

LAW ON TAX ADMINISTRATION OF THE REPUBLIC OF LITHUANIA

13 April 2004 No. IX-2112
Vilnius

CHAPTER I GENERAL PROVISIONS

Article 1. Purpose of the Law

1. This Law shall establish the basic concepts and regulations which must be observed in implementing the tax laws of the Republic of Lithuania, the basic principles of legal regulation of taxation, the list of taxes applied in the Republic of Lithuania, the functions, rights and obligations of the tax administrator, the rights and obligations of the taxpayer, the calculation and payment of taxes, the procedure of enforced recovery of taxes and related amounts as well as the procedure for the settlement of tax disputes.

2. This Law shall also ensure the implementation of the EU legal acts listed in the Annex hereto.

Article 2. Definitions

1. **Summarised explanation of the tax law** shall mean the opinion presented, after coordination with the Ministry of Finance, by the central tax administrator or an institution authorised for the purpose under this Law on how the tax administrator or the aforementioned institution understands and applies the provisions of the tax law.

2. **Person** shall mean a natural person or a legal person. Any organisation of a foreign state recognised as having legal personality under the laws of the Republic of Lithuania or a foreign state shall be treated as a legal person.

3. **Budget** shall mean a state budget, municipal budgets and also monetary funds to which the taxes specified in Article 13 of this Law are paid (allocated) in accordance with a procedure prescribed by legal acts.

4. **Administration of fines for administrative offences** shall mean the fulfilment of functions of the tax administrator that are related to the implementation of resolutions to impose fines for administrative offences during the accounting, set-off, deferment of payment or payment in instalments of these fines and the initiation of enforced recovery, as well as the supervision of enforced recovery as per the procedure stipulated in the Code of Administrative Offences, this Law, and other laws.

5. **Electronic money institution** shall be interpreted according to the Law of the Republic of Lithuania on Electronic Money and Electronic Money Institutions.

6. **Tax consultancy** shall mean any explanation provided by the tax administrator on a case-by-case basis to a specific taxpayer in relation to the taxes paid (due to be paid) by the latter.

7. **Credit institution** shall be interpreted as defined in the Law of the Republic of Lithuania on Financial Institutions; it shall also mean the Bank of Lithuania.

8. **Tax return** shall mean a document submitted by the taxpayer to the tax administrator which contains information about the amount of self-calculated tax for the period established in the tax law, also other data related to the calculation and payment of tax.

9. **Tax law** shall mean a law of the Republic of Lithuania establishing the taxes listed in Article 13 hereof, the present Law, the Customs Law, also an international treaty of the Republic of Lithuania or the Community customs legislation establishing taxes and (or) defining issues related to the application of taxes or tax reliefs.

10. **Tax relief** shall mean special taxation conditions established in respect of the taxpayer or a group of taxpayers that are more favourable than the usual conditions of taxation.

11. **Tax arrears** shall mean an amount of the tax not paid in due time by the taxpayer in accordance with the procedure laid down in the tax law or a subordinate legal act adopted on the basis thereof.

12. **Tax overpayment** shall mean an amount of tax paid by the taxpayer in excess of the tax amount prescribed.

13. **Tax difference** shall mean an amount to be refunded (credited) from the budget to the taxpayer, which may arise when completing a tax return in accordance with the procedure laid down in the tax law.

14. **Tax administrator** shall mean a state institution or agency responsible for the administration of taxes, which has the powers conferred upon it by law to act in the field of tax administration.

15. **Tax administration** shall mean performing the functions of the tax administrator, also discharging the obligations and exercising the rights of the tax administrator and the taxpayer as specified in the tax law and other laws.

16. **Tax administration procedure** shall mean the acts performed by the tax administrator for the purpose of fulfilling its functions, also the acts performed by the tax administrator and the taxpayer for the purpose of discharging their obligations and exercising their rights established in tax laws.

17. **Taxpayer** shall mean a person having an obligation under the tax law to pay taxes. Under this Law, the withholding agent shall be deemed to be a taxpayer, i.e. the provisions of the Law shall apply to the former in the same manner as to the latter, with the exception of explicitly prescribed special cases. With regard to customs duties, the taxpayer shall be deemed to be a person having an obligation to pay a customs debt (hereinafter referred to as the “debtor”).

18. **Withholding agent** shall mean a person charged under tax legislation to withhold taxes from the taxpayer and pay it to the budget.

19. **Arrears in payments** shall mean tax arrears and other tax related amounts not paid in due time by the taxpayer in accordance with the procedure laid down in the tax law or a subordinate legal act adopted on the basis thereof.

20. **Tax obligation** shall mean a taxpayer’s duty under the tax law to calculate the tax correctly, pay the tax and related amounts to the budget in due time and perform all other duties related to the calculation and payment of taxes.

21. **Tax instalment agreement** shall mean an agreement concluded on the basis of a decision made by the tax administrator to defer (spread) the discharge of arrears in payments, providing for the payment schedule and other deferral conditions.

22. **Tax disputes** shall mean disputes arising between the taxpayer and the tax administrator over a decision on the approval of an inspection report or any other similar decision on the basis of which the tax is calculated anew and the taxpayer is instructed to pay it, also over a decision made by a tax administrator to refuse the refund (crediting) of a tax overpayment (tax difference).

23. **Tax inspection** shall mean an inspection conducted by the tax administrator in respect of the taxpayer to control the taxpayer’s compliance with the requirements prescribed by tax laws in the fields of calculation, declaration and payment of taxes and, in the cases prescribed by law, in other fields as well.

24. **Tax investigation** shall mean monitoring the tax payer’s activities by the tax administrator, which includes an analysis of tax returns, customs declarations, documents and any other information available about the tax payer, also visiting taxpayers, controlling their activities with a view to identifying and eliminating any deficiencies and contradictions in respect of the calculation, declaration and payment of taxes.

25. **Tax** shall mean a pecuniary obligation in respect of the state imposed on the taxpayer by the tax law. For the purpose of this Law, the concept of tax shall also include the payments and levies specified in Article 13.

26. **Payment institution** shall be defined according to the Law of the Republic of Lithuania on Payment Institutions.

27. **Payment service provider** shall be defined according to the Law on Payments of the Republic of Lithuania.

28. **Customs duties** shall mean import duties and (or) export duties as defined in Article 4 of the Community Customs Code.

29. *Mutatis mutandis* (*Latin*) shall mean a legal concept meaning “with the necessary changes”.

30. **Tax related amounts** shall mean late payment interest, penalties, interest paid under a tax instalment agreement and late payment penalties on such interest.

31. The terms used in paragraphs 1-26 of Article 1 of this Law shall be interpreted as defined above, unless the relevant tax law provides otherwise.

32. Other terms used in tax laws shall be defined in separate articles of this Law and the relevant tax laws.

33. Under this Law, the Community customs legislation shall be:

1) Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (hereinafter referred to as the “Community Customs Code”) (OJ 2004 special edition Chapter 2, Volume 4, p. 307) (As last amended by Regulation (EC) No 648/2005 of the European Parliament and of the Council of 13 April 2005) (OJ 2005 L 117, p. 13).

2) Council Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (hereinafter referred to as the “provisions for the implementation of the Community Customs Code”) (OJ 2004 special edition Chapter 2, Volume 6, p. 3) (As last amended by Commission Regulation (EC) No 402/2006 of 8 March 2006) (OJ 2006 L 70, p. 35).

3) Council Regulation (EEC) No 918/83 of 28 March 1983 setting up a Community system of reliefs from customs duty (OJ 2004 special edition Chapter 2, Volume 1, p. 419) (As last amended by Council Regulation (EC) No 1671/2000 of 20 July 2000) (OJ 2000 L 193, p. 11).

4) Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ 2004 special edition Chapter 2, Volume 2, p. 382) (As last amended by Commission Regulation (EC) No 996/2006 of 29 June 2006) (OJ 2006 L 179, p. 26).

5) Other EC Council and Commission legal acts and international treaties concluded or acceded to by the European Community regulating the procedure of importing goods into the Community customs territory from third countries and exporting from the said territory to third countries as well as the procedure for the application of import and export duties on such imported and exported goods.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XI-558, 10/12/2009, Official Gazette, 2009, No. 153-6896 (28/12/2009)

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

CHAPTER II

LEGAL REGULATION OF TAXES. IMPLEMENTATION OF TAX LAWS

Article 3. Legal Regulation of Taxes

1. The system of tax legislation shall comprise tax laws and subordinate legal acts adopted on their basis.

2. Any tax falling within the national competence of the Republic of Lithuania can be established only by law.

3. The Seimas of the Republic of Lithuania shall ensure that the tax laws of the Republic of Lithuania establishing a new tax, a new tax rate, a tax relief and (or) sanctions for violations of tax laws or substantially amending the procedure of specific taxation or the principles of the legal regulation of taxation and their application should come into effect not earlier than within six months after the day of their publication.

4. Paragraph 3 of this article shall not apply to the amendments of tax laws of the Republic of Lithuania related to the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets and to legal acts approximated with the provisions of EU legislation.

5. All contradictions and ambiguities of the tax legislation of the Republic of Lithuania shall be interpreted in favour of the taxpayer.

Article 4. Tax Reliefs

1. Tax relief (reliefs) shall be established only by the relevant tax law regulating the procedure of tax calculation. This Law may establish reliefs in respect of taxes, penalties or late payment interest, which are not related to the procedure of tax calculation or the tax rate. Temporary tax reliefs falling within the national competence of the Republic of Lithuania may also be established by special laws on tax reliefs adopted by the Seimas of the Republic of Lithuania.

2. A special law on tax reliefs shall be a law allowing exceptions to the taxation procedure, which are not provided for in the tax laws listed in Article 13, adopted exclusively for the purpose of granting these reliefs.

Article 5. Principle of Supremacy of International Treaties

1. Where the rules of taxation laid down in the international treaties of the Republic of Lithuania are other than stipulated in the relevant tax laws and where such treaties are ratified, brought into effect and applied in the Republic of Lithuania, the rules set forth in the aforementioned international treaties shall have primacy over respective national legislation.

2. With regard to customs duties, the provisions of paragraph 1 of this Article shall apply in so far as they do not contravene the Community customs legislation.

Article 6. Principles of Legal Regulation of Taxation and Their Application

The following shall be the basic principles for the legal regulation and application of taxation: equality of taxpayers, fairness and universal obligation, clarity of taxation, and precedence of content over form.

Article 7. Principle of Equality of Taxpayers

Where tax laws are applied, all taxpayers shall enjoy the equality of treatment stemming from the conditions established by these laws.

Article 8. Principle of Fairness and Universal Obligation

1. Each taxpayer must pay the taxes established by tax laws, acting in accordance with the procedure of calculation and payment of taxes laid down in tax legislation.

2. Tax reliefs falling within the national competence of the Republic of Lithuania may not be of an individual character or in violation of a proportional distribution of the tax burden.

3. For the purpose of tax administration, the tax administrator shall observe the criteria of prudence and fairness.

Article 9. Principle of Clarity of Taxation

The content of a tax obligation, the procedure of and the grounds for its commencement, discharge and cessation shall be clearly defined in the tax legislation of the Republic of Lithuania.

Article 10. Precedence of Content over Form

In respect of taxes, the content of the activities carried on by the participants of legal relations shall take precedence over their form.

Article 11. Implementation of Tax Laws

Subordinate legal acts implementing the tax laws shall be adopted by the Government of the Republic of Lithuania or by the Ministry of Finance under mandate from the Government. Where dealing with issues falling within their spheres of competence, the Government of the Republic of Lithuania and the Ministry of Finance may assign the central tax administrator to adopt subordinate legal acts laying down the relevant rules on the implementation of tax laws. Other institutions may be assigned to implement the tax law only in cases authoritative under tax laws.

Article 12. Interpretation of Tax Laws

1. Summarised explanations of tax laws shall be presented and published by the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, after coordination with the Ministry of Finance. Summarised explanations of the laws regarding taxes administered by the

Ministry of Environment or an institution authorised by it, the Customs of the Republic of Lithuania, the Ministry of Agriculture or an institution authorised by it shall be presented and published by the Ministry of Environment, the Customs Department under the Ministry of Finance (hereinafter referred to as the “Customs Department”) and the Ministry of Agriculture respectively, after coordination with the Ministry of Finance.

2. A summarised explanation of the tax law shall not be legally binding on the taxpayer and shall express an opinion of a competent state authority as regards issues regulated by tax laws.

3. For the purpose of educating, consulting and controlling the taxpayers on issues relating to the payment of taxes, the tax administrator shall take into account the summarised explanation of the relevant tax law.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

CHAPTER III TAXES

Article 13. Taxes

The following taxes shall be administered under this Law:

- 1) value added tax;
- 2) excise duties;
- 3) personal income tax;
- 4) immovable property tax;
- 5) land tax;
- 6) state natural resources tax;
- 7) petroleum and gas resources tax;

Article subparagraph amendments:

No. XII-1382, 04/12/2014, published in the RLA on 12/12/2014, ID code 2014-19557

- 8) tax on environmental pollution;
- 9) consular fees;
- 10) stamp duty;
- 11) (repealed on 1 July 2005);
- 12) inheritance tax;
- 13) compulsory health insurance contributions;
- 14) contributions to the Guarantee Fund;
- 15) state-imposed fees and charges;
- 16) lottery and gaming tax;
- 17) fees for the registration of industrial property objects;
- 18) corporate income tax;
- 19) state social insurance contributions;
- 20) tax on a surplus amount in the sugar sector;
- 21) production charge in the sugar sector;
- 22) (repealed on 26/04/2007);
- 23) customs duties;
- 24) deductions from income under the Law of the Republic of Lithuania on Forestry;
- 25) tax on the use of state property by the right of trust;
- 26) social tax;
- 27) (repealed on 22 November 2007);
- 28) *Repealed on 21 May 2015*

Article subparagraph removal:

No. XII-1668, 07/05/2015, published in the RLA on 20/05/2015, ID code 2015-07659

Article amendments:

No. IX-2333, 08/07/2004, Official Gazette, 2004, No. 116-4320 (27/07/2004)

No. IX-2547, 09/11/2004, Official Gazette, 2004, No. 171-6304 (26/11/2004)

No. X-234, 07/06/2005, Official Gazette, 2005, No. 76-2742 (18/06/2005)

No. X-863, 19/10/2006, Official Gazette, 2006, No. 119-4542 (07/11/2006)

No. X-1086, 12/04/2007, Official Gazette, 2007, No. 46-1720 (26/04/2007)
No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)
No. X-1318, 08/11/2007, Official Gazette, 2007, No. 120-4883 (22/11/2007)

Article 14. Application of Tax Administration Procedures Provided for in this Law

1. The tax administration procedures provided for in this Law shall be applied in respect of all taxes specified in Article 13 of this Law and the taxpayers thereof, unless this article, this Law or the relevant tax law provide otherwise.

2. The stamp duty referred to in subparagraph 10 of Article 13 of this Law shall be administered under this Law only to the extent determined by the Code of Civil Procedure of the Republic of Lithuania.

3. State-imposed fees and charges referred to in subparagraph 15 of Article 13 shall be administered under this Law only to the extent determined by the Law of the Republic of Lithuania on Fees and Charges.

4. Fees for the registration of industrial property objects referred to in subparagraph 17 of Article 13 shall be administered under this Law only to the extent determined by the Law of the Republic of Lithuania on Fees for the Registration of Industrial Property Objects.

5. Compulsory health insurance contributions referred to in subparagraph 13 of Article 13 of this Law and state social insurance contributions referred to in subparagraph 19 shall be administered under this Law only to the extent determined by the Law of the Republic of Lithuania on Health Insurance and the Law of the Republic of Lithuania on State Social Insurance.

Article paragraph amendments:

No. XII-1985, 20/10/2015, published in the RLA on 27/10/2015, ID code 2015-16907

6. Customs duties referred to in subparagraph 23 of Article 13 of this Law shall be administered under this Law only to the extent that they do not contravene the Community customs legislation.

7. Administration and recovery of fines for administrative offences imposed as per the procedure stipulated in the Code of Administrative Offences shall be directly determined by subparagraph 12 of paragraph 1 of Article 26 of this Law, paragraph 3 of Article 105, paragraph 2 of Article 106, paragraph 6 of Article 107, paragraphs 2 and 5 of Article 113 and *mutatis mutandis* the following shall be applicable: Article 26 of the Law (except subparagraph 9 of paragraph 1), Articles 84, 85, paragraphs 1 and 5 of Article 87, paragraphs 1, 2 and 7 of Article 88, Articles 108–112, paragraphs 3 and 4 of Article 113, chapters IX, X, and the provisions of the articles of this Law specified in this paragraph shall apply to persons subject to fines for administrative offences in the same manner as to the taxpayers.

Article amendments:

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

CHAPTER IV

PARTICIPANTS OF LEGAL RELATIONS IN TAX ADMINISTRATION

SECTION I

TAX ADMINISTRATORS. THEIR FUNCTIONS, RIGHTS AND OBLIGATIONS

Article 15. Tax Administrator

1. The state institution responsible for the administration of taxes specified in Article 13 of this Law in the Republic of Lithuania, with the exception of customs duties, shall be the State Tax Inspectorate.

2. The Customs of the Republic of Lithuania (hereinafter referred to as the “Customs”) shall be responsible for the administration of customs duties in the Republic of Lithuania. The Customs shall administer the taxes referred to in subparagraphs 1 and 2 of Article 13 of this Law to the extent assigned by the Law on Value Added Tax and the Law on Excise Duty. Unless this Law or any other legal acts provide otherwise, the Customs administering the customs duties and the taxes specified in this paragraph shall be considered to be the tax administrator, the Customs Department shall be considered to be the central tax administrator, and the territorial customs

office and the special customs office (where performance of tax administration functions is provided for in its Articles of Association) shall be considered to be local tax administrators.

3. No other state institutions or agencies may perform the functions of the tax administrator; except for the cases explicitly stated in this Law or the relevant tax law.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 16. State Institutions and Agencies Authorised to Perform Certain Actions of Tax Administration

1. The taxes referred to in paragraphs 6, 7, 8 and 24 of Article 13 of this Law shall be administered by the Ministry of Environment or an institution authorised by it, but only to the extent assigned by the Law on State Natural Resources Tax, the Law on Environmental Pollution Tax, the Law on Petroleum and Gas Resources Tax, and the Law on Forestry. Only the Ministry of Environment or an institution authorised by it shall verify whether the taxes referred to in paragraphs 6 and 8 of Article 13 of this Law have been correctly calculated, declared and paid, and shall also provide the relevant tax consultancy.

Article paragraph amendments:

No. XII-1382, 04/12/2014, published in the RLA on 12/12/2014, ID code 2014-19557

2. The taxes referred to in paragraphs 20 and 21 of Article 13 of this Law shall be administered by the Ministry of Agriculture, or an institution authorised by it, but only to the extent assigned by the Law on Production Charge in the Sugar Sector, Law on the Tax on a Surplus Amount in the Sugar Sector. Only the Ministry of Agriculture, or an institution authorised by it, shall be responsible for correct calculation of taxes and shall also provide consultations on tax related issues. The State Tax Inspectorate shall control tax declaration and payment.

Article paragraph amendments:

No. XII-1668, 07/05/2015, published in the RLA on 20/05/2015, ID code 2015-07659

3. The provisions of this Law shall not apply with regard to the procedure of verifying the correctness of tax calculation, declaration and payment as performed by the institutions and agencies referred to in paragraphs 1 and 2 of this article, the documentation and approval of verification results, and any appeals against actions by such institutions and agencies as well as by their officers. The aforementioned legal relations shall be governed by the legal acts regulating the activities of these institutions and the relevant laws on administered taxes.

Article amendments:

No. X-863, 19/10/2006, Official Gazette, 2006, No. 119-4542 (07/11/2006)

No. X-1086, 12/04/2007, Official Gazette, 2007, No. 46-1720 (26/04/2007)

No. X-1318, 08/11/2007, Official Gazette, 2007, No. 120-4883 (22/11/2007)

Article 17. State Tax Inspectorate

1. The State Tax Inspectorate shall be an institution established under the Ministry of Finance of the Republic of Lithuania.

2. The State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter referred to in this Law and other legal acts as the “State Tax Inspectorate under the Ministry of Finance”) and local tax inspectorates shall be budget-financed institutions having their own bank accounts, seals and common symbols.

3. The State Tax Inspectorate shall act in compliance with the Constitution of the Republic of Lithuania, this Law, other laws, subordinate legal acts and its own regulations. The regulations of the State Tax Inspectorate under the Ministry of Finance shall be approved by the Minister of Finance, while the regulations of local tax inspectorates shall be approved by the Head of the State Tax Inspectorate under the Ministry of Finance.

Article 18. Structure of the State Tax Inspectorate

The State Tax Inspectorate shall be comprised of:

- 1) the State Tax Inspectorate under the Ministry of Finance – the central tax administrator;
- 2) local tax inspectorates – local tax administrators.

Article 19. Tasks of the State Tax Inspectorate

1. The main tasks of the State Tax Inspectorate shall be:

- 1) to assist the taxpayers in exercising their rights and performing their obligations;
- 2) to implement tax laws;
- 3) to ensure the payment of taxes to the budget.

2. The tasks of the State Tax Inspectorate shall be implemented when the central and local tax administrators perform the functions assigned to them by law.

Article 20. Work Organisation of the State Tax Inspectorate under the Ministry of Finance

1. The State Tax Inspectorate under the Ministry of Finance shall be directed by the head of the State Tax Inspectorate. He shall be appointed and dismissed from office by the Minister of Finance in accordance with the procedure laid down in the Law on Civil Service.

2. The structure of the State Tax Inspectorate under the Ministry of Finance shall be approved by its head, after coordination with the Minister of Finance.

3. The State Tax Inspectorate under the Ministry of Finance shall be subordinate and accountable to the Ministry of Finance.

Article 21. Work Organisation of Territorial State Tax Inspectorates

1. The number and areas of activity of local tax inspectorates shall be established by the Minister of Finance, acting on a recommendation from the Head of the State Tax Inspectorate under the Ministry of Finance.

2. The structure of local tax inspectorates shall be approved by the Head of the State Tax Inspectorate under the Ministry of Finance.

3. The head of a local tax inspectorate shall be appointed and dismissed from office by the Head of the State Tax Inspectorate under the Ministry of Finance in accordance with the procedure laid down in the Law on Civil Service.

4. The local tax inspectorate shall be subordinate and accountable to the State Tax Inspectorate under the Ministry of Finance.

Article 22. Civil Servants of the State Tax Inspectorate

1. Civil servants of the State Tax Inspectorate shall be appointed and dismissed from office by the head of the employing tax inspectorate in accordance with the procedure laid down in the Law on Civil Service.

2. Working and remuneration conditions as well as social guarantees of the civil servants of the State Tax Inspectorate shall be laid down in the Law on Civil Service, other laws and subordinate legal acts.

Article 23. Customs

The legal status of the Customs and its officers shall be regulated by the Law on Customs and the Statute of Service in the Customs of the Republic of Lithuania.

Article 24. Organisation of Training for Officials by the Tax Administrator

1. The State Tax Inspectorate under the Ministry of Finance shall have an obligation to organise the training (in-service training) of its officers according to the training programmes developed for that purpose.

2. The State Tax Inspectorate under the Ministry of Finance must ensure a continuous in-service training for all of its officers.

3. Newly recruited tax officers must attend a course of initial training on the general issues of taxes and their administration.

4. The training of customs officers shall be organised in accordance with the Law on Civil Service, the Statute of Service in the Customs of the Republic of Lithuania, and other legal acts regulating customs activities.

Article 25. Functions of the Central Tax Administrator

1. Within its sphere of competence, the central tax administrator shall perform the following main functions:

- 1) organise education and consultancy for taxpayers;
- 2) provide summarised explanations of tax laws, after coordination with the Ministry of Finance;
- 3) set forth the priorities and procedures for servicing taxpayers;
- 4) establish the accounting procedures to be followed by the local tax administrator in respect of tax obligations and discharged taxes and control compliance therewith;
- 5) establish the procedures for refunding (crediting) tax overpayments (tax differences) as well as taxes, penalties and late payment interest recovered without due grounds (in an unjustified manner);
- 6) set forth the priorities and procedures for exercising control over the correct calculation, declaration of payment of taxes;
- 7) exercise control over the correct calculation, declaration and payment of taxes;
- 8) set forth the priorities and procedures for recovering arrears in payments;
- 9) consider tax disputes;
- 10) settle issues relating to the application of mutual agreement procedures under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC). This function shall be performed only by the State Tax Inspectorate under the Ministry of Finance acting in the capacity of the central tax administrator;
- 11) represent the interests of the State in courts and other institutions;
- 12) collect and summarise the best practices of tax administration procedures and introduce them to local tax administrators;
- 13) adopt and draft subordinate legal acts on taxation under mandate from the Seimas of the Republic of Lithuania, the Government and the Ministry of Finance;
- 14) adopt subordinate legal acts falling within the competence of the central tax administrator;
- 15) submit proposals to the Ministry of Finance concerning the implementation of tax laws and other legal acts and the improvement of tax administration;
- 16) cooperate with Lithuanian and foreign state, public, international and other institutions and agencies;
- 17) cooperate, in the capacity of a competent authority, with the tax administrations (competent authorities) of foreign states;
- 18) coordinate, control and give methodological instructions to the local tax administrator and periodically assess its performance;
- 19) manage the register of taxpayers. This function shall be performed only by the State Tax Inspectorate under the Ministry of Finance acting in the capacity of the central tax administrator;
- 20) formulate the policy of the taxes paid to the budget and keep accounts of the taxes paid to the budget.

2. The other functions of the central tax administrator shall be set out in its own regulations, this and other laws and subordinate legal acts. The central tax administrator may perform all functions within the competence of the local tax administrator according to this Law, if this is stipulated in the regulations of the central tax administrator.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XI-1159, 23/11/2010, Official Gazette, 2010, No. 145-7416 (11/12/2010)

Article 26. Functions of the Local Tax Administrator

1. Within its sphere of competence, the local tax administrator shall perform the following main functions:

- 1) provide consultancy to the taxpayer on the payment of taxes and supply information about laws and legal acts concerning tax matters;

- 2) receive tax returns and other accounting documents from the taxpayer and issue relevant documents certifying the submission of tax returns and other actions by the taxpayer;
 - 3) keep accounts of the taxes paid to the budget;
 - 4) register taxpayers and manage the register of taxpayers. This function shall be performed only by the local tax inspectorate acting in the capacity of a local tax administrator;
 - 5) allocate tax amounts among budgets in accordance with the procedure prescribed by law;
 - 6) implement the decisions of municipal institutions concerning the application of reliefs in respect of the taxes paid to the municipal budget. This function shall be performed only by the local tax inspectorate acting in the capacity of a local tax administrator;
 - 7) exercise control over the correct calculation, declaration and payment of taxes;
 - 8) provide an expert's opinion on the calculation, declaration and payment of taxes subject to the provisions of the Code of Criminal Procedure of the Republic of Lithuania;
 - 9) enforce the recovery of arrears in payments;
 - 10) refund (credit) tax overpayments (tax differences) as well as illegally recovered taxes, late payment interest and penalties to taxpayers;
 - 11) cooperate and exchange information with other Lithuanian tax administrators, state and municipal institutions and agencies in accordance with the established procedure;
 - 12) according to the procedure stipulated in this Law and other legal acts, administer the fines for administrative offences imposed as per the Code of Administrative Offences.
2. Other functions of the local tax administrator shall be set out in its own regulations, this and other laws and subordinate legal acts.

Article amendments:

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

Article 27. Cooperation between the Tax Administrator and the Taxpayer

1. For the purpose of assisting the taxpayer to exercise his rights and discharge his obligations, the tax administrator, within its sphere of competence, shall:
 - 1) educate the taxpayers and provide tax consultancy across the Republic of Lithuania;
 - 2) prepare user-friendly tax returns, supply taxpayers free of charge with such forms, approve and explain the procedure of completing tax returns;
 - 3) provide information, in accordance with the administrative procedure, about the possibility of appealing against actions by tax officers maintaining direct contacts with the taxpayer;
 - 4) organise meetings with taxpayers and representatives of their associations or other organisations representing their interests;
 - 5) cooperate in any other way with taxpayers and seek mutual understanding.
2. Where cooperating with the tax administrator, the taxpayer shall voluntarily discharge his obligations under tax legislation and shall not preclude the tax administrator from exercising its rights granted by law.

Article 28. Cooperation with Tax Administrators of Foreign States

1. The central tax administrator shall cooperate with the tax administrations (competent authorities) of foreign states on the basis of international treaties or agreements.
2. Unless an international treaty or agreement provides otherwise, assistance to the tax administration (competent authority) of a foreign state shall be provided only under conditions of reciprocity and provided that:
 - 1) a request is made concerning the required assistance;
 - 2) assurance is provided that the information supplied will be used solely for the purpose of taxation or investigation of violations of tax legislation;
 - 3) the fulfilment of the request will not violate the legitimate interests of the Republic of Lithuania or its subjects or entities and no state, official, professional, commercial or other type of secret information protected by law will be disclosed;
 - 4) the secrecy of information is ensured;
 - 5) the requesting foreign state institution has exhausted all conventional means to achieve the objective in respect of which the request has been made.

3. If the central tax administrator refuses to provide information or assistance, it shall notify the requesting institution of the reasons for refusing to do so.

4. When providing assistance to the tax administrations (competent authorities) of foreign states, the tax administrator shall have the same rights in respect of taxpayers or third persons as when performing the other functions assigned to it.

5. The central tax administrator shall, within its sphere of competence and taking into account the provisions of the relevant international treaties and agreements, establish a detailed procedure for implementing this article.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 29. Cooperation with Tax Administrations (Competent Authorities) of European Union Member States

1. The central tax administrator shall, within its sphere of competence, cooperate with the tax administrations (competent authorities) of EU Member States when exchanging information about taxpayers, conducting joint inspections and recovering arrears in payments at the request of the tax administrations (competent authorities) of EU Member States or addressing the said authorities concerning the recovery of arrears in payments. Cooperation shall be carried out on the grounds provided for in paragraph 1 of Article 28 of this Law.

2. The central tax administrator may exchange any information with the tax administrations (competent authorities) of EU Member States where such information may enable them to effect a correct calculation of taxes and investigate violations of tax laws. Information may be exchanged:

- 1) on request in a particular case;
- 2) automatic exchange of information without prior request;
- 3) in cases provided for in agreements on administrative cooperation where the designated institutions are allowed to communicate directly with each other;
- 4) in cases provided for in agreements on administrative cooperation where an officer of a competent authority of another Member State is allowed to participate in the process of collecting information;

5) by forwarding information, of which it has knowledge, without prior request in at least one the following circumstances: tax is not paid in another Member State or it is paid incorrectly; the taxpayer is subject to tax reliefs or is exempt from tax which would give rise to an increase in tax or to liability to tax in another Member State; transactions are carried out between taxpayers in one or several Member States in such a way that tax is not paid in either or both of the Member States; tax may not be paid as a result of artificial distribution of income among associated (related) economic entities; information forwarded to the central tax administrator by the tax administration (competent authority) of another EU Member State has enabled data to be obtained which may be relevant for taxation in the forwarding Member State.

3. Requests by the tax administrations (competent authorities) of EU member states for assistance in recovering arrears in payments shall be examined and met in compliance with the procedure laid down in the Law of the Republic of Lithuania on Mutual Assistance for the Recovery of Taxes. The amounts indicated in the requests, where the tax administrator bears responsibility for their recovery in accordance with the provisions of the Law of the Republic of Lithuania on Mutual Assistance for the Recovery of Taxes, shall be recovered as arrears in payments in accordance with the procedure laid down this Law.

4. Unless EU legal acts or the relevant international treaties provide otherwise, the principles specified in paragraph 2 of Article 28 of this Law shall apply for the purpose of cooperation with the tax administrations (competent authorities) of EU Member States.

5. The provisions of paragraphs 3, 4 and 5 of Article 28 of this Law shall also apply for the purpose of cooperation with the tax administrations (competent authorities) of EU Member States.

Article amendments:

No. X-247, 16/06/2005, Official Gazette, 2005, No. 81-2939 (30/06/2005)

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

Article 30. Cooperation with Other Agencies and Institutions of the Republic of Lithuania and Foreign States

1. Where performing its functions, the tax administrator shall cooperate with other state and municipal institutions and agencies of the Republic of Lithuania and institutions of foreign states and shall also conduct joint inspections and perform other control functions as well as ensure the exchange of information.

2. The state and municipal institutions and agencies of the Republic of Lithuania must provide comprehensive assistance to the tax administrator and submit information about any acts comprising elements of a tax law violation as soon as they become aware of the fact in the course of performing their functions.

Article 31. Cooperation with Other Persons

In order to perform its functions more effectively, the tax administrator may conclude agreements on the transfer of certain functions, receipt of services or other issues as well as memoranda of mutual agreement with persons other than specified in Articles 27-30 of this Law.

Article 32. Duties of the Tax Administrator

When performing the functions assigned to it, the tax administrator (officer) must:

- 1) promote the voluntary payment of taxes;
- 2) respect the taxpayer's rights;
- 3) strictly comply with tax legislation;
- 4) within its sphere of competence, protect the legitimate interests of the State;
- 5) ensure the secrecy of information about the taxpayer;
- 6) exercise its rights only to the extent related to the functions assigned to it;
- 7) when performing its functions, make an effort not to impede the taxpayer's activities;
- 8) perform other functions set out in this and other laws and in subordinate legal acts.

Article 33. Rights of the Tax Administrator

When performing the functions assigned to it, the tax administrator (officer) shall have the right:

- 1) to obtain from persons, including credit, payment, and electronic money institutions, the data required for the performance of its obligations, copies of documents, computer file data (copies thereof) concerning the assets, income, expenses and activities of this or another person and to use information from the registers and databases administered and managed by itself or other legal persons;
- 2) to have access to the taxpayer's territory, buildings and premises in accordance with the procedure laid down in this Law;
- 3) to temporarily take away the taxpayer's accounting documents necessary to verify the correctness of calculations made in respect of taxes and transactions and to conduct a tax investigation;
- 4) to stamp and (or) seal areas, premises and installations used for the safekeeping of documents, securities, money and material valuables; to close the territory or parts thereof;
- 5) to take samples or specimens of products (goods), to make control purchases;
- 6) to mark the taxpayer's documents to prevent their counterfeiting;
- 7) to give mandatory instructions to taxpayers and other natural or legal persons (where related to exercising the rights of a tax administrator in respect of the taxpayer) to visit the tax administrator, provided that this is necessary for the latter to perform its functions; to issue instructions concerning the calculation, declaration and payment of taxes, the declaration of property and income, and the keeping of accounts;
- 8) to enforce the recovery of arrears in payments from persons;
- 9) within its sphere of its competence, to complete protocols of administrative offences and perform other actions provided for in the Code of Administrative Offences, to impose other administrative sanctions and penalties prescribed by law;
- 10) to carry out personally or require other competent authorities to carry out control measurements, to check computer programmes and their data, to take the inventory of material valuables, and conduct other inspections;

11) to install meters and other measuring devices in the taxpayer's storage facilities, warehouses and other facilities used for operations;

12) in the event of a suspicion of violation of legal acts the responsibility for the implementation of which is borne by the tax administrator, to stop and inspect the means of transport as well as to detain and check the goods and documents in accordance with the procedure of operational inspection approved by the central tax administrator;

13) in the event of a reasonable suspicion that the income of a person has not been subject to taxation in accordance with the procedure prescribed by law or that property has been acquired with the funds that were not taxed in accordance with the procedure prescribed by the laws, to instruct persons to submit substantiated explanations in the form and subject to the procedure established by the central tax administrator concerning the sources of acquisition of property and receipt of income;

14) to apply to the taxpayer, other natural and legal persons (where related to exercising the rights of the tax administrator in respect of the taxpayer) and to instruct them to eliminate the circumstances and conditions precluding the tax administrator from performing its functions properly;

15) to take enforcement measures in respect of tax obligations;

16) to submit by proxy or transfer claims relating to the recovery of arrears in payments to the manager of centrally managed state assets in accordance with the procedure established by the Minister of Finance;

17) within its sphere of competence, to bring legal action to court for the recognition of a transaction or part thereof as invalid; to be an applicant or a respondent in other cases in court;

18) to conduct a tax investigation;

19) to take photos and audio or video records without violating a person's right to privacy guaranteed by laws;

20) to allow the taxpayer or third person not to fulfil the requirements stipulated in legal acts whose implementation is within the competence of the tax administrator, if proper fulfilment of the tax obligation of the taxpayer is guaranteed by equivalent alternative means recognised by the central tax administrator;

21) to exercise other rights granted by tax and other laws.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

No. XII-795, 20/03/2014, published in the RLA on 03/04/2014, ID code 2014-04029

Article 34. Documentation of the Tax Administrator's Actions

When performing its functions and exercising the rights granted upon it by this Law, the tax administrator (officer) shall document its actions as decisions and other documents in the form and subject to the procedure of completing them as established by the central tax administrator.

Article 35. Liability of the Tax Administrator

1. Where the tax administrator has caused damage to the taxpayer by illegal actions or failure to act, it must compensate for the damage so caused in accordance with the procedure prescribed by law. Officers of the tax administrator whose direct actions or failure to act have caused damage shall be held liable in accordance with the procedure laid down in the Law on Civil Service and other legal acts.

2. Where a tax officer has performed illegal actions, he shall be held liable in accordance with the procedure prescribed by law.

SECTION II TAXPAYER. RIGHTS AND OBLIGATIONS

Article 36. Rights of the Taxpayer

A taxpayer shall have the right:

- 1) to receive from the tax administrator, free of charge, information about taxes, tax reliefs, effective tax legislation and other information necessary to discharge tax obligations;
- 2) to receive consultancy on tax payment issues;
- 3) to request that tax overpayments be refunded (credited) in due time;
- 4) to directly participate or be represented (unless the laws explicitly prohibit such representation) by a legal or authorised representative in legal relations with the tax administrator, and also with respect to tax dispute settlement institutions;
- 5) to take part in the tax inspection process;
- 6) to provide explanations and replies concerning the inspection report;
- 7) to have access to decisions on the approval of an inspection report and other decisions by the tax administrator on the amount of tax obligations of the taxpayer;
- 8) to refuse to comply with any illegal instructions of the tax administrator, including the right to refuse to provide information if the instruction given relates to the data which is not at the disposal of the taxpayer and which the taxpayer does not have to collect under effective legal acts;
- 9) to demand that the tax administrator, when performing administrative actions in respect of the taxpayer, should strictly comply with the procedures prescribed by tax legislation and should not exceed the powers conferred upon it;
- 10) to request that the secrecy of information about the taxpayer be ensured;
- 11) to request compensation for damage to property or non-pecuniary damage caused by illegal acts of the tax administrator;
- 12) to appeal, in accordance with the procedure prescribed by law, against any action or failure to act by the tax administrator (officer);
- 13) to exercise other rights granted by this and other laws and subordinate legal acts.

Article 37. Consulting the Taxpayers

1. Consultancy to taxpayers on specific tax issues shall be provided by a tax administrator in accordance with the procedure and ways set by the central tax administrator.
2. The taxpayer shall not be obliged to comply with the tax advice provided.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 37¹. The forward commitment of the tax administrator regarding the application of the provisions of tax legislation

1. The taxpayer shall have the right to apply to the tax administrator asking to approve the application of the provisions of tax legislation suggested by the taxpayer to a future transaction (hereinafter referred to in this article as the “request”). In the request, the taxpayer shall clearly and unambiguously describe the future transaction, the circumstances related to taxation as per the tax laws and the applicable provisions of tax legislation as well as provide other information and proof supporting the suggested application of the provisions of tax legislation. The concept “future transaction” used in this article shall be interpreted as a transaction, a purchase or any group thereof of the taxpayer that will begin after the day of submitting the request specified in this paragraph to the tax administrator. A request cannot be submitted with regard to tax amount.
2. The tax administrator shall make a decision on the request within 60 days as of the day of receiving it. Thirty additional days shall be allocated to the consideration of requests received before 1 July 2013. As per the decisions of the tax administrator, the duration of request consideration may be additionally extended by 60 days if the consideration of the request requires additional investigation. The taxpayer who submitted the request shall be informed in writing about the extension of the consideration duration of the request.
3. The tax administrator shall consider the request and make one of the following decisions:
 - 1) to approve the application of the provisions of tax legislation specified in the request to the future transaction. If this decision is made, the tax administrator shall undertake, while controlling if the taxpayer calculated, declared and paid taxes correctly, to apply the provisions of tax legislation to the future transaction as specified in the decision, except cases stipulated in paragraphs 4, 5 and 6 of this article;

2) not to approve the application of the provisions of tax legislation specified in the request to the future transaction. In this decision, the tax administrator must specify the reasons for rejecting the request.

4. Unless stipulated otherwise in this article, the decision that is specified in subparagraph 1 of paragraph 3 of this article shall be valid throughout the entire period of the future transaction indicated in the application, but no longer than the current year and 5 calendar years from the day of making this decision, and if new tax legislation is adopted, which shall replace, supplement or repeal the provisions of tax legislation specified in this decision, it shall be valid until the day when the provisions of new tax legislation come into force.

5. If after the decision specified in subparagraph 1 of paragraph 3 of this article is made, the bulletin of the Supreme Administrative Court of Lithuania or the Official Journal of the European Union publish interpretations of the application of laws or other legislation of the Supreme Administrative Court of Lithuania or judicial authorities of the European Union, and this decision contravenes these interpretations, the tax administrator shall amend the validity period of the decision and inform the taxpayer about this immediately. In this case, the decision specified in subparagraph 1 of paragraph 3 of this article shall be valid till the day the relevant interpretation is published.

6. The tax administrator shall not apply the decision regarding the application, if during tax inspection it is determined that the circumstances of carrying out the transaction do not correspond to the circumstances specified in the application of the taxpayer.

7. The taxpayer shall not be obligated to observe the decision of the tax administrator regarding the application or the decision regarding the amendment of the validity period of the previous decision.

8. The procedure of submitting and examining the application specified in this article, the form of the application, the procedure of making the decision of the tax administrator on the application and the procedure of amending the decision as well as the form of the corresponding decision shall be determined by the central tax administrator. The central tax administrator shall have the right to establish the list of documents to be attached to the application.

An article added to the Law:

No. XI-1159, 23/11/2010, Official Gazette, 2010, No. 145-7416 (11/12/2010)

Article 38. Secrecy of Information about the Taxpayer

1. Information concerning the taxpayer supplied to the tax administrator shall be kept secret and used solely for legitimate purposes.

2. The following information shall not be kept secret:

1) the taxpayer identification number, also other identification numbers assigned to the taxpayer by the registers and databases of taxpayers;

2) the date of registering in and deleting from the register of taxpayers as well as other registers and databases referred to in subparagraph 1 of this paragraph;

3) the amount of taxes paid (credited) by the taxpayer that is a legal person. The amount of taxes paid (credited) by the taxpayer that is a natural person shall not be kept secret in the cases established by law;

4) the amount of arrears in payments by the taxpayer;

5) (repealed on 19/07/2007);

6) information concerning the violations of tax legislation where the taxpayer's guilt has been proven. The taxpayer's guilt shall be considered as proven where the taxpayer has not appealed against the tax administrator's actions within the time limits and in accordance with the procedure set out in the laws or where the taxpayer has appealed against the tax administrator's actions but the institution examining the appeal does not acknowledge such actions to be illegal by its decision and the taxpayer does not appeal against the decision within the time limits and in accordance with the procedure set out in the laws or where such a decision is final;

7) other information that is not considered as secret under the laws of the Republic of Lithuania.

3. The tax administrator may disclose the information specified in paragraph 2 of this article without the taxpayer's consent or knowledge. The cases, manner, scope and procedure of disclosing information concerning the taxpayer, which is available to the tax administrator and

which is not considered as secret, to third persons shall be established by the central tax administrator within its sphere of competence, unless the laws provide otherwise.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 39. Disclosure of Information about the Taxpayer

1. 1. Information about the taxpayer may be provided to:

1) another Lithuanian tax administrator where it is necessary for the performance of its functions;

2) foreign tax administrations (competent authorities);

3) European Union competent authorities;

4) courts of law, law enforcement authorities, other state institutions and agencies, entities of criminal intelligence and other persons in the cases provided for in the laws where it is necessary for the performance of their functions;

5) an institution authorised by the Government of the Republic of Lithuania to conduct an analysis of enterprise activities in accordance with the procedure established by the Government;

6) the Ministry of Finance for the performance of its functions;

7) state agencies administering official statistics for the performance of their functions;

8) the manager of centrally managed state assets to the extent necessary for the recovery of arrears in payments transferred thereto;

9) other persons where the taxpayer requests so in writing or gives its consent (raises no objection) to the dissemination of such information.

2. A person who receives information under subparagraphs 1, 4-8 of paragraph 1 of this article and also where such information becomes known to a person in the course of implementing the provisions of the agreement referred to in Article 31 of this Law must keep it secret.

3. The institutions specified in subparagraph 2 of paragraph 1 of this article shall use the supplied information for the purposes of taxation and investigation of law violations in the field of taxes. The taxpayer may allow the aforementioned institutions to forward the supplied information to courts of law and law enforcement authorities, and also tax administrations (competent authorities) of third countries where necessary for the purpose of taxation or investigation of law violations in the field of taxes.

4. Information about the taxpayer shall be furnished in the manner provided for in legal acts and international treaties (agreements).

5. Legal persons that receive information pursuant to subparagraphs 1, 4-8 of paragraph 1 of this article must ensure that the information received is made available only to those of their employees who are directly involved in the performance the functions for which such information is provided. The said legal persons must also ensure that each case of usage of the information received should be registered.

6. Where, in the cases specified in paragraph 1 of this article, the tax administrator has supplied incorrect information about the taxpayer, it must correct the error as soon as it becomes aware of the fact.

7. A tax officer shall keep information about the taxpayer secret even after the end of their service, except for the cases specified in this Law.

8. The tax administrator and any other person who was supplied with or who became aware of secret information about the taxpayer shall be held liable for its disclosure in accordance with the procedure prescribed by the laws, except for the cases where the laws allow the disclosure thereof.

Article amendments:

No. XI-2251, 02/10/2012, Official Gazette, 2012, No. 122-6110 (20/10/2012)

No. XII-795, 20/03/2014, published in the RLA on 03/04/2014, ID code 2014-04029

Article 40. Duties of the Taxpayer

The taxpayer must:

1) discharge tax obligations accurately and in due time;

2) cooperate with the tax administrator, follow its lawful instructions and not preclude the exercising of the rights granted upon it by law;

- 3) register as a taxpayer in accordance with the procedure prescribed by the legal acts, notify in due time and manner about any changes in the data contained in the register of taxpayers;
- 4) correctly calculate the tax in compliance with tax laws;
- 5) file tax returns and other documents specified in the legal acts in due time;
- 6) keep accounts, safekeep the accounting documents and registers as well as other documents in accordance with the procedure prescribed by the legal acts;
- 7) create the required conditions for the tax administrator to conduct on site inspections;
- 8) supply the tax administrator with all the documents, computerised accounting data and other information required for inspection purposes;
- 9) provide, in accordance with the procedure laid down in Article 42 of this Law, the tax administrator with information about opening an account with a foreign credit, payment, and electronic money institution;
- 10) according to the procedure stipulated in Article 42¹ of this Law, provide the State Tax Inspectorate with information regarding the transactions specified in Article 42¹ of this Law;
- 11) perform other functions set out in this and other laws and subordinate legal acts.

Article amendments:

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012) (new subparagraph 10 added)

Amendment of Article 40 (from 01/10/2016 according to law No. XII-2038 as of 19 November 2015)

1. To add the new subparagraph 11 to Article 40:
“11) according to the procedure stipulated in Article 42² of this Law, provide the State Tax Inspectorate with the data of value added tax invoices;”.
2. To add subparagraph 12 to Article 40:
“12) according to the procedure stipulated in Article 42³ of this Law, provide the State Tax Inspectorate with the data of consignment notes and other goods transportation documents;”.
3. The former subparagraph 11 of Article 40 shall be considered subparagraph 13.

Article 41. Submission of Explanations about the Sources of Acquisition of Property and Receipt of Income

1. The taxpayer must, not later than within ten days (unless the tax administrator specifies otherwise) from the date of receipt of instructions from the tax administrator referred to in subparagraph 13 of Article 33 of this Law, submit substantiated explanations concerning the sources of acquisition of property and receipt of income.
2. The sources of acquisition of property and receipt of income, upon the demand of the tax administrator, shall be substantiated by documents certifying the transactions that fulfil the legal requirements and other documents having legal power. The documents certifying the transactions and other documents having legal power must include data to identify the payer.

Article amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 42. Submission of Information about the Opening and Closing of Accounts with Foreign Credit, Payment and Electronic Money Institutions

Legal persons registered in the Republic of Lithuania must notify the State Tax Inspectorate under the Ministry of Finance about all types of accounts opened or closed in foreign credit, payment and electronic money institutions not later than within five working days after the opening or closure of the account. Natural persons must notify about any opened or closed accounts in foreign credit, payment and electronic money institutions in accordance with the procedure and within the time limits set forth by the Government of the Republic of Lithuania or an institution authorised by it.

Article amendments:

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

Article 42¹. Submission of Information about Transactions

1. Permanent residents of Lithuania (hereinafter referred to in this article as residents) shall submit information to the State Tax Inspectorate regarding concluded transactions that shall meet all of the following conditions:

- 1) a resident as per the concluded transactions receives funds (including borrowed funds) from natural or foreign legal persons (hereinafter referred to in this article as persons);
- 2) the sum that a person paid the resident within one calendar year in cash according to one transaction or several transactions concluded with the same person exceeds 15 000 Euro;

Article subparagraph amendments:

No. XII-1137, 23/09/2014, published in the RLA on 03/10/2014, ID code 2014-13606

- 3) the transactions are not notarised;
- 4) a resident does not receive income according to the transactions that are declared to the tax administrator according to the procedure stipulated in other tax laws.

2. Information specified in paragraph 1 of this article shall be submitted once per calendar year in accordance with the procedure and within the time limits set forth by the central tax administrator.

3. If a resident failed to submit the information specified in paragraph 1 of this article in accordance with the procedure and within the time limits set forth by the central tax administrator, such transactions shall not be used to substantiate the sources of acquisition of property and receipt of income. Delayed or revised information of a certain period specified in this article that was submitted by a resident shall not be evaluated if a competent authority of the state has already started a tax inspection or another investigation of a law violations specified in article 143 of this Law with regard to the resident.

A new article added:

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

Article 42². Submission of Data of Value Added Tax Invoices (as of 01/10/2016 according to law No. XII-2038 of 19 November 2015)

1. Value added tax payers, as they are defined in the Law on Value Added Tax, who are obligated according to the procedure stipulated in tax legislation to keep records of received and issued value added tax invoices, shall be obligated to provide the State Tax Inspectorate with data of registers of received and issued value added tax invoices. The content of these data shall be determined by the central tax administrator.

2. Data specified in paragraph 1 of this article shall be submitted in accordance with the procedure and within the time limits set forth by the central tax administrator.

Article 42³. Submission of Data of Consignment Notes and Other Cargo Transportation Documents (as of 01/10/2016 according to law No. XII-2038 of 19 November 2015)

1. Taxpayers who send, transport or receive cargoes via road transport in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate with data of consignment notes and other cargo transportation documents, if they must be issued according to the procedure prescribed by the legal acts. The content of these data shall be determined by the central tax administrator.

2. Data specified in paragraph 1 of this article shall be submitted in accordance with the procedure and within the time limits set forth by the central tax administrator.

Article 43. Register of Taxpayers

1. For the purpose of keeping a record of taxpayers and exercising control over the correct calculation, payment and withholding of taxes, a general register of taxpayers shall be set up.

2. The tax administrator (respective register management body) shall register all persons whose registration is obligatory under Article 45 of this Law.

Article 44. Management of the Register of Taxpayers

The procedure of collecting, accumulating, processing, systemising, storing, using and providing data on taxpayers shall be laid down in the Regulations for the Register of Taxpayers approved by the Government of the Republic of Lithuania.

Article 45. Registration of Taxpayers

1. Unless the Regulations for the Register of Taxpayers provide otherwise, the person who has an obligation to pay taxes under the tax law must register with the respective local tax administrator (register management body) and provide data concerning the registration of the taxpayers specified in the Regulations for the Register of Taxpayers.

2. Natural persons receiving income incidental to employment relations or relations in their essence corresponding to employment relations shall register as taxpayers through their employer which is a withholding agent.

3. Taxpayers paying taxes on specific property shall be registered by the respective tax administrator (register management body) on the basis of information provided by an institution engaged in the legal registration of such property.

4. The tax administrator (respective register management body) may, on the basis of the information at its disposal and at its own initiative, register a person as a taxpayer or update the data thereon if the person fails to properly perform the obligations specified in Article 46 of this Law. The person registered as a taxpayer or the taxpayer whose data are updated shall be informed respectively about the aforementioned actions where the person's address is known.

Article 46. Timeframe for the Registration of Taxpayers. Notification of Modified or New Data

1. Unless the Regulations for the Register of Taxpayers provide otherwise, the person who has an obligation to pay taxes under the tax law must register with the respective local tax administrator performing the functions of a register management body within five working days after legal registration and, where legal registration is not prescribed by law or where the person engages in activity earlier than five working days after legal registration, not later than the day of the start of activities.

2. A person who has registered as a taxpayer must notify the respective tax administrator performing the functions of a register management body about any modified or new relevant data within five working days after such modification or the appearance of new data.

3. In the cases provided for in the Regulations for the Register of Taxpayers, the taxpayer shall not be required to submit the data (a part thereof) specified in paragraphs 1 and 2 of this article directly to the tax administrator (register management body) if analogous data is submitted to the respective state register with which the administrator of the register of taxpayers has concluded a contract on the receipt of data. In such cases, the taxpayers shall be registered and the data thereon shall be updated in the register of taxpayers on the basis of information provided to the tax administrator by the respective state register.

Article 47. The Taxpayer Identification Number

1. Every person registered as a taxpayer shall be assigned a taxpayer identification number.

2. The identification code of the legal entities register shall be used to identify legal persons; the identification code of the population register shall be used to identify natural persons.

3. Those taxpayers who, for some reason, cannot use the identification code of the legal entities register or the identification code of the population register, shall be assigned a taxpayer identification number to be applied in accordance with the procedure established by the central tax administrator (the leading register management body).

4. The taxpayers must specify their identification numbers in tax returns and other documents concerning payments to the budget.

SECTION III THIRD PERSONS AND THEIR OBLIGATIONS

Article 48. Purposes of Establishing Obligations for Third Persons

The obligations of third persons in the field of applying tax administration procedures relating to the provision of information to the tax administrator, enforced recovery of arrears in payments and prevention of violations of tax laws shall be established with a view to ensuring the required conditions for an effective performance of the tax administrator's functions.

Article 49. Provision of Information Necessary for the Tax Administrator to Perform its Functions

1. Unless the laws provide otherwise, the information and data specified in subparagraph 1 of Article 33 of this Law as are necessary for the tax administrator to perform its functions shall be submitted not later than within ten days from the date of receipt of instructions from the relevant tax administrator or within a longer time limit set forth by the tax administrator.

2. Commercial or bank secrets may not serve as grounds for refusal to provide information. A professional secret may only serve as grounds for refusal to submit information where this is provided for in the laws and where this Law does not explicitly impose an obligation to submit the aforementioned information.

Article 50. Information Provided by Bailiffs and Notaries

1. Bailiffs and notaries shall provide data to the tax administrator about those legal facts which may give rise to liability to tax, and also other information necessary for the tax administrator to perform its functions.

2. After coordination with the Minister of Justice, the Minister of Finance shall determine the type, scope, time limits and manner of providing the data and information referred to in paragraph 1 of this article as well as the procedure of providing such data and information to the tax administrator.

Article 51. Information Provided by Licence Issuing Authorities

A licence issuing authority shall provide information to the tax administrator concerning the issue of licences for certain persons to engage in a specific activity, the suspension of such licences, the revocation of suspensions or the revocation of licences, in a manner and within the time limits set out in a contract concluded between the licence issuing authority and the central tax administrator.

Article 52. Information Provided by Authorities Registering Objects, Rights in Rem and Legal Facts

An authority that registers objects, rights in rem and legal facts shall provide information to the tax administrator about the objects it registers (or objects subject to registration) in a manner and within the time limits set out in a contract concluded between said authority and the central tax administrator.

Article 53. Information Provided by the Population Register Management Body

The population register management body shall provide data from the population register to the tax administrator in a manner and within the time limits set out in a contract concluded between the leading population register management body and the central tax administrator.

Article 54. Information Provided by the Legal Entities Register Manager

The legal entities register manager shall provide data from the legal entities register to the tax administrator in a manner and within the time limits set out in a contract concluded between the said register manager and the central tax administrator.

Article amendments:

No. XI-558, 10/12/2009, Official Gazette, 2009, No. 153-6896 (28/12/2009)

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

Article 55. Information Provided by Supervised Financial Market Participants

1. Supervised financial market participants, as defined in the Law of the Republic of Lithuania on the Bank of Lithuania, shall be obligated to provide the State Tax Inspectorate with information regarding all types of accounts opened or closed by persons, the amount of the annual turnover of the accounts, if the total annual turnover of all accounts that the same person has in the same financial market participant comprises at least 15 000 Euro, the account balances at the end of the year, if the account balance at the end of the year of all accounts that the same person has in the same financial market participant comprises at least 5 000 Euro, information on interest, debt obligations, securities, insurance premiums, pension contributions and other information necessary for the tax administrator to perform its functions.

2. Information regarding all types of accounts opened or closed by persons shall be provided in writing within 3 working days after the day of opening or closing the account or in a manner and within the time limits set out in a contract concluded between the supervised financial market participant and the central tax administrator. Other information specified in paragraph 1 of this article shall be submitted once a year in accordance with the scope and procedure and within the time limits set forth by the Government.

Article amendments:

No. [XI-558](#), 10/12/2009, *Official Gazette*, 2009, No. 153-6896 (28/12/2009)

No. [XI-1875](#), 22/12/2011, *Official Gazette*, 2011, No. 163-7766 (31/12/2011)

Article amendments:

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 55¹. Other Information Provided by Third Persons

1. Legal persons registered in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate once a year with information on loans granted to natural persons, loans repaid by natural persons and received from natural persons as well as with information on the amounts in accordance with the procedure and within the time limits set forth by the central tax administrator, except cases when this information is provided according to the procedure stipulated in Article 55 of this Law.

2. Science and studies institutions as well as formal vocational training institutions registered in the Republic of Lithuania shall be obligated to inform the State Tax Inspectorate about payments made by natural persons (for the benefit of natural persons) for vocational training and (or) studies that lead to higher education and (or) qualifications as well as for post-graduate studies (doctorate) and art post-graduate studies in accordance with the procedure and within the time limits set forth by the central tax administrator.

3. Legal persons registered in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate with information on monetary contributions received from the sharers – natural persons (including contributions to cover losses), when the sum paid by one natural person within one calendar year comprises at least 15 000 Euro. This information shall be submitted once a year in accordance with the procedure and within the time limits set forth by the central tax administrator.

4. Legal persons registered in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate with information on debts owed to natural persons for the expenses incurred by these persons on behalf of the legal person and the debts of natural persons for payments to be settled that were received from the legal person, of the debt owed to one natural person or the debt of one natural person as at the 31st of December of the calendar year comprises at least 15 000 Euro. This information shall be submitted once a year in accordance with the procedure and within the time limits set forth by the central tax administrator.

5. Legal persons registered in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate with information on services provided by foreign legal persons in Lithuania, if the value of provided services according to one transaction or according to several transactions concluded with the same person within one calendar year comprises at least 15 000 Euro. This information shall be submitted once a year in accordance with the procedure and within the time limits set forth by the central tax administrator.

6. Legal persons registered in the Republic of Lithuania shall be obligated to provide the State Tax Inspectorate with information on every temporary resident of Lithuania who works in a legal person in Lithuania according to a temporary employment contract concluded with a foreign state legal entity. This information shall be submitted in accordance with the procedure and within the time limits set forth by the central tax administrator.

A new article added:

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 56. Repealed on 01/01/2016

Article removal:

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 57. *Repealed on 01/01/2016*

Article removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 58. *Repealed on 01/01/2016*

Article removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 59. *Repealed on 01/01/2016*

Article removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 60. *Repealed on 01/01/2016*

Article removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 61. Provision of Information Necessary for the Implementation of Council Directive 2003/48/EC

Third persons, in accordance with the procedure established by the central tax administrator, shall provide to the State Tax Inspectorate information necessary for the implementation of Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. A list of data to be provided and categories of entities required to provide such data shall be established by the Government of the Republic of Lithuania or a body authorised by it.

Article 61¹. Collection and Submission of Information Necessary for Implementing International Cooperation Commitments on Automatic Exchange of Information on Financial Accounts

Supervised financial market participants, as defined in the Law of the Republic of Lithuania on the Bank of Lithuania, as well as other entities, if they are defined as data providing financial institutions in the legal acts of the European Union and in international treaties or agreements of Lithuania regarding automatic exchange of information on financial accounts, shall be obligated to collect and submit to the tax administrator information on the accounts of persons of foreign states that is used to implement international cooperation commitments according to the aforementioned legal acts. Specific categories of entities that collect and submit data, the list of data to be collected, and the procedure of providing the data and other procedures related to data collection, submission, and exchange shall be established by the Government of the Republic of Lithuania or a body authorised by it.

A new article added:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 62. Compliance with Instructions to Eliminate the Circumstances and Conditions Precluding the Tax Administrator from Performing its Functions Properly

Persons must comply with the instructions given by the tax administrator to eliminate the circumstances and conditions precluding the tax administrator from performing its functions properly within a reasonable (optimal) time limit set forth by the tax administrator, unless the laws provide otherwise. Where it is impossible to carry out the instructions due to objective reasons, a person shall immediately inform the tax administrator thereof. The tax administrator shall be informed about the measures taken within three working days after compliance with the instructions given.

Article 63. Compliance with Instructions to Write Off Arrears in Payments from a Person's Account(s) in a Credit, Payment and (or) Electronic Money Institution

1. A credit, payment and (or) electronic money institution must fully comply with the instructions given by the tax administrator to write off arrears in payments from a person's account

(accounts). Such instructions by the tax administrator must be taken and carried out even in the event that there is no money in the taxpayer's account or its amount is smaller than the amount to be written off. In that case, the write off shall be effected until the whole amount specified in the instructions is written off from the taxpayer's account(s). The tax administrator shall reduce the amount to be written off as specified in its instructions given to the credit, payment and (or) electronic money institution if the arrears in payments are partly covered in another manner.

2. Instructions of the tax administrator to write off arrears in payments from a person's account(s) shall be submitted to the credit, payment and (or) electronic money institution and they shall be implemented according to the procedure stipulated in the Code of Civil Procedure.

Article amendments:

No. **XI-558**, 10/12/2009, *Official Gazette*, 2009, No. 153-6896 (28/12/2009)

No. **XI-1875**, 22/12/2011, *Official Gazette*, 2011, No. 163-7766 (31/12/2011)

Article amendments:

No. **XII-1454**, 16/12/2014, published in the RLA on 31/12/2014, ID code 2014-21202

Article 64. Ensuring the Use of Taxpayer Identification Number

1. Where possible, credit institutions shall ensure that instructions given by the taxpayer to transfer amounts to the budget indicate the taxpayer identification number and that the identification number be transferred via the bank-to bank system of settlement.

2. Provisions of paragraph 1 *mutatis mutandis* shall apply to payment and electronic money institutions.

Article amendments:

No. **XI-558**, 10/12/2009, *Official Gazette*, 2009, No. 153-6896 (28/12/2009)

No. **XI-1875**, 22/12/2011, *Official Gazette*, 2011, No. 163-7766 (31/12/2011)

Article 65. Other Obligations

Third persons shall discharge other obligations set out in this and other laws and subordinate legal acts, related to the performance of tax administrator's functions and the exercise of its rights.

CHAPTER V

CALCULATION, PAYMENT AND RECOVERY OF TAXES

SECTION I

CALCULATION OF TAXES

Article 66. Calculation and Re-Calculation of Taxes

1. The tax due shall be calculated by the taxpayer in compliance with tax legislation, save for the exemptions provided for in the relevant tax legislation. If the taxpayer notices that the tax has not been calculated correctly, he shall re-calculate it.

2. In cases where the taxpayer has failed to calculate the tax in accordance with the procedure laid down in the legal acts or has failed to re-calculate it after incorrect calculation, the tax due to be paid by the taxpayer shall be calculated by the tax administrator on the basis of tax returns, accounting and other documents submitted by the taxpayer or in any other special manner of calculating taxes as provided for in this Chapter.

3. For the purpose of this Law, unless the relevant articles provide otherwise, the concept of tax calculation shall also include the withholding of tax by the withholding agent.

4. Taxes and other tax related amounts shall be calculated in Euro. Unless otherwise specified in the laws or implementing legislation, each pecuniary obligation shall be rounded up according to the following principle: 49 cents and less shall be rounded down (discarded), while 50 cents and more – by rounding up to Euro.

Article paragraph amendments:

No. **XII-1137**, 23/09/2014, published in the RLA on 03/10/2014, ID code 2014-13606

Article amendments:

No. **X-1249**, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

Article 67. Substantiating the Correct Calculation of Taxes

1. The tax administrator must substantiate the tax and related amounts calculated in respect of the taxpayer.

2. Where the taxpayer disagrees with a specific tax and related amounts calculated by the tax administrator, he must substantiate the incorrect calculation thereof.

Article 68. Limitation Period for Calculating and Re-Calculating Taxes

1. Unless this article or the relevant tax law provides otherwise, the taxpayer or the tax administrator may calculate or re-calculate the tax in respect of a period not exceeding the current calendar year and five preceding calendar years counting back from January 1st of the year when the tax was started to be calculated or re-calculated.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

2. Where the tax administrator conducts a re-inspection in accordance with the procedure laid down in this Law, the provisions of paragraph 1 of this article shall not apply, but the tax administrator may not calculate the tax for a period exceeding the period in respect of which the tax was calculated in the course of the initial inspection.

3. If the taxpayer submits a tax return or a revised tax return when fewer than 90 days remain till the end of the period of tax calculation (re-calculation) stipulated in paragraph 1 of this article, the tax administrator may check if the tax declared in this tax return is calculated correctly and re-calculate it without taking into consideration the provisions of paragraph 1 of this article, if the tax administrator begins the inspection within 90 days as of the day of submitting this tax return.

A new paragraph added to the article:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

4. Tax calculation or re-calculation for a period longer than the one provided for in paragraph 1 shall be allowed only if during criminal proceedings it is necessary to determine the damage done to the state and the conviction limitation period stipulated in the Criminal Code is not over.

Change of article paragraph numbering:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

5. When customs duties are calculated, the provisions of this article shall apply in so far as they do not contravene the Community customs legislation.

Change of article paragraph numbering:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 69. Calculation of Tax based on the Precedence of Content over Form

1. In cases where a taxpayer's transaction, economic operation or any combination thereof is concluded with a view to gaining a tax benefit, i.e. to defer, directly or indirectly, the deadline for the payment of tax, reduce the payable amount of tax or fully avoid the payment of taxes, or increase the tax overpayment (tax difference) to be refunded (credited), or shorten the time limit for refunding the tax overpayment (tax difference), the tax administrator shall apply the content-over-form principle for the purpose of calculating the tax. In this case, the tax administrator shall not take account of the formal expression of the taxpayer's activity and shall recreate the distorted or hidden circumstances associated with taxation as provided for in tax laws and calculate the tax pursuant to the relevant provisions of the said tax laws.

2. In cases where the taxpayer makes a mistake when compiling the accounting documents and filing a tax return, and also in other cases where the taxpayer's activity does not comply with the formal requirements of legal acts, although the content of such activity corresponds to the circumstances associated with taxation as provided for in tax laws, the tax shall be calculated pursuant to the relevant provisions of the said tax laws.

Article 70. Calculation of Tax Based on Assessment by the Tax Administrator

1. In cases where the taxpayer fails to discharge or properly discharge his obligation to calculate taxes, co-operate with the tax administrator, keep accounts, safekeep the accounting and other documents, which precludes the tax administrator from determining the amount of the taxpayer's tax liability pursuant to the standard procedure, i.e. a procedure laid down in the relevant tax law, the tax administrator shall assess the amount of tax to be paid by the taxpayer, taking into account all of the circumstances relevant for the assessment, the information available and, if necessary, selecting the methods of assessment laid down by him that comply with the criteria of prudence and, in so far as objectively feasible, fairness in determining the amount of tax liability.

2. The central tax administrator shall, within its sphere of competence and after coordination with the Minister of Finance, establish a detailed procedure for implementing this article.

Article 71. Agreement on Tax Amount

1. The tax administrator and the taxpayer may conclude an agreement regarding taxes and related amounts, provided that for the purpose of calculating taxes neither of the parties has sufficient evidence to substantiate their calculations. After having signed such an agreement, the taxpayer shall lose the right to dispute the correctness of tax calculation and the tax administrator shall lose the right to calculate an amount larger than specified in the agreement. The aforementioned agreement may be signed in the course of a tax inspection or tax investigation as well as during all of the stages of the settlement of tax disputes.

2. The provisions of this article shall not apply to the administration of customs duties.

Article 72. Calculation of Tax Based on Documents of Other State Institutions

1. The tax administrator shall have the right to calculate taxes based on the acts and documents of other state institutions and agencies by drawing up an inspection report in accordance with the procedure laid down in this Law.

2. Taxes may be calculated in the manner set out in paragraph 1 of this article in cases where the institutions referred to in the aforementioned paragraph, within their spheres of competence prescribed by law, inspect the commercial, economic and financial activities carried on by persons and establish violations of tax laws but are not authorised to take any action in the framework of tax administration according to the procedure laid down in this Law. In this case, the tax administrator shall not be required to once again verify the correctness of the calculation, declaration and payment of taxes by the taxpayer.

3. In case of any doubt arising as to the substantiation and correctness of the calculations made by the institutions referred to in paragraph 1 of this article, the tax administrator shall have the right to request, specifying the reasons for disagreement, that the said institutions conduct a re-inspection or to verify in accordance with the procedure established by this Law whether the tax has been calculated, declared and paid correctly.

4. After having calculated taxes in accordance with the procedure laid down in this article, the tax administrator shall assume all responsibility for the correctness of such calculation.

SECTION II TAX RETURNS

Article 73. General Provisions

1. The taxpayer shall independently declare all the taxes to be paid, except for the cases explicitly stated in the relevant tax laws. It shall be presumed that the data indicated in tax returns are correct.

2. Unless the relevant tax law provides otherwise, a separate tax return shall be filed in respect of each tax to be paid by the taxpayer.

3. A tax return may have supplements. Such supplements shall form an integral part of the tax return.

Article 74. Form of Tax Return

Unless the tax law provides otherwise, the form of the relevant tax return as well as the procedure for completing and filing it shall be approved by the central tax administrator.

Article 75. Filing Tax Returns

1. Tax returns shall be filed in writing.
2. In the cases specified in this Law as well as in the cases and subject to the procedure set forth by the central tax administrator, tax returns may also be filed electronically.
3. The taxpayer shall have the right to choose the manner of filing a tax return.

Article 75. Methods of Filing Tax Returns (as of 01/10/2016 according to Law No. XII-2038 of 19 November 2015)

1. Tax returns shall be filed electronically according to the procedure established by the central tax administrator except cases stipulated in this article when the taxpayer shall have the right to choose to file a tax return in writing.
2. A tax return may be filed in writing in the following cases:
 - 1) when an annual tax return regarding personal income tax is filed;
 - 2) when it is impossible to file a tax return electronically because of objective reasons or if the electronic method of filing the tax return would lead to an obviously disproportionate administrative burden.
3. The submission of accounts, reports, data and other documents related to tax calculation and payment shall be *mutatis mutandis* governed by the provisions of this article regarding the filing of tax returns.

Article 76. Time Limits for Filing Tax Returns

1. Tax returns shall be submitted to the relevant tax administrator within the time limits laid down in the tax law.
2. The deadline for filing a tax return may be extended subject to the procedure and time limits set forth by the central tax administrator in the event of the death of the taxpayer (natural person) or the death of the owner of a legal person of unlimited civil liability as well as in other cases specified by the central tax administrator.
3. Where liability to tax is created in the course of time provided for filing a tax return, the taxpayer shall pay the tax within the time limit laid down in the tax law, notwithstanding that the deadline for filing the tax return has been extended.
4. In the event that the tax return filed by the taxpayer contained deficiencies that were eliminated in accordance with the procedure laid down in Chapter VII and (or) paragraph 2 of Article 80 of this Law, it shall be regarded as submitted on the day of filing the original tax return.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 77. Exempting Taxpayers from Filing Tax Returns and from Submission of other Documents Specified in Legal Acts

1. Where taxpayers are temporarily not engaged in economic activities and also where the tax administrator from third sources receives information prescribed by legal acts that has to be submitted to the tax administrator and in other cases where it is unfeasible to file tax returns and (or) submit other documents specified in legal acts, taxpayers may be temporarily exempted from filing tax returns and (or) from submission of other documents specified in legal acts. The central tax administrator shall set the procedure, time limits and cases for temporary exemption from filing tax returns and (or) from submission of other documents specified in legal acts.
2. Where liability to tax is created in the course of time provided for temporary exemption from filing tax returns, the taxpayer shall pay the tax within the time limit laid down in the tax law, notwithstanding the temporary exemption from filing tax returns.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 78. Filing Tax Returns by Legal Entities under Bankruptcy or Restructuring

Unless the relevant tax law provides otherwise, the taxpayer (legal person) shall, within 30 days after the initiation of its bankruptcy or restructuring procedure, submit to the tax administrator the relevant tax return for the period from the beginning of the tax period until the initiation of the said procedures (the submission of the tax return shall not exempt the taxpayer from the obligation to file a tax return covering all the tax period, provided that it ends before the said procedures are completed) and a tax return for the tax period that has ended before the initiation of the said procedures, if the deadline for filing this tax return has not yet ended according to the relevant tax law.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 79. Signature on Tax Returns

1. A tax return shall be signed by the taxpayer or his representative as well as other persons specified in the instructions for completing the relevant tax return.

2. A tax return filed in electronic format shall be affirmed by an electronic signature or in any other manner verifying the identity of the taxpayer who has filed the tax return.

Article 80. Adjustment of Tax Returns

1. A taxpayer shall have the right to adjust the tax return if the time limit for the calculation (re-calculation) of taxes laid down in Article 68 of this Law has not expired.

2. Having identified formal deficiencies in a tax return, the tax administrator shall have a right to eliminate them at his own initiative, provided the tax obligation of the taxpayer remains the same.

3. The procedure for adjusting tax returns shall be established by the central tax administrator.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

SECTION III TAX OBLIGATIONS

Article 81. Discharge of Tax Obligations

1. The taxpayer shall pay taxes within the time limit laid down in the relevant tax law or a subordinate legal act adopted on the basis of the said law.

2. The taxpayer shall pay the amounts of the additionally calculated taxes, penalties and late payment interest specified in the decision, wherein the tax and (or) related amounts are calculated anew and the taxpayer is instructed to pay them, within 20 days from the day of the receipt of the said decision, unless another time limit is laid down in a specific tax law or this article.

3. Arrears in payments deferred in accordance with the procedure laid down in this Law shall be discharged within the time limits set out in a tax instalment agreement.

4. The taxpayer shall pay the additionally calculated taxes and related amounts administered by the Customs within the time limits set for payment of the customs duties in the Community Customs Code. The procedure for the payment of taxes administered by the Customs (including the additionally calculated taxes) shall be established by the Government, unless the laws provide otherwise.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 82. Manner of Discharging Tax Obligations

A specific taxpayer shall be deemed to have discharged a tax obligation, provided that:

- 1) the tax and related amounts have been paid;
- 2) the taxpayer's arrears in payments have been taken over by a third person;
- 3) the tax overpayment (tax difference) has been credited against the taxpayer's arrears in payments.

Article 83. Payment of Taxes

1. Taxes and (or) related amounts shall be paid through a credit institution or any other provider of payment services. In the cases and subject to the procedure prescribed in the legal acts, taxes and (or) related amounts may be paid in cash through tax officer authorised to accept cash.

2. Taxes and related amounts shall be deemed to have been paid where a credit institution or any other provider of payment services credits the relevant payment transaction amount initiated by the taxpayer to the account of the tax administrator in accordance with the procedure established in the Law on Payments.

3. Taxes and related amounts may be paid by third persons on behalf of the taxpayer in accordance with the procedure established by the central tax administrator.

4. The concept of payment of taxes and related amounts used in this Law shall also include the payment of taxes and related amounts by the withholding agent.

Article amendments:

No. X-1297, 18/10/2007, Official Gazette, 2007, No. 114-4629 (08/11/2007)

No. XI-99, 22/12/2008, Official Gazette, 2008, No. 149-6023 (30/12/2008)

No. XI-558, 10/12/2009, Official Gazette, 2009, No. 153-6896 (28/12/2009)

No. XI-1160, 23/11/2010, Official Gazette, 2010, No. 145-7417 (11/12/2010)

Article 84. Crediting of Amounts Paid by the Taxpayer

1. Amounts paid by the taxpayer shall be credited in accordance with the payment code specified by the taxpayer in payment instructions. The procedure for assigning codes to the amounts paid shall be laid down by the Government, or an institution authorised by it. If the taxpayer does not specify against what the paid amount should be credited, it shall be credited in accordance with the procedure established by the central tax administrator.

2. As regards taxes administered by the Customs, the Government may establish another procedure for crediting the amounts paid.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 85. Allocation of Taxes

1. Taxes shall be allocated as prescribed in the Law on Budgeting and other relevant tax laws. Where the laws do not specify how taxes should be allocated, they shall be entered in the state budget.

2. Unless a specific tax law prescribes otherwise, the amounts of late payment interest, penalties, interest paid under a tax instalment agreement and late payment penalties on such interest shall be allocated in accordance with the same procedure as related taxes.

Article 86. Taking Over Arrears in Payments

The taxpayer's arrears in payments may be taken over by other persons in accordance with the procedure established by the Government or an institution authorised by it. Such persons shall be subject to all the provisions of tax laws regulating the payment and recovery of arrears in payments as applicable to the taxpayer.

Article 87. Crediting and Refunding Tax Overpayments

1. Tax amounts overpaid by the taxpayer shall be credited against the taxpayer's arrears in payments in accordance with the procedure established by the central tax administrator.

2. Repealed on 01/01/2016

Article paragraph removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

3. Excessive state social insurance contributions may not be credited against other tax arrears, while other tax overpayments may not be credited against state social insurance contributions.

4. The procedure for crediting the overpayment of taxes administered by the Customs against other tax arrears and the procedure for crediting other tax overpayments against the arrears in taxes administered by the Customs shall be established by the Minister of Finance.

5. Tax amounts overpaid by the taxpayer that remain after crediting such amounts against the arrears in payments shall be refunded at the request of the taxpayer. Where the taxpayer has debts to the state under loans granted from the funds borrowed on behalf of the state or under loans in respect of which a state guarantee has been provided to the creditors that were not repaid to the state on time, the tax amounts overpaid by the taxpayer that remain after crediting such amounts against the arrears in payments shall be used to cover the said debts in accordance with the procedure set forth by the Minister of Finance. The amount remaining after covering these debts shall be refunded at the request of the taxpayer.

6. The tax administrator shall have the right to verify, in accordance with the procedure and within the time limits laid down in this Law, whether or not the taxpayer's request to refund the tax overpayment is substantiated. Where the tax administrator establishes that additional documents are required for verification whether or not the taxpayer's request to refund the tax overpayment is substantiated, he shall, within 10 days from the day of receipt of the written request to refund the tax overpayment, request the taxpayer to submit the missing documents and set the deadline for their submission. Where a tax inspection is conducted in respect of refunding the tax overpayment, it shall be commenced within 5 days after the expiry of the time limits laid down in subparagraph 1 of paragraph 7 of this article.

7. Unless the relevant tax law provides otherwise, the tax administrator shall refund the tax overpayment to the taxpayer as follows:

1) the tax overpayment shall be refunded within 30 days from the date of receipt of a written request to refund the tax overpayment. In cases where the tax administrator requests the taxpayer to submit additional documents, the said time limit of 30 days shall be calculated starting from the next day following the day of the receipt of the requested documents. A personal income tax overpayment due to be refunded to the taxpayer on the basis of his annual income tax return shall be refunded at the request of the taxpayer not later than by July 31st of the respective year and, if the request is submitted after the deadline set for submitting the relevant annual tax return, not later than within 90 days from the date of receipt of the request to refund the tax overpayment. The time limits laid down in this subparagraph shall not apply in the event of circumstances referred to in subparagraph 2 of this paragraph;

2) in cases where a tax inspection is conducted with respect to refunding a tax overpayment or where issues related to the refunding of a tax overpayment constitute an integral part of the inspection conducted by the tax administrator in respect of the taxpayer, the tax overpayment shall be refunded not later than within 20 days after the tax administrator's decision, wherein the tax and (or) related amounts are calculated anew and the taxpayer is instructed to pay them, (or a certificate where no violations have been established) is communicated to the taxpayer.

8. Tax amounts and interest calculated for the benefit of the taxpayer shall be refunded to the taxpayer from the budgets whereto the respective tax amounts were paid (entered) or from the budgets that have taken over their rights or obligations. The said amounts shall be paid in the proportions used for tax allocation at the time of the refund.

9. If the tax administrator fails to refund the tax overpayment within the time limit laid down in paragraph 7 of this article, it shall calculate interest thereon for the benefit of the taxpayer until the tax overpayment is refunded. The amount of such interest shall be equal to the amount of late payment interest for delayed payment of tax.

10. If the taxpayer prefers to have the tax overpayment credited against taxes the time limit for the payment of which has not expired and also against taxes in the Customs subject to the procedure established by the Minister of Finance, he shall submit an appropriate request concerning the matter.

11. The procedure for submitting requests to refund or credit the tax overpayment and the forms of such requests shall be established by the central tax administrator. The central tax administrator shall have the right to establish a list of documents to be attached to the request and the cases for refunding a tax overpayment without a separate request.

12. Unless the relevant tax law provides otherwise, the overpayment of a tax related amount and the related tax difference shall be refunded (credited) in accordance with the same procedure as the tax overpayment.

13. Unless the relevant tax law provides otherwise, the tax overpayment may be refunded (credited), provided that it was accrued not earlier than during the current calendar year and five

preceding calendar years counting back from the date of crediting, where crediting is performed at the initiative of the tax administrator without a separate taxpayer's request, or, in the presence of the taxpayer's request – counting back from the date of submission of the request. Where, before the submission of the request, the taxpayer performs an action evidencing his knowledge about the existence of a tax overpayment and seeks to recover it, the said time limit shall be calculated starting on the day on which the action was performed. In such case, the taxpayer must provide evidence supporting the performance of the said action to the tax administrator along with the request to refund (credit) a tax overpayment. The said time limit shall not include the calendar year during which tax or judicial disputes were in process or mutual agreement procedures were applied under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC).

14. With regard to customs duty overpayments, the provisions of this article shall apply only in so far as they do not contravene the Community customs legislation.

15. Tax overpayment (tax difference) that cannot be refunded (credited) on the grounds referred to in paragraph 13 of this article shall be written off from the budget accounting documents.

Article amendments:

No. X-1249, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

No. XI-1159, 23/11/2010, *Official Gazette*, 2010, No. 145-7416 (11/12/2010)

Article 88. Deferral or Spread of Arrears in Payments

1. The local tax administrator may defer or spread the time limit for discharging arrears in payments in compliance with the procedure established by the Minister of Finance. The discharge of arrears in payments shall be deferred or spread by the decision of a local tax administrator. On the basis of such a decision, a tax instalment agreement shall be concluded between the taxpayer and the tax administrator.

2. The decision to defer or spread the discharge of arrears in payments may be made only where it is established that an immediate discharge would result in a critical financial position of the taxpayer or that the taxpayer would face major financial difficulties in discharging other financial obligations, while the deferral or spread of the discharge of arrears in payments would allow the taxpayer to stabilise his financial position and discharge arrears in payments later on.

3. (Repealed).

4. In the event of deferral or spread of the time limit for discharging arrears in payments, the taxpayer may be requested to secure the discharge of arrears in payments by mortgage, suretyship or guarantee in accordance with the procedure laid down in the Civil Code.

5. Interest shall be paid under a tax instalment agreement the amount of which shall be established by the Minister of Finance, taking into account the weighted average of the annual interest rate for the Treasury bills of the Republic of Lithuania, issued by auction during the previous calendar quarter. Where the taxpayer fails to make timely payments according to the schedule of payments approved by the tax instalment agreement, an increased amount of interest shall be calculated; where interest is not paid under a tax instalment agreement, late payment penalties shall be paid on such interest. Increased interest and late payment penalties on interest shall be calculated until the relevant amounts are paid (credited). The amount of increased interest and late payment penalties on interest shall be equal to the amount of late payment interest for delayed payment of tax.

Article paragraph amendments:

No. XII-1137, 23/09/2014, published in the RLA on 03/10/2014, ID code 2014-13606

6. On the grounds established in paragraph 1 of Article 100 of this Law, the taxpayer may be exempted from interest, increased interest, late payment penalties on interest or part thereof that have been calculated (are being calculated), but have not been paid (recovered). Provisions of Article 100 of this Law, which regulate the procedure of exemption from late payment penalties, shall apply *mutatis mutandis* to this exemption.

7. Where a taxpayer does not comply with the terms and conditions of the tax instalment agreement, it shall be terminated. In this case, the amount of interest paid under a tax instalment

agreement shall be recalculated, taking into account the actual amount of tax instalments used, while interest shall be calculated uninterruptedly on the remaining unpaid amounts in accordance with the procedure laid down in Article 96-98 of this Law. The tax instalment agreement shall also be terminated where bankruptcy proceedings are initiated against the taxpayer.

8. The provisions of this article shall not apply to personal income tax withholding agents, except where a request is made to extend the time limit for the payment of personal income tax and related amounts calculated additionally in the course of a tax inspection.

9. The provisions of this article shall apply to customs duties and related amounts in so far as they do not contravene the Community customs legislation.

Article amendments:

No. [XI-1159](#), 23/11/2010, *Official Gazette*, 2010, No. 145-7416 (11/12/2010)

No. [XI-2078](#), 19/06/2012, *Official Gazette*, 2012, No. 76-3927 (30/06/2012) (new paragraph 6 added)

Article 89. Invitation to Voluntary Discharge of Tax Liabilities

1. The tax administrator shall communicate to the taxpayer who fails to discharge tax obligations in due time a reminder to pay taxes and related amounts voluntarily in one of the following cases:

1) a decision on the taxpayer's appeal in a tax dispute comes into effect, i.e. after an appeal against the tax administrator's decision, wherein the tax and (or) related amounts is calculated anew and the taxpayer is instructed to pay it, the tax dispute settlement institution does not satisfy the taxpayer's appeal and the taxpayer does not appeal against such a decision within the prescribed time limit; or the decision of the tax dispute settlement institution, which does not satisfy the taxpayer's appeal, is final;

2) a negative decision is adopted in respect of the taxpayer's request to defer or spread the time limit for discharging arrears in payments;

3) a tax instalment agreement is terminated;

4) the taxpayer does not pay the tax that is not subject to declaration within the time limit established by the relevant tax law.

A new subparagraph added to the article:

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

2. *Repealed on 19/07/2007*

3. The tax administrator shall allow the taxpayer to pay the amounts specified in the reminder within 20 days from the date of its communication to the taxpayer, unless another time limit is laid down in the tax law.

Article amendments:

No. [X-1249](#), 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

Article 90. Procedure for Discharging Tax Obligations of Legal Persons under Liquidation

1. Arrears in payments of a legal person in liquidation shall be covered from its monetary funds and from the funds obtained after the sale of its assets, taking into account the priority of satisfying claims as established by law.

2. In cases where the assets of a legal person of unlimited liability in liquidation are not sufficient to cover its arrears in payments, the remaining portion of such arrears may be recovered from the assets of members of the said legal person, which are liable for its obligations in the cases and subject to the procedure prescribed by the laws of the Republic of Lithuania.

3. Where a legal person in liquidation fully discharges its tax obligations, any tax overpayment shall be refunded in accordance with the procedure laid down in Article 87 of this Law. Tax overpayments of a legal person of unlimited civil liability shall be refunded to its members after liquidation.

4. The State Tax Inspectorate shall notify the manager of the legal entities register about the settlements completed by legal persons in liquidation with the budget.

Article 91. Discharging Tax Obligations of Legal Persons under Reorganisation or Transformation

1. The tax obligations of a reorganised legal person shall be discharged by the successor to its rights and obligations. Members of the reorganised legal person, where they are liable for its obligations, shall also be held liable for discharging the tax obligations of the legal person in the cases and subject to the procedure prescribed by the Civil Code.

2. The successor to the rights and obligations of a reorganised legal person shall take over the obligation to cover all the unpaid taxes and related amounts thereof (including the amounts which become known after reorganisation).

3. In cases where a legal person under reorganisation has no arrears in payments, any tax overpayment of the reorganised legal person shall be refunded (credited) in respect of the successor to the rights and obligations thereof in accordance with the procedure laid down in Article 87 of this Law. This provision shall also apply in the event that tax overpayment becomes known after reorganisation.

4. The provisions of paragraphs 1 and 3 of this article shall also apply to public and private companies under division.

5. The tax obligations of a transformed legal person shall be discharged under a general procedure by the legal person operating after such transformation.

Article 92. Discharging Tax Obligations of Deceased Natural Persons

Arrears in payments of a deceased natural person shall be covered by the inheritors of his estate in accordance with the procedure laid down in the Civil Code.

Article 93. Cessation of Tax Obligations

1. A tax obligation shall cease where:

- 1) the tax obligation is discharged;
- 2) the tax administrator has enforced the recovery of the taxpayer's arrears in payments;
- 3) the tax administrator and the taxpayer reach an agreement in the cases prescribed by law;
- 4) the taxpayer is exempt from discharging tax obligations in the cases prescribed by law;
- 5) the debtor and the creditor are the same person;
- 6) a legal person has been liquidated, except for the cases prescribed by law where the obligation has to be discharged by other persons;
- 7) a natural person has died and it is not possible to cover the arrears in payments from his estate;
- 8) the period of limitation for the enforced recovery of arrears in payments has expired.

2. In addition to the cases specified in paragraph 1 of this article, any obligation with respect to the taxes administered by the Customs shall also cease where the goods are declared for customs clearance and:

- 1) the customs declaration is acknowledged as invalid;
- 2) the goods are detained before their release and, at the same time or later, seized, destroyed or transferred into the ownership of the State as instructed by the Customs, or destroyed or irreversibly lost for reasons attributable to their nature, fortuitous events or force majeure;
- 3) if the goods are detained during their illegal entry and, at the same time or later, seized.

3. Where the tax administrator transfers its claims to the manager of centrally managed state assets, arrears in payments shall be written off from the budget revenue accounts.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XII-795, 20/03/2014, published in the RLA on 03/04/2014, ID code 2014-04029

Article 94. Specific Features concerning the Discharge and Cessation of Tax Obligations of Companies under Restructuring and Bankruptcy

The laws of the Republic of Lithuania and subordinate legal acts adopted on their basis, which regulate company restructuring and bankruptcy proceedings, may prescribe special rules for discharging tax obligations, the manner of such a discharge and the grounds for the cessation thereof. In such cases, this Law shall apply in so far as the relevant issues are not regulated by the said laws.

SECTION IV ENFORCEMENT OF TAX OBLIGATIONS

Article 95. Ways of Enforcing Tax Obligations

1. There are the following ways of enforcing tax obligations:

- 1) late payment interest;
- 2) seizure of property;
- 3) instructions given to a credit, payment or electronic money institution to terminate the withdrawal and transfer of money from the taxpayer's account (accounts);
- 4) mortgage;
- 5) suretyship or guarantee, including cases where suretyship or guarantee is used to enforce a potential tax obligation.

2. The application of the methods of enforcing tax obligations as specified in subparagraphs 2-5 of paragraph 1 of this article shall not eliminate the taxpayer's obligation to pay late payment interest calculated by the tax administrator.

3. The tax administrator may also use other statutory methods of enforcing existing or potential tax obligations.

Article amendments:

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

Article 96. Late Payment Interest

1. Late payment interest shall be calculated in respect of the taxpayer:

- 1) for taxes declared by the taxpayer but not paid or not paid on time to the budget or for taxes calculated (including the tax calculated in the customs declaration) by the taxpayer (in the cases specified in the relevant tax law, by the tax administrator) but not subject to declaration;
- 2) for taxes subject to declaration but not declared and not paid or not paid on time as determined by the tax administrator in the course of a tax inspection or for non-calculated taxes not subject to declaration (including the tax which had to be calculated in the customs declaration);
- 3) for a tax overpayment refunded (credited) without due grounds at the request of the taxpayer (except for the cases where an undue tax overpayment is refunded (credited) in error by the tax administrator).

2. Unless the relevant tax law provides otherwise, this method of enforcing tax obligations shall not apply to budget-financed institutions and the Bank of Lithuania.

Article 97. Commencement of Calculating Late Payment Interest

1. In the case specified in subparagraph 1 of paragraph 1 of Article 96 of this Law, late payment interest shall be calculated beginning with the day after the day on which the tax had to be paid to the budget in compliance with the tax legislation in force at that time.

2. In the case specified in subparagraph 2 of paragraph 1 of Article 96 of this Law, late payment interest shall be calculated beginning with the day following the day on which the tax had to be paid to the budget in compliance with the tax legislation in force at that time until the day on which the inspection report was completed and, in the case of failure to pay the tax within the time limit laid down in paragraph 2 of Article 81 of this Law (in the case the tax is administered by the Customs – within the time limit laid down in paragraph 4 of Article 81 of this Law), late payment interest shall continue to be calculated from the day following the expiry of the said time limit.

3. In the case specified in subparagraph 3 of paragraph 1 of Article 96 of this Law, late payment interest shall be calculated beginning with the day on which the tax overpayment was refunded (credited).

4. The provisions of this article shall apply to late payment interest for unpaid customs duties in so far as they do not contravene the Community customs legislation.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 98. Time Period for Calculating Late Payment Interest

1. Late payment interest the calculation of which commenced subject to the procedure laid down in Article 97 of this Law shall be calculated every day until:

- 1) the day (inclusive) on which the tax was paid (refunded) to the budget or
- 2) the day on which the tax obligation ceases on grounds other than specified in Article 93 of this Law.

2. Late payment interest the calculation of which commenced subject to the procedure laid down in paragraphs 1 and 2 of Article 97 of this Law shall be calculated for a period not exceeding 180 days from the day on which the right to enforce the recovery of arrears in payments is created and, if the taxpayer fails to pay self-calculated taxes not subject to declaration (or, in the cases specified in the relevant tax law, calculated by the tax administrator) for a period not exceeding 180 days from the deadline for payment laid down in the relevant tax law. Where the enforced recovery of taxes is suspended in the case specified in paragraph 1 of Article 110 of this Law, late payment interest shall be calculated for the whole period of suspension if the taxpayer's appeal is rejected.

3. Legal acts providing for a shorter period for calculating late payment interest shall be applied to late payment interest the calculation whereof commenced after their entry into force. The calculation of late payment interest, which commenced before the said legal acts entered into force, shall continue for a period not exceeding that prescribed by these legal acts. In the event that late payment interest was calculated before the said legal acts entered into force for a period exceeding that prescribed by these legal acts, the calculation of late payment interest shall be terminated.

4. The provisions of paragraphs 2 and 3 of this article shall not apply for the purpose of calculating late payment interest for unpaid customs duties.

Article 99. Amount of Late Payment Interest

The amount of late payment interest and the procedure of its calculation shall be established by the Minister of Finance, taking into account the weighted average of the annual interest rate for the Treasury bills of the Republic of Lithuania, issued by auction during the previous calendar quarter. The amount of late payment interest shall be established by increasing the said interest rate by 10 percentage points.

Article amendments:

No. XII-1137, 23/09/2014, published in the RLA on 03/10/2014, ID code 2014-13606

Article 100. Exemption from Late Payment Interest

1. The taxpayer may be exempt from late payment interest, calculated (being calculated) but not paid (recovered), or a part thereof, provided that:

- 1) (repealed on 19/07/2007);
- 2) there is a basis provided for in paragraph 1 of Article 141 of this Law;
- 3) in cases where it is not feasible to recover late payment interest in economic and (or) social terms within the meaning of subparagraph 3 of paragraph 1 of Article 113 of this Law. The said basis for exemption may be applied only in respect of those taxpayers who are natural persons.

2. Exemption from late payment interest may be granted by the tax administrator or, in the event of a tax dispute, by a tax dispute settlement institution. Where the adoption of a decision falls within the competence of the tax administrator, the procedure of exemption from late payment interest shall be established by the central tax administrator.

3. A refusal to grant exemption from late payment interest may be appealed against by the taxpayer in accordance with the procedure laid down in Chapter IX of this Law.

4. For the purpose of adopting decisions to exempt from or not to impose late payment interest in respect of unpaid customs duties, the provisions of this article shall apply in so far as they do not contravene the Community customs legislation.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 101. Seizure of Property

1. Seizure of property shall mean a compulsory temporary restriction, subject to the procedure and conditions set out in this and other laws, of the taxpayer's rights of ownership with respect to his property or of separate constituent parts of such rights, in particular the management, use and disposal of property, in order to enforce a tax obligation.

2. The seizure of property shall be limited to securing, actually and fully, the recovery of arrears in payments and covering the expenses relating to such seizure and recovery.

3. A taxpayer's property may be seized where the taxpayer has failed to pay taxes and related amounts in accordance with the procedure laid down in the tax law or where, after the tax administrator has adopted a decision, wherein the tax and (or) related amounts are calculated anew and the taxpayer is instructed to pay them, there are sufficient grounds for believing that the taxpayer may conceal, sell or otherwise dispose of his property and, as a consequence, it may be difficult or impossible to recover taxes and related amounts. If during a tax dispute, a decision is made to revoke the decision of the tax administrator and to assign the tax administrator to conduct a re-inspection and to make a new decision, the seizure of property shall remain valid.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

4. A taxpayer's property may also be seized where violations of tax laws are established in the course of an investigation into whether the tax was calculated and paid correctly or in the course of carrying out an instruction to provide an expert's opinion and where there are reasonable grounds for believing that the taxpayer may conceal, sell or otherwise dispose of his property and as a consequence it may be difficult or impossible to recover taxes and related amounts. In this case, only that property may be seized which is registered in the relevant property register; a tax overpayment (tax difference) due to be refunded to the taxpayer may also be seized.

5. The tax administrator shall appraise the property to be seized at market prices. Where the taxpayer disagrees with such an appraisal, he shall be entitled to appeal against it in accordance with the procedure laid down in the laws.

6. The rules laid down in paragraphs 1, 2, 4 and 5 of Article 675, Articles 677, 678, 679, 680, 683, 684, paragraphs 1 and 2 of Article 686, and Article 688 of Chapter XLVIII of the Code of Civil Procedure shall apply *mutatis mutandis* to the seizure of property carried out by the tax administrator. In this case, a tax officer shall have the same rights and duties in respect of the taxpayer and third persons as the bailiff who seizes property in accordance with the procedure laid down in the Code.

Article 102. Instructing Credit, Payment and Electronic Money Institutions to Terminate the Withdrawal and Transfer of Money from the Taxpayer's Account (Accounts)

1. The tax administrator shall have the right to instruct credit institutions to terminate the withdrawal and transfer of money from the taxpayer's account (accounts) if the taxpayer does not allow to inspect whether the taxes have been calculated and paid correctly or if a decision has been adopted in respect of the taxpayer to write off arrears in payments from a person's account (accounts) with a credit, payment and (or) electronic money institution.

2. If the tax administrator gives the instruction stipulated in paragraph 1 of this article or in Article 63 of this Law and specifies that the person is allowed to carry out certain operations in the account (accounts), a specific sum of funds must be specified that may be used for payments over the course of one calendar month.

Article amendments:

No. XI-558, 10/12/2009, Official Gazette, 2009, No. 153-6896 (28/12/2009)

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

Article amendments:

No. XII-1454, 16/12/2014, published in the RLA on 31/12/2014, ID code 2014-21202

Article 103. Mortgage

1. With a view to enforcing a tax obligation, the tax administrator shall have the right:

1) to make a decision regarding the registration of compulsory mortgage of the taxpayer's property;

2) to conclude a mortgage agreement with the taxpayer.

2. In cases stipulated in subparagraph 1 of paragraph 1 of this article the tax administrator shall submit the data regarding the registration, alteration or termination of compulsory mortgage immediately, within 24 hours, to the Mortgage Office and the compulsory mortgage shall be registered in the Mortgage Office according to the procedure stipulated in the Mortgage Office Regulations.

Article amendments:

No. XI-1849, 22/12/2011, Official Gazette, 2012, No. 6-185 (10/01/2012)

Article 104. Request for Suretyship or Guarantee

1. In the cases set forth by the Government of the Republic of Lithuania, or an institution authorised by it, where it is required for the fulfilment of proper discharge of tax obligations (including the substantiation of crediting and refunding of a tax overpayment (tax difference)), the tax administrator shall have the right to request the taxpayer to submit suretyship or guarantee documents under which a guarantor undertakes to discharge the tax obligations of the taxpayer if he fails to discharge them within the time limits set forth in the relevant tax laws.

2. A guarantor may be a person of the Republic of Lithuania registered with the central tax administrator in accordance with the procedure established by the latter, including a bank, an insurance undertaking or any other third person, and also any other third person established in the Community as complying with the criteria set forth by the Government or an institution authorised by it.

3. Unless the relevant tax law provides otherwise, the procedure for calculating and adjusting the amount of suretyship or guarantee and for accepting and using suretyship or guarantee documents specified in this article shall be established by the Government, or an institution authorised by it.

4. The central tax administrator may establish the forms of documents to be issued by guarantors.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 104¹. Determining the Tax Obligation if the Taxpayer did not File a Tax Return

Changed article name:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

1. The tax administrator, in order to ensure that the tax obligation not subject to declaration is discharged, shall have the right in accordance with the procedure established by the central tax administrator to make a decision to set a tax obligation for the taxpayer if the taxpayer according to the procedure laid down in the relevant tax law fails to file a tax return regarding a particular tax. The amount of the tax obligation shall be determined on the basis of the data of previous tax returns regarding the aforementioned tax that were filed by the taxpayer and (or) other information that the taxpayer and third persons submitted to the tax administrator as per the procedure laid down in this Law and other tax laws.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

2. The tax obligation set by the tax administrator according to the procedure laid down in paragraph 1 of this article shall be regulated by the rules for discharging the tax obligation declared by the taxpayer and it shall be considered that this tax obligation was declared on the last day of the period for filing tax returns stipulated in the tax law.

3. The provisions of this article shall not eliminate the taxpayer's obligation to calculate the tax and to file a tax return according to the procedure laid down in the tax law. If after the end of the period for filing tax returns the taxpayer files a tax return, the tax obligation determined by the tax administrator shall be adjusted according to the data of the filed tax return.

4. The provisions of this article shall not restrict the right of the tax administrator to carry out a tax inspection with regard to the tax period for which the tax administrator set a tax

obligation for the taxpayer and to calculate (re-calculate) according to the procedure stipulated in this Law the tax due to be paid by the taxpayer.

5. Appeals regarding the decision of the tax administrator to set a tax obligation for the taxpayer as per the procedure laid down in this article shall be examined in accordance with article 146 of this Law.

A new article added:

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

Article 104². Instructing the Taxpayer to Use Non-cash Means of Payment

1. The tax administrator, in order to ensure that the tax obligation that may be concealed by making cash payments is discharged, shall have the right to instruct the taxpayer to temporarily (for up to one year) settle accounts (pay or receive money) with legal persons and natural persons engaging in economic commercial activity by using only non-cash means of payment (hereinafter referred to in this article as the instruction to use non-cash means of payment). The instruction to use non-cash means of payment may be given only to legal persons and natural persons engaging in economic commercial activity.

2. The instruction to use non-cash means of payment may be given if the taxpayer or the director or a person authorised by the director of the taxpayer that is a legal person, who acted in the interest of that legal person or for its benefit, were convicted or an administrative penalty was imposed on them because of fraudulent or negligent keeping of accounts, laundering and (or) realisation of the proceeds from crime, undeclared work, violations of salary payment procedure, infringement of the rules of bookkeeping of funds and assets, submission of inaccurate data about revenues, profits or assets and the conviction has not been cancelled and remains valid, or less than a year elapsed from the day when the implementation of the administrative penalty expires, and where the tax administrator carries out the enforced recovery of the taxpayer's arrears in payments.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

3. The instruction to use non-cash means of payment may also be given if violations of tax laws are established during an investigation into whether the tax was calculated and paid correctly, during a tax inspection and in the course of carrying out an instruction to provide an expert's opinion, and there are reasonable grounds for believing that the taxpayer may conceal revenues or otherwise evade taxes by paying cash.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

4. If it is impossible to follow the instruction to use non-cash means of payment because of objective reasons, the taxpayer shall immediately inform the tax administrator about this, point out specific cases of paying cash, and provide substantiating evidence.

A new article added:

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

SECTION V ENFORCED RECOVERY OF ARREARS IN PAYMENTS

Article 105. Tax Administrator's Right to Enforce the Recovery of Arrears in Payments

1. The tax administrator shall acquire the right to enforce the recovery of the taxpayer's arrears in payments based on at least one of the following grounds:

1) the taxpayer fails to pay the tax and related amounts specified in the reminder of payment issued by the tax administrator;

2) the taxpayer fails to pay the declared tax or a tax indicated in the customs declaration within the time limit laid down in the relevant tax law or a subordinate legal act adopted on the basis thereof;

3) the taxpayer fails to pay the tax and related amounts specified in the tax administrator's decision, wherein the tax and (or) related amounts are calculated anew and the taxpayer is

instructed to pay them, within the time limit laid down in paragraphs 2 and 4 of Article 81 of this Law.

2. The right to recover arrears in payments shall be acquired on the next day after the expiry of the time limit specified in the reminder to pay taxes and related amounts voluntarily and, if the reminder of payment is not sent, within 20 days after the expiry of the time limit laid down in subparagraphs 2 and 3 of paragraph 1 of this article. In cases where after the expiry of the time limit for the payment of tax, the taxpayer files a delayed tax return late or files an adjusted tax return, the tax administrator shall acquire the right to recover the tax specified in the adjusted tax return and related late payment interest on the next day after the submission of said tax return.

3. The tax administrator shall acquire the right to enforce the recovery of the penalty for an administrative offence that was not paid on time on the next day after the period of time for paying the penalty specified in article 313 of the Code of Administrative Offences expires. If the payment of the fine for an administrative offence was deferred or spread according to the procedure stipulated in this Law or in the Code of Administrative Offences, the tax administrator shall acquire the right to enforce the recovery of the fine for the administrative offence that was not paid on time on the next day after the tax instalment agreement is terminated or the period for paying, deferral or spread of the fine for the administrative offence expires.

4. The provisions of this article shall apply to arrears in the payment of customs duties and related amounts in so far as they do not contravene the Community customs legislation.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XI-2078, 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

Article 106. Methods of Enforced Recovery of Arrears in Payments

1. The recovery of arrears in payments may be enforced as follows:

1) by instructing a credit, payment and (or) electronic money institution to write off the amounts of arrears from a person's account (accounts). Such an instruction shall be carried out subject to the procedure laid down in Article 63;

Article subparagraph amendments:

No. XII-1454, 16/12/2014, published in the RLA on 31/12/2014, ID code 2014-21202

2) by filing a request with the guarantor to discharge the taxpayer's obligations and pay his arrears (where the discharge of tax obligations is ensured by a suretyship or guarantee);

3) by instructing a credit, payment and (or) electronic money institution to write off the amounts of arrears from the guarantor's account in the event that the guarantor fails to fulfil the requirements laid down in subparagraph 2 of this article. Such an instruction shall be carried out subject to the procedure laid down in Article 63;

Article subparagraph amendments:

No. XII-1454, 16/12/2014, published in the RLA on 31/12/2014, ID code 2014-21202

4) by adopting a decision to enforce the recovery of arrears from the assets of the taxpayer or guarantor. This decision shall be enforced by bailiffs in accordance with the procedure laid down in the Code of Civil Procedure;

5) by adopting a decision to enforce the recovery of arrears ensured by compulsory mortgage from collateral. This decision shall be a writ of execution enforced according to the procedure laid down in the Code of Civil Procedure.

2. Resolutions to impose compulsory fines in accordance with the Code of Administrative Offences on a person's property and (or) funds (including monetary funds in the person's accounts located in credit, payment, and electronic money institutions) shall be carried out by bailiffs according to the decision of the tax administrator regarding enforced recovery of the fine according to the procedure stipulated in the Code of Civil Procedure. If a bailiff, during the enforced recovery of a fine for an administrative offence, within one year from receiving the decision of the tax administrator on the enforced recovery of the fine does not identify the person's property and (or) funds for the enforced recovery of the fine, the bailiff shall return the decision of the tax administrator on the enforced recovery of the fine with a mark that recovery is impossible to the tax administrator.

3. The provisions of paragraph 1 of this article shall also apply where the tax administrator enforces recovery for the benefit of another state as specified in the laws or international treaties.

4. The tax administrator may transfer the right of recovery to another state as specified in the laws or international treaties.

5. The priority of the recovery measures referred to in paragraph 1 of this article as well as the procedure and the grounds for their termination may be set out in other legal acts regulating the activities of the tax administrator.

Article amendments:

No. XI-1875, 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)

No. XI-1849, 22/12/2011, Official Gazette, 2012, No. 6-185 (10/01/2012)

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

Article 107. Limitation Period for Enforced Recovery of Arrears in Payments

1. The period of limitation for the enforced recovery of arrears in taxes and related amounts shall be five years.

2. The period of limitation for the enforced recovery of tax arrears shall be calculated beginning with the day on which the right to enforce the recovery of tax arrears is created.

3. Upon the expiry of the period of limitation for the enforced recovery of tax arrears, the period of limitation for the recovery of related amounts shall also expire.

4. Upon the expiry of the period of limitation for the enforced recovery of arrears in payments, the tax administrator shall have no right to take any action of recovery or to credit, without the taxpayer's request or consent, the tax overpayment (tax difference) against the arrears in payments in respect of which the period of limitation for enforced recovery has expired.

5. Where an enforcement procedure is initiated in the manner provided for in Article 106 of this Law, it shall be completed, notwithstanding that the period of limitation for the enforced recovery of arrears in payments has expired in the course of such procedure. In the event of failure to fully or partially recover the arrears in payments in specified cases, the enforcement procedure may be re-initiated only where the period of limitation for the enforced recovery of arrears in payments has not expired.

6. The period of limitation for the enforced recovery of fines for administrative offences shall be specified in the Code of Administrative Offences.

Article amendments:

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

Article 108. Grounds for Terminating the Limitation Period for Enforced Recovery of Arrears in Payments

1. The limitation period for the enforced recovery of arrears in payments shall terminate in the following cases:

1) the enforced recovery of arrears in payments is suspended on the grounds specified in paragraph 1 of Article 110 of this Law;

2) the enforced recovery of arrears in payments is suspended on the grounds specified in paragraph 2 of Article 110 of this Law;

3) a decision is adopted to suspend or not to enforce the recovery of arrears in payments pursuant to mutual agreement procedures under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC);

4) the recovery of arrears in payments is suspended in the cases and in accordance with the procedure set forth in other laws and legal acts.

2. After the termination of the period for limitation for recovery, the limitation period for enforced recovery shall begin anew:

1) in the case specified in subparagraph 1 of paragraph 1 of this article, from the day on which a decision on the taxpayer's appeal in a tax dispute comes into effect, i.e. after an appeal against the tax administrator's decision, wherein the tax and (or) related amounts is calculated anew and the taxpayer is instructed to pay it, is filed, the tax dispute settlement institution does not satisfy the taxpayer's appeal and the taxpayer does not appeal against such a decision within the

prescribed time limit; or the decision of the tax dispute settlement institution, which does not satisfy the taxpayer's appeal, is final;

2) in the case specified in subparagraph 2 of paragraph 1 of this article, from the day on which the tax instalment agreement is terminated;

3) in the case specified in subparagraph 3 of paragraph 1 of this article, from the day on which a mutual agreement procedure is completed;

4) in the case specified in subparagraph 4 of paragraph 1 of this article, from the day when the enforced recovery of arrears in payments may be resumed in accordance with other laws or legal acts.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 109. Crediting and Allocating the Amounts of Arrears in Payments Recovered through Enforcement

The amounts of arrears in payments recovered through enforcement shall be credited and allocated in accordance with the procedure laid down in Articles 84 and 85 of this Law.

Article 110. Suspension of Enforced Recovery of Arrears in Payments

1. Unless a specific tax law provides otherwise, the submission of an appeal in the event of a tax dispute shall suspend the enforced recovery of disputed taxes, penalties and late payment interest as well as the crediting of the taxpayer's tax overpayment (tax difference) against the said amounts (except for cases where the crediting is done at the taxpayer's request), however it shall not qualify as an obstacle for applying the methods of enforcing tax obligations provided for in Article 95 or as the grounds for their elimination.

2. The conclusion of a tax instalment agreement shall suspend the enforced recovery of taxes and related amounts where the time limit for their payment is deferred.

3. The tax administrator, acting in compliance with the criteria of prudence and economic feasibility, shall have the right at its own initiative not to initiate or to suspend the enforcement proceedings.

Article 111. Refunding of Amounts Recovered without Due Grounds through Enforcement

Where it transpires that the tax administrator has recovered the tax and related amounts without due grounds, such amounts shall be refunded without delay in accordance with the procedure laid down in Article 87 of this Law but not later than within five working days from the date of receipt of an appropriate statement by the taxpayer. If the amounts recovered without due grounds are not refunded on time, interest shall be calculated for the benefit of the taxpayer in accordance with the procedure laid down in Article 87 of this Law, unless a specific tax law provides otherwise.

Article 112. Cessation of the Right to Enforce the Recovery of Arrears in Payments

The tax administrator's right to enforce the recovery of arrears in payments shall cease where:

- 1) the tax obligation ceases;
- 2) the period of limitation for the enforced recovery of arrears in payments expires.

Article 113. Bad Arrears

1. Unless a specific tax law provides otherwise, the taxpayer's arrears in payments shall be acknowledged as bad where it is impossible to recover such arrears due to objective reasons or where it is unfeasible in social and (or) economic terms to enforce their recovery for the following reasons:

- 1) no property of the taxpayer is identified or the property identified is non-liquid (of small liquidity);
- 2) enforcement expenses exceed the arrears in payments;
- 3) it is unfeasible to enforce the recovery of arrears due to difficulties in the economic (social) position of a natural person: the natural person needs state support (he has reached

retirement age, he is disabled, he requires medical treatment, preventive medical care and rehabilitation, he is unemployed, he received social benefits) or such support is already provided to him. Such grounds for the acknowledgement of arrears as bad shall be applied to only those taxpayers who are natural persons or where there are difficulties in the economic (social) position of the owners of individual (personal) enterprises or members of partnerships;

2. If during enforced recovery no property and (or) funds of a person are identified for recovering the fine for an administrative offence, the unrecovered fine or part thereof shall be recognised as bad when the bailiff returns to the tax administrator the decision of the tax administrator regarding enforced recovery with a mark that recovery is impossible.

3. The arrears acknowledged as bad on the grounds specified in subparagraphs 1, 2, and 3 of paragraph 1 of this article and the fine for an administrative offence or part thereof acknowledged as bad on the grounds specified in paragraph 2 of this article shall not be treated on a priority basis in respect of enforced recovery and shall not be taken into account for the purpose of planning the budget revenue. Where established that it is possible and feasible to enforce the recovery of the arrears and the unrecovered fine specified in this paragraph, such recovery shall be enforced.

4. The procedure for the acknowledgement of arrears as bad, the procedure for the auditing and accounting of bad arrears and the methods of calculating the expenses relating to the enforced recovery of arrears in payments shall be established by the central tax administrator, after coordination with the Minister of Finance.

5. An unpaid fine or part thereof may be re-submitted to the bailiff for enforced recovery without applying the period of six months for transferring the fine for enforced recovery when the conditions of acknowledging the fine as bad change – property or income that may be used for recovery are identified.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XII-602, 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)

CHAPTER VI TAX INSPECTION

Article 114. Right of the Tax Administrator to Select Taxpayers for Inspection

The tax administrator shall be independent in its selection of taxpayers for inspection and shall establish the scope and time of the inspection thereof.

Article 115. Types of Tax Inspection

The types of tax inspection shall be as follows:

1) comprehensive inspection, i.e. the inspection of the discharge of tax obligations which includes the verification of correct calculation, declaration and payment of all taxes paid by the taxpayer over a certain period of time and administered by the respective tax administrator;

2) topical inspection, i.e. the inspection of the discharge of tax obligations which includes the verification of correct calculation, declaration and payment of a specific tax (taxes) paid by the taxpayer and administered by the relevant tax administrator over a certain period of time;

3) operational inspection, i.e. the inspection of the performance of specific obligations by a taxpayer in the fields of accounting, tax declaration, tax payment, registration as a taxpayer, etc. Operational inspection shall be conducted in compliance of this Law, the Code of Administrative Offences and other laws.

Article 116. Place of Tax Inspection

A tax inspection may be conducted at the tax administrator's office and (or) at the taxpayer's location.

Article 117. Frequency of Tax Inspections

1. A comprehensive inspection may be conducted not more than once per year.

2. A topical inspection may be conducted not more than once per six months.
3. The limitations laid down in paragraphs 1 and 2 of this article shall not apply in the following cases:
 - 1) where a legal person is liquidated or reorganised (subject to bankruptcy or restructuring proceedings);
 - 2) where a taxpayer ceases to be registered as a VAT payer;
 - 3) where a taxpayer submits a request to refund (credit) a tax overpayment (tax difference);
 - 4) in the event of an operational inspection;
 - 5) where a re-inspection is conducted in accordance with the procedure laid down in this Law;
 - 6) where a taxpayer requests a certificate on settlement with the budget;
 - 7) where an inspection of the taxpayer is conducted on the instructions of a competent state institution or agency or at the request of a foreign state tax administration (competent authority);
 - 8) where a joint inspection is conducted together with other state institutions and agencies as well as foreign state tax administrations (competent authorities);
 - 9) when conducting an inspection in the cases laid down in Article 72 of this Law.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 118. Limitations on Re-inspection

1. The tax administrator shall have no right to re-inspect a taxpayer regarding the same tax for the same tax period where a decision, wherein the tax and (or) related amounts is calculated anew and the taxpayer is instructed to pay it, adopted by the tax administrator or the inspection results were approved by a certificate of inspection. This provision shall not apply:

- 1) in the event of an operational inspection;
- 2) where an inspection of the taxpayer is conducted at the request of a foreign state tax administration (competent authority) or where a joint inspection is conducted together with the said institution; for the purpose of conducting a tax inspection in respect of the application of mutual agreement procedures under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC);
- 3) in other cases provided for in this Law;
- 4) where new circumstances emerge which were unknown and could not be known to the tax administrator and which may have affected the results of the previous inspection. In this case a prior permission shall be obtained from the central tax administrator to conduct a re-inspection. A requirement to have an authorisation to conduct reinvestigation shall not apply in the cases where it becomes known during the reinvestigation that the calculation (recalculation) of one of several taxes affects the calculation (recalculation) of another tax for the relevant tax period.

2. The exceptions provided for in paragraph 1 of this article shall not apply where a period of more than ten years has passed from the day on which the initial inspection was completed (if an appeal against the decision, wherein the tax and (or) related amounts is calculated anew and the taxpayer is instructed to pay it, was filed, from the day on which the final decision was adopted in the tax dispute).

3. A re-inspection shall be conducted only in so far as determined by the relevant instructions and (or) only to the extent related to the cases specified in paragraph 1 of this article.

4. In the event of an inspection of a taxpayer's specific unit or location of activities, limitations on re-inspection shall apply only in respect of that part of the tax payable by the taxpayer that has already been inspected.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 119. Limitations on Tax Inspection at the Taxpayer's Location

1. A tax inspection at the taxpayer's location may not exceed 90 days, except for the cases provided for in this article or the relevant tax law.

2. An additional period of 30 days shall be provided to inspect each branch or representation of a taxpayer with structural units (branches or representations).

3. Taking into account the complexity of inspection, the nature and scope of the activity under inspection, the time limits laid down in paragraphs 1 and 2 of this article may be extended by the decision of the central tax administrator for a period not exceeding another 180 days and (or) 30 days respectively.

4. The number of days specified in this article shall mean the actual number of days of site visitation by a tax officer. At the request of a taxpayer, the tax officer must sign in the taxpayer's register or any other document recording the arrival and departure of the inspecting officer.

5. Where a re-inspection is conducted in the cases provided for in this Law, the time limits laid down in this article shall be calculated anew in accordance with the procedure laid down in this article.

6. The tax inspection conducted at the tax administrator's office shall not be limited in its duration, but the tax administrator must complete it within the shortest objectively possible period of time.

Article 120. Issue of Instructions to Conduct a Tax Inspection

1. The tax inspection shall commence with the issue of the relevant instructions. Such instructions must include the following information:

- 1) full names and positions of inspecting officers;
- 2) the name of the taxpayer to be inspected (where a natural person is inspected, full name of the latter);
- 3) the object of inspection;
- 4) the dates of commencement and completion of the inspection.

2. Instructions to conduct an operational inspection may include only the following information:

- 1) full names and positions of inspecting officers;
- 2) location (the requisites of the taxpayer may be included);
- 3) the actual dates of inspection;

3. The legal acts abided by the tax administrator when conducting a tax inspection may also provide for other mandatory requisites to be included in the instructions to conduct inspection.

4. Before the actual inspection is commenced, a copy of the instructions issued to conduct a tax inspection shall be given to the taxpayer. This provision shall not apply to operational inspections; however even in this case the relevant instructions must be communicated to the taxpayer for familiarisation.

Article 121. Notice of Tax Inspection

1. Prior to the tax inspection, the tax administrator shall give notice to the taxpayer, specifying the date and time set for the taxpayer's (his representative's) visit to the tax administrator or for his presence at site if the inspection is conducted at the taxpayer's location. The notice shall specify the object of the inspection and include a preliminary list of documents and other data necessary for the inspection. Such documents and data shall be provided (prepared) on the day of arrival of the taxpayer (his representative) or the tax officer respectively. In either case, a period of not less than ten days shall elapse between the day on which the notice is given to the taxpayer and the day on which documents and other data are provided (prepared). A shorter period of time may be established at the taxpayer's request or with his consent.

2. Paragraph 1 of this article shall not apply with respect to operational inspections.

3. The tax administrator shall have the right to commence the inspection without prior notice in cases where there are reasonable grounds for believing that the taxpayer may conceal or destroy the documents relevant for inspection or where there are other circumstances making the inspection impossible or particularly difficult.

Article 122. Access to the Taxpayer's Premises

1. If the tax administrator notifies about the issue of instructions to conduct a tax inspection and if the instructions issued specify the date of arrival of the tax officer, such an officer shall have the right, after having presented his official identification documents and instructions to

conduct inspection, in the course of inspection to have unrestricted access to the taxpayer's premises and territory (including those rented or lent for use) as well as to the taxpayer's private premises and territory, if any activity is carried on therein, during the taxpayer's working hours. The tax officer shall have the right of access to the residential premises of a natural person only with his consent, unless the laws provide otherwise.

2. Unless the laws provide otherwise, the tax administrator shall have the right of access to the taxpayer's premises referred to in paragraph 1 of this article without prior notice, except for the residential premises of a natural person, in the event of an operational inspection. In this case, the tax officer shall also have the right of access to the taxpayer's premises outside working hours if there are reasonable grounds for believing that the law is being violated.

3. The taxpayer shall have the right to deny the tax officer access to the premises referred to in paragraph 1 of this article in the following cases:

1) the taxpayer was not given notice about the issue of instructions to conduct a tax inspection (except in cases where inspection may be conducted without notice);

2) no instructions to conduct a tax inspection have been presented to the taxpayer;

3) the instructions issued to conduct a tax inspection do not specify the names of those tax officers who want to gain access to the premises or such officers do not present their official identification documents;

4) the time limits laid down in the instructions to conduct inspection have not commenced or have expired.

Article 123. Objects of Inspection

A tax officer shall have the right to inspect the taxpayer's accounting, transaction and other documents, registers, computer accounting systems and their data, material and technical resources, equipment, finished goods and other objects used in the taxpayer's activity in so far as this is related to the verification of correct calculation, declaration and payment of taxes, and also to the inspection of the discharge of specific obligations by the taxpayer.

Article 124. Taking of Documents

1. Where a tax inspection is conducted at the tax administrator's office, the tax officer shall have the right to take the taxpayer's accounting and other documents for a period not exceeding thirty days.

2. A tax officer shall have the right to take the taxpayer's accounting and other documents for a period exceeding that specified in paragraph 1 and keep them until the inspection is completed in the following cases:

1) the taxpayer avoids submitting documentation or in any other way precludes the tax officer from conducting the inspection or there are reasonable grounds for believing that the documents will not be preserved;

2) two or more accounting systems are used and their data differ;

3) two or more returns in respect of the same tax for the inspection period have not been filed;

4) the seals affixed by the tax administrator to document storage places are damaged or removed;

5) other laws provide for such a possibility.

3. The taking of documents shall be documented in a statement of document seizure.

4. At the taxpayer's request, the tax officer shall allow the taxpayer to make copies of the documents to be taken. The taxpayer shall have the right to request the tax officer to attest the validity of document copies by a special marking.

Article 125. Taking of Items

1. A tax officer shall have the right to take samples and specimens of items, goods or products that belong to the taxpayer where this is necessary for the performance of the tax administrator's functions. These actions shall be documented in accordance with the procedure laid down in the Code of Administrative Offences or, if the Code does regulate such matters, in accordance with the procedure established by the central tax administrator.

2. Samples of items, goods and products shall be returned if they are not consumed. The value of consumed samples of items, goods and products shall be compensated to the taxpayer subject to the procedure and cases set out in legal acts.

Article 126. Cooperation with the Taxpayer in the Course of Tax Inspection

1. The taxpayer shall create the required conditions for a tax officer to conduct a tax inspection.

2. The taxpayer shall provide all documents and computer accounting data necessary to verify the correct calculation, declaration and payment of taxes. Where the taxpayer has not preserved the required documents, the tax administrator shall allow the taxpayer to reproduce them within a period not less than 15 days.

3. The taxpayer shall have the right in the course of a tax inspection and the approval of its results to submit comments and statements concerning the object of inspection and other circumstances related to the inspection. Written comments, statements and documentary evidence submitted by the taxpayer shall be attached to the inspection report and a relevant note shall be made in the inspection report.

4. Where it is impossible to take into account the expenses incurred and other payments made by the taxpayer or the sources verifying the legality of the acquisition of property and income because the documents do not have the requisites provided for in the legal acts and (or) the tax administrator cannot, on the basis of the said documents, explicitly identify the persons specified in the documents or such persons do not exist based on the data available to the tax administrator, the tax administrator shall allow the taxpayer to supplement the said documents with the missing requisites in accordance with the procedure established by the Minister of Finance. These provisions shall not restrict the scope of application of paragraph 2 of Article 69 of this Law.

Article 127. Mutual Assistance between the Tax Administrator and Law Enforcement or Controlling Authorities in the course of Tax Inspection

1. In cases where the taxpayer fails to fulfil the lawful instructions given by the tax officer or where, in the course of a tax inspection, a need arises to carry out certain actions that the tax officer is not empowered to perform under effective laws (e.g. a search, body search, etc.), the tax administrator shall have the right to address the relevant law enforcement or controlling authorities with a request for assistance in exercising his rights or performing his functions properly.

2. Where the tax administrator, in the course of a tax inspection, establishes any criminal act or any other offence the investigation of which falls outside the sphere of its competence, it shall inform the relevant law enforcement or controlling authority thereof.

Article 128. Documentation and Approval of the Results of Tax Inspection

1. The results of a tax inspection shall be documented in the inspection report.

2. The results of a tax inspection documented in the inspection report shall be approved by a decision on the approval of the inspection report or a certificate of inspection.

3. The provisions of paragraphs 1 and 2 of this article and Articles 129-132 of this Law shall not apply to operational inspections and inspections of taxes administered by the Customs. The procedure of documentation and approval of the results of an operational inspection shall be established by the central tax administrator, after coordination with the Minister of Finance.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 129. Inspection Report

1. The inspection report shall be signed by the inspecting tax officer.

2. *Repealed on 01/01/2016*

Article paragraph removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

3. *Repealed on 01/01/2016*

Article paragraph removal:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

4. One copy of the inspection report shall be given to the taxpayer. Any supplements shall be attached to this copy unless they contain information comprising a state secret or any information about another taxpayer, which is considered as secret under this Law.

Article 130. Certificate of Inspection

1. In cases where, in the course of a tax inspection, the tax officer does not establish any violations of tax laws, the inspection results shall be approved by a certificate of inspection signed by the head of the tax administrator or an officer authorised by him for this specific purpose. When approving the results of the tax inspection by a certificate of inspection, due consideration is paid to the material contained in the inspection report and other circumstances that may be of importance when approving the results of the tax inspection.

2. When approving the inspection report by a certificate of inspection, the tax administrator may adopt the following decision:

- 1) approve the inspection report;
- 2) instruct to re-inspect the taxpayer.

3. In the case provided for in subparagraph 2 of paragraph 2 of this article, the reasons for reinvestigation of the taxpayer and the procedure for filing an appeal against the certificate of inspection shall be specified in the certificate of inspection.

4. The certificate of inspection shall be executed not later than within five days from the day on which the inspection report is communicated to the taxpayer.

5. One copy of the certificate of inspection shall be given to the taxpayer.

6. The certificate of inspection shall also approve the results of a tax inspection conducted in respect of the activities carried on by a liquidated or deceased taxpayer. In this case, the provisions of this Law in respect of communicating the inspection report and certificate of inspection to the successors of the taxpayer shall apply where possible.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 131. Submission of Comments concerning the Inspection Report

1. Where the taxpayer disagrees with the amounts of taxes and related amounts calculated additionally in the inspection report and where he wishes to substantiate other circumstances that may be relevant for the purpose of approving the inspection results, he shall have the right to submit written comments concerning the inspection report within 30 days from the date of receipt of the inspection report.

2. At the request of the taxpayer, the time limit for the submission of comments concerning the inspection report may be extended for serious reasons for another 30 days by the head of the tax administrator or an officer authorised by him for this specific purpose.

3. In a separate written statement or when signing the inspection report, the taxpayer may waive his right to submit comments concerning the inspection report.

Article paragraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Article 132. Decision concerning the Approval of Inspection Report

1. In cases where, in the course of a tax inspection, the tax officer establishes violations of tax laws, the inspection results shall be validated by a decision on the approval of the inspection report. Such a decision shall be adopted taking into account the material contained in the inspection report and the taxpayer's comments (if any) concerning the inspection report.

2. Where adopting a decision on the approval of an inspection report, the tax administrator may:

- 1) approve the inspection report;
- 2) partially approve the inspection report;
- 3) refuse to approve the inspection report;
- 4) instruct to re-inspect the taxpayer;
- 5) modify the inspection report.

3. In cases referred to in subparagraphs 1 and 2 of paragraph 2 of this article, the decision on the approval of an inspection report shall specify the actual amounts of additionally calculated taxes, late payment interest and penalties as well as the procedure of appealing against the decision.

4. The decision on the approval of an inspection report shall be adopted within 35 days after communicating the inspection report to the taxpayer. A decision may not be adopted if the time limits laid down in Article 131 of this Law for the submission of comments concerning the inspection report have not expired, except for the case specified in paragraph 3 of Article 131. In cases where the taxpayer submits comments concerning the inspection report, the decision concerning the approval of the inspection report must be adopted within 30 days from the day of the receipt of such comments by the tax administrator.

5. The decision on the approval of an inspection report shall be signed by the head of the relevant tax administration or an officer authorised by him for this specific purpose.

6. One copy of the decision on the approval of an inspection report shall be given to the taxpayer.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 133. Participation of Officers from Foreign Tax Administrators (Competent Authorities) in Tax Inspections

Officers from foreign tax administrations (competent authorities) shall have the right to participate in a tax inspection in the event that a joint tax inspection is conducted by the tax administrations (competent authorities) of the Republic of Lithuania and a foreign state as well as when acting in accordance with legal acts concerning the participation the tax administrations (competent authorities) of the Republic of Lithuania and a foreign state reach an agreement.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

Article 133⁽¹⁾. Specific Features of a Tax Investigation Conducted by the Customs

1. The results of an investigation of taxes administered by the Customs shall be executed and approved by an inspection report.

2. An official of the tax administrator that has conducted the investigation of taxes administered by the Customs and the head of the tax administrator or an official authorised by him shall sign the inspection report.

3. An inspection report shall specify the actual amounts of additionally calculated (recalculated) taxes, late payment interest and penalties as well as the procedure for appealing against the report.

4. One copy of the inspection report shall be given to the taxpayer. Any supplements shall be attached to this copy unless they contain information comprising a state secret or any information about another taxpayer, which is considered as secret under this Law.

5. In the cases where an inspection of the accuracy of the data provided in the customs declaration, commercial documents and the data related to import or export operations of relevant goods is conducted after the release of goods at the initiative of the Customs or a person with a view of identifying and eliminating the deficiencies or contradictions applying the provisions regulating the performance of the customs procedure, the Customs may apply a simplified tax investigation procedure. The simplified tax investigation procedure may be applied only where the investigation is conducted in the registered office of the tax administrator using the data available to the Customs about the taxpayer. When applying the simplified tax investigation procedure, the tax investigation shall be conducted by Customs officers in the course of performing their direct functions without any prior instruction.

6. The provisions of this article shall not restrict the taxpayer's right to submit comments and explanations concerning the object of inspection and other circumstances related to the inspection in the course of the tax inspection. Written comments, explanations and documentary evidence submitted by the taxpayer shall be attached to the inspection report and a relevant note shall be made in the inspection report.

An article added to the Law:

Article 134. Implementation of Provisions of Chapter VI

The central tax administrator shall, after coordination with the Minister of Finance, set forth a detailed procedure for conducting tax inspections as well as documenting and approving the results of such inspections. The methods of conducting tax inspections shall be approved by the central tax administrator.

**CHAPTER VII
TAX INVESTIGATION**

Article 135. Conducting a Tax Investigation

1. A tax investigation shall be conducted by tax officers in the course of performing their direct functions without any prior instruction.

2. A detailed procedure for conducting a tax investigation shall be established by the central tax administrator, after coordination with the Ministry of Finance and taking into account the provisions of this Law and the relevant tax laws.

3. The provisions of Chapter VI of this Law regulating access to the premises of the taxpayer, the objects of investigation, taking the documents and objects and collection of evidences shall apply, *mutatis mutandis*, for the purpose of conducting a tax investigation.

Article amendments:

No. X-1249, 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)

No. XI-1159, 23/11/2010, Official Gazette, 2010, No. 145-7416 (11/12/2010)

Article 136. Taxpayer Notification of the Deficiencies and (or) Contradictions Identified

1. Where, in the course of a tax investigation, a tax officer identifies a deficiency in the tax return or any other document submitted by the taxpayer or where such documents contravene the other information available about the taxpayer, the tax administrator shall give written notice to the taxpayer requesting him to correct the errors identified in the course of a tax investigation and eliminate deficiencies or contradictions. Written notice is usually given in the event that it is impossible to reach an oral agreement with the taxpayer.

2. Written notice to the taxpayer shall specify the deficiencies and contradictions identified and suggest the manner of eliminating them. The tax administrator shall indicate therein a time limit for eliminating the said deficiencies and contradictions, which may not be less than ten days after the taxpayer is given notice.

3. If the taxpayer eliminates the deficiencies and contradictions by the deadline set forth in paragraph 2 of this article in the manner suggested by the tax administrator, the penalties specified in Article 139 of this Law shall not be imposed, unless the laws provide otherwise. The elimination of deficiencies and contradictions shall not impede the calculation of late payment interest in accordance with the procedure laid down in this Law.

4. The central tax administrator shall establish a detailed procedure for implementing the provisions of this article.

Article 137. Consequences of Failure to Eliminate Shortcomings and Contradictions

1. Where the taxpayer fails to eliminate, in the manner suggested, the deficiencies and contradictions specified in the notice by the deadline set forth in Article 136 of this Law, he shall be subject to the penalties prescribed for violating the tax laws (if such violations are established).

2. Failure to eliminate deficiencies and contradictions usually constitutes a basis for initiating a tax inspection.

CHAPTER VIII VIOLATION OF TAX LAWS AND LIABILITY

Article 138. Violation of Tax Laws

Any illegal conduct by persons in breach of the requirements of tax laws shall be deemed to be a violation of tax laws.

Article 139. Penalties for Reducing Payable Taxes

1. If the tax administrator determines that the taxpayer has failed to calculate taxes not subject to declaration (including the tax to be calculated in the customs declaration) or has failed to declare taxes subject to declaration or has illegally applied a lower tax rate, which has resulted in an illegal reduction of payable tax, the amount of tax underpayment shall be calculated in respect of the taxpayer and a penalty equal to 10-50% of the said amount shall be imposed, unless the relevant tax law provides otherwise. The amount of the actual penalty imposed shall be conditional on the type of violation, on whether the taxpayer has cooperated with the tax administrator, on the acknowledgement of having committed a violation of tax laws and on other circumstances which the tax administrator deems to be relevant when imposing a smaller or larger fine.

2. The penalties set out in paragraph 1 of this article shall not be imposed where the taxpayer fails to submit a tax return within the time limit laid down in the tax law or where the taxpayer becomes aware that he has understated the amount of tax after having submitted the tax return, but files it to the tax administrator before the latter issues instructions to conduct a tax inspection or, in the case of correction of errors, makes the relevant adjustments in the tax return and files it to the tax administrator. The provisions of this paragraph shall also apply to the taxes calculated in customs declarations.

3. Budget-financed institutions and the Bank of Lithuania shall not be subject to the penalties set out in paragraph 1 of this article. Heads of these institutions, their chief accountants or other persons responsible for the keeping of accounts shall be held liable in accordance with the procedure laid down in the laws of the Republic of Lithuania for violating the requirements set forth in tax laws.

Article 140. Imposition of Penalties

Persons that have violated the tax laws shall be subject to penalties in accordance with the legal acts effective at the time when the violation was committed, except for the cases specified in Article 142 of this Law.

Article 141. Exemption from Penalty

1. The grounds for the exemption of penalties imposed under Article 139 and 140 of this Law shall be the following:

- 1) if the taxpayer proves the absence of his fault with regard to the violation;
- 2) if the tax law was violated due to circumstances beyond the taxpayer's control and which he could not and did not foresee. The actions or failure to act by the taxpayer or his employees and the taxpayer's insolvency shall not be treated as such circumstances;
- 3) where a separate act of the taxpayer, though in violation of the provisions of a tax law, causes no damage to the budget;
- 4) where the taxpayer violated the law due to the faulty summarised explanation of the said tax law is given or a faulty tax consultation is provided by the tax administrator in writing or by telephone if the provided consultation has been recorded in accordance with the procedure set forth by the central tax administrator and there is a possibility of identifying the person who called – the taxpayer (or his representative).

2. Exemption from penalties shall apply only in cases where the taxpayer has paid the amount of tax related to the imposed penalty (the tax has been credited and (or) the recovery thereof has been enforced) or the time limit for the payment of tax has been deferred or spread.

3. Exemption from penalties may be granted by the tax administrator or, in the event of a tax dispute, by a tax dispute settlement institution. Where the adoption of a decision falls within the competence of the tax administrator, the procedure of exemption from penalties shall be established by the central tax administrator.

4. A refusal to grant exemption from penalties may be appealed against by the taxpayer in accordance with the procedure laid down in Chapter IX of this Law.

Article amendments:

No. X-1249, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

Article 142. Validity of Legal Acts Mitigating Penalties

1. Legal acts whereby penalties are reduced or annulled shall apply also with respect to the violations of tax laws committed before the entry into force of the said legal acts if a legal act reducing or annulling penalties comes into effect not later than the day on which the decision, wherein the tax and (or) related amounts is calculated anew and the taxpayer is instructed to pay it, was adopted and, in the event that the taxpayer appeals against the tax administrator's decision, not later than the day on which a tax dispute settlement institution adopts a decision.

2. The validity of a legal act mitigating administrative or criminal liability shall be examined in compliance with the Code of Administrative Offences and the Criminal Code respectively.

Article amendments:

No. X-1249, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

Article 143. Liability of Taxpayers and Third Persons for the Violation of Other Tax Laws

Taxpayers, third persons and (or) the management and other responsible staff of a legal person shall also be held liable, in compliance with the Code of Administrative Offences or the Criminal Code, for failure to fulfil or properly fulfil the obligations under this Law.

CHAPTER IX APPEALS AGAINST DECISIONS OF TAX ADMINISTRATOR. TAX DISPUTES

Article 144. Taxpayer's Right to Appeal against the Tax Administrator's Actions

The taxpayer shall have the right to appeal against any action or failure to act by the tax administrator (officer).

Article 145. Tax Dispute Procedure

1. Tax disputes shall be subject to and regulated by a mandatory pre-trial dispute settlement procedure laid down in this Law. This provision shall not limit the taxpayer's right to appeal directly to court after the tax administrator adopts a relevant decision in a tax dispute.

2. The procedure for the settlement of tax disputes laid down in this Law shall also apply to the appeals filed by the taxpayer against the tax administrator's decision to refuse exemption from penalties and (or) late payment interest as well as against the crediting of a tax overpayment as performed by the tax administrator.

3. The settlement of a tax dispute shall not commence where a mutual agreement procedure has been initiated under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC).

Article 146. Procedure of Appealing against the Tax Administrator's Decisions

1. Appeals against the decisions of the tax administrator (officer) that are not specified in Article 145 of this Law, failure to adopt such decisions as well as appeals against the decisions of the central tax administrator (or failure to adopt them) whereby disputes are not resolved in substance shall be examined in accordance with the procedure laid down in the Law on Administrative Proceedings.

2. The taxpayer may also exercise the right granted to him by other laws to appeal against the illegal actions of a tax officer in accordance with the procedure prescribed by such legal acts.

Article 147. Tax Dispute Settlement Institutions

Tax disputes shall be considered by the central tax administrator, the Commission on Tax Disputes (hereinafter referred to as pre-trial tax dispute settlement institutions) and the court.

Article 148. Commission on Tax Disputes

1. The Commission on Tax Disputes (hereinafter in this Article referred to as the “Commission”) shall be a public legal entity funded from the state budget.

2. The purpose of the Commission shall be to examine objectively an appeal filed by the taxpayer and make a lawful and substantiated decision.

3. The Commission shall comprise the Chairman of the Commission and other members of the Commission. The total number of Commission members and its regulations shall be approved by the Government of the Republic of Lithuania.

4. Members of the Commission shall be appointed for a term of six years. Members of the Commission shall be appointed by the Government of the Republic of Lithuania, acting on a joint recommendation from the Minister of Finance and the Minister of Justice. Only a person of irreproachable repute, holding a master’s degree in finance, law or economy or having equivalent qualifications of higher education and a work record of not less than three years in the field of taxes, customs or company law, may be appointed member of the Commission. Members of the Commission must be citizens of the Republic of Lithuania.

5. A member of the Commission may be dismissed before his term in office expires in the event that:

- 1) he resigns;
- 2) he loses the citizenship of the Republic of Lithuania;
- 3) he is absent from work due to temporary incapacity for more than 120 calendar days in succession or more than 140 days during the last twelve months or when he is unable to perform his duties pursuant to the conclusions of a medical or disability commission;
- 4) upon the entry into force of a court judgement whereby a punishment is imposed for a serious or grave crime or a crime against property, property rights and property interests, the economy and business practice or the financial system;
- 5) seriously violates his job duties.

6. The work of Commission members shall be considered as their principal work and they shall be remunerated in accordance with the procedure laid down in the Law on Work Pay for Politicians, Judges and State Officials. A Commission member may hold office only in the Commission; he may also engage in scientific or teaching activities.

7. On expiry of the term of powers, a member of the Commission shall hold office until a new member is appointed.

8. For the Commission to perform its functions, an administration of civil servants and employees shall be formed. Its structure and list of positions shall be approved by the Chairman of the Commission within the limits of funds allocated for remuneration. The procedure of recruitment to the Commission of civil servants and employees working under employment contracts, the procedure as well as terms and conditions of their remuneration shall be laid down in the Law on Civil Service, the Labour Code, other laws and legal acts.

Article amendments:

No. X-1786, 06/11/2008, Official Gazette, 2008, No. 131-5036 (15/11/2008)

Article 149. Taxpayer’s Duty to Notify about Change of Address

The taxpayer must notify the pre-trial tax dispute settlement institution about any change of address in the course of the on-going tax dispute. In the absence of such notification, the decisions adopted by the pre-trial tax dispute settlement institution as well as other information shall be sent to the last known address and shall be deemed to be delivered irrespective of the change of address.

Article 150. Tax Disputes Considered by the Central Tax Administrator

The central tax administrator shall consider tax disputes arising between the taxpayer and the local tax administrator.

Article 151. Tax Disputes Considered by the Commission on Tax Disputes

The Commission on Tax Disputes shall consider the following disputes:

- 1) tax disputes arising between the taxpayer and the central tax administrator;
- 2) tax disputes arising between the taxpayer and the central tax administrator over decisions adopted by the central tax administrator after the examination of appeals filed by the taxpayer against the decisions made by the local tax administrator;
- 3) tax disputes arising between the taxpayer and the central tax administrator where the central tax administrator has failed to adopt a decision in a tax dispute within the time limits laid down in this Law.

Article 152. Time Limit for Filing an Appeal Concerning the Tax Dispute

1. An appeal shall be filed with the central tax administrator in writing not later than within 20 days after the taxpayer is notified about the decision of the local tax administrator against which he has appealed.

2. An appeal shall be filed with the Commission on Tax Disputes in writing not later than within 20 days after the taxpayer is notified about the decision of the central tax administrator against which he has appealed or within 20 days after the expiry of the time limit for adopting a decision in a tax dispute.

3. Where the taxpayer fails to keep the deadline for filing an appeal due to reasons recognised as serious by a pre-trial tax dispute settlement institution, the time limit may be renewed by the decision of the said institution. A request to renew the time limit shall be accompanied by the appeal whose filing deadline has passed. The said request shall be examined within the time limit established for the examination of an appeal concerning the tax dispute.

4. After a decision has been adopted to renew the missed deadline for filing an appeal, the time limit for the examination of an appeal concerning the tax dispute shall be calculated starting on the day on which the said decision was made.

5. Where the time limit for filing an appeal is not kept and the taxpayer does not request to renew it or where such a request is rejected in accordance with the procedure laid down in this article, the appeal shall be deemed not to be filed and shall be returned to the respective taxpayer.

6. Where a decision is made to renew the missed deadline for filing an appeal, the enforced recovery of disputed taxes, penalties and late payment interest not recovered before the date of the said decision shall be suspended. The suspension of enforced recovery shall not be treated as an obstacle for adopting the enforcement measures specified in Article 95 of this Law in respect of a tax obligation or as the grounds for eliminating such measures.

7. The decision of a pre-trial tax dispute settlement institution, rejecting a request to renew the deadline for filing an appeal, may be appealed against in accordance with the procedure laid down in the Law on Administrative Proceedings.

Article 153. Requirements for the Content of an Appeal in a Tax Dispute

1. An appeal filed in a tax dispute shall contain the following information:

- 1) the taxpayer's business name (full name), identification number (code) and address;
- 2) the decision appealed against, the date of the decision;
- 3) circumstances substantiating the request by the appellant and supporting evidence;
- 4) the appellant's request.

2. The appeal shall be signed by the taxpayer (his representative).

3. The taxpayer shall submit to the central tax administrator all the documents (their certified translations into the state language) and evidence substantiating his disagreement with the tax administrator's decision, and also his request. A taxpayer who has failed to submit the said documents and evidence shall lose the right to use them as a substantiating basis in the subsequent stages of resolving the dispute by a pre-trial dispute settlement institution, except in cases where the impossibility of submitting them (indicating the relevant reasons for not submitting) was specified in the appeal filed by the taxpayer or where the tax administrator has refused to accept the taxpayer's documents and evidence without due grounds.

4. The pre-trial tax dispute settlement institution, which has received the appeal, shall verify whether or not the appeal complies with the requirements set forth in paragraphs 1 and 2 of this article.

5. Where a pre-trial tax dispute settlement institution establishes that the appeal fails to comply with the requirements of this Law, it shall adopt a decision and set a time limit of 15 days for the appellant to eliminate the deficiencies identified. The time limit shall be calculated starting on the day on which the said decision was communicated to the taxpayer.

6. If the taxpayer meets the requirements set forth in the decision within a time period of 15 days, the appeal shall be examined and deemed to be filed on the day of its initial submission, while the time limit for its examination shall be calculated starting on the day on which such requirements were met. Where the requirements are not met in due time, the appeal shall be deemed not to have been filed and it shall be returned to the relevant taxpayer.

7. In the event that the taxpayer fails to eliminate the deficiencies arising from failure to comply with the provisions of subparagraph 3 of paragraph 1 of this article, while the appeal contains other requests based on the circumstances and evidence set out therein, the appeal shall not be returned to the taxpayer and the pre-trial tax dispute settlement institution must examine the taxpayer's appeal concerning the specified requests. In this case, the time limit for resolving the tax dispute shall be calculated starting on the day following the day on which the time limit established for the elimination of deficiencies expires.

8. An erroneous or any other title of the appeal shall not be deemed to be a deficiency due to which the appeal is not examined.

9. The provisions of this article shall apply only to the appeals submitted to pre-trial tax dispute settlement institutions. Requirements for the content of an appeal in a tax dispute filed before a court shall be established by the Law on Administrative Proceedings.

Article 154. Examination of Appeals Concerning Tax Disputes by the Central Tax Administrator

1. An appeal in a tax dispute shall be filed with the central tax administrator through the local tax administrator the decision whereof is appealed against.

2. The local tax administrator must forward the appeal received from the taxpayer and the relevant documentation within three working days to the central tax administrator.

3. The central tax administrator shall adopt a decision on the appeal within 30 days from the date of receipt thereof. This time limit may be extended by a decision of the central tax administrator for a period of up to 60 days where an additional investigation is required to examine the appeal. The appellant shall be notified thereof in writing.

4. After having examined the appeal, the central tax administrator shall, within his sphere of competence, make one of the following decisions:

- 1) approve the decision of the local tax administrator;
- 2) revoke the decision of the local tax administrator;
- 3) approve in part or revoke in part the decision of the local tax administrator;
- 4) change the decision of the local tax administrator;
- 5) revoke the decision of the local tax administrator and instruct the local tax administrator to conduct a re-inspection and to adopt a new decision;

Article subparagraph amendments:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

- 6) revoke the decision of the local tax administrator and instruct to adopt a new decision.

A new subparagraph added to the article:

No. XII-1897, 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

5. The decision must explicitly state the taxpayer's right to appeal against the said decision to the Commission on Tax Disputes or the court and specify the time limits for doing so.

Article 155. Examination of Appeals Concerning Tax Disputes by the Commission on Tax Disputes

1. An appeal in a tax dispute shall be filed with the Commission on Tax Disputes through the central tax administrator.

2. The central tax administrator shall, within three working days of receipt of the appeal, open a case file on the tax dispute and forward it to the Commission on Tax Disputes. The

taxpayer and the tax administrator shall have the right to gain access to the case file at the Commission on Tax Disputes.

3. The Commission on Tax Disputes shall adopt a decision on the appeal within 60 days from the date of receipt of the appeal. At the taxpayer's request, this time limit may be shortened to 30 days by the decision of the Commission of Tax Disputes. The appellant and the central tax administrator shall be notified thereof in writing.

4. Decisions shall be adopted by a majority vote of members of the Commission on Tax Disputes. The Commission on Tax Disputes shall adopt one of the following decisions:

- 1) approve the decision of the central tax administrator;
- 2) revoke the decision of the central tax administrator;
- 3) approve in part or revoke in part the decision of the central tax administrator;
- 4) change the decision of the central tax administrator;
- 5) refer the appeal back to the central tax administrator.

5. The decision must explicitly state the taxpayer's right to appeal against the said decision and specify the time limits for doing so.

6. The Commission on Tax Disputes, when adopting a decision on the taxpayer's appeal, shall not take into account or evaluate the evidence submitted by the taxpayer if such evidence was not submitted to the central tax administrator, except in cases where the relevant reasons for not submitting it were specified in the appeal filed by the taxpayer to the central tax administrator.

Article 156. Suspending the Examination of an Appeal Concerning the Tax Dispute

1. A pre-trial tax dispute settlement institution may decide to suspend the examination of an appeal (part thereof) concerning a tax dispute if the decision to be adopted depends, fully or partially, on the existence or absence of a specific legal fact – which has yet to be determined by the court or a law enforcement institution or a foreign state institution or agency. The examination of an appeal or part thereof concerning the tax dispute shall be suspended until the pre-trial tax dispute settlement institution learns that the aforesaid institution or agency has determined the existence or absence of such a fact.

2. The examination of an appeal in a tax dispute shall also be suspended where a mutual agreement procedure is initiated under double taxation treaties concluded and brought into effect by the Republic of Lithuania or under the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/436/EEC). The examination shall be suspended until the said procedures are completed.

Article 157. Delivery of Decision Concerning the Tax Dispute

A pre-trial tax dispute settlement institution shall communicate the decision it has adopted in a tax dispute to the taxpayer, while the Commission on Tax Disputes shall communicate it to the central tax administrator.

Article 158. Binding Character of Decisions Concerning the Tax Dispute

After the expiry of the time limits established for filing an appeal, the decision adopted by the central tax administrator or the Commission on Tax Disputes shall be binding on both parties to the dispute and related third persons.

Article 159. Filing of Appeal in Court

1. A taxpayer, who contests the decision of the central tax administrator or the Commission on Tax Disputes regarding a tax dispute, shall have the right of appeal against the decision in court.

2. The right of appeal against a decision of the Commission on Tax Disputes may also be exercised by the central tax administrator but only in cases where the central tax administrator and the Commission on Tax Disputes provided different interpretations of the provisions of laws or other legal acts when resolving the tax dispute (or in the course thereof).

3. An appeal shall be filed to court not later than within 20 days of receipt of the decision of the central tax administrator or the Commission on Tax Disputes.

4. Appeals against the decisions issued by the central tax administrator or the Commission on Tax Disputes shall be heard at the Vilnius District Administrative Court.

5. The central tax administrator shall appeal to court against a decision made by the Commission on Tax Disputes or, where a court decision is appealed against, to a court of higher instance, taking into account the criteria of economic expediency of such appeals as approved by the Minister of Finance.

Article 160. Renewal of Tax Dispute Proceedings

1. The proceedings in a tax dispute case, where the decision of the local tax administrator, central tax administrator or the Commission on Tax Disputes was not appealed against within the time limit prescribed, may be renewed on the grounds and subject to the procedure provided for in this Law.

2. The proceedings may be renewed where:

1) new relevant circumstances emerge which were unknown and could not be known to the taxpayer at the time when the tax dispute was considered;

2) an effective court judgement establishes a deliberately false testimony by a witness, deliberately false opinion by an expert, deliberately false translation or forgery of documents or material evidence, which has resulted in an unlawful or unjustified decision;

3) an effective court judgement establishes that criminal acts were committed by persons at the time when the tax dispute was considered;

4) an unlawful or unjustified court decision or judgement is quashed on the basis of which the decision appealed against was adopted;

5) the taxpayer was recognised as legally incapable and was not represented in compliance with the law;

6) the tax dispute was resolved by the Commission on Tax Disputes of illegal composition;

7) manifest evidence is presented that a material violation of the substantive law was committed which could have resulted in the adoption of an unlawful decision;

8) a legal act is repealed as unlawful on the basis whereof this decision was adopted;

9) it is necessary to ensure a uniform tax dispute settlement practice.

3. The right to request a renewal of the proceedings shall be exercised by the taxpayer.

4. A request to renew the proceedings shall be filed to the central tax administrator (where its decision or that of the local tax administrator in a tax dispute was final) or the Commission on Tax Disputes where the final decision in a tax dispute case was adopted by the said institution.

5. A request to renew the proceedings may be submitted within three months from the day on which the requesting person learned or should have learned about the circumstances providing grounds for the renewal of proceedings. Where due to important reasons persons have missed the deadline for submitting a request to renew the proceedings, such a deadline may be renewed if the request for its renewal was submitted not later than one year after the expiry of the time limit for appealing against the decision which was not appealed against. A request to renew the time limit may not be lodged in the event that more than five years have passed after the deadline for appealing against the decision which was not appealed against.

6. A request to renew the proceedings shall contain the following information:

1) the name of the tax dispute settlement institution;

2) the taxpayer's business name (full name), identification number (code) and address;

3) the name of the authority which made the decision;

4) the substance of the decision which was not appealed against within the time limit prescribed and the grounds for the renewal of proceedings;

5) the motives for the renewal of proceedings;

6) the circumstances forming the basis for calculating the time limits laid down in paragraph 5 of this article;

7) the substance of the request;

8) the place and date of drawing up the request, the taxpayer's signature.

7. A request to renew the proceedings shall be accompanied by the evidence substantiating the grounds for the renewal of proceedings and by a copy of the decision of the tax dispute settlement institution against which no appeal was filed within the prescribed time limit.

8. In cases where the central tax administrator or the Commission on Tax Disputes states that statutory time limits for submitting a request have not been kept or the request lacks statutory

grounds for the renewal of proceedings, the central tax administrator or the Commission on Tax Disputes shall refuse to renew the proceedings by its decision.

9. If the request is submitted within statutory time limits and substantiated on statutory grounds for the renewal of proceedings, the central tax administrator or the Commission on Tax Disputes shall adopt a decision on the renewal of proceedings. After the proceedings have been renewed, the tax dispute shall be re-examined by the institution which has adopted the decision to renew the proceedings in accordance with the rules laid down in this Chapter.

Article 161. Supremacy of the Community Customs Legislation

Where appeals relating to customs administration are examined, the Community customs legislation shall have primacy over respective national legislation.

CHAPTER X CALCULATION OF TIME LIMITS AND SUBMISSION OF DOCUMENTS

Article 162. Calculation of Time Limits

1. The time limit laid down in tax laws and expressed in years, months, weeks or days shall start at zero hours zero minutes of the day following the calendar date or an event defining the beginning of the time limit, unless the laws provide otherwise.

2. A time limit expressed in years shall expire on the relevant day and month of the last year of the time limit, at twenty-four hours zero minutes.

3. A time limit expressed in months shall expire on the relevant day of the last month of the time limit, at twenty-four hours zero minutes.

4. Where the end of the time limit expressed in years or months falls on the month which has no day with the same number, the time limit shall expire on the last day of that month.

5. A time limit expressed in weeks shall expire on the relevant day of the last week of the time limit, at twenty-four hours zero minutes.

6. In cases where the last day of the time limit falls on a non-working day or an official holiday, the day of expiry of the time limit shall be deemed to be the working day following that day.

7. An action for the performance whereof a time limit is set in the tax law must be completed by twenty-four hours zero minutes of the last date of the time limit. However, if an action has to be performed at the relevant institution or agency, the time limit shall expire by the end of the working day set for the said institution or agency.

8. Where an appeal, request or other documents were delivered to the post office by twenty-four hours zero minutes of the last day of the time limit, the latter shall not be deemed to have been missed.

Article 163. Submission of Documents to the Tax Administrator

The date of submission of documents to the tax administrator shall be the date marked by the tax administrator as the date of receipt of such documents. Where the taxpayer sends the documents by post, the date of sending the documents shall be that of the official postmark stamped by the post office having the right thereto.

Article 164. Presentation of Documents to the Taxpayer

1. Documents may be communicated to the taxpayer in the following manner:

- 1) personally;
- 2) by registered mail;
- 3) by telecommunications terminal equipment;
- 4) by publishing.

2. The day of communicating the document personally to the taxpayer shall be the day on which the taxpayer (his representative) acknowledges by signature the receipt of the document in the papers remaining with the tax administrator or the day on which the tax officer certifies the refusal of the taxpayer (his representative) to accept the document or acknowledge the receipt thereof.

3. Documents shall be sent by registered mail to the taxpayer's address specified in the register of taxpayers or to a correspondence address specified by the taxpayer. In cases where the said data are not available to the tax administrator, the documents shall be sent to the taxpayer's address specified in the relevant register (in case of legal entities, to an address specified in the legal entities register or, in case of natural persons, to an address specified in the population register). The day of communication of documents sent by registered mail shall be the fifth working day following the day on which the tax administrator delivers correspondence to the post office.

4. Documents shall be sent by telecommunications terminal equipment to the e-mail address specified by the taxpayer and certified in accordance with the procedure prescribed by legal acts. The documents shall be deemed to be communicated on the day on which they are sent. An agreement between the tax administrator and the taxpayer may specify other conditions of communicating documents in this manner.

5. In cases where it is impossible to present documents to the taxpayer in the manner specified in subparagraphs 1, 2 and 3 of paragraph 1 of this article (the taxpayer (his representative) cannot be located or the taxpayer's address is not specified in the relevant register), the tax administrator shall publish a notice on the website of the State Tax Inspectorate (www.vmi.lt), inviting the taxpayer (his representative) to visit the tax administrator within a specified time period (not shorter than five days after the publication of the notice) to receive the relevant document in a manner specified in paragraph 1. If the taxpayer fails to arrive within the specified time period, the document shall be deemed to have been presented on the day on which the notice is published on the website of the State Tax Inspectorate. The tax administrator shall not be obliged to apply the procedures specified in this paragraph if the decision adopted by the central tax administrator to be communicated to the taxpayer has been adopted after consideration of the taxpayer's complaint concerning the decision adopted by the local tax administrator.

Article amendments:

No. X-1249, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

No. XI-1159, 23/11/2010, *Official Gazette*, 2010, No. 145-7416 (11/12/2010)

Article 165. Implementation of Provisions of Chapter X

1. The provisions of this Chapter shall also apply to third persons.

2. The provisions of this Chapter regulating the communication of documents shall apply to all the documents which are sent by the tax administrator in accordance with the procedure laid down in tax laws and which record the decisions or actions of the tax administrator.

3. The rules set forth in this Chapter regulating the communication of documents of the taxpayer and the tax administrator, except for the cases when the time limit set for appealing against the decision of the Commission on Tax Dispute is calculated, shall apply, *mutatis mutandis*, to the communication of documents to the Commission on Tax Dispute and communication of the decisions of the Commission on Tax Dispute and other documents whereby the actions of the Commission on Tax Disputes are executed. The provisions of the Law on Administrative Proceedings shall apply in the cases when the time limit set for appealing against the decision of the Commission on Tax Dispute is calculated.

Article amendments:

No. X-1249, 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

CHAPTER XI FINAL PROVISIONS

Article 166. Entry into Force of the Law

1. This Law, except for Article 61, shall enter into force from the day of membership of the Republic of Lithuania in the European Union.

2. Article 61 of this Law shall enter into force from the first day of application in member states of the provisions of Council Directive 2003/48/EC of 3 June 2003 as laid down in Article 17 (2) thereof.

3. Paragraph 1 of Article 69 of this Law shall be applied to the taxpayer's transactions, economic operations or any group thereof performed or carried on after 1 July 2002, without prejudice to the provisions of paragraph 1 of Article 68.

Article 167. Validity of Other Laws and Legal Acts

The provisions of other laws and legal acts effective before this Law came into force, which refer to the laws listed in Article 170 of this Law, and the subordinate legal acts adopted on the basis of the said laws shall be valid in so far as they do not contravene this Law.

Article 168. Completion of Tax Administration Procedures

1. The tax administration procedures that were undertaken but not completed before this Law came into force shall be completed in accordance with the provisions of the legal acts effective at the time they were undertaken.

2. Interest on unpaid penalties, the calculation of which started before this Law came into force, (except for interest under tax instalment agreements) and late payment interest shall be calculated until the date of entry into force of this Law inclusive.

3. The tax administration procedures laid down in this or the respective tax law shall apply to taxes previously effective in the Republic of Lithuania and taxpayers unless the time limit set for the application thereof has expired.

Article 169. Members of the Commission on Tax Disputes Appointed before this Law Enters into Force

1. Paragraphs 5 and 6 of Article 148 of this Law shall also apply to members of the Commission on Disputes appointed prior to coming into force of this Law.

2. Member of the Commission on Tax Disputes appointed prior to coming into force of this Law shall hold office until his term of powers expires thereafter he shall remain in office until a new member is appointed.

Article 170. Repeal of Laws

Upon the entry into force of this Law, the following laws shall be repealed:

1) Law of the Republic of Lithuania on Tax Administration (Official Gazette, 1995, No. [61-1525](#));

2) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 1996, No. [57-1342](#));

3) Republic of Lithuania Law supplementing the Law on Tax Administration with Article 26⁽¹⁾ (Official Gazette, 1996, No. [59-1404](#));

4) Republic of Lithuania Law amending Articles 5, 8, 11, 17, 25, 50, 52, 55 and 56 of the Law on Tax Administration (Official Gazette, 1996, No. [66-1574](#));

5) Republic of Lithuania Law amending Articles 25, 39, 49, 50, 52, 54, 55 and 56 of the Law on Tax Administration and supplementing it with Article 39⁽¹⁾ (Official Gazette, 1997, No. [17-362](#));

6) Republic of Lithuania Law amending Articles 49 and 50 of the Law on Tax Administration (Official Gazette, 1997, No. [27-622](#));

7) Republic of Lithuania Law amending Article 26⁽¹⁾ of the Law on Tax Administration (Official Gazette, 1997, No. [28-660](#));

8) Republic of Lithuania Law amending Articles 2, 16, 17, 28, 33, 37, 38, 39, 40, 47, 48, 50, 55 and 56 of the Law on Tax Administration (Official Gazette, 1997, No. [66-1594](#));

9) Republic of Lithuania Law amending Article 7 of the Law on Tax Administration (Official Gazette, 1997, No. [117-2995](#));

10) Republic of Lithuania Law amending Articles 2, 17, 26, 26⁽¹⁾, 27, 29, 30, 31, 32, 33, 37, 38, 39, 39⁽¹⁾, 49, 50, 52, 54, 55, 56, 57 and 58 of the Law on Tax Administration, supplementing it with Articles 27⁽¹⁾, 27⁽²⁾, 29⁽¹⁾, 52⁽¹⁾, 56⁽¹⁾ and repealing Articles 47 and 48 (Official Gazette, 1998, No. [68-1978](#));

11) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 1998, No. [90-2483](#));

- 12) Republic of Lithuania Law amending Article 22 of the Law on Tax Administration (Official Gazette, 1998, No. [95-2635](#));
- 13) Republic of Lithuania Law amending Articles 17 and 25 of the Law on Tax Administration (Official Gazette, 1998, No. [114-3190](#));
- 14) Republic of Lithuania Law amending Articles 2, 17 and 38 of the Law on Tax Administration and supplementing it with Article 38⁽¹⁾ (Official Gazette, 1999, No. [36-1060](#));
- 15) Republic of Lithuania Law amending Articles 39 and 50 of the Law on Tax Administration (Official Gazette, 1999, No. [62-2034](#));
- 16) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 1999, No. [66-2126](#));
- 17) Republic of Lithuania Law amending Article 42 and repealing Article 46 of the Law on Tax Administration (Official Gazette, 1999, No. [84-2493](#));
- 18) Republic of Lithuania Law amending Articles 5, 17, 32, 33, 34, 35, 36, 37, repealing Article 29⁽¹⁾ of the Law on Tax Administration and supplementing it with Article 32⁽¹⁾ (Official Gazette, 1999, No. [101-2903](#));
- 19) Republic of Lithuania Law amending Article 29 of the Law on Tax Administration (Official Gazette, 2000, No. [15-381](#));
- 20) Republic of Lithuania Law amending Article 29 of the Law on Tax Administration (Official Gazette, 2000, No. [22-555](#));
- 21) Republic of Lithuania Law amending Article 16 of the Law on Tax Administration (Official Gazette, 2000, No. [61-1823](#));
- 22) Republic of Lithuania Law amending Articles 29 and 38 of the Law on Tax Administration (Official Gazette, 2000, No. [64-1917](#));
- 23) Republic of Lithuania Law amending Articles 5 and 25 of the Law on Tax Administration (Official Gazette, 2000, No. [83-2510](#));
- 24) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2000, No. [113-3607](#));
- 25) Republic of Lithuania Law amending Articles 17, 25 and 29 of the Law on Tax Administration (Official Gazette, 2001, No. [31-1014](#));
- 26) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2001, No. [39-1326](#));
- 27) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2001, No. [52-1812](#));
- 28) Republic of Lithuania Law amending the Law on Tax Administration (Official Gazette, 2001, No. [62-2211](#));
- 29) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2001, No. [62-2212](#));
- 30) Republic of Lithuania Law supplementing the Law on Tax Administration with Article 5⁽¹⁾ (Official Gazette, 2001, No. [71-2514](#));
- 31) Republic of Lithuania Law amending Articles 5 and 7 of the Law on Tax Administration (Official Gazette, 2002, No. [15-553](#));
- 32) Republic of Lithuania Law amending Article 16 of the Law on Tax Administration and supplementing it with Article 27⁽³⁾ (Official Gazette, 2002, No. [33-1254](#));
- 33) Republic of Lithuania Law amending Article 29 of the Law on Tax Administration (Official Gazette, 2002, No. [45-1703](#));
- 34) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2002, No. [51-1931](#));
- 35) Republic of Lithuania Law amending Articles 5 and 7 of the Law on Tax Administration (Official Gazette, 2002, No. [56-2230](#));
- 36) Republic of Lithuania Law amending Articles 2, 8, 19, 27, 29, 38, 38⁽¹⁾, 50, 52⁽¹⁾ and 56⁽¹⁾ of the Law on Tax Administration and supplementing it with Article 26⁽²⁾ (Official Gazette, 2002, No. [65-2628](#));
- 37) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2002, No. [73-3087](#));
- 38) Republic of Lithuania Law amending Article 29 of the Law on Tax Administration (Official Gazette, 2002, No. [101-4497](#));

39) Republic of Lithuania Law amending Article 26⁽¹⁾ of the Law on Tax Administration (Official Gazette, 2002, No. [112-4968](#));

40) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2002, No. [112-4978](#));

41) Republic of Lithuania Law amending Articles 2, 7, 14, 16, 17, 18, 22, 27, 29, 32, 39⁽¹⁾, 54, 56, 57 and 58 of the Law on Tax Administration and supplementing it with Articles 6⁽¹⁾ and 57⁽¹⁾ (Official Gazette, 2002, No. [123-5516](#));

42) Republic of Lithuania Law amending Articles 16 and 27 of the Law on Tax Administration (Official Gazette, 2003, No. [38-1711](#));

43) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2003, No. [47-2060](#));

44) Republic of Lithuania Law amending Articles 2, 26⁽¹⁾ and 37 of the Law on Tax Administration (Official Gazette, 2003, No. [68-3069](#));

45) Republic of Lithuania Law amending Article 5 of the Law on Tax Administration (Official Gazette, 2003, No. [73-3344](#));

46) Republic of Lithuania Law amending Articles 5, 6⁽¹⁾ and 7 of the Law on Tax Administration (Official Gazette, 2003, No. [104-4635](#));

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

ACTING PRESIDENT
OF THE REPUBLIC OF LITHUANIA

ARTŪRAS PAULAUSKAS

Annex to
Republic of Lithuania
Law No. IX-2112
of 23 April 2004

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

1. Council Directive 76/308/EEC of 15 March 1976 on mutual assistance for the recovery of claims resulting from operations forming part of the system of financing the European Agricultural Guidance and Guarantee Fund, and of the agricultural levies and customs duties (amended by Council Directive 79/1071/EEC of 6 December 1979, Council Directive 92/12/EEC of 25 February 1992 (OJ 2004 special edition Chapter 2, Volume 1, p. 44) (as last amended by Council Directive 92/12/EEC of 25 February 1992, OJ 2004 special edition Chapter 9, Volume 1, p. 179).

2. Commission Directive 2002/94/EC of 9 December 2002 laying down detailed rules for implementing certain provisions of Council Directive 76/308/EEC on mutual assistance for the recovery of claims relating to certain levies, duties, taxes and other measures (OJ 2004 special edition Chapter 2, Volume 12, p. 299).

3. Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (amended by Council Directive 2014/107/EU of 9 December 2014) (OJ 2011 L 64, p. 1).

Subparagraph amendments:

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Annex amendments:

No. [X-247](#), 16/06/2005, *Official Gazette*, 2005, No. 81-2939 (30/06/2005)

No. [X-1249](#), 03/07/2007, *Official Gazette*, 2007, No. 80-3220 (19/07/2007)

Amendments:

1.

The Seimas of the Republic of Lithuania, Law
No. [IX-2333](#), 08/07/2004, Official Gazette, 2004, No. 116-4320 (27/07/2004)
LAW SUPPLEMENTING ARTICLE 13 OF THE LAW ON TAX ADMINISTRATION
This law shall come into legal force from 1 January 2005.

2.

The Seimas of the Republic of Lithuania, Law
No. [IX-2547](#), 09/11/2004, Official Gazette, 2004, No. 171-6304 (26/11/2004)
LAW AMENDING ARTICLE 13 OF THE LAW ON TAX ADMINISTRATION
This law shall come into legal force from 1 July 2005.

3.

The Seimas of the Republic of Lithuania, Law
No. [X-234](#), 07/06/2005, Official Gazette, 2005, No. 76-2742 (18/06/2005)
LAW AMENDING AND SUPPLEMENTING ARTICLE 13 OF THE LAW ON TAX
ADMINISTRATION
This law shall come into legal force from 1 January 2006.

4.

The Seimas of the Republic of Lithuania, Law
No. [X-247](#), 16/06/2005, Official Gazette, 2005, No. 81-2939 (30/06/2005)
LAW AMENDING ARTICLE 29 AND ANNEX OF THE LAW ON TAX ADMINISTRATION
This law shall come into legal force from 1 July 2005.

5.

The Seimas of the Republic of Lithuania, Law
No. [X-863](#), 19/10/2006, Official Gazette, 2006, No. 119-4542 (07/11/2006)
LAW AMENDING AND SUPPLEMENTING ARTICLES 13 AND 16 OF THE LAW ON TAX
ADMINISTRATION

6.

The Seimas of the Republic of Lithuania, Law
No. [X-1086](#), 12/04/2007, Official Gazette, 2007, No. 46-1720 (26/04/2007)
LAW AMENDING ARTICLES 13 AND 16 OF THE LAW ON TAX ADMINISTRATION

7.

The Seimas of the Republic of Lithuania, Law
No. [X-1249](#), 03/07/2007, Official Gazette, 2007, No. 80-3220 (19/07/2007)
LAW AMENDING AND SUPPLEMENTING ARTICLES 2, 12, 13, 15, 25, 33, 37, 38, 66, 76, 77, 78, 80,
81, 84, 87, 89, 93, 97, 100, 101, 104, 105, 108, 113, 117, 118, 128, 130, 132, 133, 135, 141, 142, 164, 165
AND ANNEX OF THE LAW ON TAX ADMINISTRATION, SUPPLEMENTING IT WITH ARTICLE
133(1)
Article 22 of this law shall come into legal force from 1 January 2008.

8.

The Seimas of the Republic of Lithuania, Law
No. [X-1297](#), 18/10/2007, Official Gazette, 2007, No. 114-4629 (08/11/2007)
AMENDING ARTICLE 83 OF THE LAW ON TAX ADMINISTRATION
This law shall come into legal force from 1 January 2011.

Amendment of the entry into force of this law:

The Seimas of the Republic of Lithuania, Law
No. [XI-99](#), 22/12/2008, Official Gazette, 2008, No. 149-6023 (30/12/2008)
LAW AMENDING ARTICLE 2 OF THE LAW AMENDING ARTICLE 83 OF THE LAW ON
TAX ADMINISTRATION

Laws No. [X-1297](#) and No. [XI-99](#) were repealed on 11 December 2010:

The Seimas of the Republic of Lithuania, Law

No. [XI-1160](#), 23/11/2010, Official Gazette, 2010, No. 145-7417 (11/12/2010)
LAW REPEALING THE LAW AMENDING ARTICLE 83 OF THE LAW ON TAX
ADMINISTRATION AND THE LAW THAT AMENDED IT

9.

The Seimas of the Republic of Lithuania, Law
No. [X-1318](#), 08/11/2007, Official Gazette, 2007, No. 120-4883 (22/11/2007)
LAW AMENDING ARTICLES 13 AND 16 OF THE LAW ON TAX ADMINISTRATION

10.

The Seimas of the Republic of Lithuania, Law
No. [X-1786](#), 06/11/2008, Official Gazette, 2008, No. 131-5036 (15/11/2008)
LAW AMENDING ARTICLE 148 OF THE LAW ON TAX ADMINISTRATION

11.

The Seimas of the Republic of Lithuania, Law
No. [XI-558](#), 10/12/2009, Official Gazette, 2009, No. 153-6896 (28/12/2009)
LAW SUPPLEMENTING AND AMENDING ARTICLES 2, 55, 63, 64, 83 AND 102 OF THE LAW ON
TAX ADMINISTRATION

12.

The Seimas of the Republic of Lithuania, Law
No. [XI-1159](#), 23/11/2010, Official Gazette, 2010, No. 145-7416 (11/12/2010)
LAW AMENDING ARTICLES 25, 87, 88, 135 AND 164 OF THE LAW ON TAX ADMINISTRATION
AND SUPPLEMENTING IT WITH ARTICLE 37(1)
Article 2 of this law shall come into legal force on 1 January 2012.
Article 5 of this law shall come into legal force on 1 April 2011.

13.

The Seimas of the Republic of Lithuania, Law
No. [XI-1875](#), 22/12/2011, Official Gazette, 2011, No. 163-7766 (31/12/2011)
LAW SUPPLEMENTING AND AMENDING ARTICLES 2, 33, 40, 42, 55, 63, 64, 95, 102 AND 106 OF
THE LAW ON TAX ADMINISTRATION
This law shall come into legal force on 1 January 2012.

14.

The Seimas of the Republic of Lithuania, Law
No. [XI-1849](#), 22/12/2011, Official Gazette, 2012, No. 6-185 (10/01/2012)
LAW AMENDING AND SUPPLEMENTING ARTICLES 103 AND 106 OF THE LAW ON TAX
ADMINISTRATION
This law shall come into legal force on 01 July 2012.
[Corrigendum](#) of this law was published in: Official Gazette, 2012, No. 6

15.

The Seimas of the Republic of Lithuania, Law
No. [XI-2078](#), 19/06/2012, Official Gazette, 2012, No. 76-3927 (30/06/2012)
LAW AMENDING ARTICLES 29, 33, 40, 88, 95 AND 105 OF THE LAW ON TAX ADMINISTRATION
AND SUPPLEMENTING IT WITH ARTICLES 42(1), 104(1) AND 104(2)
Articles 3, 4, 7, 8 and 9 of this law shall come into legal force on 1 January 2013.

16.

The Seimas of the Republic of Lithuania, Law
No. [XI-2251](#), 02/10/2012, Official Gazette, 2012, No. 122-6110 (20/10/2012)
LAW AMENDING ARTICLE 39 OF THE LAW ON TAX ADMINISTRATION
This law shall come into legal force on 01 January 2013.

17.

The Seimas of the Republic of Lithuania, Law
No. [XII-602](#), 19/11/2013, Official Gazette, 2013, No. 124-6281 (05/12/2013)
LAW SUPPLEMENTING AND AMENDING ARTICLES 2, 14, 26, 105, 106, 107 AND 113 OF THE
LAW ON TAX ADMINISTRATION

This law, except paragraph 3 of this article, **shall come into legal force on 1 July 2015.**

Administration and recovery of fines for administrative offences imposed before the entry into force of this law shall be carried out according to the procedure that was valid before this law came into legal force.

Entry into force of the law was amended:

17.1..

The Seimas of the Republic of Lithuania, Law

No. [XII-1511](#), 18/12/2014, published in the RLA on 31/12/2014, ID code 2014-21277

LAW AMENDING ARTICLE 8 OF THE REPUBLIC OF LITHUANIA LAW NO. XII-602 SUPPLEMENTING AND AMENDING ARTICLES 2, 14, 26, 105, 106, 107 AND 113 OF THE LAW ON TAX ADMINISTRATION

18.

The Seimas of the Republic of Lithuania, Law

No. [XII-795](#), 20/03/2014, published in the RLA on 03/04/2014, ID code 2014-04029

AMENDMENT OF ARTICLES 33, 39 AND 93 OF THE LAW NO. IX-2112 OF THE REPUBLIC OF LITHUANIA ON TAX ADMINISTRATION

This law shall come into legal force on 1 October 2014.

Amendments:

1.

The Seimas of the Republic of Lithuania, Law

No. [XII-1137](#), 23/09/2014, published in the RLA on 03/10/2014, ID code 2014-13606

Law amending articles 42-1, 66, 88 and 99 of the Law No. IX-2112 of the Republic of Lithuania on Tax Administration

2.

The Seimas of the Republic of Lithuania, Law

No. [XII-1382](#), 04/12/2014, published in the RLA on 12/12/2014, ID code 2014-19557

Law amending articles 13 and 16 of the Law No. IX-2112 of the Republic of Lithuania on Tax Administration

3.

The Seimas of the Republic of Lithuania, Law

No. [XII-1668](#), 07/05/2015, published in the RLA on 20/05/2015, ID code 2015-07659

Law amending articles 13 and 16 of the Law No. IX-2112 of the Republic of Lithuania on Tax Administration

4.

The Seimas of the Republic of Lithuania, Law

No. [XII-1454](#), 16/12/2014, published in the RLA on 31/12/2014, ID code 2014-21202

Law amending articles 63, 102 and 106 of the Law No. IX-2112 of the Republic of Lithuania on Tax Administration

5.

The Seimas of the Republic of Lithuania, Law

No. [XII-1511](#), 18/12/2014, published in the RLA on 31/12/2014, ID code 2014-21277

Law amending article 8 of the Republic of Lithuania Law No. XII-602 supplementing and amending articles 2, 14, 26, 105, 106, 107 and 113 of the Law on Tax Administration

6.

The Seimas of the Republic of Lithuania, Law

No. [XII-1897](#), 25/06/2015, published in the RLA on 07/07/2015, ID code 2015-11087

Republic of Lithuania law amending articles 28, 41, 55, 68, 87, 89, 101, 104-1, 104-2, 129, 131 and 154 as well as the annex of the Law on Tax Administration No. IX-2112, supplementing the Law with articles 55-1 and 61-1 and repealing articles 56, 57, 58, 59, 60

7.

The Seimas of the Republic of Lithuania, Law
No. [XII-1985](#), 20/10/2015, published in the RLA on 27/10/2015, ID code 2015-16907
Law amending article 14 of the Law No. IX-2112 of the Republic of Lithuania on Tax Administration