



DORADZTWO
PODATKOWE

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VAT RATES AND SELECTED CHANGES IN EXCISE DUTY RATES IN 2023

Please be advised that legal acts indicating which goods and services will still be subject to reduced VAT rates in 2023 have recently been published. The changes also applies to excise duty rates and exemptions from excise tax on natural gas and electricity supplies.

Because in 2023 the "Anti-Inflation Shield" will use instruments other than the reduction of VAT rates, some of the reduced VAT rates will no longer be extended.

This means that only until December 31, 2022, it will be possible to apply the following VAT rates:

- 0% VAT for the supply of natural gas,
- 5% VAT for the supply of electricity and heat,
- 8% VAT for the supply of motor petrol, diesel, biocomponents, LNG, LPG.

From January 1, 2023, these supplies will be subject to the standard VAT rate (23%).

Though, from January 1 to December 31, 2023, the reduced VAT rates, based on the regulation of the Ministry of Finance of December 2, 2022 on reduced VAT rates in 2023, will continue to be applicable to, inter alia:

- foodstuffs listed in items 1-18 of Annex 10 to the VAT Act, other than those classified as catering services (PKWiU 56), e.g. meat, fish, dairy products, vegetables and fruits, bread, oils,
- soil conditioners, growth promoters and substrates for cultivation (other than mineral substrates and potting soil), microbial fertilisers - 8% VAT rate until December 31, 2024,
- goods subject to services on tangible movable property before shipment to other member states - 0% VAT rate,
- free of charge supply of goods or services for the purpose of assistance to victims of the war in Ukraine - 0% VAT rate until June 30, 2023.

Further changes in the scope of the reduced rates in the recent years are associated with the need to apply transitional provisions (art. 41(14a) and following regulations of the VAT Act) that make the application of the appropriate rate conditional on the supply of services, rather than the issuance of invoice. It should be borne in mind that the transitional provisions and changes in rates apply not only to electricity or natural gas supplies, but also, for example, to entities re-invoicing their costs as part of settlements with lessees.

In turn, in the field of excise duty, the reduction of excise duty rates for the supply of petrol, diesel fuel, biocomponents, and LPG gas, provided for until December 31, 2022 under the "Anti-Inflation Shield", will cease to apply. Thus, from January 1, 2023, these fuels will be subject to the excise duty rate applicable prior the introduction of the "Anti-Inflation Shield".



From January 1, 2023, the excise duty rate for electricity supplies, reduced to PLN 4.6 per MWh, will no longer apply. Thus, the excise duty rate of PLN 5.00 per MWh will be reinstated for electricity supplies.

In addition, exclusively until the end of 2022 the exemption for electricity used by households and the exemption from commercial tax on the sale of certain fuels will apply.

If you are interested in the above information and its impact on your business, please contact:

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