

DRAFT LAW AMENDING THE GENERAL SALES TAX LAW

Law No () of the year 1999

(as finalized at the ministerial level-September 30, 1999)

Article (1)

This law shall be referred to as the “Law Amending the General Sales Tax Law” No.

() Of the year 1999 and shall be read in conjunction with the Law No. (6) of the year 1994 and its amendments, referred to hereinafter as the Original Law. This Law shall come into force as of the date of its publication in the Official Gazette.

Article (2)

The following terms that are mentioned in Article (2) of the Original Law shall be repealed and replaced by the following:

Department: The General Sales Tax Law Department.

Director General: The Director General of the Department.

Article (3)

Paragraph (b) of Article (6) shall be repealed and replaced by the following:

Upon the recommendation of the Minister, the Cabinet may impose, amend or cancel the additional sales tax on the local and imported goods illustrated in the annexed Table (5) to this Law.

Article (4)

Article (7) of the Original Law shall be repealed and Articles from (8) till (52) shall be renumbered to become Articles from (7) till (51) consecutively.

Article (5)

Item (2) of Article (19) shall be repealed and replaced with the following:

2- The tax already imposed on inputs and requirements of taxable goods and services, including services and spare parts of industrial machinery that are used in the production of taxable goods at an annual rate that does not exceed 3% of the value of the machinery.

Article (6)

Paragraph (d) of the Article (21) of the Original Law by adding the phrase “or service” after the phrase “any goods”.

Article (7)

Paragraph (b) of Article (39) of the Original Law shall be repealed and replaced by the following:

“The provisions of the Customs Law in force shall apply to the foreign goods which are subject to a customs violation or a smuggling crime and any act amounting thereto as stipulated in the said Law, which result in a tax loss. The said acts shall be subject to the penalties provided for in Article (35) of this Law”.

Article (8)

A- Item (38) of the annexed Table (1) of the Original Law shall be repealed and replaced by the following:

38- Used clothes and shoes.

2nd- Items (45, 50, 59, 60, 61, 62, 63, 64, 65, 66, 67, 71) of the annexed Table (1) of the Original Law shall be repealed and the remaining items shall be renumbered accordingly.

Article (9)

Items (6, 13, 15) of the annexed Table (2) of the Original Law shall be repealed and the remaining items shall be renumbered accordingly.

Article (10)

A- Items (6,7, 9, 17) of the annexed Table (3) of the Original Law shall be repealed and replaced by the following:

Number	Type	Collection Unit	Sales Tax			
			Local		Imported	
			JD	Fils	JD	Fils
6	Beer, including non-alcoholic beer	Liter		600		600
7	Unsaturated Ethel Alcohol	Liter		330		330
9	Liquors, alcoholic beverages including wine	Liter	1	000	1	000
17	Cigarettes: One- placed for local consumption	One packet		170		
	Two- delivered to	One packet		130		

	the armed forces					
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B- Items (8, 14, 15, 16) of the annexed Table (3) of the Original Law shall be repealed and the remaining items shall be renumbered accordingly.

Article (11)

The annexed Table (4) of the Original Law shall be amended by adding the following items:

- 18- Manufacturing services on account of others
- 19- All kinds of telecommunications services, including data exchange services
- 20- Insurance services, excluding reinsurance services and life insurance services.

Article (12)

The annexed Table (5) of the Original Law shall be repealed and replaced by the following:

Table (5)

Annexed to the General Sales tax Law No (6) of the Year 1994

The goods subject to the additional sales tax

- 1- Rental cars and other vehicles designed essentially to transport people (excluding those that are included in Item 87/2 of the Tariff Tables) including the station wagons (Buick) and racing cars that are imported and locally produced.**
- 2- Tobacco and its products**
- 3- Beer.**
- 4- Liquors, alcoholic beverages including wine.**