

Customs and Excise

Customs

Goods imported from countries outside the European Union (EU) are liable to customs duty at the appropriate rates specified in the EU's common customs tariff (CCT). Reduced rates may apply if the imported goods qualify under any of the preferential tariff arrangements that the EU has in place with various third countries. No customs duties arise on goods "imported" from other EU countries.

Customs duty reliefs may be availed of in a number of circumstances, subject to prior authorisation from the appropriate national authorities, for example:

- where goods are imported for processing and re-exportation outside the EU
- where goods are re-imported after processing in non-EU countries
- where the duty on raw material is more than the duty on the finished goods
- where production materials and capital equipment are not available from EU suppliers.

Planning tip!

Review your import and manufacturing operations against the available customs and excise relief schemes as these may present substantial duty and import VAT savings.

Excise

Excise duties are charged on a limited range of goods - mineral oils (including petrol and diesel), alcohol products (including spirits, beer, wine, cider and perry) and tobacco products consumed in Ireland. An excise energy tax is also charged on the supply of electricity in the State.

Various drawbacks, rebates and allowances may be claimed for certain uses of excisable goods.

Irish excise duties are not charged on the export or sale of excise goods to other EU countries but special control arrangements apply to the intra-EU movement of excise goods.

Vehicle registration tax (VRT)

VRT is charged on the first registration of a vehicle in the State.

The current VRT regime for motor vehicles is based on a CO₂ emissions rating system.

The VRT rates are as follows:

CO₂ emissions (CO₂g/km) VRT rate for motor vehicles:

CO ₂ emissions (CO ₂ g/km)	VRT rate
0g/km - 120g/km	14% or €280 whichever is greater
More than 120g/km - 140g/km	16% or €320 whichever is greater
More than 140g/km - 155g/km	20% or €400 whichever is greater
More than 155g/km - 170g/km	24% or €480 whichever is greater
More than 170g/km - 190g/km	28% or €560 whichever is greater
More than 190g/km - 225g/km	32% or €640 whichever is greater
More than 225g/km	36% or €720 whichever is greater

Where evidence of the CO2 emission rating is not available, the top rate of 36% will apply.

The VRT rates are applied to the “open market selling price” of the vehicle.

Certain electric vehicles (including electric cars) and electric motorcycles are currently exempt from VRT. For certain hybrid electric or flexible fuel vehicles, a VRT relief based on the age of the vehicle is available up to a maximum of €2,500.

Special reliefs may apply to cars imported temporarily by non-residents, or imported on transfer of residence to Ireland.

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Planning tip!

Saving opportunities also exist when you export goods. It may also be possible to reduce the import duty burden upon entry into your non-EU market places by availing of the preferential trade agreements which the EU has in place with a large number of countries.

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This booklet is based on taxation law and practice in Ireland as at 05/01/2009 and includes changes introduced in Finance Act (No. 2) 2008.

It is intended to provide a general guide only to the subject matter and is necessarily in a condensed form. It should not be regarded as a basis for ascertaining the liability to tax in specific circumstances. Professional advice should always be taken before acting on any information in the booklet.

