BORDER TAX ADJUSTMENTS

Questionnaire

This questionnaire has been prepared by the secretariat at the request of the Working Party on Border Tax Adjustments (L/3009, paragraph 26).

The Working Party has been asked, inter alia, to examine the practices of contracting parties with regard to border tax adjustments. This questionnaire is designed to provide material necessary for use in this examination.

Contracting parties are requested to submit their replies to this questionnaire to the secretariat as soon as possible but not later than 30 July 1968.

Part I: Structure of the Tax System

1. Indicate for the years 1964, 1965 and 1966 the total amount of revenue from taxes levied by the central government, political sub-divisions and local authorities according to the breakdown indicated in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Central government</th>
<th>Political sub-divisions</th>
<th>Local authorities</th>
<th>Total</th>
</tr>
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</tbody>
</table>

(a) Indirect taxes
   of which:
   - sales taxes, turnover taxes
     and excise taxes
   - net income of State monopolies
   - customs duties

(b) Income taxes
    of which:
    - personal income
    - company profits
### Revenue (cont'd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Central government</th>
<th>Political subdivisions</th>
<th>Local authorities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) Taxes on capital and on estates and inheritances; gift taxes</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>(d) Property taxes</td>
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<td>(e) Social security charges</td>
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<tr>
<td></td>
<td>- employers' contributions</td>
<td>- employees' contributions</td>
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<tr>
<td></td>
<td>Total</td>
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</tbody>
</table>

2. Indicate the rate or rates of taxes levied by the central government, in force at 1 March 1967 according to the following breakdown:

(a) **Indirect taxes**
   
   (i) sales taxes, turnover taxes and excise taxes etc.
   
   (ii) State monopolies

(b) **Income taxes**
   
   (i) personal income tax
   
   (ii) company profits tax - give also a brief description of the elements used in the tax base, indicating in particular the elements which can be deducted from the gross profit

(c) **Property taxes**

(d) **Social security charges**
   
   (i) employers' contributions
   
   (ii) employees' contributions

### Part II: Description of Indirect Taxes, and of the Manner in which They are Charged on Exports and Imports of Goods and Services

#### A. Description of indirect taxes

List indirect taxes levied and, for each of these, describe the existing system, specifying in particular:
1. The general characteristics of the tax, including whether it is a single stage tax or a multi-stage tax, and the stage or stages at which it is levied

2. Taxable goods and services or, where applicable, taxable transactions

3. Any exemptions

4. Tax base

5. Rates applied (give details, if necessary by attaching list of rates)


B. Treatment of exports

For each of the indirect taxes listed under A above:

1. Indicate whether exported goods and services qualify for exemption of tax or for repayment at export of tax levied at a previous stage or stages

2. Indicate how the exemption or repayment operates and what rates are applied, including the methods used in determining these rates (indicate, in particular, whether exported goods qualify for exemption or repayment of taxes in the following categories: (a) on the exported product itself, (b) on its component parts, (c) on capital equipment, auxiliary materials or services used in the production of the exported goods and (d) other taxes or charges paid by exporting enterprises).

C. Treatment of imports

For each of the indirect taxes listed under A above:

1. Indicate, for single stage taxes, whether imported goods and services are subject to the tax at the time that they are imported and, for taxes levied at several stages, whether imported goods are subject to an equalization tax to compensate for the taxes applied, at previous stages, to like domestic products

2. Indicate how the taxes are levied and what rates are applied, including methods used in determining these rates (indicate, in particular, which categories listed under B.2 above are taken into account in calculating the tax levied on imports)

3. Indicate the base used in calculating these taxes (are freight, insurance, packing, customs duties and other taxes included or excluded in the base?)
4. Specify any exemptions and any differences between exemptions from tax on goods produced on the home market and imports.

**Part III: Changes Envisaged**

Give a brief description of any changes which are being considered in the structure of indirect taxes and indicate the reasons for such changes. Indicate also what changes this would lead to in the tax adjustments applied to exports and imports.