BORDER TAX ADJUSTMENTS

Information on Products of Interest to Developing Countries

Addendum

The Working Party agreed that information should be collected on a short list of products of interest to developing countries members of the Working Party (L/3039, page 5).

Developed countries, members of the Working Party, have, therefore, been asked to provide certain information about taxes levied on products listed in documents Spec(68)97 and Add.1.

A further reply which is attached hereto has been received from the Government of Norway.
A and B(i)

All the products listed in documents Spec(68)97 and Add.1 were as of 1 October 1968 and 1 January 1965 subject to the general sales tax at the retail stage. The tax rate has during the whole period been the same, 12 per cent calculated on the selling price inclusive the tax (corresponding tax rate of 13.64 per cent exclusive the tax itself).

In addition excise tax is levied only on wine (item 22.05) as part of the general taxation on alcoholic beverages. In Norway there is a State monopoly for spirits and wine. The excise tax on spirits and wine varies according to the alcoholic content, consisting of a tax per litre and an ad valorem tax, calculated on the basis of the sales value inclusive the special excise but not the general retail sales tax. The following taxes are applied for wine:

<table>
<thead>
<tr>
<th>1 October 1968 (Nkr)</th>
<th>1 January 1965 (Nkr)</th>
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</thead>
<tbody>
<tr>
<td>Wine containing 14 volume per cent of alcohol or less</td>
<td>0.45</td>
</tr>
<tr>
<td>Wine containing between 14 and 21 volume per cent of alcohol</td>
<td>0.70</td>
</tr>
</tbody>
</table>

Wine is duty free in the Norwegian customs tariff.

A and B(ii)

Imported goods are liable to tax at the time of importation only when the importer is a final consumer. Such importation would however usually not take place unless a special permit is given by the monopoly.

Tax on value added in Norway from 1 January 1970

It is the intention of the Government to introduce a value-added tax as from 1 January 1970 at a flat rate of 20 per cent of tax exclusive value (corresponding to a tax rate of 16 2/3 per cent of value inclusive the tax itself). The 20 per cent rate will be applied to all goods and certain services.