SPAIN PLASTIC TAX

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH 2023 SEPTEMBER CONTENT UPDATE #1

Introduction

This guide provides an explanation of the most recent changes made to ONESOURCE Indirect Tax Determination for the implementation of the new Spain Plastic Tax authority supporting calculations of the Special Tax on Non-reusable Plastic Containers in Spain.

The tax is applicable on the manufacture, importation, and intra-community acquisition of non-reusable packaging containing plastic for final use within the Spanish market. The scope of taxation includes single-use plastic containers, both empty and filled, as well as the ones intended to allow the distribution or displaying goods. Taxpayers must assess whether the plastic packaging they introduce in Spain falls within the scope of the tax.

The Spain Plastic Tax authority is turned off by default. To activate the authority, you will need to turn it on. This document explains the system updates and describes how to utilize the Spain Plastic Tax authority.

PART I - UPDATES TO DETERMINATION

Spain Plastic Tax

Zone

The authority of Spain Plastic Tax was created and attached to the zone of SPAIN.





Authority

The new authority was created with the following attributes:

| ATTRIBUTE | VALUE |
|--------------------------|------------------------------------|
| Authority Name | Spain Plastic Tax |
| Product Group | Harmonized |
| Tax Administration Level | Country |
| Effective Tax Level | Country |
| Authority Type | FEE |
| Registration Mask | ^ES000\w{2}[A-Z]{2}\d{3}[A-Z]{1}\$ |

Authority Options

The following authority options were added in the new authority effective 01/01/1901:

| AUTHORITY OPTION | CONDITION | VALUE |
|-------------------------------------|----------------|----------------|
| CR - Registration Requirement | Both | Not Applicable |
| Filing Groups Goods | None | Yes |
| GS - Goods Reverse Charge | Not Applicable | Not Applicable |
| Intra-Company tax free sale - Goods | None | Yes |
| PRL - Parent Registration Lookup | None | No |
| Turn Off Authority | None | Yes |



Logic Mapping

The following authority logic group was mapped in the new authority effective 01/01/1901:

| AUTHORITY LOGIC GROUP | ORDER | | | |
|-----------------------|-------|--|--|--|
| WEE_PCL_Goods_JD | 1 | | | |

Fee

The following fee was added in the new authority effective 09/01/2023:

| RATE CODE | FEE DESCRIPTION | FEE | UNIT OF MEASUREMENT | | | | |
|-----------|----------------------|----------|---------------------|--|--|--|--|
| PLT | Non-reusable plastic | EUR.0.45 | KGM | | | | |

Rules

The following product rules with "End_Use" rule qualifiers were added in the new authority effective 09/01/2023:

| PRODUCT | | | JLE RATE RULE QUALIFI | | | |
|----------------|-----------|------|-----------------------|----------|-------------|--|
| GROUP | ORDER | CODE | ELEMENT | OPERATOR | VALUE | |
| Harmonized | 6999.9998 | PLT | LINE.END_USE | = | PLASTIC_TAX | |
| Harmonized | 6959.9999 | PLT | LINE.END_USE | = | PLASTIC_TAX | |
| Non-Harmonized | 7999.9999 | PLT | LINE.END_USE | = | PLASTIC_TAX | |



Spain

Contributing Authority Configuration

The Special Tax on Non-reusable Plastic Packaging is subject to the Value Added Tax.

In order for the VAT to be calculated on the fee, the authority of Spain Plastic Tax was added as a contributing authority to the authority of Spain, as shown in the following figure:



Rules

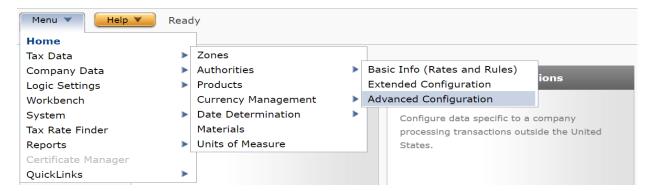
All the rules in Spain authority were updated with changing of the calculation method from "Tax on Gross Amount" to "Tax on Gross and Contributing Authorities".

PART II – USING THE AUTHORITY

Turning On the authority

The Spain Plastic Tax authority is turned off by default. To turn it on, access the Advanced Configuration section.

ONESOURCE™ INDIRECT TAX DETERMINATION

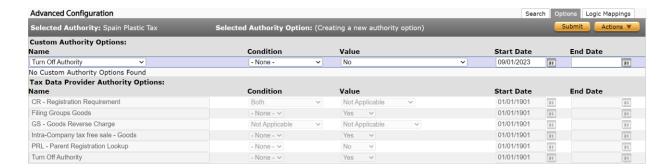




Search for and select the Spain Plastic Tax authority.



Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option "Turn Off Authority" and set the condition to None, the value to No and the start date of 09/01/2023.



PART III - TAX RESULTS EXAMPLES

Test 1: Domestic supply of the goods in Spain

| WORKBENCH ELEMENTS | VALUES | | | | |
|--------------------------------|---------------|--|--|--|--|
| Company Role | Seller | | | | |
| Transaction Type | Goods | | | | |
| Point of Title Transfer | In transit | | | | |
| Ship From Country | Spain | | | | |
| Ship To Country | Spain | | | | |
| Seller's Registration | ES00012AB123A | | | | |
| End_Use qualifier (line level) | PLASTIC_TAX | | | | |

Tax result:

| Scenario 2023 | September 1st | Update - Spain Pla | stic Tax dom | estic purchase of good | s: | | | | | |
|-------------------|----------------|--------------------|--------------|-----------------------------|----------|-----|------|------|----------|-------|
| View | v Results: 2 V | Gross Amount: | 100.00 | Eff%: 75.45% | | | | | | |
| | Zone | Authority | | Invoice Desc | Туре | Dir | Fee | Rate | Tax Amt | TT IT |
| | Country: SPAIN | Spain Plastic Tax | | Spain Plastic Tax | CA | | 0.45 | | 45.00 | |
| | Country: SPAIN | Spain | | VAT | S | 0 | | 21% | 30.45 | |
| | | | | | | | | | 75.45 US | D |
| ■ Authority Me | essages: | | | | | | | | | |
| Authority | | RuleOrder | Message | | | | | | | |
| Spain Plastic Tax | | 6999.9998 | CUSTAUTHS | ST1: Plastic Tax in Ship to | location | | | | | |
| Spain | | 10000 | EUSG4: Out | put VAT in Ship From locat | ion. | | | | | |
| | | | | | | | | | | |



Test 2: Importation of the goods into Spain

| WORKBENCH ELEMENTS | VALUES |
|--------------------------------|---------------|
| Company Role | Seller |
| Transaction Type | Goods |
| Point of Title Transfer | In transit |
| Ship From United Kingdom | |
| Ship To Spain | |
| Buyer's Registration | ES00012AB123A |
| End_Use qualifier (line level) | PLASTIC_TAX |

Tax result:

| Scenario 2023 Septe | ember 1st Updat | te - Spain Pla | stic Tax import o | of goods: | | | | | | | |
|--------------------------------------|-----------------|----------------|--|-------------------|-----------|-----|------|------|-----------|----|----|
| View R | lesults: 2 🗸 | Gross Amo | unt: 100.00 | Eff%: 45% | | | | | | | |
| | Zone | Authority | | Invoice Desc | Туре | Dir | Fee | Rate | Tax Amt | TT | IT |
| Co | ountry: SPAIN | Spain Plastic | Tax | Spain Plastic Tax | CA | | 0.45 | | 45.00 | | |
| Co | ountry: SPAIN | Spain | | VAT | IM | 0 | | 21% | 30.45 | | |
| Co | ountry: SPAIN | Spain | | VAT | IM | I | | 21% | 30.45 | | |
| | | | | | | | | | 45.00 USD | | |
| Authority Messag | es: | | | | | | | | | | |
| Authority | RuleOr | der | Message | | | | | | | | |
| Spain Plastic Tax | 6999.9 | 998 | 8 CUSTAUTHBST1: Plastic Tax in Ship To location | | | | | | | | |
| Spain | 10000 | | EUBG9: Import VAT in Ship To Location. | | | | | | | | |
| Spain | 10000 | | EUBG10: Recovery of import input VAT in Ship To location | | location. | | | | | | |

