

NEPAL BUDGET 2080-81 (2023-24)

HIGHLIGHTS FROM TAX PERSPECTIVE





TABLE OF CONTENTS

03-04

BUDGET OBJECTIVES

05-07

BUDGET SUMMARY

08-10

TAXATION GENERAL

11-14

TAX AMNESTY SCHEME

15-28

INCOME TAX

29-35

VALUE ADDED TAX

36-56

EXCISE DUTY

57-64

CUSTOMS DUTY

**OBJECTIVES OF
BUDGET 2080/81**

01



02



03



04



05



06



06

To enhance the efficiency in public expenditure by improving budget system.

05

To facilitate federalism and maintain good governance.

04

To Maintain Macroeconomic stability.

01

To achieve broad, sustainable and inclusive economic growth through dynamic and vibrant economy.

02

To ensure quality social development, security and justice.

03

To lift the moral of private sector by creating investment friendly environment and creation of employment opportunity and reducing the poverty.

PRIORITIES OF BUDGET 2080/81



Development of Agriculture, Energy and Tourism sector.



Promote Investments, Industry Development and Balance of Trade.



Development of Social Sector and Social Security.



Establish Quality Physical Infrastructure.



Promote Digital and Green Economy development.



Environment Protection, Climate Change And Crisis Management.



Human Resource Development And Employment Creation.



Improvement Of Financial Sector.



Improvement Of Financial Federalism And Improvement Of Service Delivery.



Improvement Of Public Fund.

SUMMARY OF BUDGET

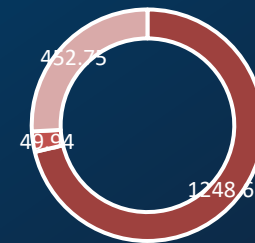
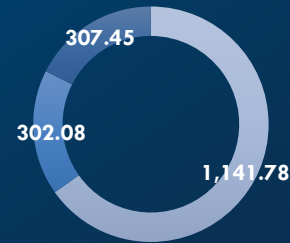
Allocation of Budget

	# Amount in Billions	
Current Expenditure	1141.78	65.20%
Capital Expenditure	302.08	17.25%
Financial Management	307.45	17.55%
Total Budget Allocated	1751.31	

Source of Revenue

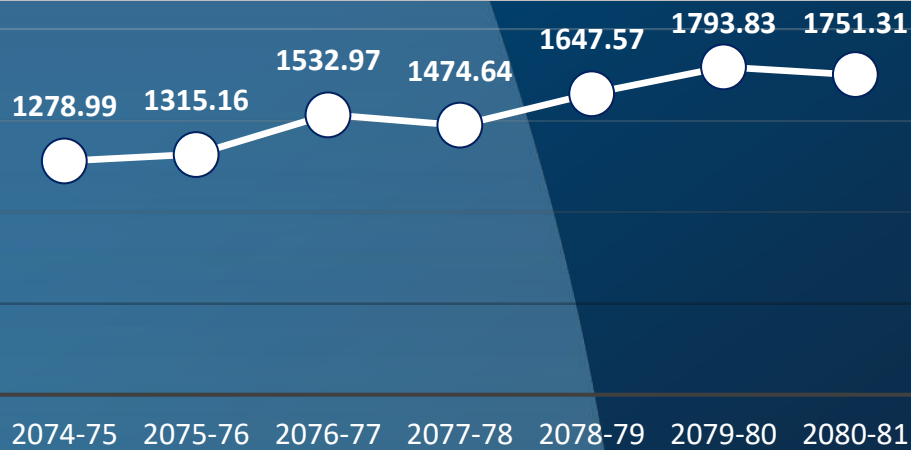
Tax Revenue	1248.62	71.30%
Foreign Grant	49.94	2.85%
Internal & Foreign Debt	452.75	25.85%

- Revenue Expenditure
- Capital Expenditure
- Financial Management

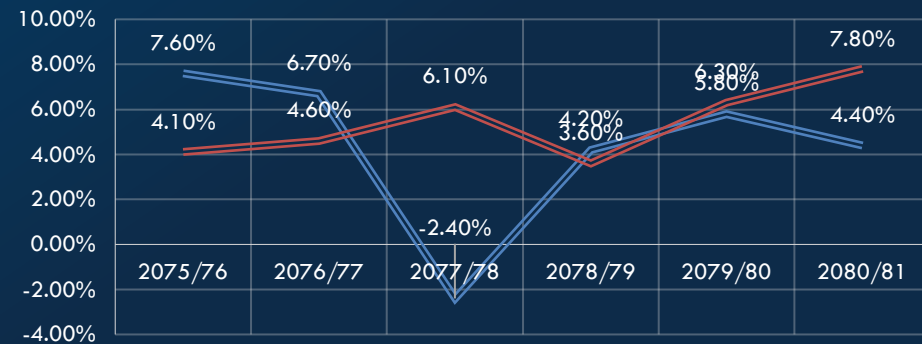


- Tax Revenue
- Foreign Grant
- Internal & Foreign Debt

Total Budget (in Billions NPR)



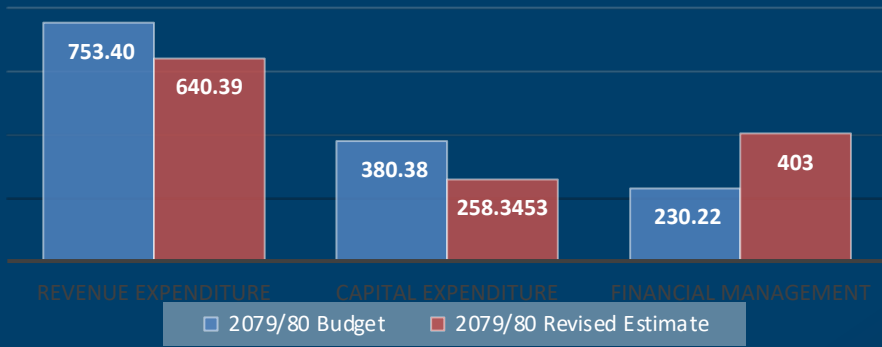
Economic Growth & Inflation



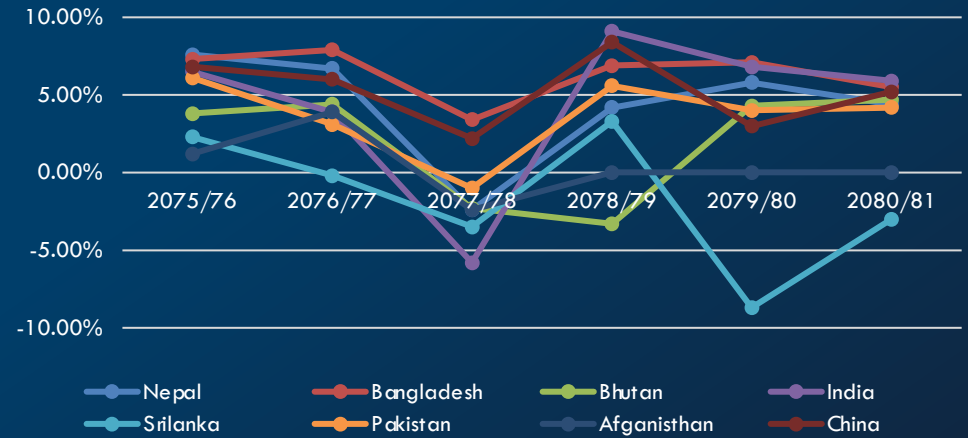
■ Growth Rate ■ Inflation Rate *2079-80 Estimate **2080-81 Projection

● Per capita Income: US \$1,410. It was \$1,381 for 2079/80

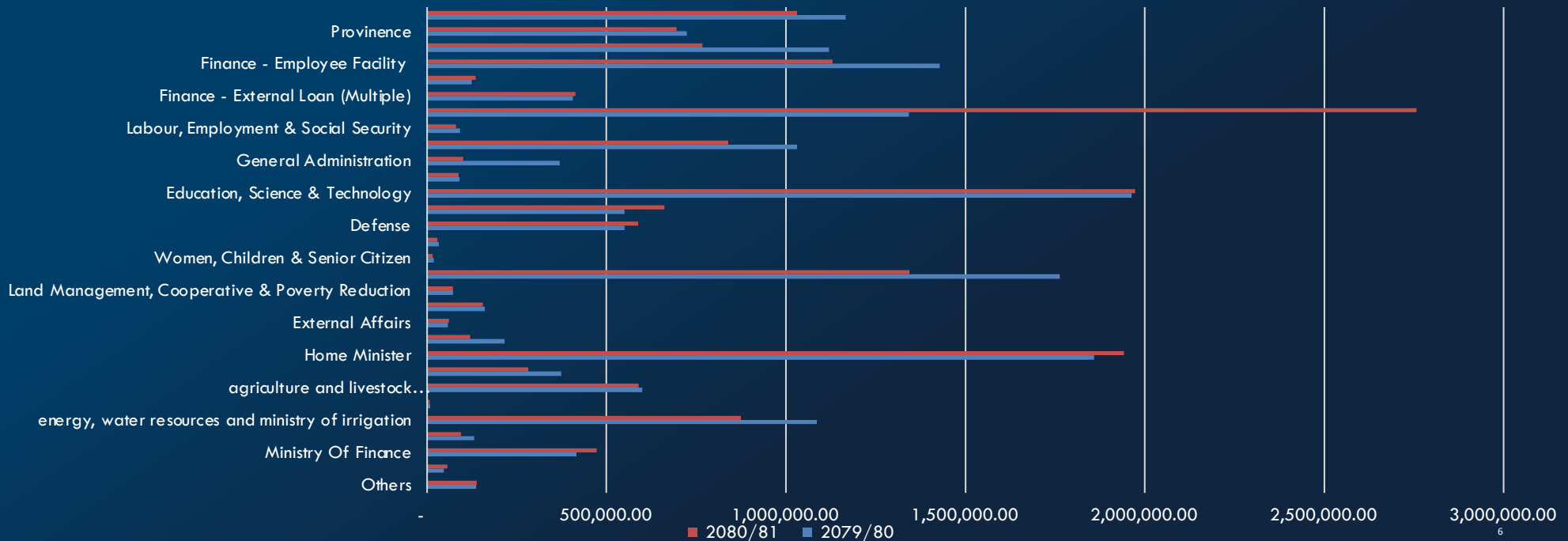
Previous Year Budget Vs. Revised Estimates



South Asian Countries GDP Comparison



Budget Allocated year wise comparison



Nepal's Average Growth is in 3rd Position in South Asia

BUDGET SUMMARY

Major Highlights of Budget 2080/81

- Total Budget Size is of NPR 1,751.31 Billion which comprise of Revenue expenditure of NPR 1141.78 Billion , Capital Expenditure of NPR 302.08 Billion and Financial Management of NPR 307.45 Billion.
- Out of Total Budget , the major Budget for Internal and External Debt is NPR 330.56 Billion (i.e., 18% of Total budget), Urban Development is NPR 66.18 Billion (i.e., 4% of Total budget), Defense is NPR 58.84 Billion (i.e., 3% of Total budget)
- A policy of spending at least one percent of the government's total capital budget on research, innovation and invention will be adopted.
- **“Make in Nepal and Made in Nepal”** campaigns promoted by the private sector will be encouraged to promote and expand indigenous production.
- To Improve the investment environment, the country Credit Rating process will be carried forward. For foreign investors, Hedging services will be provided by a Hedging organization to reduce foreign exchange risk.
- The permanent structure of the government of 20 institutions whose justification has expired and are no longer needed in the changed context will be abolished. The entities having the same scope of work will be merged with each other. The relevant ministry will have to complete the work of managing the assets and liabilities of the entity that have been abolished by the end of Mangsir.
- To encourage Startup NPR 1.25 Billion has been allocated.
- No fees or charges will be levied for registration of a new company and increasing the company's capital. A legal arrangement will be made to open a company even by declaring a minimum authorized capital of Rs 100.
- Limits on foreign investment in the information technology industry will be removed. The foreign exchange equivalent facility will be provided up to 10 percent of the foreign exchange earnings made by the industry for the purpose of establishing liaison offices in third countries and to purchase software or programs and install equipment.
- Agricultural subsidies will be made based on production with the slogan **“With production, subsidy in hand”**. All other types of agricultural subsidies will be made production-based, except the subsidies given on purchase of seeds, chemical fertilizers, insurance and mechanization.
- For the purpose of Medicine, the feasibility of farming of Marijuana will be conducted.
- To promote domestic tourism, a campaign will be conducted with the slogan **“Visit Nepal, Know Nepal”**. Promotion of local pilgrimages, culture, festivals, and tourist destinations will be done. Interprovincial air services will be encouraged to expand.
- The year 2023-2032 will be celebrated as Tourism Decade.
- The financial year 2080/81 will be celebrated as Youth Entrepreneurship Promotion Year.

TAXES - GENERAL

Health Risk Tax

Bidi	30 Paise per Stick
Cigarette & Cigar	60 Paise per Stick
Khaini, Surti, Pan Masala, Gutkha	60 Rupee Per KG

Education Service Fees

While exchanging foreign currency by the students going abroad for studies.

~~2%~~
3%

Infrastructure Development Tax

Import of Petrol and Diesel at customs point	NPR 10 Per Liter
--	------------------

Casino Royalty

To General Casino	50	40	Million	Per annum
To Casino using Modern Machine Equipment	15	10	Million	Per annum

A person or organization licensed to operate a casino, shall pay the 40% of the amount of royalty within Poush End, 70% of the amount of royalty within Chaitra End and 100% of the amount of royalty amount within Ashad End.

TAXATION - GENERAL

- **Road Maintenance and Improvement Fee** shall be levied at the customs point for road maintenance and improvement at the rate of NPR 4 per Litre for Petrol and NPR 2 per Litre for diesel imported respectively.
- **Pollution Control Fee** will be levied at the rate of NPR 1.50 per Liter for the purchase and distribution of petrol and diesel in Nepal.
- **Cinema Development Fee shall be charged to cinema houses and halls as follows:**
 - 15% on entry fee for all categories of foreign films.
 - 20% on entry fee for all categories of foreign films shown from cabins.
 - The cinema house and halls have to issue tickets through electronic system (e-ticket system) and connect with the Central Cinema Management System.
- **Telecommunication Service Charge** to be levied at **10%** which will be imposed by telecom industries on the telecommunication charges made to the customer.

Major Highlights of Budget 2080/81

- **Telephone Ownership Fee** of NPR 500 will be charged from every customer for every telephone connection. In case of change of ownership of telephone, the same fee will be charged from the person claiming ownership of telephone. However, in the case of mobile telephones, Telephone Ownership Fee will be charged at the rate of 2% of each SIM card and recharge fee.
- **Digital Service Tax [Introduced by Finance Ordinance, 2079]**
 - *Digital Service Tax shall be levied at the rate of 2% of the transaction value of digital services provided by Non Resident Person to Resident consumers, in case the annual transaction of digital service crosses 2 millions.*
 - *The person providing digital services in Nepal shall have to submit the transaction details & tax as per the income year.*

Luxury Tax – Newly Introduced by Finance Bill 2080

2% Luxury Fee Shall be levied and collected on the following goods and services:

Service Provided by 5 Star or More than 5 Start Hotels and Luxury Resort- **By Such Hotel/Resort**

Imported Liquors – **At Custom Point at the time of Import**

Diamond, Pearls, Gold with Stone or Ornaments of Valuable Metals above 10 Lakhs – **At Custom Point at the time of Import**

Outbound Tourism Fee – Newly Introduced by Finance Bill 2080

5% of Outbound tourism fee shall be levied and collected on the amount paid by Nepali tourist going abroad for tour purpose.

Foreign Employment Service Fee/Cess – Newly Introduced by Finance Bill 2080

- Foreign Employment Service Fee/Cess shall be paid by the Licensed person under the Federal law for operating business of foreign Employment shall pay.
- Such cess will be 1% of the amount collected from the person going for foreign employment

TAX AMNESTY SCHEME

Special provision for Waiver of Dues & Reliefs

- Tax Amnesty Scheme for Non-Resident in case of Digital Tax:**

Whom ?	At what condition ?	Relief
Non-Resident person providing digital services more than NPR 2 million	Obtain PAN Number or has already Obtained PAN Number, and Pays VAT due upto Jestha End, 2080 by 25 Ashad, 2080.	Interest, Additional fee & penalty shall be waived

- Tax Amnesty Scheme for Small amount of Tax Dues:**

Whom ?	At what condition ?	Relief
Any taxpayer	Taxpayer whose tax was assessed upto F.Y. 2063/64 BS and tax assessment was made upto Ashad End, 2065 and unpaid tax amount is up to NPR 50,000 in each assessment.	The balance amount (Bakyauta) and interest thereto shall be waived off.

- Income Tax Amnesty for Entities distributing Dividend/Bonus Share from the amount received from Further Public Offering (FPO):**

Whom ?	At what condition ?	Relief
Entities collecting Share premium on FPO and distributed Dividend/Bonus share from such amount till FY 2078/79 (2021-22)	Pays Income tax amount on such distributed dividends/bonus share amount as per Section 56(3) by end of Mangsir, 2080	Fees and interest thereto shall be waived off.

TAX AMNESTY SCHEME & BENEFITS TO TAX PAYERS

Scheme	Whom	At what condition ?	Relief
Income Tax Amnesty for Entities who have not included gain on Bargain Purchase in Taxable income till FY 2079/80 (2021-22):	Entities not paid tax on Gain on Bargain Purchase as calculated in Merger & Acquisition till FY 2079/80 (2021-22)	Pays the Taxes by the end of Mangshir End, 2080	Tax of the previous Years, Interest and penalty amount thereto shall be waived off.
Income Tax Amnesty for Individuals doing Business transactions of Securities, Land, Land/Building:	Individuals involved in business transactions of Securities, Land, Land/Building and not filed income tax returns till FY 2078/79	Pays the Taxes by the end of Mangshir End, 2080	Interest and penalty amount thereto shall be waived off.
Income Tax Amnesty for Business of providing Foreign Employment or Education Consultancy Services:	Any person involved in the business of providing foreign employment or education consultancy services and neither declared his/her real income or not paid tax there to of preceding years	Declares such income and Pays the income tax applicable till 2080 Chaitra	Fine and Interest shall be waived off.
VAT Amnesty for EYE Hospital	Eye Hospital whether registered in VAT or not, If in the previous year who has dealt in the Vatable item but not collected and deposited VAT	1) Pay amount equivalent to 5 percent of the transaction amount between FY 2076-77 and Jestha 14, 2080 by the end of Ashwin 2080. OR 2) If tax has been determined where VAT is due or the case under administrative review or other judicial body is withdrawn and pays amount equivalent to 5 percent of the transaction amount between FY 2076-77 and Jestha 14, 2080 and deposit the same by the end of Ashwin 2080	Tax of Previous Years, additional fees, Interest and Penalty shall be waived off.

TAX AMNESTY SCHEME & BENEFITS TO TAX PAYERS

Scheme	Whom	At what condition ?	Relief
VAT Amnesty for Granulated Wheat (Sooji) Industry	Person manufacturing and selling Granulated Wheat (Sooji) has not collected and deposit the VAT for the period FY 2071/72 to 2076 Jestha 14	1) Pay amount equivalent to 5 percent of the transaction amount between 2071/72 and Jestha 14, 2076, by the end of Ashwin 2080. OR 2) If tax has been determined and VAT is due or the case under administrative review or other judicial body is withdrawn and Pays the amount equivalent to 5 percent of the transaction amount between FY 2071-72 and Jestha 14, 2076 and deposit the same by the end of Ashwin 2080.	Remaining tax, additional fees, Interest and Penalty shall be waived off.
VAT Amnesty for Hire Purchase Transaction	Person doing the Hire Purchase Transaction has not collected and deposit the VAT for the period FY 2074/75 and FY 2077/78	1) Pay amount equivalent to 2 percent of the transaction amount between FY 2074-75 and FY 2077-78 by the end of Mangsir 2080. OR 2) If tax has been determined and VAT is due or the case under administrative review or other judicial body is withdrawn and pays the amount equivalent to 2 percent of the transaction amount between FY 2074-75 and FY 2077-78 by the end of Mangsir 2080.	Previous Year VAT and additional fees, Interest and Penalty shall be waived off.
VAT Amnesty for the donation received by Non-Government Organization	Non-Govt Organizations registered under Association Registration Act, 2034 and received the donation from Donar organization and INGOs.	If tax has been determined where VAT is due or the case is under administrative review or other judicial body, if withdrawn and application to be made to the Inland Revenue Department by 2080 Mangsir end	VAT and additional fee, Interest and Penalty there on shall be waived off.

TAX AMNESTY SCHEME & BENEFITS TO TAX PAYERS

Scheme	Whom	At what condition ?	Relief
VAT Amnesty for Carriage/Transportation service Business	Person who is required to be registered under the VAT Act, 2052 but has not registered under the act and doing the business of Transportation Business and due to the non-registration, no VAT has been Paid.	1) Pay amount equivalent to 5 percent on the transaction value for the Vatable period by the end of Poush 2080. OR 2) If tax has been determined where VAT is due or the case under administrative review or other judicial body is withdrawn and pays amount equivalent to 5 percent on the transaction value for the Vatable period by the end of Poush 2080.	Remaining Tax, Additional Fee, Interest and penalty shall be waived off.
VAT Amnesty for Person Involved in Construction Business - Not filed VAT Return	Person involved in Construction Business Registered under VAT and not filed the VAT Return and not paid the VAT	Filing of VAT Return and Payment of VAT and 50% Interest amount by the end of Poush 2080.	Fine, additional Fee and Remaining Interest shall be waived off.
VAT Amnesty for Person Involved in Construction Business - Filed VAT Return	Person involved in Construction Business Registered under VAT filed the VAT Return but payment of the VAT not made.	Payment of VAT due amount and 50% Interest by the end of Poush 2080.	Additional Fee and Remaining Interest shall be waived off.
Excise Amnesty for Milk Based Beverage Industry	Industry manufacturing Flavored beverage based on milk products whether obtained the license or not on Self -Removal System.	1) If not licensed then after taking license, Submit the Excise Details and pays the duty amount for the period till Chaitra end, 2079 within 2080 Ashwin end. OR 2) If tax has been determined where VAT is due or the case under administrative review or other judicial body is withdrawn and the amount of excise duty to be paid for such transaction is filed within Ashwin end, 2080.	Penalty and late fee shall be waived off.

INCOME TAX

Increase in Tax Rate

Individuals earning more than 5 Million NPR per annum are taxed @ 39% (PY 36%) on the taxable income above NPR 5 Million

WHT exemption withdrawn

Reservoir or Semi Reservoir Hydropower Projects more than 200 MW completing the Financial Closure within 2082 Chaitra End and paying interest to foreign Bank/FI – Now the WHT is 5 percent.

Rebate on Export of IT Services

50 Percent Tax Rebate shall be provided to BPO, Software Programming, Cloud Computing and other IT Services earning foreign currency income from export and the rebate will be provided till FY 2084/85.

Tax rate for the entities doing Financial transaction Services (Bittiya Sanstha) has been increased to 30%

GENERAL TAX RATE

- Entity 25%
- Co-operative (Saving & Credit):

Business Conducted in	FY 2080/81	FY 2079/80
Municipality	10%	7.5%
Sub-Municipality	15%	10%
Metropolitan	20%	15%

INCOME TAX
SLAB RATE
For Resident Person
Assessed as Individual

Income Level (NPR)	Tax Rate FY FY 2080/81	Income Level (NPR)	Tax Rate FY 2079/80
Upto 5,00,000	1%*	Upto 5,00,000	1%
Next 2,00,000	10%	Next 2,00,000	10%
Next 3,00,000	20%	Next 3,00,000	20%
Next 10,00,000	30%	Next 10,00,000	30%
Next 30,00,000	36%	Next 30,00,000	36%
Above 50,00,000	39%		

Assessed as Couple

Income Level (NPR)	Tax Rate FY 2080/81	Income Level (NPR)	Tax Rate FY 2079/80
Upto 6,00,000	1%*	Upto 6,00,000	1%
Next 2,00,000	10%	Next 2,00,000	10%
Next 3,00,000	20%	Next 3,00,000	20%
Next 9,00,000	30%	Next 9,00,000	30%
Next 30,00,000	36%	Above 30,00,000	36%
Above 50,00,000	39%		

* Does not apply to Pension Income, Person contributing to SSF, Proprietorship

For Non-Resident Person

S. N.	Nature of transaction	FY 2080/81	FY 2079/80
1.	Income earned from normal transactions.	25% flat rate	25% flat rate
a.	Income earned from providing shipping, air transport or telecommunication services, postage, satellite, optical fiber project.	5%	5%
b.	Income earned providing shipping, air transport of telecommunication services through the territory of Nepal.	2%	2%
c.	Repatriation by Foreign Permanent Establishment.	5%	5%

1. Natural person working at remote areas are entitled to get deduction from taxable income to a maximum of Rs. 50000.
2. Social Security Tax shall not be applicable for natural person having Pension income, Person contributing to SSF & Proprietorship Firm.
3. Incapacitated natural person shall be entitled to get deduction from taxable income an additional 50% of amount prescribed under first tax slab.
4. A Resident natural person who has procured life insurance and paid premium amount thereon shall be entitled to a deduction of actual annual insurance premium or **Rs. 40,000** whichever is less from gross taxable income.
5. A Resident natural person who has procured Health Insurance and paid premium amount thereon shall be entitled to a deduction of actual annual insurance premium or Rs. 20000 whichever is less from gross taxable income.
6. A Resident natural person who has procured Insurance Policy for his house and premium thereon shall be entitle to a deduction of actual annual insurance premium of NPR 5000 whichever is lower from his gross taxable income.
7. In case of the employee employed at the foreign diplomatic mission of Nepal only 25% of the foreign allowances are to be included in the income from salary.
8. In case of the employee posted outside Nepal is getting foreign allowance will get 75% rebate of such allowance.
9. In case of the female employee whose taxable income is only from employment than 10% rebate is allowed on tax liability.
10. Any resident natural person having pension income will get additional deduction from taxable income of the amount equivalent to 25% of the amount of first slab from the taxable income.
11. In case of gain on disposal of listed securities owned by resident natural person, the concerned stock exchange at the time of settlement of transaction shall levy tax at the rate of:
 - 5% of profit if held for more than 365 days and
 - 7.5% of profit if held for a period of 365 days
12. In case of gain on disposal of Non Business Chargeable Asset (Land & Building) tax shall be levied at the rate of:
 1. 5% of profit if held for 5 years or more than 5 years
 2. 7.5% of profit if held for less than 5 years
13. **Tax shall be levied at the rate of ~~1%~~ 5% on any resident natural person not involved in the operation of business but receiving payment in foreign currency for providing software or similar kind of other electronic service outside Nepal.**
14. **Tax shall be levied at the rate of ~~1%~~ 5% on any resident natural person not involved in the operation of business but receiving payment in foreign currency for providing consultancy service outside Nepal.**
15. **Tax shall be levied at the rate of ~~1%~~ 5% on any resident natural person not involved in the operation of business but receiving payment in foreign currency for uploading audio- visual material in social network.**

INCOME TAX
Corporate Tax

Section	Nature of entity	Applicable for FY 2080-81
Sch 1 Sec 2(2)	Normal Tax Rate	25 %
	Bank and Financial Institution	30%
	Entities Carrying out the Financial Transactions (Bittiya Karobar)	30% (Earlier 25%)
	General insurance business	30%
	Petroleum Industries	
	Entity engaged in Petroleum business under Nepal Petroleum Act , 2010	30%
	Merchant Banks, Telecommunication and Internet Services Industry, Money Transfer Capital Market, Commodity Future Market, Securities Brokers and Companies involved in securities business	30%
Sch 2 Sec 6	Non resident carrying on air and water transport and Telecommunication services in Nepal :	
	a. If the goods and Passengers embarking from Nepal	5%
	b. If a person books ticket from Nepal but the departure is from any foreign country	2%

Tax on Cooperatives:

Co-operatives	Tax Rate FY 2080-81	Tax Rate FY 2079-80
Exempt Co-operatives covered under Section 11	Nil	Nil
Saving & Credit Co-operatives operated in Metropolitan City	20.00%	15.00%
Saving & Credit Co-operatives operated in Sub-Metropolitan City	15.00%	10.00%
Saving & Credit Co-operatives operated in Sub-Metropolitan City	10.00%	7.50%
Other than Exempt/Saving & Credit Co-operatives operated in Metropolitan City	10.00%	15.00%
Other than Exempt/Saving & Credit Co-operatives operated in Sub-Metropolitan City	7.00%	10.00%
Other than Exempt/Saving & Credit Co-operatives operated in Sub-Metropolitan City	5.00%	7.50%

INCOME TAX
The major changes brought forward by Finance Bill FY 2080/81 relating to Income Tax

Section	Amended Provision	Existing Provision
11(1)	<p>Agriculture Income by Individual not having any registered firm shall be exempt from Income Tax.</p> <p>However, Income earned by any Registered Firm, Company, Partnership or Body Corporates (Sangathit Sanstha) from Agriculture, Vegetable dehydration & Cold Store business shall be 50% exempt from the Income Tax.</p>	<p>Agriculture Income by Individual not having any registered firm shall be exempt from Income Tax.</p> <p>However, Income earned by any Registered Firm, Company, Partnership or Body Corporates (Sangathit Sanstha) from Agriculture, Vegetable dehydration & Cold Store business shall be 100% exempt from the Income Tax.</p>
11(2Kha)(ga)	Removed by Finance Act, 2080	<p>If a person who has availed facility pursuant to clause (a) or (b) is also found to have any other tax exemption facility under this section, the person shall get such additional tax exemption facility as well.</p>
11(3)(Kha)	<p>If a special industry has been operated in remote, undeveloped and least developed areas, respectively ten, twenty and thirty percent of the tax leviable on income of the years for up to ten years from the date of commencement of the commercial production or transaction by that industry started operating.</p> <p>Provided that the special industry established in the Karnali Province and hilly district of Far Western Province providing direct employment to more than hundreds of Nepali citizen shall be exempt from income tax for a period of fifteen years from the date of commencement of its transaction.</p>	<p>If a special industry has been operated in remote, undeveloped and least developed areas, respectively ten, twenty and thirty percent of the tax leviable on income of the years for up to ten years from the date of commencement of the commercial production or transaction by that industry started operating.</p> <p>Provided that the special industry established in the Karnali Province providing direct employment to more than hundreds of Nepali citizen shall be exempt from income tax for a period of fifteen years from the date of commencement of its transaction.</p>
11(5)	<p>In case a person in-addition to the facilities under sub-section (2B) is entitled to more than one concession on a single income under this section, he shall be entitled to only one concession chosen by him.</p>	<p>In case a person is entitled to more than one concession on a single income under this section, he shall be entitled to only one concession chosen by him.</p>

Section	Amended Provision	Existing Provision
Sec 4(4Ka) & Sec 1(17) of Sch 1 For the FY 2079-80	<p>Applicability: Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> The person has income from source in Nepal only The person has turnover more that Rs 3 Million but less than upto Rs 10 Millions and Profit is upto 1 Million The person doesn't provide consultancy services & Expert services <p>Tax Rate</p> <ul style="list-style-type: none"> Person conducting transaction of goods including Gas, Cigarette by adding upto 3% commission---- <ul style="list-style-type: none"> 3 Million to 5 Million----- 0.25% of Turnover 5 Million to 10 Million----- 0.30% of Turnover Person conducting a business other than specified above <ul style="list-style-type: none"> 3 Million to 5 Million----- 1% of Turnover 5 Million to 10 Million----- 0.80% of Turnover Service Provider (3 Million to 10 Million)----- 2% 	<p>Applicability: Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> The person has income from source in Nepal only The person has turnover more that Rs 3 Million but less than Rs 10 Millions and Profit is upto 1 Million The person doesn't provide consultancy services & Expert services <p>Tax Rate(50% Rebate)</p> <ul style="list-style-type: none"> Person conducting transaction of goods including Gas, Cigarette by adding upto 3% commission---- <ul style="list-style-type: none"> 3 Million to 5 Million-----0.25% (0.125%) of Turnover 5 Million to 10 Million-----0.30% (0.15%) of Turnover Person conducting a business other than specified above <ul style="list-style-type: none"> 3 Million to 5 Million-----1% (0.5%) of Turnover 5 Million to 10 Million-----0.80% (0.4%) of Turnover Service Provider (3 Million to 10 Million)----- 2% (1%)
	<p>Applicability: Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> The person has income from source in Nepal only The person does not claim Medical Tax Credit as per Section 51 and adjustment of withhold tax as per Section 93. If the income and turnover of the business does not exceed the threshold of 3 lakhs and 30 lakhs rupees respectively. <p>Tax Amount Business Operating at:</p> <ol style="list-style-type: none"> Metropolitan or Sub Metropolitan- Rs 7,500 Municipality- Rs 4,000 Other than a and b- Rs 2,500 	<p>Applicability: Tax in case of resident natural person fulfilling the following conditions:</p> <ol style="list-style-type: none"> The person has income from source in Nepal only The person does not claim Medical Tax Credit as per Section 51 and adjustment of withhold tax as per Section 93. If the income and turnover of the business does not exceed the threshold of 0.3 million and 3 million rupees respectively. <p>Tax Amount (75% Rebate) Business Operating at:</p> <ol style="list-style-type: none"> Metropolitan or Sub Metropolitan- Rs 7,500 (Rs. 1,875) Municipality- Rs 4,000 (Rs. 1,000) Other than a and b- Rs 2,500 (Rs. 625)

INCOME TAX
The major changes brought forward by Finance Bill 2080 relating to Income Tax

Section	Nature of entity	Applicable for both FY 2080/81		Applicable for both FY 2079/80	
		Rate as per nature of vehicles		Rate as per nature of vehicles	
Sch 1(13)	Presumptive tax in case of Resident Natural Person is engaged in business of Public Vehicles	1. Car, Jeep, Van and Micro Bus		1. Car, Jeep, Van and Micro Bus	
		Up to 1300CC	Rs. 5,500	Up to 1300CC	Rs. 4,000
		From 1301 CC to 2000 CC	Rs. 6,000	From 1301 CC to 2000 CC	Rs. 4,500
		From 2001 CC to 2900 CC	Rs. 6,500	From 2001 CC to 2900 CC	Rs. 5,000
		From 2901 CC to 4000 CC	Rs. 8,000	From 2901 CC to 4000 CC	Rs. 6,000
		Above 4001 CC	Rs. 9,000	Above 4001 CC	Rs. 7,000
		2. Mini Truck, Mini Bus & Water tanker	Rs. 8,000	2. Mini Truck, Mini Bus & Water tanker	Rs. 6,000
		3. Mini Tripper	Rs. 9,000	3. Mini Tripper	Rs. 7,000
		4. Truck & Bus	Rs. 10,500	4. Truck & Bus	Rs. 8,000
		5. Dozers, Excavator, Loader, Roller, Crane and like such machinery equipment	Rs. 15,500	5. Dozers, Excavator, Loader, Roller, Crane and like such machinery equipment	Rs.12,000
		6. Oil tanker, Gas Bullet and tripper	Rs. 15,500	6. Oil tanker, Gas Bullet and tripper	Rs.12,000
		7. Tractor	Rs. 2,500	7. Tractor	Rs. 2,000
		8. Power tiller	Rs. 2,000	8. Power tiller	Rs. 1,500
		9. Auto Rickshaw, Three wheeler, Tempo	Rs. 2,500	9. Auto Rickshaw, Three wheeler, Tempo	Rs. 2,000
		10. In case of Electrical Vehicles: Upto 50 KW -Rs. 3,000 50 KW-125KW -Rs. 4,000 125 KW-200KW -Rs. 6,000 More than 200KW -Rs. 7,500		Newly Introduced	

INCOME TAX
Existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2080

Section	Nature of entity	Applicable for both FY 2079/80 and 2080/81
	<u>Domestic income</u>	
	Normal Rate (NR)	25%
	<u>Other</u>	
	Providing direct employment to Nepalese citizens by special industries and information technology industries for whole year:	
	For 100 or more Nepali National	90% of Normal Rate
	For 300 or more Nepali National	80% of Normal Rate
	For 500 or more Nepali National	75% of Normal Rate
	For 1000 or more Nepali National	70% of Normal Rate
	For 100 Nepalese including 33% women, dalit & disabled by Special industries.	Additional 10% rebate
11(3)(Ga)	Special industry and tourism industry (excluding casino) established with capital investment exceeding Rs. 1 billion and providing direct employment to more than 500 individuals throughout the year shall be eligible for	100% income tax exemption for five years from the date of commencement of business and 50% exemption for three years thereafter.
Proviso to section 11(3)(Ga)	Provided that, special and tourism industry (excluding casino) currently in operation, where such industry increases its capital investment to at least Rs. 2 billion and provides direct employment to more than 300 individuals throughout the year along with enhancement in capacity by at least 25%, there shall be full tax exemption on income generated from enhanced capacity	100% exempt up to first five years and 50% rebate in subsequent years

INCOME TAX
Existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2080

Section	Nature of entity	Applicable for both FY 2079/80 and 2080/81
11 (3Ka)	Industry established in 'Special Economic Zone' recognized in mountain areas or hill areas by the GON	Up to 10 years 100% exempt and 50% rebate in subsequent years
11 (3Ka)	Industry established in 'Special Economic Zone' other than above locations	100% exempt up to first five years and 50% rebate in subsequent years
11 (3Ka)	Dividend distributed by the industry established in the special economic zone	Dividend Tax is 100% exempt up to first five years and 50% rebate in subsequent 3 years
11 (3Ka)	Income derived by the foreign investors from investment in 'Special Economic Zone'(source of income use of foreign technology, management service fee and royalty)	50% of applicable tax rate
11 (3Gha)	100% tax exemption for first ten year and 50% tax exemption for next five year from the date of commercial operation of hydro electricity, solar, wind and bio product transmission and distribution of electricity.	The sunset date of the commercial operation has been extended to Chitra end, 2084 (B.S.) from Chitra end, 2083 (B.S.)
11 (3Yna)	Income from sale by intellectual asset by a person through transfer	50% of applicable tax rate
11 (3Ta)	Tourism Industry or International Airlines established with more than NPR 2 Billion	100% Tax Exemption for first 5 Years and 50% Tax Exemption for next 3 years
11 (3Tha)	Dividend Distribution Tax in case Special Industry, Industry based in Agriculture and Tourism sector capitalizing its profit for the purpose of expansion of capacity of industry.	100% exempt of Dividend Tax
11 (3Da)	Private Company having Paid up Capital NPR 500 Million or More converted into Public Company	10% Rebate in Income Tax for 3 Years
11 (3Dha)	Domestic Tea Production & Processing Industries, Dairy Industries & Textile Industries	50% of applicable tax rate
11 (3Ana)	Health Services Provided by the Community	20% Reduction of Income Tax Act
11(3ta)	Income generated by micro industries for Seven years from the date of commencement of business or transaction. Where such industry is owned by woman, there shall be tax exemption for another three years thereafter.	100% exemption of income tax
11 (3Tha)	Dividend Distribution Tax in case Special Industry, Industry based in Agriculture and Tourism sector capitalizing its profit for the purpose of expansion of capacity of industry.	100% exempt

INCOME TAX
Existing provisions of Income Tax relevant to business entity not amended by Finance Bill 2080

Section	Nature of entity	Applicable for both FY 2079/80 and 2080/81
11(3Cha)	Entities carrying out the following transactions shall be provided following concession for 10 years from the date of commencement of commercial transactions/operations on the income tax levied:	ka. Operation of Trolley or Tram - 40 % concession Kha. Construction and operation of Ropeway, Cable Car, Sky Bridge – 40% Concession Ga. Construction & Operation of Roads, Bridge, Tunnel Way, Tunnel, Railway, Airport - 50 %concession
11(3Chha)	Income manufacturing industry, tourism service industry hydropower generation, distribution and transmission industry listed in the security exchange (i.e. capital market)	85% of applicable tax rate
11(3Ja)	There shall be tax concession of 40 % and 25 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area and undeveloped area respectively.	There shall be tax concession of 40 % for ten years from the date of Operation, if an industry produces brandy, cider or wine based on fruits in highly undeveloped area.
11 (3Jha)	Royalty from export of Intellectual Asset by a person	75% of applicable tax rate
11 (3Dha)	Domestic Tea Production & Processing Industries, Dairy Industries & Textile Industries	50% of applicable tax rate
11 (3Ana)	Health Services Provided by the Community	20% Reduction of Income Tax Act

INCOME TAX
Withholding Taxes

S. N.	Nature of transaction	FY 2080/81	FY 2079/80
A.	Interest income from deposit up to Rs 10000 under 'Micro Finance Program', 'Rural Development Bank', 'Postal Saving Bank' & Co-Operative (u/s-11(2ka) in Village Municipality areas	Exempt from tax	Exempt from tax
B.	Wind fall gains Wind fall gains from Literature, Arts, Culture, Sports, Journalism, Science & Technology and Public Administration amount received up to 5 lacs	25% Nil	25% Nil
C.	Payment of rent by resident person having source in Nepal However no TDS on payment of rent to natural person.	10%	10%
D.	On dividend paid by the resident entity. – To Resident Person – To Non Resident Person	5% for both	5% for both
E.	On payment of gain in investment insurance	5%	5%
F.	On payment of gain from unapproved retirement fund	5%	5%
G.	On payment of interest or similar type having source in Nepal to natural person [not involved in any business activity by Resident Bank, financial institutions or debenture issuing entity, or listed company	6%	5%
H.	Payment for articles published in newspaper	No TDS	No TDS
I.	Interest payment to Resident bank, other financial institutions	No TDS	No TDS
J.	Interregional interchange fee paid to credit card issuing bank	No TDS	No TDS
K.	Interest or fees paid by Government of Nepal under bilateral agreement	No TDS	No TDS
L.	On payment of general insurance premium to resident insurance company	No TDS	No TDS
M.	On payment of premium to non-resident insurance company	1.5%	1.5%
N.	Contract payment exceeding Rs 50000 for a single contract within 10 days.	1.5%	1.5%
O.	Interest & Dividend paid to Mutual Fund	No TDS	No TDS
P.	Payment of consultancy fee: – to resident person against VAT invoice – to resident person against non VAT invoice	1.5% 15%	1.5% 15%

INCOME TAX
Withholding Taxes

S. N.	Nature of transaction	FY 2080/81	FY 2079/80
	Payment on contract to Non Resident Person		
Q.	– On repair of aircraft & other contract	5%	5%
	– Other than above	5%	5%
R.	TDS deducted on payment of dividend made by Mutual fund to natural Person	5%	5%
S.	TDS on Payment by Resident Person for utilizing services related with Satellite, Bandwidth, Optical Fiber, equipment relating to telecommunications or electric transmission	10%	10%
T.	Dividend Paid by Partnership Firm to its Partners	5%	5%
U.	Payment for the freight to transportation service or Renting of Transportation vehicle (In case Service provider is Not registered in VAT)	2.5%	2.5%
V.	Payment for the freight to transportation service or Renting of Transportation vehicle (Service provider Not registered in VAT)	2.5%	2.5%
W.	Payment for the freight to transportation service or renting of Transportation vehicle (Service provider registered in VAT)	1.5%	2.5%
	Renting of Passenger Vehicle		
X.	-VAT Registered	1.5%	1.5%
	-No VAT Registered	10%	10%
Y.	Payment made against question setting, answer evaluation	15%	15%
Z.	Payment to Non Resident Company against Commission paid for Reinsurance	1.5%	1.5%
AA.	Payment made to Consumer Committee	1.5%	1.5%
AB.	Interest paid by resident bank and financial institution to foreign Bank/Fl	10%	10%
AC.	Encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	No TDS	No TDS
AD.	Interest on Deposit of Life Insurance Companies	5%	5%
AE.	Royalty to resident person for Literary articles or write up (Rachana)	1.5%	15%
AF.	Interest on Loan paid to Foreign Bank/FIs by the reservoir or semi reservoir based Hydropower above 200 MW,	5%	No TDS

INCOME TAX
Tax Collection at Services (TCS)

S. N.	Nature of transaction	FY 2080/81	FY 2079/80
A.	Profit and Gain from Transaction of commodity future market	10%	10%
B.	Payment made against question setting, answer evaluation	15%	15%
C.	Payment to Non Resident Company against Commission paid for Reinsurance	1.5%	1.5%
D.	Payment made to Consumer Committee	1.5%	1.5%
E.	Commercial Import of Buffalo, Goat, Sheep, Fresh & Frozen Fish, Fruits,	5% of Custom Value	5% of Custom Value
F.	On Import of Meat, Milk Product, Egg, Honey, Millet, Buckwheat, Junelo, Rice, Wheat Flour, Meslin Flour, Other Flours, Herbs, Sugarcane, Herbal products	2.5%	2.5%
G.	Foreign Currency Exchange service by resident bank for students going abroad for study making payment for language exam and standardized test	15%	15%
H.	Interest paid by resident bank and financial institution to foreign Bank/FI	10%	10%
I.	In case of the encouragement amount received by consumer of good and services for the payment made through payment cards, E-Money (Wallet), Mobile Banking and electronic payment during purchases as per the prevailing laws, no tax shall be deducted.	No TDS	No TDS
J.	Payment received by a person in foreign currency for providing software or other electronic services of similar nature outside Nepal.	1% To be Collected by Bank/FI/Money T/F	1% To be Collected by Bank/FI/Money T/F
K.	Interest on Deposit of Life Insurance Companies	5%	5%
L.	Royalty to resident person for Literary articles or write up (Rachana)	1.5%	1.5%

INCOME TAX
Tax Collection at Services (TCS)

S. N.	Nature of transaction	FY 2080/81	FY 2079/80
M.	Interest on Loan paid to Foreign Bank/FIs by the Dam or PROR based Hydropower subject to certain condition	5%	0%
N.	A resident e-commerce operator while making payment for sale of goods, services or goods & services from its platform.	1% To be collected by the E-Commerce Operator	-
	Profit and Gain from Disposal of Shares:		
	<u>In case of Natural Resident Person</u>		
	- Listed Shares held for more than 365 days	5%	5%
	- Listed Shares held for 365 days or less	7.5%	7.5%
	- Non Listed Shares	10%	10%
O.	<u>Resident Entity</u>		
	- Listed Shares	10%	10%
	- Non Listed Shares	15%	15%
	<u>Others</u>		
	- Listed Shares	25%	25%
	- Non Listed Share	25%	25%

VALUE ADDED TAX

VAT Rate

No Change in
Value Added
Tax Rate

VAT Rate
13%

VAT Threshold



Person dealing
in goods

5 Million NPR



Person dealing in
Goods & Services
both

2 Million NPR



Person dealing in
Services

2 Million NPR

- The frequency of filing VAT Return shall be quadrimester (every four months) instead of monthly for the VAT Registered Person whose annual turnover is up to 1 Crore.
- VAT reintroduced on Air Travel, Rent of Carrier, Carrier Service, Carriage and Transportation Services, Trekking & Tour Services.
- VAT reintroduced on Cargo Services except for Outbound Cargo.

VALUE ADDED TAX

- The frequency of filing VAT Return Shall be quadrimester (every four month) instead of monthly for the VAT registered Person whose annual Turnover is up to 1 crore.
- 170 items have been removed from Schedule -I of VAT Act, 2052.
- Major Items delisted from the Schedule-I are:
Fresh-Roses, Carnations, Orchids, Chrysanthemums, lilies (Lilium spp.),
Potato, Onions,
Dates, Avocado, Quinces, Apricots,
Coffee,
soyabean Nuggets,
Cotton, Wool,
Clothes dryer, Weighting Machine, Aircraft
Various goods imported by Nepal Army, Nepal Police,
Armed Police Force.

Now they are Vatable.
- Trekking and Tour Package related services falls under the Vatable Items.

Summary of Changes in Value Added Tax

- Calendar Blocks are exempted from the VAT.
- Air Travel, Rent of Carrier, Carriage Service (except carriage related to service) are taxable as per the Finance Bill, 2080.
- Cargo Services for Export Purpose only exempted from VAT.
- Reverse Charge on VAT applicable if person registered or not hires or receives carriage/transport services from an unregistered person.
- Special Provision for VAT exemption has been provided to following industries subject to fulfillment of certain conditions:
 - EYE Hospital
 - Granulated Wheat (Sooji) Industry
 - Non-Resident Person
 - Hire-Purchase Business
 - Non-Government Organization
 - Construction Business
 - Carriage/Transportation Services Business
 - Herbal Based Industries

VALUE ADDED TAX
REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2080-81 (Now Vatable)

Heading	Sub-heading	Description of Goods or Service
6.03		Flowers; cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared
		Fresh
	0603.11.00/12.00/13.00/14.00/15.00	Fresh-Roses, Carnations, Orchids, Chrysanthemums, lilies (Lilium spp.),
	0603.19.00	Others
	0603.90.00	Others
6.04		Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, mosses and lichens; suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated
	0604.20.00	Fresh
	0604.90.00	Others
7.01		Potatoes; fresh or chilled
	0701.90.00	Others
7.1		Vegetables (uncooked or cooked by steaming or boiling in water); frozen
	0710.10.00	potatoes,
		Vegetables, leguminous; shelled or unshelled
	0710.21.00	Peas (pisum sativum
	0710.22.00	Beans (vigna spp., phaseolus spp.)
	0710.29.00	Others
	0710.30.00	Spinach, New Zealand spinach
	0710.40.00	Sweetcorn
	0710.80.00	Other Vegetables
	0710.90.00	Vegetable mixtures
7.12		Vegetables, dried; whole, cut, sliced, broken or in powder, but not further prepared
	0712.20.00	Onions

VALUE ADDED TAX
REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2080-81 (Now Vatable)

Heading	Sub-heading	Description of Goods or Service
8.04		Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens; fresh or dried
	0804.40.00	Avocados
8.08		Apples, pears and quinces; fresh
	0808.10.00	Apples
	0808.40.00	Quinces
8.09		Apricots, cherries, peaches (including nectarines), plums and sloes, fresh
	0809.10.00	Apricots
		Cherries
	0809.21.00	sour cherries
	0809.29.00	Others
8.1		Other Fruits; fresh
	0810.10.00	Strawberries (ground raspberries, redberries)
	0810.20.00	raspberries, blackberries, mulberries, and loganberries
	0810.30.00	black, white or red currants and gooseberries
	0810.40.00	cranberries, bilberries and other fruits of the genus vaccinium
	0810.50.00	Kiwifruit
	0810.60.00	Durians
	0810.70.00	Persimmons
9.01		Coffee, whether or not roasted or decaffeinated; husks and skins; coffee substitutes containing coffee in any proportion
11.02		Cereal flours; other than of wheat or meslin
11.04		Cereal grains otherwise worked (e.g. hulled, rolled, flaked, pearled, sliced or kibbled) except rice of heading no. 10.06; germ of cereals whole, rolled, flaked or ground)

VALUE ADDED TAX
REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2080-81 (Now Vatable)

Heading	Sub-heading	Description of Goods or Service
12.11		Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered.
	1211.20.00	Ginseng roots ¹⁸
	1211.30.00	Coca leaf
	1211.40.00	Poppy straw
	1211.50.00	Ephedra
	201211.90.9	Others
21.06		Soyabean nuggets
27.1		Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.
52.01	5201.00.00	Cotton; not carded or combed
52.03	5203.00.00	Cotton, carded or combed
Group 3: Animals and Animal Products		
2.06		Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies; fresh, chilled or frozen
	0206.21.00	tongue of bovine animals; frozen
	0206.22.00	liver of bovine animals; frozen
	0206.29.00	others
2.07		Meat and edible offal of poultry; of the poultry of heading no. 01.05, (i.e. fowls of the species Gallus domesticus), fresh, chilled or frozen
	0207.14.00	Cuts and offal, frozen of fowls of the species Gallus domesticus
	0207.27.00	Cuts and offal, frozen of turkey
	0207.42.00	not cut in pieces, frozen of Duck
	0207.45.00	Others; frozen of duck
	0207.52.00	not cut in pieces, frozen of Geese
	0207.55.00	Others; frozen of geese

VALUE ADDED TAX
REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2080-81 (Now Vatable)

Heading	Sub-heading	Description of Goods or Service
3.03		Fish; frozen, excluding fish fillets and other fish meat of heading 0304
3.05		Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption
3.07		Molluscs; whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs whether in shell or not, cooked or not before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption
Group: 4 Agricultural Materials		
87.01		Tractors; (other than tractors of heading no 8709)
87.11		Motorcycles (including mopeds) and cycles; fitted with an auxiliary motor, with or without side-cars; side-cars
Group 7: Books, Newspapers and Published Materials		
Group 11: Other Goods and Service		
54.01		Wool, not carded or combed
52.05		Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale Cotton yarn; single, of uncombed fibres
84.07		Reciprocating or rotary internal combustion piston engines
84.09		Appropriate parts for use in engines under heading 84.07 or 84.08
84.21		Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus for liquids or gases
	8421.12.00	Centrifuges including centrifugal dryers clothes-dryers

VALUE ADDED TAX
REMOVED FROM SCHEDULE I of VAT ACT FROM FY 2080-81 (Now Vatable)

Heading	Sub-heading	Description of Goods or Service
84.23		Weighing machines; excluding balances of a sensitivity of 5cg or better, including weight operated counting or checking machines and weights of all kinds
88.02		Aircraft (e.g. helicopters, aero planes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles
88.05		Aircraft launching gear, deck-arrestor or similar gear, ground flying trainers; parts of the foregoing articles
b) Other Goods and Services		
		Tracking and Tour Package related services

VALUE ADDED TAX
The Major Changes Brought Forward By Finance Bill 2080 Relating To VAT

Heading	Sub-heading	For FY 2080-81	For FY 2079-80
Group 7: Books, Newspapers and Published Materials			
49.1		Calendars of any kind, printed, <u>including calendar blocks.</u>	Calendars of any kind, printed
	4910.00.10		calendar blocks
Group 9: Public Transportation and carriage service			
		Air travel, service from machinery bridge, public transportation carrying passengers (except cable car), rent of carrier, carriage service (except carriage related to supply) and cargo service <u>FOR EXPORT</u>	Air travel, service from machinery bridge, public transportation carrying passengers (except cable car), rent of carrier, carriage service (except carriage related to supply) and cargo service

EXCISE DUTY

Excise Duty Raised



Excise Duty Changed on Motorcycles (including mopeds) and cycles fitted with an auxiliary motor with or without side-cars; side-cars as follows:

CC	FY 2080-81	FY 2079-80
251 cc - 400cc		
unassembled condition	60%	40%
Other	60%	90%
401 cc-500 cc		
unassembled condition	60%	40%
Other	80%	90%



Excise Duty increased on Beer made from malt, un-denatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher, all kinds of alcoholic fluids including spirits used as a raw material of wine or brandy and non-alcoholic beer, cigarette, Beedies, Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes and cigarillos, containing tobacco, on cigarettes containing tobacco, Pan masala without Tobacco.



Excise Duty increased on Cane molasses, Pasta, spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, kurkure, kurmure, lays, cheeseball food products of spicy nature and other crisp savory, Fruit juices and vegetable juice, Granite, porphyry, basalt, sandstone and other monumental or building stone.



There shall be exemption of Thirty Five Percent in excise duty in wine falling under headings 22.04 and 22.05, Cider, Perry, Mid, Other than grapes falling under headings 22.06 produced in the nation

EXCISE TARIFF



EXCISE DUTY
Removed Excise Duty from Excise Tariff (Excise Duty will not be applicable)

Heading	Sub heading	Particulars	Excise Rate %
2.01		Meat of bovine animals; fresh or chilled	5%
2.02		Meat of bovine animals; frozen	5%
2.03		Meat of swine; fresh, chilled or frozen fresh or chilled	5%
2.04		Meat of sheep or goats; fresh, chilled or frozen	5%
2.05		Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	5%
2.06		Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies; fresh, chilled or frozen	5%
2.07		Meat and edible offal of poultry; of the poultry of heading no. 01.05, (i.e. fowls of the species Gallus domesticus), fresh, chilled or frozen of fowls of the species Gallus domesticus	5%
2.08		Other meat and edible meat offal, fresh, chilled or frozen.	5%
2.09		Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked.	5%
2.10		Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal.	5%
3.01		Live Fish	10%
3.02		Fish wafers and other forms of heading 03.04 and Fresh or cured fish other than meat.	10%
3.03		Fish Waffles and others of heading 03.04 and Processed non-meat fish.	10%
3.04		Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen. Fresh or chilled fillets of tilapias (<i>Oreochromis</i> spp.), catfish (<i>Pangasius</i> spp., <i>Silurus</i> spp., <i>Clarias</i> spp., <i>Ictalurus</i> spp.), carp (<i>Cyprinus</i> spp., <i>Carassius</i> spp., <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys</i> spp., <i>Cirrhinus</i> spp., <i>Mylopharyngodon piceus</i> , <i>Catla catla</i> , <i>Labeo</i> spp., <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama</i> spp.), eels (<i>Anguilla</i> spp.), Nile perch (<i>Lates niloticus</i>) and snakeheads (<i>Channa</i> spp.)	10%

EXCISE DUTY
Removed Excise Duty from Excise Tariff (Excise Duty will not be applicable)

Heading	Sub heading	Particulars	Excise Rate %
3.05		Fish, dried, salted or in brine: smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption	10%
3.06		Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans, whether in shell or not, whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets	10%
3.07		Molluscs, whether in shell or not, live, 63 fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption	10%
3.08		Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during the smoking process; flours, meals and pellets of aquatic invertebrates other than crustaceans and molluscs, fit for human consumption.	10%
3.09		Fish, crustaceans, molluscs and others Boneless aquatic animals for human consumption Lamag Upayu Wapatho, Maida and Gavika (Pelei)	10%
8.02	802.70.00	Kola nuts (Cola spp.)	15%
	802.91.00	Pine Nuts with Shell	15%
	802.92.00	Pine Nuts without Shell	15%
14.04	1404.90.60	Argeli Bark	10%
16.02	1602.10.00	Homogenised preparations	15%
	1602.20.00	liver of any animal	15%
	1602.42.00	Shoulders and cuts thereof of animals	15%
	1602.50.00	Of bovine animals	15%
	1602.90.00	Other, including preparations of blood of any animal	15%

EXCISE DUTY
Removed Excise Duty from Excise Tariff (Excise Duty will not be applicable)

Heading	Sub heading	Particulars	Excise Rate %
16.04	604.18.00	Shark fins	15%
	604.31.00	Caviar	15%
16.05	1605.40.00	Other crustaceans	15%
	1605.51.00	Oysters	15%
	1605.56.00	Clams, cockles and arkshells	15%
	1605.57.00	Abalone	15%
	1605.58.00	Snails, other than sea snails	15%
	1605.61.00	Sea cucumbers	15%
	1605.62.00	Sea urchins	15%
	1605.63.00	Jellyfish	15%
87.11	8711.30.10	unassembled condition	40%
	8711.30.90	other	90%

EXCISE DUTY
Newly Added Items on Excise Tariff 2080 (Excise Duty will be applicable)

Heading	Sub heading	Particulars	New Excise Rate
22.02	2202.99.20	Soft beverages	Rs. 25 per ltr
	2202.99.30	Flavoured Milk	Rs. 25 per ltr
39.16		Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surfaceworked but not otherwise worked, of plastics.	
	3916.10.00	polymers of ethylene	5%
	3916.20.00	polymers of vinyl chloride	5%
	3916.90.00	other plastics	5%
44.02		Wood charcoal (including shell or nut charcoal), whether or not agglomerated.	
	4402.90.10	Charcoal used in Hukka	15%
68.02	6802.10.00	Tiles, Cubes and similar goods having one side less than 7 cm outer surface whether square or not , artificially coloured granules, chippings and powder, of natural stone (including slate)	15%
73.18		Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers)	
		Threaded articles :	
	7318.11.00	Coach screws	Rs.2500 per MT
	7318.12.00	Other wood screws	Rs.2500 per MT
	7318.13.00	Screw hooks and screw rings	Rs.2500 per MT
	7318.14.00	Self-tapping screws	Rs.2500 per MT
	7318.15.00	Other screws and bolts, whether or not with their nuts or washers	Rs.2500 per MT
	7318.16.00	Nuts	Rs.2500 per MT
	7318.19.00	other	Rs.2500 per MT
76.10		Aluminium structures (excluding prefabricated buildings of heading 94.06) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures.	
	7610.10.00	Doors, windows and their frames and thresholds for doors	20%
	7610.90.00	Other	20%

EXCISE DUTY
Newly Added Items on Excise Tariff 2080/81 (Excise Duty will be applicable)

Heading	Sub heading	Particulars	New Excise Rate
82.12		Razors and razor blades (including razor blade blanks in strips)	
	8212.10.00	Razors	5%
	8212.20.00	Safety razor blades, including razor blade blanks in strips	5%
	8212.90.00	Other parts	5%
82.14		Other articles of cutlery (for example, hair clippers, butchers' or kitchen cleavers, choppers and mincing knives, paper knives); manicure or pedicure sets and instruments (including nail files)	
	8214.10.10	Paper knives, letter openers, erasing knives, pencil sharpeners and blades therefor	5%
	8214.20.00	Manicure or pedicure sets and instruments (including nail files)	5%
	8214.90.00	Other	5%
82.15		Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter knives, sugar tongs and similar kitchen or tableware	
	8215.10.00	Sets of assorted articles containing at least one article plated with precious metal	5%
	8215.20.00	Other sets of assorted articles	5%
		Other:	
	8215.91.00	Plated with precious metal	5%
	8215.99.00	Other	5%
83.02		Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat-racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal.	
	8302.10.00	Hinges	5%
	8302.20.00	Castors	5%
		Other mountings, fittings and similar articles :	
	8302.41.00	Suitable for buildings	5%
	8302.42.00	Other, suitable for furniture	5%
	8302.49.00	Other	5%
	8302.50.00	Hat-racks, hat-pegs, brackets and similar fixtures	5%
	8302.60.00	Automatic door closers	5%

EXCISE DUTY
Newly Added Items on Excise Tariff 2080/81 (Excise Duty will be applicable)

Heading	Sub heading	Particulars	New Excise Rate
84.71		Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included.	
		Portable automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display :	
	8471.30.20	Tablet	5%
		Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined :	
	8471.41.10	Interacting Conference Terminal	20%
	8471.41.90	other	5%
		Processing units other than those of subheading 8471.41 or 8471.49, whether or not containing in the same housing one or two of the following types of unit : storage units, input units, output units :	
	8471.50.10	Computer Server and Network Server	5%
		Storage units :	
	8471.70.10	Computer Hard disk, Internal	5%
85.23		Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37	
		Magnetic media:	
	8523.21.00	Cards incorporating a magnetic stripe	5%
85.43		Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter.	
		Parts :	
	8543.90.10	Electronic cigarettes and similar personal electric vaporizing device parts	30%
	8543.90.90	other	5%

EXCISE DUTY
Newly Added Items on Excise Tariff 2080/81 (Excise Duty will be applicable)

Heading	Sub heading	Particulars	New Excise Rate
87.11		Motorcycles (including mopeds) and cycles fitted with an auxiliary motor with or without side-cars; side-cars	
		With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250 cc but not exceeding 400 cc:	
	8711.30.11	Of unassembled condition	60%
	8711.30.19	other	60%
		With reciprocating internal combustion piston engine of a cylinder capacity exceeding 400 cc but not exceeding 500 cc:	
	8711.30.91	Of unassembled condition	60%
	8711.30.99	Other	80%
96.16		Scent sprays Cosmetic sprays and there mounts and heads therefor; powder-puffs and pads for the application of cosmetics preparations.	
	9616.10.00	Scent sprays and similar cosmetic sprays , and mounts and heads therefor	5%
	9616.20.00	Powder-puffs and pads for the application of cosmetics preparations	5%
96.17		Vacuum flasks and other vacuum vessels, complete; parts thereof other than glass inners.	
	9617.00.10	Complete Vacuum flasks	5%
	9617.00.20	Vaccum Vessels	5%

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
8.01	801.31.00	Cashew nuts Not peeled	10%	15%
17.03		Molasses resulting from the extraction or refining of sugar		
	1703.10.00	Cane molasses	Rs. 105 per quintal	Rs. 96 per quintal
	1703.90.00	Other	Rs. 105 per quintal	Rs. 96 per quintal
19.02		Pasta, whether or not cooked or stuffed (with meat or other Substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared and Uncooked pasta, not stuffed or otherwise Prepared		
	1902.11.00	Containing eggs	Rs. 20 per kg	Rs. 17 per kg
	1902.19.00	Other	Rs. 20 per kg	Rs. 17 per kg
	1902.20.00	Stuffed pasta, whether or not cooked or otherwise prepared	Rs. 20 per kg	Rs. 17 per kg
	1902.30.00	Other pasta	Rs. 20 per kg	Rs. 17 per kg
	1902.40.00	Couscous	Rs. 20 per kg	Rs. 17 per kg
19.05	1905.90.20	Kurkure, Kurmure, Lays, Cheeseball	Rs. 20 per kg	Rs. 17 per kg
	1905.90.81	Kurmure, Food Products Of Spicy Nature And Other Crisp Savory Not Fried	Rs. 20 per kg	Rs. 17 per kg
	1905.90.89	Kurmure, food products of spicy nature and other crisp savory Others	Rs. 20 per kg	Rs. 17 per kg
20.05	2005.20.10	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of Heading 20.06 - Potato Chips	Rs. 18 per kg	Rs. 17 per kg

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
20.09		Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter		
		Orange juice:		
	2009.11.00	Frozen	Rs. 13 per ltr	Rs. 11 per ltr
	2009.12.00	Not frozen, of a Brix value not exceeding 20	Rs. 13 per ltr	Rs. 11 per ltr
	2009.19.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
		Grapefruit (including pomelo) juice :		
	2009.21.00	Of a Brix value not exceeding 20	Rs. 13 per ltr	Rs. 11 per ltr
	2009.29.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
		Juice of any other single citrus fruit :		
	2009.31.00	Of a Brix value not exceeding 20	Rs. 13 per ltr	Rs. 11 per ltr
	2009.39.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
		Pineapple juice :		
	2009.41.00	Of a Brix value not exceeding 20	Rs. 13 per ltr	Rs. 11 per ltr
	2009.49.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
	2009.50.00	Tomato juice	Rs. 13 per ltr	Rs. 11 per ltr
		Grape juice (including grape must) :		
	2009.61.00	Of a Brix value not exceeding 30	Rs. 13 per ltr	Rs. 11 per ltr
	2009.69.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
		Apple juice :		
	2009.71.00	Of a Brix value not exceeding 20	Rs. 13 per ltr	Rs. 11 per ltr
	2009.79.00	Other	Rs. 13 per ltr	Rs. 11 per ltr

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Juice of any other single fruit or vegetable:		
	2009.81.00	Cranberry (<i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccus</i> , <i>Vaccinium vitis-idaea</i>) juice	Rs. 13 per ltr	Rs. 11 per ltr
	2009.89.00	Other	Rs. 13 per ltr	Rs. 11 per ltr
	2009.90.00	Mixtures of juices	Rs. 13 per ltr	Rs. 11 per ltr
21.06	2106.90.20	Pan Masala without Tobacco	Rs 850 per kg	Rs 812 per kg
	2106.90.60	Scented areca nuts without Tobacco	Rs.365 per kg	Rs.281 per kg
22.02	2202.91.00	Non-alcoholic beer	Rs. 35 per ltr	Rs. 30 per ltr
22.03	2203.00.00	Beer made from malt	Rs. 235 per ltr	Rs. 228 per ltr
22.07		Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength		
		Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher :		
	2207.10.30	E.N.A. (extra neutral alcohol)	Rs. 90 per ltr	Rs. 86 per ltr
	2207.10.90	others	Rs. 90 per ltr	Rs. 86 per ltr
		Ethyl alcohol and other spirits, denatured, of any strength :		
	2207.20.10	Denatured spirit (having alcohol of 80 to 99 percent)	Rs. 35 per ltr	Rs. 30 per ltr
	2207.20.90	others	Rs. 90 per ltr	Rs. 86 per ltr
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages		
		Spirits obtained by distilling grape wine or grape marc:		
	2208.20.10	All kinds of alcoholic fluids including spirits used as raw material of wine or brandy	Rs. 235 per ltr	Rs. 228 per ltr

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Others:		
	2208.20.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.20.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.20.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.20.99	others	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		whiskeys :		
	2208.30.10	Spirit to use as raw material of whiskey	Rs. 235 per ltr	Rs. 228 per ltr
		Others:		
	2208.30.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.30.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.30.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.30.99	others	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		Rum and other spirits obtained by distilling fermented sugar-cane products		
	2208.40.10	Alcoholic fluids including spirits used as raw materials of Rum and other spirits obtained by distilling fermented sugarcane products	Rs. 235 per ltr	Rs. 228 per ltr

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Others:		
	2208.40.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.40.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.40.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.40.99	others	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		Gin and Geneva :		
	2208.50.10	Alcoholic fluids including spirits used as raw materials of Gin and Geneva	Rs. 235 per ltr	Rs. 228 per ltr
		Others:		
	2208.50.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.50.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.50.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.50.99	other	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		Vodka		
	2208.60.10	Alcoholic fluids including spirits used as raw materials of Vodka	Rs. 235 per ltr	Rs. 228 per ltr

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Others:		
	2208.60.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.60.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.60.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.60.99	other	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		Liquors and cordials		
	2208.70.10	Alcoholic fluids including spirits used as raw materials of Liqueurs and cordials	Rs. 235 per ltr	Rs. 228 per ltr
		Others:		
	2208.70.91	Readymade liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.70.92	Readymade liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.70.93	Readymade liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.70.99	Other	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
		other		
	2208.90.10	Alcoholic fluids including spirits used as raw materials of liquor	Rs. 235 per ltr	Rs. 228 per ltr

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Others:		
	2208.90.91	liquor of 15 u.p. power (having 48.5 percent alcohol)	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
	2208.90.92	liquor of 25 u.p. power (having 42.8 percent alcohol)	Rs.1345/- per ltr Rs.1790/- per LP ltr	Rs.1306/- per ltr Rs.1741/- per LP ltr
	2208.90.93	liquor of 30 u.p. power (having 39.94 percent alcohol)	Rs.1250/- per ltr Rs.1790/- per LP ltr	Rs.1215/- per ltr Rs.1735/- per LP ltr
	2208.90.94	liquor of 40 u.p. power (having 34.23 percent alcohol)	Rs.630/- per ltr Rs.1050/- per LP ltr	Rs.610/- per ltr Rs.1017/- per LP ltr
	2208.90.95	liquor of 50 u.p. power (having 28.53 percent alcohol)	Rs.485/- per ltr Rs.970/- per LP ltr	Rs.472/- per ltr Rs.944/- per LP ltr
	2208.90.96	liquor of 70 u.p. power (having 17.12 percent alcohol)	Rs.50/- per ltr Rs.165/- per LP ltr	Rs.42/- per ltr Rs.138/- per LP ltr
	2208.90.99	other	Rs.1800/- per ltr Rs.2120/- per LP ltr	Rs.1750/- per ltr Rs.2059/- per LP ltr
24.02		Cigarettes containing tobacco		
	2402.20.10	Not filtered	Rs.730per m	Rs.710per m
		Filtered :		
	2402.20.21	in a length up to 70 mm.	Rs.1690per m	Rs.1635per m
	2402.20.22	in a length from 70 mm. up to 75 mm.	Rs.2300per m	Rs.2225per m
	2402.20.23	in a length from 75 mm. up to 85 mm.	Rs.2970per m	Rs.2880per m
	2402.20.24	in a length more than 85 mm.	Rs.4080per m	Rs.3965per m

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
24.03		Other manufactured tobacco and manufactured tobacco substitutes; “homogenised” or “reconstituted” tobacco; tobacco extracts and essences		
		Smoking tobacco, whether or not containing tobacco substitutes in any proportion:		
	2403.19.20	Processed Tobacco for Cigarette and Beedies	Rs. 350 per kg	Rs. 343 per kg
	2403.19.90	Other	Rs. 350 per kg	Rs. 343 per kg
		Other :		
	2403.91.00	“Homogenised” or “reconstituted” tobacco	Rs. 475 per kg	Rs. 460 per kg
	2403.99.10	Jarda, Khaini, Snuff, Ghutka and similar preparations containing chewing tobacco	Rs. 850 per kg	Rs. 821 per kg
	2403.99.20	Packed chewing tobacco, to be mixed in lime, put up for retail sale	Rs. 475 per kg	Rs. 460 per kg
	2403.99.30	Cut tobacco, dust tobacco not for retail sale	Rs. 475 per kg	Rs. 460 per kg
	2403.99.99	other	Rs. 475 per kg	Rs. 460 per kg
24.04		Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body		
		Products intended for inhalation without combustion :		
	2404.11.00	Containing tobacco or reconstituted tobacco	Rs. 475 per kg	Rs. 460 per kg
	2404.12.00	Other, containing nicotine	Rs. 475 per kg	Rs. 460 per kg
	2404.19.00	other	Rs. 475 per kg	Rs. 460 per kg

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
25.16		Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape		
		Granite:		
	2516.12.00	Merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	25%	15%
		Sandstone :	25%	15%
	2516.20.10	Merely cut, or uncut rectangular shape (pebbles), up to 2.5 inch	25%	15%
	2516.20.20	Merely cut, or uncut pebbles of more than 2.5 inch	25%	15%
	2516.20.30	Merely cut, or uncut pebbles and mixture of sand, sandstone	25%	15%
	2516.90.00	Other monumental or building stone	25%	15%
44.02		Wood charcoal (including shell or nut charcoal), whether or not agglomerated.		
	4402.90.90	Other	15%	5%
68.02		Other monumental or building stone and articles thereof, simply cut or sawn, with a flat or even surface:		
	6802.21.00	Marble, travertine and alabaster	15%	5%
	6802.29.00	Other stone	15%	5%
		Others:		
	6802.91.00	Marble, travertine and alabaster	15%	5%
	6802.92.00	Other calcareous stone	15%	5%
	6802.99.00	Other stones	15%	5%

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
85.17		Telephone sets, including smartphones and other telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 84.43, 85.25, 85.27 or 85.28		
		Telephone sets, including smartphones and other telephones for cellular networks or for other wireless networks :		
	8517.14.00	Other telephones for cellular networks or for other wireless networks	5%	2.5%
85.18		Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures; headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers; audio frequency electric amplifiers; electric sound amplifier sets.		
	8518.10.00	Microphones and stands therefor	15%	10%
85.23		Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37		
		Magnetic media:		
	8523.29.00	Other	10%	5%
		Optical media:		
	8523.41.00	Unrecorded	10%	5%
		Other		
	8523.49.10	With software	10%	5%
	8523.49.90	other	10%	5%
		Semiconductor media:		
	8523.51.00	Solid-state non-volatile storage devices	10%	5%

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Smart cards		
	8523.52.10	Sim card	10%	5%
	8523.52.20	Memory card	10%	5%
	8523.52.90	other	10%	5%
85.43		Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter.		
	8543.70.00	Other machines and apparatus	5%	30%
85.44		Insulated (including enameled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fiber cables, made up of individually sheathed fibers, whether or not assembled with electric conductors or fitted with connectors		
		Other electric conductors, for a voltage not exceeding 1000 V:		
	8544.70.00	Optical fiber cables	15%	10%
87.03		Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power		
	8703.40.10	Of unassembled status	60%	45%
	8703.40.90	other	60%	45%
		Other vehicles, with both compression ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power		
	8703.50.10	unassembled status	60%	45%
	8703.50.90	other	60%	45%

EXCISE DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Excise Duty

Heading	Sub heading	Particulars	Excise Duty (% except otherwise specified) for FY 2080-81	Excise Duty (% except otherwise specified) for FY 2079-80
		Other vehicles, with both compression ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power		
	8703.50.10	unassembled status	60%	45%
	8703.50.90	other	60%	45%
		Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power		
	8703.60.10	unassembled status	60%	45%
	8703.60.90	other	60%	45%
		Other vehicles, with both compression ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power		
	8703.70.10	unassembled status	60%	45%
	8703.70.90	other	60%	45%
		Other vehicles, with only electric motor for propulsion		
		Car, jeep and Van having motor pick power more than 100 KW but less than 200 KW :		
	8703.80.59	other	20%	30%
87.11		Motorcycles (including mopeds) and cycles fitted with an auxiliary motor with or without side-cars; side-car		
		With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cc but not exceeding 250 cc:		
		Of unassembled condition		
	8711.20.19	Exceeding 200 cc but not 250 cc	60%	
		other:		
	8711.20.99	Exceeding 200 cc but not 250 cc	60%	

CUSTOMS DUTY

Major Highlights



1% Custom Duty is chargeable on import of Crude petroleum oil produced and imported from India.



1% Custom Duty is chargeable on import of chassis, motor and battery charger imported by an industry registered to produce two-wheeler, three-wheeler or four-wheeler passenger vehicles or cargo vehicles



Machinery & equipment used for the purpose of converting diesel or petrol operated passenger vehicles already registered in Transport Management Office into the battery-operated passenger vehicles, imported by the concerned industry or by the owner of such vehicles is removed from the exemption list attracting 1% Custom Duty.



Mills/ machineries other than those for domestic use falling under part 84 imported by Micro, cottage and small-scale industries for their production purposes shall be subject to exempted custom duty rate of 1%



Discount of 90% on Customs Duties levied on imports of crude soybean oil and crude sunflower oil used by vegetable ghee industries as industrial raw materials 90% is removed.

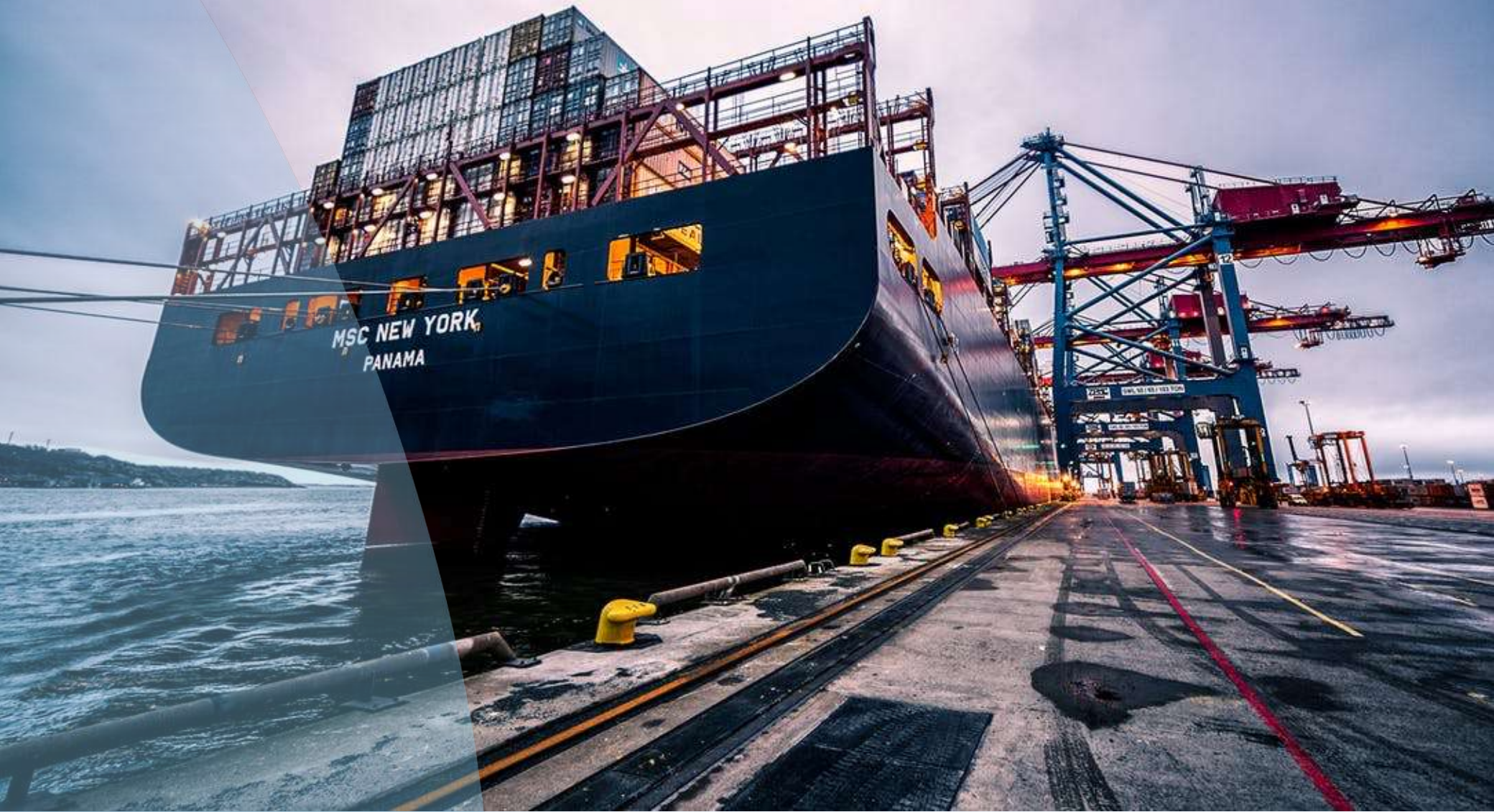


Exempted rate of 10% custom duty on export of small pieces (chips) made from saw dust for use in incense or hawan by the industry with the permission of the District Forest Office is withheld.

Section	Amended Provision	Existing Provision
13(15)(3)(a)	Clearing such goods by collecting fifty percent additional customs duty on such difference value, and in the case of goods subject to no customs duty and only agricultural improvement duty or excise duty, fifty percent additional agricultural improvement duty or excise duty shall be collected.	Clearing such goods by collecting fifty percent additional customs duty on such difference value.
18(1)	Any person who exports or imports any goods shall fill up the declaration form, accompanied by the documents as prescribed, and submit it to the Customs Officer of the concerned area. Provided that, it shall not be necessary to fill up the declaration form in the case of those goods which have been exempted from customs duty by the Government of Nepal by notification in the Nepal Gazette, out of the goods contained in the luggage and baggage of passengers for personal use which the passenger may bring and carry with him going out from Nepal and coming into from foreign countries.	Any person who exports or imports any goods shall fill up the declaration form, accompanied by the documents as prescribed, and submit it to the Customs Officer of the concerned area. Provided that, it shall not be necessary to fill up the declaration form in the case of those goods which have been exempted from customs duty by the Government of Nepal by notification in the Nepal Gazette, out of the goods contained in the luggage and baggage of passengers going out from Nepal and coming into from foreign countries.
51(1)	A person who wants to work as a customs agent of an exporter or importer for the clearance of goods to be exported or imported from the customs office or for work related to the customs office shall obtain a customs agent's license from the department.	A person who wishes to act as the customs agent or representative of any importer or exporter to clear goods to be imported or exported from the Customs Office or to do any act related with the Customs Office shall obtain the license of customs agent from the Department or Customs Office.
60B(4)	The investigation officer shall complete the investigation within twenty-five days of the commencement of the investigation from the date of arrest of the person related to the case and file the case before the officer who hears the case after taking the opinion of the public prosecutor in the case of a case punishable under sub-section (1c) and (d) of section 57	The investigation officer shall complete the investigation within twenty-five days commencement of the investigation and file the case before the officer who hears the case after taking the opinion of the public prosecutor in the case of a case punishable under sub-section (1c) and (d) of section 57

Section	Amended Provision	Existing Provision
Proviso of Section 2(1)(aa)(ga) of Annex 1	Item made in the shape of ordinary jewelry, such as Round ring (Beruwa), Bangles, chain without the use of chemicals for the purpose mentioned in above sub-section (ka) (kha) or (Ga) shall not be recognized as jewelry.	Added by Finance Bill, 2080
Proviso of Section 2(4) of Annex 1	Travelers coming from India for social functions such as weddings can bring jewelry for their own use by declaring it at the customs office on the condition that they will take it back when they return. (i.e., 20% of value of the jewelry is not required to be deposited during the time of the declaration at the custom duty.)	Added by Finance Bill, 2080

CUSTOMS TARIFF



Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY 2080-81	Import Duty (% except otherwise specified) for FY 2079-80
9.08	0908.31.20	Small Cardamon (Sukumel)	kg	20	10
09.10	0910.91.00	Mixtures of Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and/or other spices	kg	20	15
12.07	1207.91.00	Poppy seeds	kg	30	10
17.01	1701.12/13/14/91/99	Beet sugar, Sakhhar (Gud), Khanda Sugar, Rock Sugar, Sugar Cube, etc	kg	30	40
19.03	1903.00.00	Tapioca and Substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms.	kg	10	5
21.06	2106.10.00	Protein concentrates and textured protein substances	kg	30	20
24.01	2401.10/20/30	Unmanufactured tobacco	kg	30	20
27.10	2710.19.95	White Oil / Liquid Paraffin Oil	kg/ltr.	20	15
39.23	3923.90.10	Composite LPG Gas cylinder	kg	5	30
48.11	4811.90.10	Marbled paper	kg	20	10
48.20	4820.10.00	Registers, account books, Note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles	kg	30	20
	4820.30.00	Binders (other than book covers), folders and file covers	kg	30	15
	4820.40.00	Manifold business forms and interleaved carbon sets	kg	30	15
	4820.50.00	Albums for samples or for collections	kg	Removed	30
	4820.90.00	Other	kg	30	20
64.06	6406.10.00	Footwear-Uppers and parts thereof, other than stiffeners:	pair/kg	20	15
	6406.20.00	Footwear-Outer soles and heels, of rubber or plastics:	pair/kg	20	10

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY 2080-81	Import Duty (% except otherwise specified) for FY 2079-80
	6406.90.00	Footware-Other	pair/kg	20	15
68.02	6802.23/93	Granite	kg	30	20
73.01	73.01.10.00	Sheet piling of iron or steel	kg	30	10
82.01	8201.10.10	Spades	nos/kg	5	1
	8201.10.90	shovels	nos/kg	10	5
	8201.30.00	Mattocks, picks, hoes and rakes	nos/kg	10	5
	8201.40.00	Axes, bill hooks and similar hewing tools	nos/kg	10	5
	8201.50.00	Secateurs and similar one handed pruners and shears (Including poultry shears)	nos/kg	5	1
	8201.60.00	Hedge shears, two-handed pruning shears and similar two-handed shears	nos/kg	10	5
83.06	8306.30.00	Photograph, picture or similar frames; mirrors	kg	20	10
85.28	8528.72.11	Reception apparatus for television-48 inches	Nos	15	20
	8528.72.19	Reception apparatus for television-others	nos	20	30
87.02	8702.40.30	Microbuses (with a capacity 11-14 seats)	nos	10	1
87.03	8703.80.21	Motor cars and other motor vehicles principally designed for the transport of persons -Unassembled	nos	10	80
	8703.80.29	Motor cars and other motor vehicles principally designed for the transport of persons -Unassembled	nos	10	80
	8703.80.51	Car, Jeep, Van with motor's peak power exceeding 50 kw but not exceeding 100 kw- Unassembled	nos	15	80
	8703.80.59	Car, Jeep, Van with motor's peak power exceeding 50 kw but not exceeding 100 kw-Other	nos	15	80

IMPORT DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Customs

Heading	Sub-heading	Description of Article	Unit	Import Duty (% except otherwise specified) for FY	Import Duty (% except otherwise specified) for FY
				2080-81	2079-80
	8703.80.61	Car, Jeep, Van with motor's peak power exceeding 100 kw but not exceeding 200kw-Unassembled	nos	20	80
	8703.80.69	Car, Jeep, Van with motor's peak power exceeding 100 kw but not exceeding 200kw-Other	nos	20	80
	8703.80.71	Car, Jeep, Van with motor's peak power exceeding 200 kw but not exceeding 300kw-Unassembled	nos	40	80
	8703.80.79	Car, Jeep, Van with motor's peak power exceeding 200 kw but not exceeding 300kw-Other	nos	40	80
	8703.80.81	Car, Jeep, Van with motor's peak power exceeding 300 kw-Unassembled	nos	60	80
	8703.80.89	Car, Jeep, Van with motor's peak power exceeding 300 kw-Other	nos	60	80
	8703.80.91	Other-Unassembled	nos	40	80
	8703.80.99	Other	nos	60	80
88.06		UnManed Airplane	nos	20	10
94.05	9405.61.00	Illuminated signs, Illuminated name-plates - Designed for use solely with light-emitting diode (LED) light sources	nos/kg	20	15
	9405.69.00	Illuminated signs, Illuminated name-plates - Others	nos/kg	20	15
	9405.91/92/99	Non-electric lamps	nos/kg	10	5
96.03	9603.10.00	Brooms and brushes, consisting of twigs or other vegetable materials, bound together, with or without handles	nos	10	5
96.14	9614.00.00	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof.	nos/kg	30	20
96.15	9615.11/19/90	Combs, hair-slides and the like:	nos/kg	20	15
96.19	9619.00.10	Sanitary Towels (Pads) and tampons	kg	5	15

EXPORT DUTY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Customs

40.12		Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber.			
	4,012.20	Used pneumatic tyres	kg	Rs. 5	-

ROAD CONSTRUCTION FEE
The Major Changes Brought Forward By Finance Bill 2080 Relating To Customs

Types of Passenger or Cargo Vehicle	Fee as per New Provision	Fee as per old Provision
Motor-cycle and scooter:		
Up to 125 CC	Rs.15,000.00 per Unit	Rs.15,000.00 per Unit
126 CC to 250 CC	Rs.18,000.00 per Unit	Rs.18,000.00 per Unit
251 to 400 CC	Rs.20,000.00 per Unit	Rs.50,000.00 per Unit
401 CC and above	10% of Value	Rs.100,000.00 per Unit
Electric motor-cycle and scooter	Rs.10,000.00 per Unit	Rs.10,000.00 per Unit

FEE UNDER CARNET FACILITY
The Major Changes Brought Forward By Finance Bill 2080 Relating To Customs

S.N.	Vehicles	Fee as per New Provision	Fee as per old Provision
a	Tractor	Rs. 500.00 per diem	Rs. 400.00 per diem
	Trailer or tractor fitted with a trailer	Rs. 800 per diem	Rs. 700 per diem
b	Car, jeep and van	Rs. 600 per diem	Rs. 500 per diem
c	Tourist vehicles including bus and mini-bus	Rs. 600 per diem	Rs. 500 per diem
d	Motorcycle including scooter	Rs. 200 per diem	Rs. 150 per diem
e	Three-wheeler vehicles	Rs. 400 per diem	Rs. 400 per diem

Disclaimer:

The information contained in this document is compiled by NBSM and is exclusively for the information of its clients and staffs. However the detail study and professional advise is recommended to be taken from the experts before taking any decisions on the matters contained herein. We shall not be anyway responsible for any kind of loss suffered.

NBSM Consulting Private Limited

Four Square Complex, Block C & D
Narayan Chaur, Naxal, Kathmandu, Nepal
T : 977-1-4433069 | 4415242
E : info@nbsm.com.np
W: www.nbsm.com.np