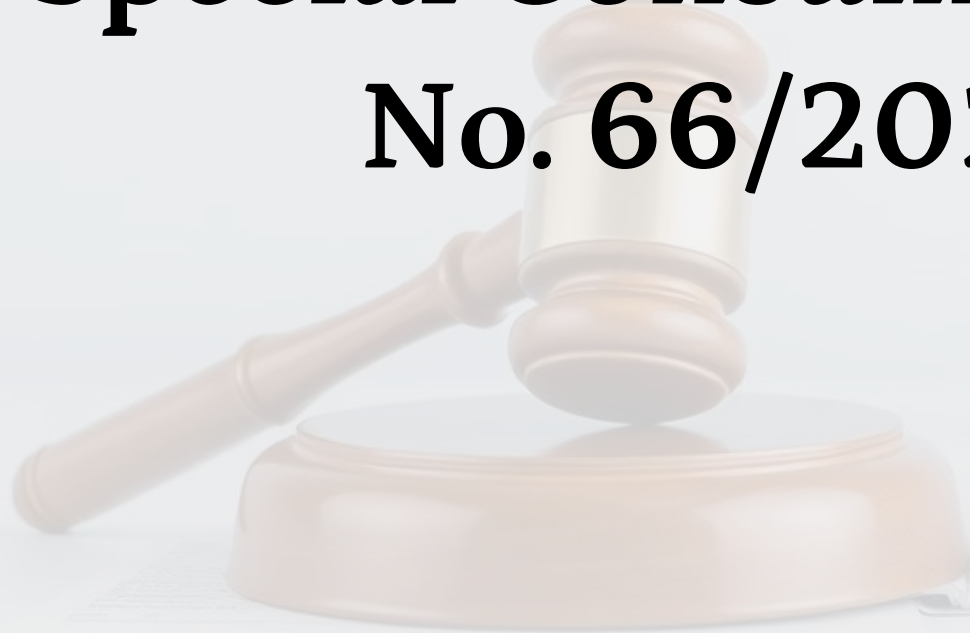


Key Updates in the Law on Special Consumption Tax (Law No. 66/2025/QH15)



Adjustments to Taxable Objects



Newly Added Taxable Items

- Helicopters, gliders
- Beverages following Vietnamese National Standards (TCVN) with sugar content exceeding 5g/100mL



Some Air conditioner products are no longer subject to tax:

Following the new regulations: Only air conditioners with a capacity above 24.000 BTU up to 90.000 BTU are subject to tax.

(Previously, all air conditioners with capacity up to 90.000 BTU were subject to special consumption tax)

Air conditioning units which are designed and only installed on transportation such as trains, buses, aircraft, cars, ships, etc., are not subject to this tax.



Some taxable objects

- Votive gilt papers and votive objects, excluding votive objects which are children's toys and educational tools.
- Betting business, including sports betting, entertainment betting, and other forms of betting as prescribed by law.

Adjustion of non-tax objects

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Newly Added Non - taxable Items

- Goods which are directly exported by organizations or individuals that produce, process, or have goods processed;
- Goods previously exported abroad that had been subject to excise tax and are returned
- Cars are not registered for circulation and are used exclusively within historical sites, hospitals, schools, and other specialized automobiles as prescribed by the Government.
- Aircraft, helicopters, and gliders used for security, national defense, emergency medical services, rescue, firefighting, pilot training, filming, photography, mapping, or agricultural production.
- Passenger automobiles and four-wheeled passenger vehicles with engines that are not registered for circulation and are used exclusively within amusement parks, entertainment zones, sports areas, historical sites, hospitals, schools, and other specialized automobiles as prescribed by the Government.

Added tax bases and tax calculation methods

Previously, the Law on Exercise tax in 2008 stipulated that :

Excise tax bases are the taxed price of a taxable goods or service and the tax rate.

Payable excercise tax payable shall be calculated by multiplying the taxable price by the applicable tax rate.

Following the Law on Exercise tax in 2025:

- Excise tax bases calculated according to the **ad valorem method** include the taxed price of a taxable goods or service and the tax rate;
- The excise tax base calculated according to **the specific amount method** is the quantity of taxable goods and the specific tax amount.

Added specific tax amount on tobacco implemented progressively from 2027 to 2030

Cigarettes:

- From January 1, 2027: VND 2,000/pack
- From January 1, 2028: VND 4,000/pack
- From January 1, 2029: VND 6,000/pack
- From January 1, 2030: VND 8,000/pack
- From January 1, 2031: VND 10,000/pack

Cigars:

- From January 1, 2027: VND 20,000/cigar
- From January 1, 2028: VND 40,000/cigar
- From January 1, 2029: VND 60,000/cigar
- From January 1, 2030: VND 80,000/cigar
- From January 1, 2031: VND 100,000/cigar

Shredded tobacco, pipe tobacco, or other forms:

- From January 1, 2027: VND 20,000/100g or 100ml
- From January 1, 2028: VND 40,000/100g or 100ml
- From January 1, 2029: VND 60,000/100g or 100ml
- From January 1, 2030: VND 80,000/100g or 100ml
- From January 1, 2031: VND 100,000/100g or 100ml

Increased tax rate on liquor and beer implemented progressively from 2027 to 2030

Liquor of 20 degree proof or higher:

- From January 1, 2026: 65%
- From January 1, 2027: 70%
- From January 1, 2028: 75%
- From January 1, 2029: 80%
- From January 1, 2030: 85%
- From January 1, 2031: 90%

Liquor of under 20 degree proof:

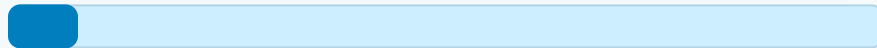
- From January 1, 2026: 35%
- From January 1, 2027: 40%
- From January 1, 2028: 45%
- From January 1, 2029: 50%
- From January 1, 2030: 55%
- From January 1, 2031: 60%

Beer:

- From January 1, 2026: 65%
- From January 1, 2027: 70%
- From January 1, 2028: 75%
- From January 1, 2029: 80%
- From January 1, 2030: 85%
- From January 1, 2031: 90%

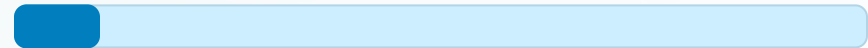
Added tax rate on beverages

Article 8 Law on Excise tax stipulates the tax rate on Beverages following the Vietnamese National Standards, with a sugar content exceeding 5g/100ml:



8%

From 01/01/2027



10%

From 01/01/2028

Adjusted tax refund and deduction

Law on Excise 2025 stipulates that:

- Goods which are raw materials imported for production or processing of goods for export abroad.
- Tax finalization upon dissolution or bankruptcy where there remains uncredited excise tax. (In case a cooperative group is transformed into a cooperative, the cooperative shall inherit the overpaid or uncredited excise tax amount of the cooperative group for deduction or refund as prescribed);
- Excise tax refund under treaties to which the Socialist Republic of Vietnam is a contracting party.

Law on Excise 2008 stipulates that:

- Goods temporarily imported and temporarily exported ;
- Goods which are raw materials imported for production or processing of goods for export abroad;
- Finalization of overpaid tax amounts upon merger, consolidation, separation, split-up, dissolution, bankruptcy, ownership change, enterprise transformation or operation termination;
- Upon issuance of tax refund decisions by competent agencies under law, and cases of excise tax refund under treaties to which the Socialist Republic of Vietnam is a contracting party.

Law on Excise tax No. 66/2025/QH15 takes effect from January 01, 2026.

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