 60 | 60 |
| 29 001–31 000 | 60 | 78 | 60 | 60 |
| 31 001–33 000 | 162 | 162 | 60 | 60 |
| 33 001–38 000 | 294 | 456 | 204 | 258 |
| more than 38 000 | 294 | 540 | 342 | 444 |
| 2. | 3 or more | up to 36 000 | 60 | 60 | 60 | 60 |
| 36 001–38 000 | 156 | 204 | 60 | 60 |
| 38 001–40 000 | 294 | 372 | 60 | 78 |
| more than 40 000 | 456 | 666 | 162 | 282 |

Law on the Vehicle Operation Tax and Company Car Tax

**Annex 4**

**Rate of the Vehicle Operation Tax for Tractor Units Depending on the Number of Axles and the Level of Engine Emissions**

[*30 November 2020*]

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Level of engine emissions of the goods vehicle | Number of axles on the goods vehicle | Rate of the tax (EUR) |
| 1. | EURO 0, EURO I, EURO II | not more than 2 axles | 420 |
| not less than 3 axles | 540 |
| 2. | EURO III, EURO IV | not more than 2 axles | 300 |
| not less than 3 axles | 390 |
| 3. | EURO V | not more than 2 axles | 192 |
| not less than 3 axles | 276 |
| 4. | EURO VI and less polluting | not more than 2 axles | 156 |
| not less than 3 axles | 240 |