

Bosnia and Herzegovina (BiH) has put a draft of the Law on Excise, which introduces excise duty on electricity, to public debate.

However, natural gas and solid fuels used in households, natural gas used to power motor vehicles, electricity consumed in households and electricity when it makes up more than 50 % of the product cost in the production process, would all be exempted from the charge.

Thus, excise duty would be calculated only for commercial consumption.

It is almost certain that in this could lead to an increase in the price of electricity for commercial customers, and thus increase their production costs, which in turn will be reflected in higher prices of products and increased living costs. However, it is not yet known where the money collected from these excise duties will be allocated. For example, excise duties on tobacco are allocated for the health sector, excise duties on fuel for road construction, existing excise duties on electricity for environmental protection.