

Poland implements new charge on certain beverages from 1 January 2021

EY Tax News Update: Global Edition

EY's Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

Poland is implementing a new charge on certain sweetened beverages. The sweetened beverage tax (SBT) will generally apply to sales of two types of drinks:

- ▶ Beverages containing substances used for sweetening properties and/or caffeine/taurine (with certain exceptions like dietary supplements and food for special medical purposes)
- ▶ Alcoholic drinks of up to 300 ml

The level of the SBT for sweet beverages will depend on the sugar content in 100 ml of product (max. PLN1.2/liter) while the charge for alcoholic drinks will depend on a total liter capacity of sold products (PLN25/liter of 100% alcohol).

The SBT will be due on different levels of the supply chain as follows:

- ▶ For the supply of sweet beverages, the charge will be due upon the sale of these drinks to the first point conducting retail sales, as well as upon retail sales made by a producer or importer of such beverages.
- ▶ For alcoholic drinks, the charge will be due upon the sale of these drinks to the entrepreneur holding the license for the retail sales.

Details of the rules on a charge due point raise multiple practical questions, e.g., whether the due date will be equal to the tax point under Value Added Tax, How are “retail sales” defined (is HoReCa covered?), to the process to verify the capacity of our contractors, and who actually is a producer in particular scenarios? Are sales through vending machines excluded from definition and, if so, what kind of machines?

The SBT requires a new type of reporting - its payers will be required to file an electronic statement containing, inter alia, the amount of the fee; and data about the number of liters of beverages subject to the SBT and information about invoices issued with relation to respective sales. The filing due date, as well as tax due date will be:

- ▶ For supply of sweet beverages, the 25th day of the month following the month which the statement concerns
- ▶ For alcoholic drinks, the 25th day of the month following a given half-year

The Act introducing the SBT is a new instrument introduced by the Polish Government and it does not provide explanation or guidance on a number of practical issues. At the same time, the Act introduces a fine of an additional 50% charge if the SBT is not duly paid. To clarify certain issues, impacted taxpayers may consider applying for a tax ruling to clarify the new tax requirements.

For additional information with respect to this Alert, please contact the following:

EY Doradztwo Podatkowe Krupa sp. k., Warsaw

- ▶ Dorota Pokrop dorota.pokrop@pl.ey.com
- ▶ Tomasz Wagner tomasz.wagner@pl.ey.com

EY Doradztwo Podatkowe Krupa sp.k., Wroclaw

- ▶ Slawomir Czajka slawomir.czajka@pl.ey.com

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Indirect Tax

© 2020 EYGM Limited.

All Rights Reserved.

EYG no. 007279-20Gbl

1508-1600216 NY

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com