



Valsts ieņēmumu
dienests

Methodological Material
FOR FOREIGN MERCHANTS
on Payment of Natural Resources Tax



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Annotation

Foreign companies and individuals carrying out economic activities in Latvia should be aware of three important aspects.

1. A new object of the natural resources tax (NRT) – raw timber sold outside the European Union or the European Economic Area countries.
2. The application of the NRT to electronic smoking devices.
3. Changes to the tax rate for peat extraction as a natural resource.

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Scope



The system of natural resources tax payers of the Republic of Latvia involves also foreign merchants, for whom an object of the natural resources tax arises, i.e., **foreign merchants must pay natural resources tax** into the State budget of Latvia, as a taxpayer is a person who is the first to sell goods harmful to the environment or goods in packaging in the territory of the Republic of Latvia or to import them for ensuring its economic activities (also the primary, secondary and tertiary packaging added to goods, which is imported along with the goods).

“The first to sell in or import into the territory of the Republic of Latvia” — within the meaning of the Natural Resources Tax Law, this concept means that a natural resources tax payer is a person who is the first to import goods harmful to the environment or goods in packaging into Latvia (i.e., the first to cross the border of the Republic of Latvia) or the first to use them for ensuring its economic activities.

Example 1

A foreign merchant, X&Y Technologies, imports goods packaged in polypropylene bags from Belgium into Latvia. The foreign merchant does not sell the goods in Latvia but stores them at a warehouse and later sells them in other European Union Member States. This packaging, imported into Latvia for the first time, is not subject to the natural resources tax, as it is not sold in the territory of Latvia, but rather in other European Union Member States.

Example 2

A foreign merchant, TRANSPORT MBH, imports goods packaged in polypropylene bags from Germany into Latvia. The foreign merchant sells them in Latvia. This packaging, imported into Latvia for the first time, is subject to the natural resources tax, as it is sold in the territory of Latvia.

Goods harmful to the environment — goods, with regard to the manufacturing or distribution of which restrictions have been introduced or the waste management of which is subject to specific requirements, if they have or may have a negative impact on the environment, life or health of human beings during the cycle of circulation thereof, and they are subject to tax in accordance with the Natural Resources Tax Law.

In the regulatory framework of the Republic of Latvia, items containing compounds harmful to people and wildlife, for example, electric accumulators, all types of tyres, lubricating oils, etc., are joined in a group of objects of the natural resources tax (see Table 1 and 2).

Thus, the laws and regulations of the Republic of Latvia impose liability both on companies producing and selling goods harmful to the environment in Latvia and on **foreign merchants** importing goods harmful to the environment for selling or ensuring

their own economic activities in Latvia for the impact of waste caused as the result of their economic activities on the environment.

Example 3

A foreign merchant OPUS OU sells car tyres online to a natural person in Latvia. The delivery of goods is organised from Finland through another delivery service provider – a postal service provider.

In such case, the natural resources tax is paid by the foreign merchant OPUS OU which sells tyres online to a natural person in Latvia, as the provider of postal services only physically delivers goods, while natural persons who do not carry out economic activities are not subject to the Natural Resources Tax Law.

Goods in packaging — packaging is a set of items added to goods to pack, protect, contain, deliver, store, easily use and sell raw materials and finished goods, as well as familiarise with them during the entire life cycle of the packaging from the manufacturer to the consumer. Plastic carrier bags, as well as the packaging and packaging material added by a service provider to goods and received by a service recipient after the provision of the service, are considered to be packaging. Packaging is separated from a product prior to or during the consumption of the latter.

Items are considered to be packaging, if they comply with the said definition, regardless of other functions this packaging might additionally fulfil. To determine whether the respective item is to be recognised as packaging, it must be assessed whether it fulfils the packaging function.

Example 4

A Swedish merchant, KAIEN AB, offers reusable textile shopping bags on a second-hand goods sales platform in the Latvian market, charges a separate fee for these bags, and buyers can voluntarily decide whether to purchase them as packaging. These bags are sold as goods and are not used as packaging of other goods. Such textile shopping bags are not considered packaging, but rather goods, and therefore no natural resources tax is applicable to them.

Example 5

A German company, XYZ GnbG, sells goods online to consumers in Latvia and ensures that, when the goods are handed over or delivered, they are packaged in ECO textile bags. If ECO textile bags are provided to consumers for carrying goods and are intended to function as packaging (regardless of whether a separate charge is applied), they are considered packaging. In such cases, ECO textile bags are considered to be packaging and natural resources tax is applicable to them.

Example 6

*A Czech foreign merchant, OU WEST, uses cardboard boxes in its online store for packaging kitchen utensils sold in Latvia. The natural resources tax in Latvia must be paid for the packaging of goods **sold** during the previous reporting period.*



[Natural Resources Tax Law](#)

[Packaging Law](#)

[Cabinet Regulation No 140 of 2 April 2002 "Packaging Classification and Marking Regulations"](#)

Taxpayer

1. Foreign merchants who are not obliged to register at the State Revenue Service.



The provisions of [Section 27, Paragraphs nine and ten](#) of the Natural Resources Tax Law apply to foreign merchants who are not obliged to register at the State Revenue Service.

1.1. If a foreign person who is not registered as a taxpayer in the State Revenue Service is the first to sell goods harmful to the environment, textile products, or goods in packaging or to use them for ensuring economic activities thereof in the Republic of Latvia:¹

- **the permanent establishment** of the foreign person, **the recipient of goods or other person in Latvia with whom a written agreement regarding the assumption of liabilities** in relation to the tax **has been entered into** shall submit **a report** on the calculated natural resources tax instead of the foreign person;
- **the permanent establishment** of the foreign person, **the recipient of goods or other person in Latvia with whom a written agreement** regarding the assumption of liabilities in relation to the tax **has been entered into** shall **pay the tax** instead of the foreign person.

Example 7

A foreign merchant, TRADING SA, imports raw materials in packaging into Latvia for use in its manufacturing process; moreover, its partner Latvian company SIA INPLASTIC only manufactures goods on behalf of TRADING SA without becoming the owner of raw materials and manufactured goods.

In this case, the Latvian company cannot be regarded as a person who uses goods (raw materials) in packaging in its economic activities or sells its goods in packaging in the territory of the Republic of Latvia. The obligation to pay the natural resources tax for the packaging of raw materials imported into Latvia and for the packaging of finished goods sold in Latvia lies with the foreign company TRADING SA.

TRADING SA is not registered at the State Revenue Service as a taxpayer.

In this case, TRADING SA must agree with its partner in Latvia SIA INPLASTIC, that the obligations related to natural resources tax payments shall be undertaken by the Latvian company SIA INPLASTIC.

1.2. If a foreign person who is not registered as a taxpayer at the State Revenue Service and does not have a permanent establishment or who has not entered into a written

¹ Section 27, Paragraph nine of the Natural Resources Tax Law

NATURAL RESOURCES TAX FOR FOREIGNERS

agreement regarding the assumption of liabilities in relation to the tax sell goods harmful to the environment or goods in packaging or uses them for ensuring economic activities thereof in the territory of the Republic of Latvia:²

- the foreign person **shall not submit a report** on the calculated natural resources tax
- **the tax** into the State budget **shall be paid by the foreign person itself**

Example 8

In 202X, a German company, EcoPack GmbH, who is not registered as a taxpayer at the State Revenue Service in Latvia, sells goods harmful to the environment online and delivers them to consumers in the Republic of Latvia. The company sells electrical and electronic equipment in the territory of Latvia – electrical kettles (20 kg) and portable chargers (8 kg).

The natural resources tax rate for electrical and electronic equipment is EUR 2,60 per kilogram, the calculation is as follows:

- for electrical kettles: $20 \text{ kg} \times \text{EUR } 2,60/\text{kg} = \text{EUR } 52,00$;
- for portable chargers: $8 \text{ kg} \times \text{EUR } 2,60/\text{kg} = \text{EUR } 20,80$.

The total calculated natural resources tax for electrical and electronic equipment sold in the territory of Latvia during the reporting period is EUR 72,80 EUR.

As goods harmful to the environment are sold in the territory of the Republic of Latvia, the German company EcoPack GmbH does not submit a report but pays the calculated natural resources tax for goods harmful to the environment into the single account.

2. Foreign merchants who are obliged to register at the State Revenue Service



In such case, the provisions of [Section 27, Paragraphs nine and ten](#) of the Natural Resources Tax Law do not apply.

A foreign person who is the first to sell goods harmful to the environment or goods in packaging or to use them for ensuring its economic activities in the territory of the Republic of Latvia and who **is registered or had to register itself** in accordance with laws and regulations in the Value Added Tax Taxable Person Register of the State Revenue Service **shall submit a report** on the calculated natural resources tax and make tax **payments pursuant to general procedures**.³



[Natural Resources Tax Law](#)

² Section 27, Paragraph ten of the Natural Resources Tax Law

³ Section 27, Paragraph two and three of the Natural Resources Tax Law

Tax rates

Amendments to the Natural Resources Tax Law will affect foreign companies or individuals engaged in peat extraction, timber export and import of electronic smoking devices in Latvia.

1. The tax rate for the extraction of peat as a natural resource (moisture 40 %) is EUR 0,71 per tonne as of **1 January 2026**, and EUR 3,50 per tonne as of **1 January 2027**.

2. As of **1 January 2027**, the natural resources tax shall be applied to unprocessed timber sold for commercial purposes outside the territory of the European Union or the European Economic Area – EUR 75,00 per m³, and as of **1 January 2028** – EUR 115,00 per m³.

3. As of **1 January 2026**, the natural resources tax shall be applied to electronic smoking devices EUR 2,00 per unit. The amendments provide for an exemption from the payment of the tax for deposit electronic smoking devices.

The natural resources tax for **goods harmful to the environment** shall be calculated according to tax rates by groups of goods in accordance with Paragraph 1 of [Annex 6](#) to the Natural Resources Tax Law, which determines the classification and technical characteristics of goods harmful to the environment, correspondent to groups of tax rates.

Table 1

Tax rates for **goods harmful to the environment**,
except for electrical and electronic equipment

No.	Tax object	Rate (EUR per 1 kg)
1.	Lubricating oils	0,17
2.	Electric batteries and galvanic power sources (including those that are incorporated in appliances and vehicles):	
2.1.	electric batteries, lead	0,74
2.2.	electric batteries, Ni-Cd and Fe-Ni	4,00
2.3.	galvanic elements and galvanic pile	11,00
2.4.	electric accumulators for the accumulation of voltage produced by photovoltaic panels	17,03
2.5.	other electrical batteries	17,03
2.6.	batteries or accumulators intended for providing traction of electric or hybrid vehicles in road traffic	0,25
3.	Substances depleting the ozone layer (freons, halons and others) (odp – ozone depletion potential)	2,22 kg odp
4.	All types of tyres	0,66
5.	Oil filters	0,33

NATURAL RESOURCES TAX FOR FOREIGNERS

The tax for goods harmful to the environment shall be calculated as follows: natural resources tax rate (EUR) * kg

Electrical and electronic equipment (for example, TV set, computer, refrigerator, radio-broadcast receiver, electric toys, photo films, batteries, CD player) belongs to the group of goods harmful to the environment and is subject to Paragraph 3 of [Annex 6](#) to the Natural Resources Tax Law.

Table 2

Tax rates for **electrical and electronic equipment**

No.	Tax object	Rate (EUR per 1 kg)
1.	Category 1. Temperature exchange equipment	2,50
2.	Category 2. Screens, monitors, and equipment containing screens having a surface greater than 100 cm ²	3,50
3.	Category 3. Light bulbs	8,58
4.	Category 4. Large equipment (at least one external dimension exceeds 50 cm):	
	Category 4.1. Large equipment (at least one external dimension exceeds 50 cm), including household appliances, information technology and telecommunications equipment, consumer equipment, luminaires, equipment reproducing sound or images, musical equipment, electrical and electronic tools, toys, leisure and sports equipment, medical devices, monitoring and control instruments, automatic dispensers, equipment for the generation of electric currents and other equipment (except for the equipment falling under Categories 1, 2, and 3 and photovoltaic panels)	3,00
	Category 4.2. Photovoltaic panels and inverters	3,00
5.	Category 5. Small equipment (no external dimension greater than 50 cm)	
	Category 5.1. Small equipment (no external dimension greater than 50 cm), including household appliances, consumer audio-video equipment, luminaires, equipment reproducing sound or images, musical equipment, electrical and electronic tools, toys, leisure and sports equipment, medical devices, monitoring and control instruments, automatic dispensers, equipment for the generation of electric currents and other equipment (except for the equipment falling under Category 1, 2, 3 and 6 of this Annex)	3,00
	Category 5.2. Electronic smoking devices	2,00 per unit
6.	Category 6. Small information technology and telecommunication equipment (no external dimension greater than 50 cm)	3,50

NATURAL RESOURCES TAX FOR FOREIGNERS

If several goods harmful to the environment are sold **in a set in single packaging**, taxes shall be calculated as follows:

- for the total weight of the set — except the weight of batteries and accumulators added to these goods or placed in these goods — applying to the set the tax rate of the item, the ensuring of functions of which requires other goods included in the set;
- individually for the batteries and accumulators included in the set, applying the respective tax rate thereto for batteries and accumulators.

Example 9

A foreign company, INTERNATIONAL, from Lithuania for selling in Latvia imports a set of goods harmful to the environment — a portable computer, in which a battery is installed.

To calculate the natural resources tax for electrical and electronic equipment, in which a source of electricity (battery, accumulator), which is another item harmful for the environment in this set, is installed, the company must determine individually, firstly, the weight of the computer itself without the battery included therein and, secondly, the weight of the battery installed in the computer according to tax rates by groups of goods.

Likewise, the natural resources tax for the electrical and electronic equipment sold in Latvia, in which a source of electricity is installed (the situation is similar to the mobile phone, watch, calculator and other goods in which batteries or accumulators are installed), will be the sum for two tax objects.

Natural resources tax rates **for the packaging of goods and products** are set in [Annex 7](#) to the Natural Resources Tax Law, and **plastic carrier bags** are subject to the rate determined in [Section 24, Paragraph five](#) of the Natural Resources Tax Law.

Table 3

Tax Rates for the Packaging of Goods
and Products and for Disposable Tableware and Accessories

Tax object	Rate (EUR per 1 kg of material)
Of glass source materials	0,44
Of wood, paper and cardboard or other natural fibre and bioplastic source materials	0,24
Of metal source materials	1,10
Of polystyrene source materials	2,20
Packaging containing plastic:	
Of bioplastic source materials	0,24
Of plastic (polymer mass) source materials (except for sub-groups 4.1, 4.3, 4.4, 4.5, and 4.6)	1,25
Of composite cardboard source materials	1,25
Of polystyrene mass source materials	2,20
Of foam (foam polymer) source materials	24,40
Of expanded polystyrene source materials	44,00
Lightweight plastic carrier bags added by a merchant to the set of packed or non-packed goods or products (purchase) for the	4,80

sake of customers' convenience or advertising design	
Plastic carrier bags with the thickness of the material exceeding 50 microns and the weight of one bag exceeding three grams (the weight of 1,000 bags exceeding three kilograms), the weight of one bag not exceeding 0.003 kilograms (the weight of 1,000 bags not exceeding three kilograms) and which are added by a merchant to the set of packed or non-packed goods for the sake of customers' convenience or advertising design	1,50
Per packaging, if the type and weight of the packaging raw material cannot be substantiated by accounting documents and the volume of packaging does not exceed 300 kg per year	EUR 120 per year



[Natural Resources Tax Law](#)

[Cabinet Regulation No 404 of 19 June 2007 "Procedures for the Calculation and Payment of Natural Resources Tax, the Issuance of Permits for Use of Natural Resources and the Auditing of Management Systems"](#)

Calculation, Declaration and Payment Procedures

TAXATION PERIODS



The taxation period is a calendar **quarter** or **year** (if the annual tax calculated according to base rates does not exceed EUR 142.29).

Example 10

In 202X a foreign merchant, XGmbH, who is not registered as a taxpayer at the State Revenue Service in Latvia but has a registered permanent establishment, has imported goods harmful to the environment from Germany – bicycle tyres (10 kg) and oil filters (5 kg). The calculated natural resources tax for tyres is EUR 66 ($10 \times 0,66 = 66$), while for oil filters – EUR 1,65 ($5 \times 0,33 = 1,65$).

The permanent establishment of the foreign merchant submits a report on the calculated natural resources tax for 202X by 20 January 202Y, since the calculated tax does not exceed EUR 142,29, and pays the calculated tax by 23 January 202Y.

Example 11

NATURAL RESOURCES TAX FOR FOREIGNERS

In August 202X, a foreign merchant, X GmbH, who has a permanent establishment in Latvia has imported goods harmful to the environment from Germany – bicycle tyres (300 kg). The calculated natural resources tax for tyres is EUR 198 ($300 \times 0,66 = 198$).

The permanent establishment of the foreign merchant submits a report on the calculated natural resources tax for the third quarter of 202X by 20 October 202X, since the calculated tax exceeds EUR 142,29, and pays the calculated tax by 23 October 202Y.

If a company cannot substantiate the type and weight of packaging material with accounting documents and the amount of packaging does not exceed 300 kg per year, a tax of EUR 120 per year shall be paid for the packaging. When submitting a report, this amount shall be indicated in line 11.0.1. "Annual payment for packaging" of the form No. III.

REPORT



The form of the report on the calculated natural resources tax, its completion and submission procedures are laid down in [Annex 1](#) to Cabinet Regulation No 404 of 19 June 2007 "Procedures for the Calculation and Payment of Natural Resources Tax, the Issuance of Permits for Use of Natural Resources and the Auditing of Management Systems".

To submit a report on the calculated natural resources tax, log in to the State Revenue Service Electronic Declaration System:

- on the homepage select "Create new document" – "From the form" and search by the title "Overview of the calculated natural resources tax"

or

- in the section "Documents" – "Create New Document" – "Information declarations and reports", select "Overview of the calculated natural resources tax".

CALCULATION



The natural resources tax for selling goods harmful to the environment in Latvia or for the use of goods harmful to the environment for ensuring own economic activities is calculated in Euro for each physical unit or weight unit of goods according to tax rates by types of goods. The tax for packaging is calculated according to tax rates for each weight unit of the type of packaging material.

Thus, the following mathematical action is performed in both cases of tax object:

$$\text{Natural resources tax rate (EUR)} * \text{kg}$$

The weight or number of goods harmful to the environment and the type and weight of packaging material are substantiated by **accounting documents**, and the accounting of goods harmful to the environment and packaging is ensured to substantiate tax calculations.

DECLARATION



A report on the calculated natural resources tax shall be submitted to the State Revenue Service once **a quarter** by the **20th** of the month following the respective quarter.

NATURAL RESOURCES TAX FOR FOREIGNERS

If the tax calculated for a year according to base rates does not exceed EUR 142.29, a report for the previous year shall be submitted to the State Revenue Service **by 20 January of the following year.**

A foreign person who is not registered as a taxpayer at the State Revenue Service and does not have a permanent establishment or has not entered into a written agreement regarding the assumption of liabilities in relation to the tax **shall not submit a report, whereas the tax shall be transferred** to the single account **by the foreign person.**

PAYMENT



The tax for the previous quarter shall be transferred to the single tax account by the **23rd** of the month following the respective quarter.

If the sum of tax calculated according to base rates does not exceed EUR 142.29 for all taxable objects in total, the tax for the previous year shall be transferred to the single tax account **by 23 January of the following year.**

The tax for goods harmful to the environment and packaging may be paid immediately after importing these goods or packed goods into the territory of Latvia.

Name:	Single Tax Account
Recipient:	State Budget (SRS)
Registration number:	90000010008
Account number:	LV33TREL1060000300000
BIC:	TRELLV22



[Natural Resources Tax Law](#)

[Cabinet Regulation No 404 of 19 June 2007 "Procedures for the Calculation and Payment of Natural Resources Tax, the Issuance of Permits for Use of Natural Resources and the Auditing of Management Systems"](#)