Removal of goods from tax or excise warehouses

PAYMENT OF VAT ON THE REMOVAL OF GOODS FROM A TAX OR EXCISE WAREHOUSE WITHOUT TRANSFERRING THE GOODS

Upon termination of the tax warehousing of goods and the removal of excise goods under an excise suspension arrangement from an excise warehouse without transfer, the owner of the goods becomes liable to VAT (clauses 5 and 6 of subsection 6 of § 3 of the VAT Act).

Upon the termination of warehousing in the described situation, a taxable person declares VAT on the VAT return (subsections 1 and 2 of § 29 of the VAT Act). In such a case, VAT is calculated and paid in accordance with the reverse charge procedure in fields 1 and 4 of form KMD and, in the case of goods used for the purposes of taxable supply, the VAT due is also deducted as input VAT in field 5 of the KMD, which means that no real tax liability arises from that transaction.

If warehousing is terminated by a person who is not registered as a taxable person, the person shall submit information on the goods and pay VAT at the latest on the day of the termination of the tax warehousing of the goods or the removal of the goods from the excise warehouse in accordance with **Regulation No 26 of the Minister of Finance of 15 June 2022** (subsections 5^1 and 8 of § 38 of the VAT Act). **VAT return for special case**

The owner of the goods will not become liable to tax upon removing goods from a tax warehouse if the owner himself placed the goods to the tax warehouse and the goods were not transferred in the tax warehouse, unless the person was able to use the exemption for placing goods in a tax warehouse immediately following the import of goods, national supply or intra-Community acquisition (clause 5 of subsection 6 of § 3 of the VAT Act). For example, the described tax liability does not arise if a person places a certain quantity of grain in a tax warehouse, sells it in a tax warehouse at a zero rate, but removes the unsold part from the tax warehouse.

Upon removal of goods from an excise warehouse under an excise suspension arrangement, the owner of the goods shall not be liable to tax if the person was also the owner of the goods upon placing the goods in an excise warehouse and the goods have not been transferred in the excise warehouse (clause 6 of subsection 6 of § 3 of the VAT Act). Since taxation with VAT is different when goods are transported to an excise or tax warehouse, the provisions on tax warehousing must be taken into account in a situation where goods leaving an excise warehouse are also subject to tax warehousing.

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