

REPUBLIC OF SERBIA

**INDIVIDUAL INCOME
TAX LAW**

Belgrade, 2018

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INDIVIDUAL INCOME TAX LAW*

***NOTE OF THE PUBLISHER:

The Government of the Republic of Serbia is authorised to publish harmonized dinar amounts determined by law. Harmonized amounts are published in the Službeni glasnik RS, Nos. 3/10 of 22 January 2010, 4/11 of 28 January 2011, 7/12 of 31 January 2012, 8/13 of 25 January 2013, 6/14 of 24 January 2014, 5/15 of 20 January 2015, 5/16 of 25 January 2016, 7/17 of 31 January 2017, 7/18 of 26 January 2018. The Harmonized Dinar Non-taxable Amounts of the Individual Income Tax (Službeni glasnik RS, No. 7/18) shall come into force on 1 February 2018 (see item 2 of the Harmonized Dinar Non-taxable Amounts – 7/2018-25).

The Law Amending the Individual Income Tax Law (Službeni glasnik RS, No. 113/17) shall come into force on 1 January 2018. The provisions of Articles 14, 23, 24, 25, 38, 42, 44, 45 and 46 of this Law, in the part pertaining to the method of keeping books of accounts of the payers of tax on the revenue stemming from self-employment, and the provision of Article 37 of this Law, shall apply as of 2019 (see Articles 51 and 53 of the Law – 113/2017-185).

Part One

BASIC PROVISIONS

Article 1

Individual income tax shall be payable, in conformity with the provisions of the present Law, by individuals who earn income.

The taxation of individual income shall be dealt with by the present Law exclusively.

Tax exemptions and facilities may be introduced by the present Law exclusively.

Income

Article 2

Individual income tax shall be payable on income from all sources, other than those excluded under the present Law.

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Taxable income shall mean the difference between gross income earned by a taxpayer on some of the grounds referred to in Article 3 of the present Law and the expenses he/she had incurred in generating and preserving it, if so provided by the present Law.

Income shall be understood to mean the sum of taxable revenues referred to in paragraph 2 of this Article generated in a calendar year.

Taxable Revenues

Article 3

Individual income tax shall be payable on the following kinds of revenues:

- 1) wages and salaries;
- 2) revenue from self-employment;
- 3) revenue from copyrights, rights related to copyrights and industrial property rights;
- 4) revenue from yield on capital;
- 5) revenue from real estate;
- 6) capital gains;
- 7) other revenues.

The revenues referred to in paragraph 1 of this Article shall be taxable regardless of whether they were received in money or kind, on the basis of performance or in some other way.

Taxation of Various Kinds of Revenue

Article 4

Individual income tax shall be payable on the various kinds of revenue referred to in Article 3 of the present law as follows:

- 1) At source for each revenue individually;
- 2) As levied by the competent tax office;
- 3) Self-taxation.

Annual Individual Income Tax

Article 5

Annual individual income tax shall be payable on the revenue earned in a calendar year, as levied by the competent tax office, in conformity with the present Law.

Taxpayer

Article 6

The payer of tax shall be any individual who is bound to pay tax under the provisions of the present Law (hereinafter: the taxpayer).

Resident

Article 7

The payer of individual income tax shall be any resident of the Republic of Serbia (hereinafter: the resident) on the revenue earned in the territory of the Republic of Serbia (hereinafter: the Republic) or in some other state.

For the purposes of this Law, a resident of the Republic shall be understood to mean any individual:

- 1) Whose residence or centre of business and vital interests is in the territory of the Republic;
- 2) Who resides in the territory of the Republic for 183 or more days, continuously or with breaks, over a period of 12 months beginning or ending in the respective taxation year.

For the determination of residence in the territory of the Republic under paragraph 2, item 2) of this Article, a full day residence in the Republic shall be understood to mean residence for one part of the day, at any time between 00 and 24 hours, except for the part of the day that the natural person spends in transit through the Republic.

A natural person who did not reside in the territory of the Republic in a particular taxation year, and who does not fulfil the requirements to be considered a tax resident under the criteria set forth in paragraph 2, item 1) of this Article, shall not be deemed a resident of the Republic for that taxation year.

A natural person who was not considered a resident in the year preceding the year of arrival to the Republic shall not be considered a resident for the period prior to the date when it first entered the territory of the Republic, provided that during the year preceding the date of first entry into the territory of the Republic he/she did not fulfil the requirements to be considered a resident under the criteria set forth in paragraph 2 item 1) of this Article.

A natural person who was not considered a resident in the year following the year in which it finally left the Republic, shall not be considered a resident for the period of the year following the date of the final departure of the territory of the Republic, provided that during that period it cannot be considered a resident of the Republic on the basis of the criteria provided for in paragraph 2, item 1) of this Article.

A natural person who, at the time of first entry into the territory of the Republic, knew that he/she would fulfil the requirements set forth in paragraph 2, items 1) or 2) of this Article shall be considered a resident from the time of first entry into the territory of the Republic.

Notwithstanding the provisions set forth in paragraph 2 of this Article, a resident of the Republic shall also be understood to mean any natural person who is sent to some other state for the purpose of working in a diplomatic or consular mission of the Republic, or working for the Republic in an international organization, for the duration of this activity in this or any other diplomatic or consular mission of the Republic, or an international organization.

Non-resident

Article 8

The payer of individual income tax shall also be any individual who is not a resident (hereinafter: non-resident), on the revenue earned in the territory of the Republic.

*For the purpose of paragraph 1 of this Article, income shall be understood to mean the revenue earned by any natural person based on the work performed in the territory of the Republic.**

*For the purpose of paragraph 1 of this Article, income shall also be understood to mean the revenue based on the right arising in the territory of the Republic, including the right to property located in the territory of the Republic which is at a non-resident's disposal.**

Exclusions from Taxable Income

Article 9

Individual income tax shall not be payable on the receipts based on the following:

- 1) Regulations dealing with the rights of disabled veterans;
- 2) *Receipts, with the exception of compensation for wage (salary), earned in accordance with the law governing financial support to the family with children;**
- 3) Allowance for *assisting and nursing another person** and compensation for disability;
- 4) Unemployment benefit and other type of compensation paid by the National Employment Service within program and measures for active employment policy, in accordance with the law governing employment and unemployment insurance;

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

5) *Social protection services and material support in accordance with the law governing social protection*;^{*}

6) Health insurance benefits, with the exception of compensation for wage/salary;

7) Property insurance indemnity, other than indemnity for lost profit, as well as personal insurance indemnity for damage suffered, unless it was made good by the perpetrator;

8) Indemnity for material and consequential damage, with the exception of indemnity for lost profit and compensation for wages (salary) or lost wages (salary);

9) Relief given in the event of death of an employee, member of his/her family or retired employee, up to 67,145^{**} dinars;

10) Relief given because of destruction of or damage to property in consequence of natural disasters or other extraordinary occurrences;

11) Organised welfare and humanitarian aid;

12) Grants and loans to pupils and students amounting up to 11,511^{**} dinars a month;

13) Meal allowance paid to amateur athletes by amateur sport clubs in conformity with the law dealing with sports amounting up to 9,592^{**} dinars;

14) Remuneration and reward for the work done paid to convicts and juvenile delinquents kept in penitentiaries and reform establishments;

15) Remuneration and reward for the work done paid to inmates of psychiatric establishments;

16) Payment of contribution for mandatory social insurance that a company is obliged to pay for its founder, i.e. member in accordance with the law governing contributions for social insurance;

17) Old age pension and disability pension receivable on the basis of mandatory old age pension and disability and/or military insurance rights;

18) Retirement gratuity, up to the amount fixed as the lowest by the law governing labour, *i.e. labour relations*^{*};

19) Severance pay/gratuity paid by the employer to a redundant employee, in conformity with the law *governing labour, i.e. * labour relations*, i.e. to the employee working in jobs that are no longer needed or it is necessary to reduce the number of workers in accordance with the law governing the manner of determining the maximum number of employees in the public sector - up to the amount determined by such laws;

20) Severance payment for person whose employment has been terminated in the process of resolving the redundancy in the privatization process in accordance with the Government act determining the program for resolving redundancy in the privatization process - up to the amount set by this program;

21) Remuneration for the work done by a sustainer and remuneration for supporting the beneficiary in the sustainer family;

22) Remuneration paid under the regulations governing the Army of Serbia to servicemen serving their military service in the Army, students and cadets of military education institutions and persons attending other professional training for officers and non-commissioned officers;

23) Remuneration which, in conformity with the regulations governing internal affairs, is paid to students of a higher education institution established for the purposes of realization of study programmes for police education;

24) Premiums, subsidies, bonuses and other funds for the purpose of stimulating agricultural development in the scope of the budget of the Republic, autonomous province and local self-government, which are paid to or in a special earmarked account of a family farm holder, which is registered in the register of farms;

25) VAT refunds, in conformity with the law governing value-added tax;

^{*} Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

^{**} Published in the *Službeni glasnik RS*, No. 7/18 of 26 January 2018 (*Harmonized Dinar Non-taxable Amounts*).

26) Prizes awarded to pupils and students for the results achieved in the course of education and training, as well as those awarded at international competitions and competitions stated in the scope of the education system;

27) Reimbursement of costs of volunteering exercised by volunteers, pursuant to the law by which is governed volunteering;

28) *Financial assistance to natural persons who are not in an employment relationship with the assistance provider, and which is used for medical treatment in the country or abroad, in the amount of the actual treatment costs, documented by receipts of a healthcare institution administering the treatment, as well as the documented transport and accommodation costs for the treatment of that person;**

29) Compensation for work of the members of *electoral commissions, except for the members of the Republic Electoral Commission,** polling and voting committee members for the implementation of direct elections and other forms of direct expression of citizens' will, as well as compensation for work on the census - up to 5,150** dinars in the same election cycle, or census;*

30) *Financial assistance to natural persons who are not in an employment relationship with the assistance provider, and which does not represent the equivalent for any of their work, i.e. a counter-service or counter-obligation for any of their activities in relation to the assistance provider – in the amount up to 12,746** dinars a year, earned from one payer.**

The exercise of the right to tax exemption in the case of the receipts referred to in paragraph 1, items 10), 11), 12), 13), 28) and 30)* of this Article shall be dealt with in greater detail by the Minister in charge of finance affairs.

****NOTE OF THE PUBLISHER: Former provision of Article 9, paragraph 1, item 16 of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 135/04, 62/06 and 65/06) was subject to the Constitutional Court assessment (see Decision CC No. IUz 128/2011, published in the Službeni glasnik RS, No. 114/12).*

Article 9a

(Deleted)

Dependent Members of Family

Article 10

For the purposes of the present Law, the dependent members of family supported by a taxpayer shall be understood to mean the following persons:

- 1) Underage natural children and adopted children;
- 2) Natural children and adopted children receiving regular education or while unemployed, if they live in the taxpayer's household;
- 3) Grandchildren, if they are not supported by their parents and live in the taxpayer's household;
- 4) Spouse;
- 5) Natural parents and foster parents.

For the purposes of the present Law, the spouse, parents, natural children, adopted children and adoptive parent of a taxpayer shall be deemed family members.

For the purposes of the present Law, a household shall be understood to mean a community of living, earning and spending the earnings.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

** Published in the *Službeni glasnik RS*, No. 7/18 of 26 January 2018 (*Harmonized Dinar Non-taxable Amounts*).

Tax Credit

Article 11

For the purposes of the present Law, tax credit shall be understood to mean the amount by which the levied individual income tax is to be reduced.

Avoidance of Double Taxation

Article 12

Should a taxpayer who is a resident of the Republic earn revenue in some other country, on which tax was paid in another country, he/she shall be allowed a tax credit amounting to the income tax paid in the other member state or another country, on the individual income tax levied in conformity with the present Law.

The tax credit referred to in paragraph 1 of this Article may not be higher than the amount that would be obtained by applying the provisions of the present Law to the income earned in another country.

Adjustment of Amounts in Dinars

Article 12a

*The amounts in dinars referred to in Article 9, paragraph 1, items 9), 12), 13), 29) and 30), Article 15a, paragraphs 2, 4 and 5, Article 18, paragraph 1, items 1), 2), 5), 7), 8) and 9), Article 21a, paragraph 2, Article 83, paragraph 4, item 1) and Article 85, paragraph 1, item 11) of this Law shall be adjusted to the annual retail price index in the calendar year preceding the year in which the adjustment is made, in accordance with the data furnished by the republic authority in charge of statistics.**

The Government shall announce the adjustment of amounts in dinars referred to in paragraph 1 of this Article.

The adjustment of amounts in dinars referred to in paragraph 1 of this Article shall be applicable as of the first day of the month following the announcement of such amounts.

Part Two

TAXATION OF VARIOUS KINDS OF REVENUE

Chapter One

WAGE/SALARY TAX

Taxability

Article 13

For the purposes of the present Law, wage/salary shall be understood to mean the wage/salary stemming from employment, as defined by the law dealing with labour relations and other receipts of an employee.

For the purposes of the present Law, wage/salary shall also be understood to mean the remunerations and other receipts earned on the basis of temporary and occasional work done on

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

the basis of contracts made with employers directly, as well as on the basis of contracts made through youth and student co-operatives, with the exception of those with persons up to 26 years of age who are attending secondary, college and university education establishments.

Under this Law, wage/salary shall also be understood to mean paid personal income of a proprietor determined in accordance with this Law.

Under this Law, wage/salary shall also be understood to mean the wage/salary earned by employees in relation to work with the *resident** employer from persons who, in the sense of the law governing legal entity profit tax, are considered persons related to the employer (hereinafter: related person).

*Under this Law, wage/salary shall also be understood to mean the receipts in relation to work with the employer, which are earned by a person based on an employment right upon termination of an employment relationship.**

Article 14

For the purposes of this Law, income shall also include earnings in the form of vouchers, securities, except for shares acquired in the process of ownership transformation, cash certificates, merchandise, as well as earnings generated by making or providing benefits, debt waiver, as well as covering the expenses of taxpayer by cash reimbursement or direct payment.

Securities, except for shares acquired in the process of ownership transformation, that the employee receives from the employer or an entity associated with employer shall be deemed income at the moment of acquiring the right of disposition over the securities.

Income referred to in paragraph 2 of this Article shall also include securities received by employee based on rewarding policy * from employer or an entity associated with employer.

Earnings referred to in paragraphs 2 and 3 of this Article, which the employee receives from an entity associated with the employer, shall be deemed income when the employee acquires the right of disposition over such securities *.

Income tax base for earnings referred to in paragraph 1 of this Article, except securities, shall be:

- 1) nominal value of vouchers and cash certificates,
- 2) price that would be achieved by selling the goods in the market,
- 3) compensation that would be achieved in the market for service, i.e. benefit provided to the taxpayer,
- 4) pecuniary value of the covered expenditures,
increased for associated tax and contributions for mandatory social insurance paid by employee from the salary (hereinafter: associated income duties).

If based on the earnings referred to in paragraph 5, items 1) through 4) of this Article employee made pecuniary payments to the payer of salary, the income tax base shall be the difference between the value of those earnings and pecuniary payments made by employee to the salary payer, increased for associated income duties, i.e. in case of self-taxation, the difference between the received income, from which the associated income duties have to be paid, and the pecuniary payments.

Income tax base referred to in paragraphs 2 and 3 of this Article shall be the market value of the securities increased for associated income duties, at the moment of acquiring the right of disposition over those securities.

If the employee acquired the securities referred to in paragraphs 2 and 3 of this Article at the price that is lower than the market price, than the income tax base shall be the difference between the market price of those securities at the time of acquisition and the amount paid by the employee, increased for associated income duties.

If the market value of securities is expressed in the foreign currency, the income tax base shall be its dinar counter-value at the official median exchange rate of the National Bank of Serbia on the date of acquiring the right of disposition over those securities.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Price, amount of compensation, i.e. pecuniary value referred to in paragraph 5, items 2) through 4) and the market value referred to in paragraph 7 of this Article shall be determined by the payer of the salary at the time of payment, i.e. at the time of transfer of the right of disposition over the securities.

Article 14a

The receipts based on acts or provision of facilities as referred to in Article 14, paragraph 1, of the present Law shall be understood to mean the following:

- 1) Use of official vehicle or some other means of transport for private purposes;
- 2) Use of the residential buildings and dwellings that are owned by employers or are at their disposal on the basis of leasing or on some other grounds, with or without rent payment.

The monthly amount of the receipts referred to in paragraph 1, item 1), of this Article for each started calendar month of using the vehicle shall be 1% of the market value of the official vehicle or some other means of transport used for private purposes, as published by the competent organization as on 31 December of the year preceding the year in which that vehicle is utilized for private purposes, reduced by the amount paid by the employee for such use.

The amount of the receipts referred to in paragraph 1, item 2), of this Article shall be the amount of rent paid by the employer for the employee or, in cases where the employer does not pay rent, the amount of rent in accordance with market prices existing at the place in which the residential building or dwelling is situated, reduced by the amount paid by the employee as rent.

In the determination of wage/salary tax base, the receipts referred to in this Article shall be increased by accrued obligations from wage/salary.

**** NOTE OF THE PUBLISHER: Former provision of Article 14a, paragraph 1, item 2 of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 135/04, 62/06 and 65/06) was subject to the Constitutional Court assessment (see Decision CC No. IUz 61/2009, published in the Službeni glasnik RS, No. 91/11).*

Article 14b

The wages/salaries referred to in Articles 13 and 14 of the present Law shall also mean the premiums for all kinds of optional insurance, as well as contributions to the optional pension fund, paid by the employer on behalf of his employees who are covered by optional insurance and employees who are members of an optional pension fund, in conformity with the law governing the optional insurance and optional pension funds and pension schemes.

Notwithstanding the provision of paragraph 1 of this Article, the following shall not be regarded as wage/salary referred to in Articles 13 and 14:

1) *Premiums paid by an employer for all employees in the case of non-life, collective accident insurance, including insurance against injury at work and professional diseases and collective insurance covering grave diseases and surgery, as well as premiums for collective life insurance in the case of an employee's death due to a disease paid by an employer for all employees;**

2) Premiums for optional supplementary pension insurance and/or contributions to the optional pension fund paid by an employer for the employees covered by optional insurance and/or the employees who are members of the optional insurance fund, in conformity with the special regulations governing the fields listed above, up the amount which is exempt from the payment of contributions in conformity with the law governing mandatory social security.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Taxpayer

Article 15

The payer of wage/salary tax shall be any individual who earns a wage/salary.

Tax Base

Article 15a

The base of tax on the wage/salary referred to in Articles 13 through 14b of the present Law shall be the paid out or actual earnings.

*The base of the tax payable on wages/salaries, shall be the wages/salaries referred to in Article 13, paragraphs 1 and 3, Articles 14 through 14b and Article 15b of the present Law, reduced by 15,000 dinars monthly for a person with full-time employment.**

For a person employed part time, the reduction referred to in paragraph 2 of this Article shall be proportionate to the working hours of that person relative to full-time employment.

When a person is employed full-time by two or more employers, the reduction referred to in paragraph 2 of this Article shall be performed by each employer in proportion to the working hours relative to full-time working hours, with the total reduction amounting to 15,000 dinars* per month.

When a person is employed less than full-time by two or more employers, each employer shall perform the reduction in proportion to the hours worked relative to the total working hours, with the sum of reductions not exceeding 15,000 dinars* per month, or proportionately to the working hours of the person in relation to full time.

The manner and procedure of calculating wage/salary tax referred to in paragraphs 2 through 5 of this Article and the delivery of data to the Tax Administration shall be regulated in more detail by the Minister.

Article 15b

For natural persons - residents of the Republic who were sent abroad to perform operations for legal entities - residents of the Republic, the base of tax on the wage/salary shall be the amount of income that would be earned on similar or same jobs in the Republic, in accordance with law, general act or employment contract.

*For the purpose of paragraph 1 of this Article, natural persons shall also be understood to mean the residents of the Republic who are seconded abroad for professional training and advancement for the needs of an employer in terms of the law governing the secondment of employees to temporary work abroad.**

Tax Rate

Article 16

The wages/salaries referred to in Articles 13 through 14b of the present Law shall be taxed at the rate of 10%.

Article 17

(Deleted)

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Tax Exemptions

Article 18*

Wage/salary tax shall not be payable on any employee's receipts from an employer based on the following:*

1) Public transport allowance to and from the place of work – up to the price of monthly public transport ticket, i.e. up to the actual transport costs, but no more than 3,837** dinars a month;*

2) Per diem allowance on business trips in the country – up to 2,303** dinars on the basis of the entire per diem allowance, i.e. up to the corresponding amount for half of per diem allowance, stipulated in the manner and in accordance with the regulations of the competent government authority;*

3) Per diem allowance on business trips abroad – up to the amount stipulated by the competent government authority, but no more than 50 euros per day, stipulated in the manner and in accordance with the conditions stipulated by the competent government authority;*

4) Accommodation allowance on business trips, according to presented bills;*

5) Transport allowance on business trips, against public carrier bills presented, and when the use of the employee's own motorcar for business trips or other business purposes is permitted under laws and other regulations, i.e. acts – up to 30% of the price of a basic measurement unit of petrol multiplied by the number of measurement units consumed, but no more than 6,716** dinars a month;*

6) Daily remuneration exercised by the members of the Army of Serbia in connection with the performance of their duty, in accordance with the regulations governing the Army of Serbia;*

7) Solidarity relief in the event of sickness, medical rehabilitation or disability of an employee or member of his/her family – up to 38,370** dinars;*

8) New Year and Christmas gifts to the employees' children up to 15 years of age – up to 9,592** dinars per child yearly;*

9) Jubilee awards to employees in conformity with the law governing labour – up to 19,183** dinars a year;*

10) Financial assistance used for the medical treatment of an employee either in the country or abroad, in the amount of the actual treatment costs, documented by receipts of a healthcare institution administering the treatment, as well as the documented transport and accommodation costs for the treatment of that person.*

The wage/salary tax shall not be payable on the receipts referred to in paragraph 1, items 1) through 5) of this Article earned by persons who although unemployed are earning an income for their work making them liable for the wage/salary tax pursuant this Law.*

For determining income tax on the basis of per diems for business trips abroad, the income above the amount stipulated by the competent government authority, i.e. above the non-taxable amount of 50 euros referred to in paragraph 1, item 3) of this Article, shall be converted into dinar amount at the official median exchange rate of the National Bank of Serbia on the date of costing.*

The exercise of the right to tax exemption relating to the receipts referred to in paragraph 1, items 7) and 10) of this Article shall be dealt with in more detail by the Minister.*

Article 19

(Deleted)

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

**Published in the *Službeni glasnik RS*, No. 7/18 of 26 January 2018 (*Harmonized Dinar Non-taxable Amounts*).

Article 20

The following shall be exempt from tax on the wages/salaries earned in foreign diplomatic and consular missions or international organisations or by working for the representatives or officers of such missions or organisations:

1) Heads of foreign diplomatic missions accredited in Serbia, staff of foreign diplomatic missions in Serbia, as well as members of their households, if such members of household are not citizens of Serbia or residents of the Republic;

2) Heads of foreign consulates in Yugoslavia and consular officials authorised to perform consular functions, as well as members of their households, if such members of household are not citizens of Serbia or residents of the Republic;

3) Officials of the Organisation of United Nations and its specialised agencies and technical aid specialists of the Organisation of United Nations and its specialised agencies.

3a) Officials, specialists and administrative staff of international organisations, if they are not citizens of Serbia or residents of the Republic;

4) Employees of foreign diplomatic or consular missions and international organisations, if they are not citizens of Serbia or residents of the Republic;

5) Honorary consuls of foreign states, on their receipts from the states that have appointed them for the performance of consular functions;

6) Employees of the persons referred to in items 1) through 5) of this Article, if they are not citizens of Serbia or residents of the Republic.

Notwithstanding the provision of paragraph 1 of this Article, the individuals who are citizens or residents of the Republic shall be exempt from tax on the wages/salaries earned by working for the Organisation of United Nations and its specialised agencies.

Article 21

Tax shall not be payable on the wages/salaries of disabled persons employed in enterprises for the occupational training and employment of persons with disabilities.

Article 21a

The tax on wages/salaries shall not be payable on:

1) Premiums for optional health insurance deducted and paid by the employer from an employee's wage/salary for the employees who are covered by optional health insurance in the country, in conformity with the laws governing optional health insurance and the regulations enacted for their application;

2) Pension contributions to an optional pension fund deducted and paid by the employer from an employee's wage/salary for the employees who are members of the optional pension fund, under the law governing optional pension funds and pension plans.

The total amount that may be subject to exemption referred to in paragraph 1 of this Article must not, in sum, exceed 5,757** dinars a month.

Tax Relief on the Employment of New Persons and Disabled Persons

Article 21b

(Deleted)

** Published in the *Službeni glasnik RS*, No. 7/18 of 26 January 2018 (*Harmonized Dinar Non-taxable Amounts*).

Article 21v

*An employer – a legal entity, i.e. a sole proprietor, a sole proprietor subject to lump-sum taxation or a sole proprietor farmer who hires a new worker, shall be entitled to a partial return of the income tax on earnings of a newly employed person, paid by 31 December 2019 (inclusive).**

A newly employed person referred to in paragraph 1 of this Article shall be considered a person with whom an employer has concluded an employment contract in accordance with the law governing labour relations, whom he/she has registered for the mandatory social insurance with the Central Registry of Mandatory Social Insurance and who has been registered as a jobseeker with the National Employment Service for at least six months continuously running prior to employment, and as for a person considered a trainee for at least three months.

A newly employed person referred to in paragraph 1 of this Article shall not be considered a person who prior to taking up employment was employed by an employer who is linked with the employer with whom he/she is taking up employment, and/or with the employer, who, if has not ceased to exist, would be linked with the employer with whom he/she is taking up employment, regardless of whether an interruption of employment existed or not.

An employer may enjoy the tax facility referred to in paragraph 1 of this Article, if by employing a newly employed person, he/she has increased the number of his/her employees in relation to that existing on 31 March 2014.

The tax facility referred in paragraph 1 of this Article may also be enjoyed by an employer who commences performance of his/her activities after 31 March 2014.

An employer shall be entitled to refund of tax paid under paragraph 1 of this Article, as follows:

- 1) 65% if he/she has established an employment relationship with at least one and at most nine newly employed persons;
- 2) 70% if he/she has established an employment relationship with at least 10 and at most 99 newly employed persons;
- 3) 75% if he/she has established an employment relationship with at least 100 newly employed persons.

The tax refund referred to in paragraph 6 of this Article shall be made in accordance with the law governing tax procedure and tax administration, within 15 days from the date of application for refund to the competent tax authority.

An employer who uses any kind of incentive for a certain person, *which is regulated in accordance with a special law*,* except in accordance with the provision of the law governing contributions for mandatory social insurance relating to the same kind of relief, based on the establishment of employment relationship with such person, shall not be entitled to the tax facility for such person under this Article.

The tax facility referred in this Article may not be exercised by government agencies and organisations, the Ombudsman, the Commissioner for Protection of Equality, the State Audit Institution, the Commissioner for Information of Public Importance and Personal Data Protection, the Anti-Corruption Agency, Republic Commission for Protection of Rights in Public Procurement Procedures, the Commission for Protection of Competition, the Securities Commission, the Fiscal Council, Republic Broadcasting Agency, the Energy Agency of the Republic of Serbia and other public agencies, public enterprises, public services and other direct or indirect budget beneficiaries, and/or public funds beneficiaries.

Article 21g

An employer who employs a handicapped person for an indefinite period of time in keeping with the law governing the prevention of discrimination against handicapped persons, whose handicap is substantiated by valid legal and medical document, shall be exempt from payment

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of the accounted and withheld tax on that person's earnings in the duration of three years from starting date of employment.

A newly employed handicapped person referred to in paragraph 1 of this Article shall mean a person with whom an employer has concluded an employment contract in conformity with the law governing labour and whom he has registered for mandatory social security with competent mandatory social security organisations.

A person who prior to taking up employment was employed by an employer who is the founder of or a linked person with the employer with whom employment is being taken up, shall not be regarded as a newly employed handicapped person referred to in paragraph 1 of this Article, regardless of whether employment has been interrupted or not.

The tax facility referred to in this Article may not be exercised by government agencies and organisations, public enterprises, public services and other direct and indirect budget beneficiaries.

Employers that are using or that had used tax benefits for a certain person when paying income tax on other legal grounds in accordance with the applicable law, may not exercise the tax benefits for the same person under this Article.

The mode of and procedure for application of the provisions of this Article shall be dealt with in greater detail by the Minister.

Article 21d

*An employer – a legal entity classified as micro or small legal entity in terms of the law governing accounting, as well as a sole proprietor, a sole proprietor subject to lump-sum taxation or a sole proprietor farmer that hires at least two new workers, shall be entitled to 75% return of the income tax on earnings of a newly employed person, paid by 31 December 2019 (inclusive).**

A newly employed person referred to in paragraph 1 of this Article shall be a person with whom the employer concluded an employment contract in accordance with the law governing employment, which is reported to mandatory social insurance in the Central Registry of Mandatory Social Insurance and who, prior to employment, was registered as unemployed with the National Employment Service continuously for at least six months, and for a person considered to be trainee, at least three months.

A newly employed person referred to in paragraph 1 of this Article shall not be a person that was previously employed by an entity associated with the employer with whom the employment relationship is being established, i.e. with the employer that would be associated with the employer with whom the newly employed person is establishing the employment relationship, if it had continued its operations, irrespective of whether there was a termination of an employment relationship.

An employer that employs one newly employed person as of 1 January 2016, and in the following period employs the second newly employed person, may be entitled to tax relief for the first newly employed person only after employing the second newly employed person, whereas the right to tax return for the first newly employed person can be realized for the salary paid to this person in the month in which it met the conditions for using tax relief.

Tax relief referred to in paragraph 1 of this Article may be realized by an employer if by establishing an employment relationship with a newly employed person the total number of employees is increased for at least two in comparison to the number of employees that the employer had on 31 October 2015.

If in the period from 31 October 2015 to 31 December 2015, an employer increased the number of employees in comparison to the number of employees on 31 October 2015, it can use the tax relief for the new workers employed as of 1 January 2016, starting from the month in which it met the conditions for using tax relief.

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If in the period from 31 October 2015 to 31 December 2015, an employer decreased the number of employees in comparison to the number of employees on 31 October 2015, it may use the tax relief for the newly employed persons that increase the number of employees compared to the number of workers that would be employed if the decrease had not occurred in the period from 31 October 2015 to 31 December 2015, starting from the month in which it met the conditions for using tax relief.

An employer that starts with the operations after 31 October 2015 shall also be entitled to the tax relief referred to in paragraph 1 of this Article.

Tax return referred to in paragraph 1 of this Article shall be made in accordance with the law governing tax procedure and tax administration, within 15 days from the date of submission of the tax return request to the competent tax authority.

An employer who uses any kind of incentives for a particular person, *which is regulated in accordance with a special law**, except in accordance with the provision of the law governing contributions for mandatory social insurance relating to the same kind of relief, shall not be entitled to the tax relief referred to in this Article on the basis of an employment relationship with such person.

Tax relief referred to in this Article may not be realized by the state bodies and organizations, public agencies, public enterprises, public services and other direct or indirect budget beneficiaries, or users of public funds.

*Article 21đ**

*An employer – a newly established legal entity, as well as a newly established sole proprietor, registered in the register kept by the competent authority, i.e. organisation, may exercise the right to tax exemption on the basis of the founder's income, i.e. on the basis of a sole proprietor's personal income, as well as on the basis of employees' salaries, and for at most nine newly employed persons with whom he/she has established an employment relationship.**

*The right to tax exemption referred to in paragraph 1 of this Article on the basis of the founder's income may be exercised provided that the founder, i.e. each of the founders in case there is a number of them, has established an employment relationship with such legal entity, i.e. on the basis of the salaries for at most nine newly employed persons with the legal entity, i.e. sole proprietor, in case the person has been reported to mandatory social insurance with the Central Registry of Mandatory Social Insurance and was registered as unemployed with the National Employment Service continuously for at least six months prior to the date of establishment of the legal entity, i.e. establishment of an employment relationship with the employer, or acquired secondary, higher or high education within 12 months prior to the date of establishment of the legal entity, i.e. establishment of an employment relationship with the employer.**

*The right to tax exemption referred to in paragraph 1 of this Article may be exercised by the employer for the salaries of a founder or employee, i.e. for personal income of a sole proprietor paid within 12 months from the date the legal entity was established, i.e. a sole proprietor was registered, the sum of which individually for each person, in the period of use of the relief, is not higher than the triple amount of an average annual salary in the year preceding the year in which the legal entity was established, i.e. a sole proprietor was registered.**

The right to tax relief shall cease after the period referred to in paragraph 3 of this Article expires, i.e. on the payment date of a founder's or employee's salary, or a sole proprietor's personal income, which, summed with the person's other earnings paid starting from the moment the right to tax relief was exercised, i.e. from the date the legal entity was established, or a sole proprietor was registered, exceeds the non-taxable amount referred to in paragraph 3 of this Article. The employer shall be obliged to calculate and pay the tax on salaries or

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*personal income on that part of such salaries or personal income which, as part of the sum with previously paid salaries or personal income, is higher than the non-taxable amount referred to in paragraph 3 of this Article, as well as to calculate and pay tax for subsequent salaries payable to such persons in accordance with the law.**

*The founder's or employee's salary, i.e. sole proprietor's personal income, referred to in paragraph 3 of this Article, for which the tax exemption may be exercised shall be the amount that contains the associated tax and contributions for mandatory social insurance that would be paid from the salary provided that the tax exemption were not exercised.**

*The person who is a founder or a sole proprietor may exercise the tax exemption referred to in paragraph 1 of this Article only once as a newly established entity, in the capacity of either a founder or a sole proprietor.**

*The right to tax exemption referred to in paragraph 1 of this Article shall be exercised by the employer under the following conditions:**

*1) that each member – founder of a newly established legal entity, has established an employment relationship with the legal entity and has been reported to mandatory social insurance with the Central Registry of Mandatory Social Insurance;**

*2) that the newly established sole proprietor has been reported to mandatory social insurance with the Central Registry of Mandatory Social Insurance;**

*3) that the employer has concluded employment contracts with newly employed persons in accordance with the law governing labour relations and that such persons have been reported to mandatory social insurance with the Central Registry of Mandatory Social Insurance;**

*4) that in the period for which the right to exemption is exercised, this right may be exercised for at most nine new employees who meet the requirements;**

*5) that the founders of a newly established legal entity, as well as a sole proprietor, were registered as unemployed with the National Employment Service continuously for at least six months prior to the date of establishment of the legal entity, i.e. registration of the sole proprietor, or acquired secondary, higher or high education within 12 months prior to the date of establishment of the legal entity, i.e. registration of the sole proprietor, in accordance with the law.**

*The tax exemption referred to in this Article may be exercised by an employer – a legal entity or a sole proprietor, which was established or registered by 31 December 2020 (inclusive).**

*An employer who uses the exemption referred to in this Article for a particular person, except in accordance with the provision of the law governing contributions for mandatory social insurance relating to the same kind of relief, shall not be entitled to exercise other tax reliefs for such a person based on the establishment of an employment relationship with such a person.**

Chapter Two (Deleted)

TAX ON REVENUE FROM AGRICULTURE AND FORESTRY

Articles 22 through 30

(Deleted)

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Chapter Three

TAX ON REVENUE FROM SELF-EMPLOYMENT

Taxability

Article 31

Revenue from self-employment shall be understood to mean the revenue stemming from a business, and provision of professional and other intellectual services, as well as from other activities, including agriculture and forestry activities, unless tax is payable on such revenue on some other grounds pursuant to the present Law.

Revenue stemming from self-employment shall also be understood to mean the revenue earned by using land, permanently or seasonally, for non-agricultural purposes (sand, gravel and stone extraction, production of lime, bricks, roof tiles, charcoal, etc.), incubator-based production of poultry, as well as pursuing other activities, regardless of whether they are registered with competent authorities as self-employment ones.

Taxpayer

Article 32*

*The payer of tax on the revenues stemming from self-employment shall be any natural person who earns income by engaging in the activities referred to in Article 31 of this Law.**

*The taxpayer referred to in paragraph 1 of this Article shall be any natural person who is registered in the register kept by the competent authority, i.e. organisation, and who pays tax on the revenues stemming from self-employment on taxable profit (hereinafter: a sole proprietor), i.e. on income on lump-sum basis (hereinafter: a sole proprietor subject to lump-sum taxation).**

*For the purpose of paragraph 1 of this Article, the taxpayer shall also be understood to mean any taxpayer on the basis of the revenue stemming from agriculture and forestry – a natural person who is the holder of a family farm that is registered in the Register of Farms in conformity with the regulations governing this field, who keeps books of accounts in accordance with this Law and pays tax on the revenues stemming from self-employment on taxable profit (hereinafter: a sole proprietor farmer).**

*For the purpose of paragraph 1 of this Article, the taxpayer shall also be understood to mean any natural person who is a value-added taxpayer in accordance with the law governing value added tax, as well as any other natural person who conducts a business activity irrespective of whether that activity is registered and pays the revenues stemming from self-employment on taxable profit (hereinafter: a sole proprietor other person).**

Tax Base

Article 33*

*The taxable revenue stemming from self-employment shall be the taxable profit, and for a sole proprietor subject to lump-sum taxation it shall be income on lump sum basis, unless otherwise provided by this Law.**

*The taxable profit shall be determined in the tax balance sheet by adjusting the profit declared in the statement of income drawn up in conformity with the regulations governing accounting for the taxpayer who is obligated to keep double entry accounts, and/or in line with the regulation referred to in Article 49 of this Law for the taxpayer who is keeping single-entry accounts, in the manner determined by this Law.**

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*Lump-sum income shall be determined by decision of the competent tax authority applying the criteria and elements referred to in Article 41 of this Law.**

Article 33a*

*Any sole proprietor and sole proprietor farmer may decide to pay personal earnings.**

*Personal earnings referred to in paragraph 1 of this Article, in terms of this Law, shall mean the pecuniary amount that any sole proprietor referred to in paragraph 1 of this Article pays and records in its books of accounts as their monthly personal income increased by accompanying liabilities of the earnings.**

*The sole proprietor referred to in paragraph 1 of this Article who decides on making payments of personal earnings shall be obliged to submit a written notice to the competent tax authority of their decision to make payments of personal earnings.**

*The notice referred to in paragraph 3 of this Article shall be submitted no later than 15 December of the current year for the period as of 1 January of the following year.**

*The sole proprietor referred to in paragraph 1 of this Article who decides on making payments of personal earnings cannot change such determination during the taxation period.**

*If the sole proprietor referred to in paragraph 1 of this Article decides to stop making payments of personal earnings, he/she shall be obliged to submit a written notice to the competent tax authority on that by 15 December of the current year.**

*In the case referred to in paragraph 6 of this Article, the sole proprietor referred to in paragraph 1 of this Article shall not be obliged to make payments of personal earnings as of 1 January of the year following the year in which the notice is submitted to the competent tax authority.**

Revenue and Expenditure Harmonisation

Article 34

(Deleted)

Article 35

The harmonisation of revenues and expenditures, determination of capital gains and losses, and tax treatment of losses incurred in previous years shall be declared in the sole proprietor's tax account in conformity with corresponding provisions of the law dealing with legal entity profit tax, unless otherwise provided by the present Law.

*The manner in which taxpayers referred to in Article 32 of this Law, except for the sole proprietors subject to lump-sum taxation, declare transfer prices in their tax balance sheets shall be regulated in more detail by the Minister.**

Article 35a

The depreciation of fixed assets *declared in** books of accounts shall be recognised as expenditure to the amount and in the way determined by the law dealing with legal entity profit tax and the bylaw enacted on the basis of that law.

Article 36

Persons associated with a taxpayer referred to in Article 32 of this Law* shall be understood to mean, besides the individuals and legal entities having that status under corresponding provisions dealing with legal entity profit tax, also the following:

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- 1) Members of the taxpayer's family;
- 2) Taxpayer's brothers and sisters;
- 3) Spouse's parents and stepchildren.

Article 37

In the case of a debt to a creditor having the status of associated person or of a credit taken by the taxpayer from a creditor having the status of associated person, the interest recognised as expenditure in the tax account may not be higher than that which would have been incurred, had it been possible to borrow on the market and/or take credit in the accounting period.

In the case of a claim from a debtor having the status of associated person or of a credit extended by the taxpayer to a debtor having the status of associated person, the interest included in the revenues included in the tax account may not be lower than those that would have been incurred, had it been possible to contract such claims on the market or extend credit in the accounting period.

The difference between the market interest rate and the one contracted on a credit between the associated persons referred to in paragraphs 1 and 2 of this Article, shall be included in taxable profit.

Article 37a*

*The following shall be recognised as expenditure in the tax balance sheet of a taxpayer who pays tax on actual revenue from self-employment:**

- 1) paid personal wage/salary;*
- 2) business travel expenses up to the amount specified in Article 18, paragraph 1, items 2) through 5) of this Law;*
- 3) calculated and paid contributions for personal mandatory social insurance on the basis of self-employment if the taxpayer did not choose to pay personal earnings.*

Article 37b*

*The taking from business assets for private purposes and personal consumption by the taxpayer who pays tax on actual revenue from self-employment shall be treated as business revenues.**

*The investment of personal assets of the taxpayer who pays tax on actual revenue from self-employment into business assets, other than investment in fixed assets, shall be treated as business expenditure.**

*The taking and/or investment of assets referred to in paragraphs 1 and 2 of this Article, which is not in pecuniary form, shall be evaluated in relation to comparable market value, in conformity with the principle of permanence.**

Tax Rate

Article 38

The rate of tax on the revenue stemming from self-employment shall be 10%.

Tax Incentives

Article 39

Tax incentives based on investments made in fixed assets used in a sole proprietor's registered business and investments made in conformity with the regulations dealing with incentives to

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investing in the Republic's industries shall be granted to sole proprietors under the conditions and in the way applicable to legal entities under the law dealing with enterprise profit tax.

Lump Sum Taxation

Article 40

Any payer of tax on the revenues stemming from self-employment who is registered in the register kept by the competent authority or organisation who in view of circumstances is unable to keep books, other than those relating to effected sales, or the keeping of which would impede the conduct of his business, may apply for being allowed to pay tax on the revenue from self-employment on a lump sum basis (hereinafter: the lump sum taxation).*

The right to lump sum taxation may not be granted to *a taxpayer referred to in paragraph 1 of this Article**:

- 1) Who is engaged in the following activities: accounting, bookkeeping and auditing, tax consulting business, advertising and market research;
- 2) Who is engaged in the following activities: wholesale and retail trading, hotel and restaurant keeping, financial intermediation and activities related to real estate;
- 3) Who has also received investments from other persons;
- 4) Whose total turnover in the year preceding the one for which tax is determined or whose planned turnover at the start up of business is higher than 6,000,000 dinars;
- 5) Who is registered as a value-added taxpayer in conformity with the law dealing with the value-added tax.

*Notwithstanding the provision of paragraph 2, item 2) of this Article, a taxpayer whose business is trading or catering in a kiosk, trailer or similar assembly or mobile facility, may be allowed to pay lump sum tax on the determined revenue, at his/her own request.**

*The right to lump-sum taxation according to paragraphs 1 through 3 of this Article may be exercised by a taxpayer who manufactures and sells exclusively his/her own products in the scope of his/her business activity.**

Activities referred in paragraphs 2 and 3 of this Article shall be determined in accordance with the regulations governing the classification of activities.

Article 41

If conditions referred to in Article 40 of this Law have been met, for the purpose of determining the amount of lump sum income as a tax base on income from self-employment, sole proprietors *subject to lump-sum taxation** shall be classified into groups according to the criteria of profitability and turnover, i.e. by type of activity.

The base for determining the amount of lump sum income by groups in accordance with paragraph 1 of this Article, shall be determined in relation to the average monthly wage per employee realized in the Republic, municipality or town, in the year preceding the year for which the lump sum income is being determined.

The base referred to in paragraph 2 of this Article shall be decreased or increased, by applying the following:

- 1) Location of the store;
- 2) Number of employees;
- 3) Market conditions for performing the activity;
- 4) Surface area of the store;
- 5) Age of the taxpayer and their work ability;
- 6) Income level of the taxpayer that operates the same or similar activity under the same or similar conditions;

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7) Other circumstances that may affect earning of profit.

In determining lump sum income, the competent tax authority shall take into account all evidence, facts and data obtained through control or otherwise.

The Government shall regulate in detail the conditions, criteria and elements for lump sum taxation.

Article 42

The application for lump sum taxation may be filed with the competent tax office by 30 November of the current year for the next year and/or within 15 days from the date of entry in the competent authority's register, or within 15 days from receipt of the competent tax office's document confirming the deletion from the value-added tax records pursuant to the law dealing with value-added tax.

Notwithstanding paragraph 1 of this Article, a sole proprietor that started performing the activity during the year, may submit request for lump sum taxation at the time of registration to the competent organization that keeps the register of companies, which will forward the request to the tax authority.

The competent tax office shall decide on a sole proprietor's application within 30 days from its filing date.

Should the competent tax office fail to decide on the application within the term set in paragraph 3 of this Article, the application for lump sum taxation shall be deemed accepted.

Any sole proprietor who has been granted the right to lump sum taxation may enjoy such right until it is found that reasons for lump sum taxation have ceased to exist or that changed circumstances preclude the right to lump sum taxation.

In a case referred to in paragraph 5 of this Article, the competent tax office shall order the sole proprietor concerned to keep books from the middle of the current year onwards or from the beginning of the next year.

Any taxpayer whose right to lump sum taxation pursuant to Article 40, paragraph 2, item 5), of the present Law has expired shall keep books no later as of the date on which he became the payer of value-added tax pursuant to the law dealing with the value-added tax, without being ordered to keep books by decision of the competent tax office.

Books and Bookkeeping Documents

*Article 43**

*The taxpayers referred to in Article 32 of this Law shall be obliged to keep books of accounts and show in them the operating changes in accordance with the law governing accounting, i.e. in the manner determined by this Law.**

*The sole proprietor referred to in Article 32, paragraph 2 of this Law who pays tax on actual revenue shall keep books of accounts on the double-entry basis in accordance with the law governing accounting.**

*The sole proprietor farmer and sole proprietor other person referred to in Article 32, paragraphs 3 and 4 of this Law shall keep books of accounts on the single-entry basis in accordance with this Law.**

*The sole proprietors subject to lump-sum taxation shall be obliged to keep the book of sale only.**

Article 43a

Sole proprietors shall keep books by the double-entry system in conformity with the law and regulations dealing with accounting.

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Article 44

The books kept by the single-entry system entries shall include data relating to revenues, expenditures, fixed assets, tools and inventories with calculative write-offs, * in conformity with the present Law and the regulation referred to in Article 49 of the present Law.

Article 45*

*A sole proprietor farmer and a sole proprietor other person shall be obliged to keep the books of accounts on the single-entry basis, referred to in Article 44 of this Law, up to date and orderly, so that it is possible to check the accuracy of entries and provide for the keeping and use of data, as well as to get an insight into the chronology of operating changes.**

*A sole proprietor farmer and a sole proprietor other person shall be obliged to enter the revenue no later than a day after its realisation, to enter the expenditures within seven days from the date on which they were incurred, and other entries shall be made within the terms and in the manner set by this Law and regulations enacted on the basis of it, and/or in accordance with the regulations governing accounting.**

*A sole proprietor who is obliged to keep books on the double-entry basis shall show his/her operating changes in accordance with the law governing accounting.**

Article 46

Any operating change in operating assets, revenues and expenditures shall be entered on the basis of credible bookkeeping documents, which shall be drawn up so as to show operating changes and contain appropriate data for being entered in books.

Article 47

Any taxpayer referred to in Article 32 of this Law* shall keep books and other bookkeeping documents on his/her business premises.

When bookkeeping is entrusted to a professional accounting firm, the books and other documents relating to financial operations may be kept on the premises of such firm.

Article 48

Books and bookkeeping documents shall be kept for at least five years from the last day of the business year to which they relate, unless otherwise provided by law.

Article 49

The Minister shall set in greater detail the kinds and contents of books and other records kept on the single-entry basis and the way of keeping them and declaring the financial result.

Tax Account

Article 50

The taxpayers who pay tax on actual revenue from self-employment who keep books on the single or double entry basis shall draw up the annual tax accounts.*

The Minister shall issue in greater detail the regulations dealing with the contents of tax accounts and the way of drawing them up.

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Revenue and Expenditure Recording by Bank

Article 51

Regardless of the taxation method he/she is subject to, any *taxpayer referred to in Article 32 of this Law** shall effect all payments through a current account with a bank and keep funds in such account, including the payments made in cash, in conformity with the law dealing with payments.

Chapter Four

TAX ON REVENUES STEMMING FROM COPYRIGHTS, RIGHTS RELATED TO COPYRIGHTS AND INDUSTRIAL PROPERTY RIGHTS

Taxability

Article 52

Revenues from copyrights shall be understood to mean a taxpayer's receipts based on the following:

- 1) Written works (literary, scientific, publicist and other works, studies, reviews and the like);
- 2) Spoken works;
- 3) Dramatic and dramatico-musical works;
- 4) Pantomimic and choreographic works, the presentation of which is stipulated in writing or in some other way;
- 5) Works of music, with or without words;
- 6) Films and works created like films;
- 7) Fine art works;
- 8) Cartographic works;
- 9) Conceptual designs, sketches, drawings and plastic art works relating to architecture, geography, topography or some other field of science or arts;
- 10) Comic strips, crossword puzzles and the like;
- 11) Editorial works that in view of the selection and arrangement of contents, make up independent intellectual creations;
- 12) Translations, language corrections, music arrangements and other modifications of works of authorship;
- 13) Prizes awarded at competitions for artistic, scientific, technical and other works of authorship and conceptual designs, as well as prizes for accomplishments in the fields of science and arts, unless otherwise provided by the present Law;
- 14) Performance of music, literary and other works;
- 15) Use of performed music materials;
- 16) Making prototypes of artistic items to be handed over to enterprises as models for reproduction (production) of such items;
- 17) Fine art works in the field of applied arts;
- 18) Other works of authorship.

The fine art works in the field of applied arts referred to in paragraph 1, item 17) of this Article shall be understood to mean unique items created by their author according to his/her own concepts, as a drawing or in material, in the branches of applied arts such as:

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- 1) Plastic art works in various materials (stone, precious stone, wood, metal, noble metals, glass, plastics, etc.);
- 2) Artistic ceramics;
- 3) Works in the fields of interior and exterior decoration, landscaping and supervision of the execution of such works;
- 4) Artistic designs in the field of horticulture;
- 5) Murals and fine art applications (techniques: fresco, mosaics, intarsia, stained glass, enamel, etc.), as well as intarsia and enamel items;
- 6) Artistic graphic designs (posters, graphics suited to the occasion, book, periodical and paper designs, packaging, yearbooks, catalogues, prospectuses, almanacs and the like);
- 7) Artistic photographs and works produced by methods akin to photography;
- 8) Artistic treatment of textile (tapestry, woven textile, and the like);
- 9) Artistic designs for scenography and costumography;
- 10) Fashion designs;
- 11) Industrial designs;
- 12) Restoration and conservation works in the fields of culture and arts;
- 13) Conceptual sketches and drawings in the field of applied arts, as well as sold applied art prototypes, if according to current customs, they have retained the character of original work.

Article 52a

The revenue from the rights related to copyrights (hereinafter: the related rights) shall be understood to mean the taxpayer's receipts stemming from the following:

- 1) Performer's rights;
- 2) Phonogram producer's rights;
- 3) Videogram producer's rights;
- 4) Broadcast producer's rights;
- 5) Database producer's rights.

Article 53

Revenue from industrial property rights shall be understood to mean the remuneration received by a taxpayer for the following:

- 1) Patents;
- 2) Petty patents;
- 3) Brands;
- 4) Models and samples;
- 5) Technical innovations.

Taxpayer

Article 54

The payer of tax on the revenue stemming from copyrights, rights related to copyrights and industrial property rights (hereinafter: copyrights and related rights and industrial property rights) shall be any individual who is being remunerated on the basis of copyrights and related rights or industrial property rights, in the capacity of author, holder of related rights or owner of industrial property rights.

The payer of tax on the revenue stemming from copyrights and related rights and industrial rights shall also be any heir to property copyrights and related rights and industrial rights and any other individual who is being remunerated on such grounds.

Tax Base

Article 55

The taxable revenue from copyrights and related rights and industrial property rights shall be the difference between gross revenues and costs incurred by the taxpayer in generating and preserving the revenues, unless otherwise provided by the present Law.

Standard Expenditures

Article 56

The following standardised expenditures of a taxpaying author and/or holder of related rights shall be recognised:

1) For sculptures, tapestries, artistic ceramics, plastic ceramics, mosaics and stained glass works, art photographs, murals and space paintings in the following techniques: fresco, graphics, intarsia and enamel, intarsed and enamelled objects, costumography, fashion designs and artistic treatment of textiles (woven textile, printed textile and the like) – 50% of the gross revenue;

2) Paintings, graphics, industrial designs – including the fabrication of models and dummies, small plastic art items, works of visual communications, works of interior decoration and façade designs, space shaping, landscaping, artistic supervision over interior decoration and façade works, space shaping and landscaping and fabrication of models and dummies, artistic designs for scenography, scientific, technical, literary and publicist works, translation and/or translations, music and films, restoration and conservation works in the field of culture and arts, including the performance of the works of art (playing and singing, theatre and film acting, reciting), film shooting and conceptual drawings for tapestries and costumography when not done in material – 43% of the gross revenue;

3) Interpretation and/or performance of popular and folk music programmes, production of phonograms, production of videograms, production of databases and other copyrights and related rights not referred to under items 1) and 2) of this Article – 34% of gross revenue.

Article 56a

In addition to the standardised expenditures referred to in Article 56 of this Law, the actual expenditures referred to in Article 57, paragraph 1, of this Law shall also be recognised to authors and holders of related rights.

Actual Expenditures

Article 57

The full amount paid by the taxpayers referred to in Article 54 of the present Law for the services rendered by an appropriate copyright agency, organisation for the protection of music copyrights and enterprises and other legal entities authorised to sell and collect revenue from copyrights.

At the request of a taxpaying author and holder of related rights, the actual expenditures he/she had incurred in the realisation and preservation of income, shall be recognised instead of the standardised ones, if he/she presents evidence thereof.

The following actual expenditures shall be recognised as expenditures in the determination of the taxable income of a taxpaying holder of industrial property rights:

1) Taxes and charges payable towards protection of patents, petty patents, models, samples and technical innovations, subject to confirmation by the authority competent for their protection;

2) Cost of preparing drawings and technical description of patents, petty patents, brands, models, samples and technical innovations constituting an integral part of the applications for their protection filed with competent authorities, as certified by the duly qualified person who had prepared such drawings and technical descriptions and subject to presentation of the opinion of the professional association of inventors that such cost is reasonable;

3) Cost of making the prototype necessary for testing the patent, petty patent, brand, model, sample or technical innovation involved, if registered and/or protected. If the prototype has been made in an enterprise or establishment, the maker shall issue the certificate of cost. If the prototype has been made by the inventor him/herself, his actual cost shall be recognised, subject to presentation of the opinion of the professional association of inventors that such cost is reasonable.

Tax Rate

Article 58

The rate of tax payable on the revenue stemming from copyrights and related rights and industrial property rights shall be 20%.

Time Delimitation of Revenues

Article 59

The revenues from copyrights and related rights and industrial property rights, which the taxpaying author, holder of related rights or holder of industrial property rights has realised for a work he/she had been working on for more than a year, may be divided in the revenue determination procedure, at the taxpayer's request, into a number of equal parts that corresponds to the number of years over which the work has been worked on, but not more than five.

In a case referred to in paragraph 1 of this Article, a proportionate part of revenue shall be taxable each year.

Tax Base Appraisal

Article 60

Should the Taxation Administration find that a performer, manager or some other person engaged on the basis of a show business pop or folk music programme or some other entertainment programme has been remunerated without concluding a contract with the organiser of such programme or be of the opinion that the remuneration is higher than the contracted one, the gross income shall be determined by making an appraisal in conformity with the law dealing with taxation procedure and taxation administration and taxed without allowance for standardised and/or actual costs.

Chapter Five

TAX ON YIELD ON CAPITAL

Taxability

Article 61

The yield on capital shall be understood to mean the following:

1) Interest on loans, savings and other deposits (term or sight) and debtor and related securities;

- 2) Dividends and shares in profits;
- 3) Yield on an investment unit of an open-ended investment fund;
- 4) Taking from the property and using the services of the company by the owners for their private purposes *and personal consumption**.

The dividend referred to in paragraph 1, item 2) of this Article shall also mean the liquidation remainder, i.e. surplus of the bankruptcy estate in cash, i.e. non-monetary assets, above the value of invested capital determined in accordance with the law governing the taxation of legal entities.

(Deleted)

(Deleted)

(Deleted)

Article 61a

Prior to setting the tax base, the annual instalment of the sale price based on the purchase of socially and state owned capital and/or property by public auction pursuant to the regulations dealing with requirements and procedure for changing the title to socially owned and state capital paid before the dividend is paid out, shall be deducted from the revenue from dividends, up to the amount of the paid out dividends.

Taxpayer

Article 62

The payer of tax on the yield on capital shall be any individual who realises such revenue.

Tax Base

Article 63

The taxable yield on capital shall comprise the pecuniary and non-pecuniary amounts of realised revenues.

If the taxable yield on capital is realised in the non-pecuniary form, the value of such yield shall be appraised in relation to the market value of rights, property, or services on the day of realisation of revenues.

(Deleted)

(Deleted)

Tax Rate

Article 64

The rate of tax on the yield on capital shall be 15%.

(Deleted)

Tax Exemptions

Article 65

The tax on the yield on capital shall not be payable on the interest accrued from the following:

- 1) Dinar savings and other deposits (term or sight);

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2) On the basis of debentures issued by the Republic, autonomous province, local self-government unit or the National Bank of Serbia.

Chapter Five a

TAX ON REVENUES FROM REAL ESTATE

Taxation Subject

Article 65a

Income from real estate shall be understood to mean the revenues a taxpayer realises by leasing or subleasing real estate.

Income from real estate referred to in paragraph 1 of this Article shall be the collected rent that includes value of all performed duties and services to which the lessee committed itself, except the obligations to pay expenses incurred during the lease, and depending on lessee's consumption (e.g. electricity, phone, etc.).

*Notwithstanding paragraphs 1 and 2 of this Article, income from leasing real estate generated by a taxpayer referred to in Article 32 of this Law, except for a sole proprietor subject to lump-sum taxation, shall be taxed as income from self-employment.**

Real estate referred to in paragraph 1 of this Article shall be:

- 1) land;
- 2) residential, commercial and other buildings, apartments, business premises, garages and other (surface or underground) structures, i.e. parts thereof.

Taxpayer

Article 65b

The payer of tax on the revenues from real estate shall be any natural person who, by leasing or sub-leasing real estate, realizes revenue on such basis.

A taxpayer referred to in Article 32 of this Law, except for a sole proprietor subject to lump-sum taxation, who is leasing or sub-leasing real estate in the scope of their registered self-employment activity, shall not be regarded as a taxpayer in terms of paragraph 1 of this Article.*

Tax Base

Article 65v

The taxable revenue from real estate shall be the gross revenue referred to in Article 65a, paragraph 2 of this Law, less the standardised expenditures amounting to 25%.

Notwithstanding paragraph 1 of this Article, in the determination of taxable revenue from real estate stemming from the leasing apartments, rooms and beds to travellers and tourists, on which the visitors' tax has been paid, the recognised standardised expenditures shall amount to 50% of gross revenue.

At the request of a payer of tax on revenues from real estate, the actual expenditures they had incurred in the realisation and preservation of revenues shall be allowed instead of the standardised expenditures, if they present evidence thereof.

Taxable income from real estate realized by a taxpayer - lessee, who sub-leases real estate, shall be the difference between the lease collected and the lease paid to the lessor.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Tax Rate

Article 65g

The rate of tax on the revenues from real estate shall be 20%.

Chapter Six (Deleted)

TAX ON REVENUES FROM REAL ESTATE

Articles 66 through 71

(Deleted)

Chapter Seven

TAX ON CAPITAL GAINS

Notion of Capital Gains and Losses

Article 72

Under the present Law, capital gain or loss shall be understood to mean the difference between the sale price of rights, interests and securities, and their purchase price, realised by the transfer of:

- 1) Actual rights on real estate;
- 2) Copyrights and related rights and industrial property rights;
- 3) *Interest in the equity of a legal entity, shares and other securities;**
- 4) *Investment units, other than investment units of optional pension funds, purchased by an open-ended investment fund, in accordance with the regulations governing investment funds.**

The transfer referred to in paragraph 1 of this Article shall be understood to mean the sale or other transfer involving a pecuniary or non-pecuniary compensation.

The payer of tax on capital gain shall be any natural person, including sole proprietors that executed the transfer of rights, interests and securities referred to in paragraph 1 of this Article.

Article 72a

Under the present Law, the capital gain or loss shall not be understood to mean the difference caused by the transfer of rights, interests or securities in the following cases:

- 1) If they are acquired by inheritance in the first line of succession;
- 2) If they are transferred between spouses and first line blood relatives;
- 3) If the transfer is taking place between divorced spouses in direct connection with the divorce;
- 4) If the transfer involves debentures issued by the Republic, autonomous province, local government unit or the National Bank of Serbia;
- 5) If the taxpayer transferred the rights, interests or securities that had been in his possession for at least ten years prior to the transfer continuously.

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When selling the rights or interests referred to in paragraph 1, item 5) of this Article, if during the period of ownership there was a change in percentage of the right, i.e. equity interest, a taxpayer may exercise the right to tax exemption relative to the percentage of the right, i.e. part of the interest on the basis of which they have been entitled to equity interest continuously for at least ten years, in percentage equal to the percentage that was initially acquired at least ten years prior to the sale of interest.

When selling the rights or interests referred to in paragraph 1, item 5) of this Article, if during the period of ownership there was a change in nominal value of the right, i.e. interest, tax exemption right may be exercised relative to the part of the right, i.e. interest that corresponds to the amount, i.e. contribution paid at least ten years prior to the sale of right, i.e. interest.

Article 72b

The transfer of an account from one to another optional pension fund, which is made by the fund on the instructions and for account of a member of the optional pension fund, in conformity with the law governing optional pension funds and pension schemes, shall not be regarded as a capital gain.

Determination of Capital Gains

Article 73

For the purposes of the present Law, in the determination of capital gains, the sale price shall be understood to mean the contract price or the market price as determined by the competent tax office, if it finds that the contract price is lower than the market one.

The contract or market price referred to in paragraph 1 of this Article shall be the price in which the tax on the transfer of absolute rights is not included.

In the case of transfer of rights in exchange for other rights, the sale price shall be taken to be the market price of the exchanged rights.

The sale price of an investment unit shall mean the investment unit's redemption price consisting of net value of the public company per investment unit on the date of a fund member's request for redemption of investment units plus the purchase fee, if the management company charges it in conformity with the law governing investment funds.

(Deleted)

Article 74

For the purposes of the present Law, in the determination of capital gains, the purchase price shall be understood to mean the price at which the taxpayer has acquired the right, share or security.

In the case of transfer of a real estate property built by the taxpayer him/herself, the purchase price referred to in paragraph 1 of this Article shall be the cost of construction, and if the taxpayer fails to prove the cost of construction, the tax base of property tax in the year of origin of the property tax liability.

In the case of sale of real estate under construction, the purchase price referred to in paragraph 1 of this Article shall be the cost of construction that the taxpayer had incurred up to the date of sale and that can be documented.

The purchase price of an investment unit shall comprise the net value of an open-ended investment fund's assets per investment unit as of the date of payment, plus the purchase fee, if such fee is charged by the management company, in conformity with the law governing investment funds.

In the case of securities acquired by the taxpayer by purchase that are traded on the regulated capital market in accordance with the law governing the capital market (hereinafter: securities that are traded in the capital market), the purchase price referred to in paragraph 1 of this Article shall be understood to mean the price documented by the taxpayer as actually paid and if undocumented, the lowest registered price at which the trading was being done in the year preceding the sale of securities.

If during period referred to in paragraph 5 trading of the security did not occur, the purchase price shall be understood to mean the lowest registered price in the first preceding year during which trading was being done.

In the case of securities acquired by the taxpayer, and that are not traded on the regulated capital market, the purchase price referred to in paragraph 1 of this Article shall be understood to mean the price documented by the taxpayer as actually paid, or if the taxpayer fails to do so, their par value, and in the case of securities without par value, the proportionate share of net assets of the company at the time of acquisition.

The purchase price referred to in paragraph 1 of this Article shall be increased according to the annual retail price index from the date of acquisition to the date of sale, as published by the republic authority dealing with statistics.

Notwithstanding the paragraph 8 of this Article, in the case of transfer of real estate property built by the taxpayer himself, the purchase price shall be revalorised each year starting from 1 January of the year following the year in which the investment was made to the date of transfer.

The securities traded on the capital market the purchase price of which has been determined as the lowest registered price referred to in paragraphs 5 and 6 of this Article, the purchase price shall be revalorised on the following day from the day on which the lowest price was registered to the date of transfer.

Article 75

If a taxpayer has acquired a right, interest or security as a gift or heritage, the purchase price referred to in Article 74, paragraph 1 of the present Law shall mean the market price at which the donor or testator had acquired such right, interest or security, and if it is not possible to establish that price, then their market value at the moment of acquisition of that right, interest or security by the donor or testator.

Notwithstanding the paragraph 1 of this Article, if a taxpayer has acquired a right, interest or security from a donor or testator who had acquired that right, interest or security before 24 January 1994, the purchase price shall be established by the competent tax authority according to the market value of that right, interest or security on 24 January 1994.

If a taxpayer has acquired a right, interest or security on the basis of a contract of sustenance for life, the purchase price referred to in Article 74, paragraph 1, of this Law shall mean the market price of the right, interest or security which was or could have been taken as the tax base for the transfer of absolute rights at the moment of their acquisition by the taxpayer.

*The purchase price of a right, interest or security that the taxpayer has acquired according to paragraphs 1 through 3 of this Article, shall be increased in accordance with Article 74, paragraphs 8, 9 and 10 of this Law.**

Tax Base

Article 76

The taxable revenue on which the tax on capital gains is payable shall be the capital gains determined in the way referred to in Articles 72 through 75 of the present Law.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Tax Rate

Article 77

The rate of tax on capital gains shall be 15%.

Capital Gain and Capital Loss Offsetting

Article 78

A capital loss incurred from the sale of a right, interest or security may be offset with a capital gain resulting from the sale of other rights, interests or securities.

Offsetting capital losses against capital gains referred to in paragraph 1 of this Article may be made in cases where the taxpayer first incurs a capital loss, followed by a subsequent capital gain.

If even after the offsetting referred to in paragraph 1 of this Article a capital loss still exists, such loss may be offset in the next five years, *including the year** in which the original capital loss was incurred with respect to which offsetting against capital gains is made, at the expense of future capital gains.

Tax Exemption

Article 79

Any taxpayer that invests the proceeds of the sale of real estate towards dealing with his/her own housing problem or that of a member of his/her family or household within 90 days from the date of sale, shall be exempt from tax on the capital gain made.

The taxpayer who invests the proceeds of the sale of real estate for the purposes referred to in paragraph 1 of this Article within 12 months from the date of sale shall be refunded the paid tax on capital gain.

The Minister shall set in greater detail the criteria for exercising the right to the tax exemption referred to in paragraph 1 of this Article.

Article 79a

(Deleted)

Tax Credit

Article 80

If a taxpayer invests towards dealing with the housing problem referred to in Article 79 of the present Law only a part of the proceeds of the sale of real estate, his/her tax liability shall be reduced proportionately.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Chapter Eight

TAX ON OTHER REVENUES

Taxability

Article 81

Other revenues shall be understood to mean the following: revenue a taxpayer obtains by leasing out equipment, means of transport and other chattels, games-of-chance winnings, revenue from personal insurance, revenues of athletes and athletic specialists and other revenues, other than those that are expressly exempt under the present Law.

Revenues from Leasing out Chattels

Article 82

The payer of tax on the revenue from leasing out equipment means of transport and other chattel shall be any individual that leases out such chattels.

The gross revenue from leasing out equipment, means of transport and other chattels shall include the rent received and the value of all performed duties and services undertaken by the lessee.

The taxable revenue from leasing out chattels shall be determined by deducting 20% of standard expenditures from the gross revenues.

At the substantiated request of any taxpayer, the tax office shall recognise the costs (deleted) he/she had incurred in connection with the leased out chattels, instead of standard expenditures.
(Deleted)

Games-of-Chance Winnings

Article 83

The payer of tax on the games-of-chance winnings shall be any individual that wins in the games which are deemed games-of-chance under the law governing the games-of-chance.

The taxable revenue from games-of-chance winnings shall be any such winnings, other than those that are exempt under the present Law.

Deleted.

If the winnings consist of things and rights, the taxable revenue referred to in paragraph 2 of this Article shall be the market value of the things or rights at the moment of winning.

Tax on the games-of-chance winnings shall not be payable on the following:

1) Individual winnings referred to in paragraphs 2 and 3 of this Article amounting to less than *11,684*** dinars;

2) Winnings from the games-of-chance staged in playhouses (casinos) and using slot-machines.

(Deleted)

Revenues from Personal Insurance

Article 84

The payer of tax on revenue from personal insurance shall be any individual who receives a benefit based on personal insurance.

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The taxable revenue from personal insurance less the amount of money paid in on the basis of insurance premium shall be any paid out benefit from personal insurance, unless it is exempt from taxation pursuant to Article 9, paragraph 1, item 7), of the present Law.

Notwithstanding the provision of paragraph 2 of this Article, when the accumulated assets based on a member's share in the net assets of an optional insurance fund are drawn at the order and for account of a fund members and invested in the purchase of annuities in an insurance company in keeping with the law dealing with optional pension funds and pension schemes, the taxable income stemming from personal insurance, shall be the paid-out personal insurance compensation reduced by the drawn accumulated funds invested in the purchase of annuities.

*(Deleted)**

Revenues of Athletes and Athletic Specialists

Article 84a

The revenues of athletes and athletic specialists shall include the income earned by professional athletes, amateur athletes, athletic specialists and specialists in sports, received from a sports organisation or organisation engaged in sport activities, sport society or association, which do not have the nature of wages in terms of the regulations governing sports.

The revenues referred to in paragraph 1 of this Article shall be income realized based on:

- 1) Remuneration stipulated by contract conclusion (transfer, etc.);
- 2) Remuneration for the use of an athlete's image;
- 3) Monetary aid given to particularly meritorious top athletes;
- 4) Grants extended to top athletes towards advanced training;
- 5) Monetary and other prizes;
- 7) National acknowledgements and prizes for special contribution to the development and promotion of sports;
- 8) Remuneration and fees paid for work of athletic specialists, i.e. specialists in sports (coaches, referees, delegates, etc.).

The taxable income for revenues referred to in paragraphs 1 and 2 of this Article shall be set by deducting 50% of standardised expenditures from gross revenue.

Other Revenues

Article 85*

*For the purposes of this Law, other revenues shall also be understood to mean other revenues that, by their nature, comprise the income of a natural person, including the following in particular:**

- 1) *Revenues stemming from the service contracts;**
- 2) *Revenues stemming from the contracts of performing temporary and periodical jobs concluded through youth or students' co-operatives with a person up to 26 years of age who is receiving education at secondary schools, colleges or universities;**
- 3) *Revenues stemming from extra work;**
- 4) *Revenues stemming from commercial representation;**
- 5) *Income of members of managing bodies of legal entities;**
- 6) *Fees paid to members of parliament and councillors;**
- 7) *Fees paid in connection with the performance of duties relating to defence, civil defence and protection against natural disasters;**
- 8) *Income of receivers, court experts, jurors and court interpreters;**
- 9) *Revenues stemming from the collection and sale of secondary raw materials;**

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

10) Revenues stemming from the collection and sale of forest fruits and herbs, i.e. revenues based on the sale of other goods produced by engaging on temporary or periodical jobs, unless taxed on other grounds for the purpose of this Law;*

11) Rewards and other similar payments to natural persons who are not employed with the payer that stem from employment or other type of contribution to the payer's business activity, in the amount of more than 12,746** dinars per year, received from one payer;*

12) Income referred to in Article 9 of this Law in excess of the prescribed non-taxable amounts;*

13) Reimbursement for costs and other expenditures incurred by persons not employed with the payer, except for the revenues referred to in item 11) of this paragraph;*

14) Income which, in accordance with the law governing labour, are realized by employees on the basis of participation in profits achieved in the fiscal year;*

15) Revenues from the sale of agricultural and forest products and services, as well as from growing and sale of mushrooms, raising and sale of bee swarms (bees) and snails;*

16) All other revenues that are not taxed on other grounds or are not excluded from taxation or exempt from tax under this Law.*

The payer of tax on other revenues shall be any natural person who generates the revenues referred to in paragraph 1 of this Article.*

The taxable revenue for revenues referred to in paragraph 1 of this Article shall be the gross revenue less the standardised expenditures amounting to 20%.*

Notwithstanding paragraph 3 of this Article, the taxable revenue referred to in paragraph 1, item 15) of this Article, realized by a natural person from the sale of agricultural and forest products and services, as well as from growing and sale of mushrooms, raising and sale of bee swarms (bees) and snails, shall be the gross revenue less the standardised expenditures amounting to 90%.*

Notwithstanding paragraph 1, item 13) of this Article, the tax on other revenues shall not be payable on the documented reimbursements of costs of business travel for the purpose of performing tasks for a resident payer, i.e. person who gives order for the travel, up to the amount of such costs that are exempt from tax on the employee wages/salaries pursuant to Article 18, paragraph 1, items 2) through 5) of this Law, if payments are made to natural persons, i.e. natural persons who are not employed with the payer, including:*

1) Those sent or invited by government agencies or organisations and entitled to reimbursement of expenses, irrespective of the source of payment;*

2) Members of the representative and executive bodies of the Republic, territorial autonomy and local self-government, in connection with the performance of their functions;*

3) Those sent to work in the Republic by order of foreign employers, in connection with the business activity of a resident payer;*

4) Those sent to the payer by order of an employer, and in connection with the business activity of the employer;*

5) If they co-operate, on voluntary basis or by invitation, for humanitarian, health-related, instructive/educational, cultural, sport, science and research, religious and other purposes, including cooperation for the purposes of representation on behalf of government authorities or organisations, and/or cooperate in trade unions, chambers of industry and commerce, political parties, unions and associations, non-governmental organisations and other non-profit organisations, without any other remuneration on the basis of such cooperation;*

6) Persons who are members of legal entities' managing bodies, in connection with the business activity of the entities that send them on a business trip.*

For the purpose of item 5), paragraph 5 of this Article, the fee for cooperation shall not be understood to mean registration fee for participation in the event by which cooperation is realized.*

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

** Published in the *Službeni glasnik RS*, No. 7/18 of 26 January 2018 (*Harmonized Dinar Non-taxable Amounts*).

*Notwithstanding paragraph 1 of this Article, the tax on other revenues shall not be payable on income of a natural person – the client of a bank (hereinafter: debtor) when the bank writes-off their claims against the debtor under such conditions that the write-off of an individual claim stemming from loan shall be recognized and charged to bank's expenditures pursuant to the provisions of the law governing legal entity profit tax.**

*The tax on other revenues shall not be paid in the case of write-off of the remaining part of bank's claims against debtor that was not collected from the proceeds of sale of real estate implemented in accordance with the law.**

*The tax charged on other revenues earned by the members of pupil co-operatives, members of youth or students' co-operatives under 26 years of age, if they are receiving education in secondary schools, colleges and universities, as well as a natural person on the basis of collecting and sale of secondary raw-material, shall be reduced by 40%.**

*The taxable revenue referred to in paragraph 1, item 11) of this Article that a natural person earns on the basis of rewards and other payments to natural persons, shall be the difference between the realized revenue and a non-taxable amount.**

*The taxable revenue referred to in paragraph 1, item 12) of this Article that a natural person earns on the basis of income referred to in Article 9 of this Law in excess of the prescribed non-taxable amounts, shall be the difference between the realized income and a non-taxable amount.**

*Notwithstanding paragraph 1, item 15) of this Article, revenues from the sale of agricultural and forest products and services, as well as from growing and sale of mushrooms, raising and sale of bee swarms (bees) and snails, shall not be taxable if generated by natural persons:**

- 1) Holders of agricultural household;**
- 2) That pay contributions for mandatory social insurance pursuant to the decision as the insured on the basis of agricultural activity, in accordance with the law governing contributions for mandatory social insurance;**
- 3) Beneficiaries of agricultural pension.**

Tax Rate

Article 86

The rate of tax payable on other revenue shall be 20%.

Notwithstanding the provision of paragraph 1 of this Article, that rate of tax on the income from personal insurance shall be 15%.

Part Three

ANNUAL INDIVIDUAL INCOME TAX

Taxable Income

Article 87

The annual individual income tax shall be paid by resident natural persons whose income in a calendar year was greater than three times the average annual wage/salary per employee paid out in the Republic in the year for which the tax is being charged, as published by the republic authority competent for statistics, and in particular the following:

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- 1) Residents for income earned in the territory of the Republic and in other country;
- 2) Non-residents for income earned in the territory of Republic.

The income referred to in paragraph 1 of this Article shall be understood to mean the annual sum of the following:

- 1) Wages/salaries referred to in Articles 13 through 15b of this Law;
- 2) Taxable revenue from self-employment referred to in Article 33, paragraph 2 and Article 40 of this Law;
- 3) Taxable revenue from copyrights and related rights and industrial property rights referred to in Articles 55 and 60 of this Law;
- 4) Taxable revenue from real estate referred to in Article 65v of this Law;
- 5) Taxable revenue from leasing out chattels referred to in Article 82, paragraphs 3 and 4 of this Law;
- 6) Taxable revenues of athletes and athletic specialists referred to in Article 84a of this Law;
- 7) Other taxable revenues referred to in Article 85 of this Law;
- 8) Revenues on the grounds referred to in items 1) through 7) of this paragraph that have been earned and taxed in another state for taxpayers referred to in paragraph 1, item 1) of this Article.

The wages/salaries referred to in paragraph 2, item 1) of this Article and the taxable revenues referred to in item 2) of the same paragraph in connection with Article 40 of this Law and items 3), 6) and 7) of the same paragraph shall be decreased by the tax and mandatory social security contributions paid in the Republic as a charge to the person who had earned the wage/salary, i.e. taxable revenues, and the taxable revenues referred to in item 2) of the same paragraph in connection with Article 33, paragraph 2 of this Law and items 4) and 5) of the same paragraph shall be decreased by the tax paid on such revenues in the Republic. For sole proprietors who opted for personal earnings, earnings are reduced by taxes and contributions for mandatory social insurance paid in the Republic charged to sole proprietors who opted for earning, and taxable revenues referred to in Article 33, paragraph 2 of this Law stemming from self-employment shall be reduced by tax paid on such revenues in the Republic.

The wages/salaries referred to in paragraph 2 of this Article shall be increased by the amount that is paid to the taxpayer in the calendar year for which the annual tax is being determined, as refund of mandatory social security contributions, in conformity with the law governing contributions for mandatory social insurance.

The revenues referred to in paragraph 2, item 8) of this Article shall be decreased by the tax paid in another state.

The taxable income shall be the difference between the income determined in conformity with paragraphs 2 through 5 of this Article and the non-taxable amount referred to in paragraph 1 of this Article.

Tax Base

Article 88

The annual individual income tax base shall be the taxable revenue, which represents the difference between the taxable revenue referred to in Article 87, paragraph 6, of the present Law and the personal deductions amounting to:

- 1) In the case of the taxpayer – 40% of the average per employee wage/salary paid in the Republic in the year for which the tax is charged, as published by the republic agency in charge of statistics;
- 2) In the case of a dependent family member – 15% of the average per employee wage/salary paid in the Republic in the year for which the tax is charged, as published by the republic agency in charge of statistics, per member.

The total personal deductions referred to in paragraph 1 of this Article may not be higher than 50% of the taxable income.

If two or more members of a family are the payers of annual individual income tax, the deduction for dependent family members may be enjoyed by only one payer.

Tax Rates

Article 89

The annual individual income tax shall be payable on the base referred to in Article 88 of this Law at the following rates:

- On up to six times the average annual earnings – 10%;
- On over six times the average annual earnings – 10% on up to six times the average annual earnings + 15% on the amount exceeding six times the average annual earnings.

Part Four

FILING TAX DECLARATIONS, DETERMINATION AND COLLECTION OF TAX

Chapter One

GENERAL PROVISIONS

Article 90

Ceased to be valid (see: Article 192 of the Taxation Procedure and Taxation Administration Law - 80/2002)

Chapter Two

FILING THE TAX DECLARATION

General Public Notice

Article 91

Any citizen who earns the revenues referred to in the present Law shall file a tax declaration, unless otherwise provided by the present Law.

The competent tax office shall issue a general public notice, by 31 December each year, calling citizens to file their tax declarations.

Annual Individual Income Tax Declaration

Article 92

Any payer of annual individual income tax shall file a tax declaration, containing true data, with the competent tax office for the income realised in the year for which the tax is levied, after the end of that year, but no later than 15 May of the following year.

Self-employment Income Tax Declaration and Tax Account

Article 93

*Any taxpayer referred to in Article 32 of this Law, except for a sole proprietor subject to lump-sum taxation, who keeps books of accounts in accordance with Article 43, paragraphs 2 and 3 of this Law, shall be obliged to file the tax declaration and tax balance sheet with the competent tax office by 15 April of the year following the year for which the tax is levied at the latest.**

(Deleted)

In the case of a sole proprietor who pays tax on lump sum revenue, the extent of whose business or sales changes substantially or if circumstances affecting the right to lump sum taxation and tax liability arise in the year preceding the year for which the tax is levied, he/she shall file the tax declaration by 31 January of the year for which the tax is levied.

Article 94*

*Any taxpayer referred to in Article 32 of this Law, except for a sole proprietor subject to lump-sum taxation, who starts up an independent business activity in the course of a year, shall be obliged to file a tax declaration containing an estimate of his/her revenues and expenditures until the end of the first business year, as well as estimate of the monthly advance tax payment, i.e. commitment to pay personal earnings, within 15 days from the date he/she is registered into the register kept by the competent authority, i.e. from the date of commencement of operations at the latest.**

*Any sole proprietor subject to lump-sum taxation who starts up an independent business activity in the course of a year shall be obliged to file a tax declaration containing an estimate of his/her turnover until the end of the first business year, within 15 days from the date he/she is registered into the register kept by the competent authority, i.e. from the date of commencement of operations at the latest.**

*Any taxpayer referred to in Article 32 of this Law, except for a sole proprietor subject to lump-sum taxation, who temporarily ceases or withdraws from an independent business activity in the course of a year, shall be obliged to file a tax declaration for the determination of tax within 30 days from the date of interruption or withdrawal from business, for a period starting from the beginning of the tax period until the date of interruption or withdrawal from business.**

*Any sole proprietor subject to lump-sum taxation who temporarily ceases or withdraws from an independent business activity in the course of a year, shall be obliged to notify the tax office thereof by filing a tax declaration within 30 days from the date of interruption or withdrawal from business.**

*For the purpose of Article 43, paragraphs 2 and 3 of this Law, any taxpayer shall be obliged to declare the amount of the tax levied and paid in the tax declaration referred to in paragraph 3 of this Article for the tax period up to the date of interruption or withdrawal from an independent business, as well as to file the tax balance sheet together with the tax declaration.**

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

*In addition to the request for the lump sum taxation as referred to in Article 42, paragraphs 1 and 2 of this Law, any sole proprietor other person whose status of a payer of value-added tax has been terminated pursuant to the law governing value-added tax, shall also be obliged to file a tax declaration within 15 days from receipt of a document from the competent tax office confirming deletion from the value-added tax records.**

*Any sole proprietor who was paying the tax on actual revenue in the year preceding the year for which the tax is levied, provided that he/she fulfils the conditions to be lump-sum taxable, may file a tax declaration for lump-sum taxation in that year, by 31 January of that year at the latest.**

Declaration of Tax on Capital Gains and Other Revenues on which Withholding Tax is not Payable

Article 95

Any taxpayer who performs the transfer or rights from which a capital gain or loss may arise in conformity with this Law, shall be obliged to file a tax declaration within 30 days from:

1) The date when they generated or started to generate revenue from the transfer of actual rights on real estate, copyrights and related rights and industrial property rights, as well as of interest in the equity of legal entities;

2) The date of expiration of each calendar half-year during which the transfer of securities was performed.

Notwithstanding paragraph 1, item 1) of this Article, the deadline for filing a tax declaration shall be 120 days from the date of sale of real estate on the basis of which the taxpayer may qualify for tax exemption in conformity with Article 79, paragraph 1 of this Law.

Notwithstanding paragraph 1 of this Article, a tax declaration referred to in paragraph 1 of this Article shall not be filed for the transfer of rights registered by a sole proprietor, *a sole proprietor farmer and a sole proprietor other person** in the business records, but the data on capital gain or loss are declared in the tax balance sheet.

A sole proprietor *subject to lump sum taxation** shall be obliged to file a separate tax declaration for revenues on capital gains.

The tax declaration comprising the levied tax for which the obligation of self-taxation is stipulated under Article 100a, paragraph 1, *items 2) and 3)** and paragraph 2 of the same Article, shall be filed within 30 days from the date of realisation of revenues.

The organizer of the capital market within the meaning of the law governing the capital market shall be obliged, within 30 days from the expiration of each calendar half-year, to file a report on the transfer of securities performed during that half-year with the main office of the Tax Administration in electronic form.

The form and content of the report referred to in paragraph 6 of this Article shall be prescribed by the minister.

Non-resident Taxpayer's Declaration

Article 96

Any non-resident taxpayer shall file a tax declaration for each kind of revenue realised, on which withholding tax is not payable.

The declaration referred to in paragraph 1 of this Article shall be filed with the tax office in the territory of which the taxpayer has realised revenues or according to the taxpayer's place of residence, *or domicile, i.e. according to the seat of a tax proxy**.

In the case of a taxpayer referred to in paragraph 1 of this Article, the tax paid against the tax declaration referred to in paragraph 2 of this Article, together with paid withholding taxes, shall be regarded as the finally determined tax liability.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Notwithstanding paragraph 3 of this Article, for a non-resident taxpayer of annual individual income tax referred to in Article 87 of this Law, finally determined tax liability shall also apply to annual individual income tax.

Article 97

The Minister shall set the form and contents of the tax declaration.

Tax Office Competencies

Article 98

Any taxpayer shall be obliged to file a tax declaration for the following:

- 1) For revenue from self-employment - with the tax office in the territory where their business has registered headquarters;
- 2) For revenue from real estate - with the tax office in the territory where the real estate is located;
- 3) For annual individual income tax, capital gains and other revenues on which withholding tax is not payable - with the tax office in the territory of which the taxpayer resides permanently or temporarily.

Chapter Three

TAX CHARGING AND COLLECTION

Way of Charging and Collecting Taxes

Article 99*

*Withholding tax shall be charged and paid on the following revenues:**

- 1) *Wages/salaries;**
- 2) *Revenues from copyrights and related rights and industrial property rights, if the payer of revenue is a legal entity, sole proprietor or sole proprietor subject to lump-sum taxation;**
- 3) *Yield on capital, if the payer of revenue is a legal entity, sole proprietor or sole proprietor subject to lump-sum taxation;**
- 4) *Revenues from real estate, if the payer of revenue is a legal entity, sole proprietor, sole proprietor subject to lump-sum taxation or sole proprietor farmer;**
- 5) *Revenues from leasing out chattels, if the payer of revenue is a legal entity, sole proprietor, sole proprietor subject to lump-sum taxation or sole proprietor farmer;**
- 6) *Games-of-chance winnings;**
- 7) *Revenues from personal insurance;**
- 8) *Revenues of athletes and athletic specialists;**
- 9) *Other revenues, if the payer of revenue is a legal entity, sole proprietor or sole proprietor subject to lump-sum taxation.**

*For the purposes of paragraph 1 of this Article, a legal entity shall also be understood to mean a section of a legal entity or an operating unit of a non-resident legal entity that is registered with the competent government agency (representative office, etc.), as well as government agencies and organisations.**

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Article 100

Taxes shall be charged and paid on the following revenues by decision of competent tax authority:

- 1) Lump sum revenues from self-employment;
- 2) Capital gains;
- 3) Annual individual income tax.

Article 100a*

*Taxes shall be charged and paid by means of self-taxation on the following revenues:**

*1) Revenues of a sole proprietor, sole proprietor farmer and sole proprietor other person from an independent business who keeps books of accounts in accordance with Article 43, paragraphs 2 and 3 of this Law;**

*2) Revenues paid by the payer that is not a legal entity, sole proprietor or sole proprietor subject to lump-sum taxation, i.e.:**

*(1) Revenues from copyrights and related rights and industrial property rights;**

*(2) Interest;**

*(3) Other revenues referred to in Article 85 of this Law;**

*3) Revenues paid by the payer that is not a legal entity, sole proprietor, sole proprietor subject to lump-sum taxation or sole proprietor farmer, based on the revenues from the lease of real estate and leasing out of chattels.**

*When the payer of revenues is not required to calculate and charge a tax, the taxpayer who earns a wage/salary and other revenues in or from another country, at a diplomatic or consular mission of a foreign country, i.e. an international organisation, or at representatives and employees of such mission, i.e. organisation, shall be obliged to calculate and charge a withholding tax by way of self-taxation according to the provisions of this Law.**

*A taxpayer shall also be obliged to calculate and charge a tax in accordance with paragraph 2 of this Article in case a withholding tax is not calculated and charged by another payer, as well as in case when he/she earns revenues from a person who is not a payer required to calculate and charge a withholding tax.**

*Taxes on income and other revenues referred to in paragraphs 1 and 2 of this Article shall be determined and paid on income that the taxpayer has received, i.e. from which they are obliged to pay the relevant duties.**

*A non-resident taxpayer sent to work in the Republic of Serbia shall also be obliged to calculate and charge a tax on the basis of the receipts he/she earns from the employer in or from another country.**

Way of Determination and Maturity of Withholding Taxes

Article 101

The payer shall charge, withhold and pay in the prescribed unique payment account the withholding tax referred to in paragraph 99 of the present Law, on behalf of each taxpayer and for each revenue paid out at the moment of payment of such revenue, in conformity with the regulations in force on the date of payment of revenue, unless otherwise prescribed by this Law.

Article 101a

(Deleted)

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Article 102

(Deleted)

Article 103

In the case of revenues stemming from capital based on interest, bank shall be obliged to calculate and charge the withholding tax at the time of payment of interest, including the attribution of interest, i.e. to pay the calculated tax no later than the next working day for payment transactions if at the time of payment of interest, including the attribution of interest, payment transactions did not work.

Notwithstanding the provision of paragraph 1 of this Article, when the balancing of money on the basis transfer or redemption of debentures is done through the Securities Central Registry, Depository and Clearing Office (hereinafter: the Central Registry), at the moment of doing so, the Central Registry shall charge, withhold and pay in the appropriate account the capital gain tax on the interest accrued from the date of acquisition to the date of transfer or redemption of debentures.

Article 104

Any sole proprietor who keeps books shall charge and collect withholding tax on the revenues generated by a legal entity in conformity with the law dealing with legal entity profit tax.

Article 105

(Deleted)

Article 106

Any payer referred to in Article 101 shall issue to taxpayers, on each payment and at the end of the year, an account showing the following: gross revenue, costs, taxable revenue, facilities, paid social security contributions and paid taxes.

In a case where the Central registry charges, withholds and pays the withholding tax on the interest stemming from the transfer or redemption of debentures in conformity with Article 103, paragraph 2, of the present Law, the payer referred to in paragraph 1 of this Article shall be understood to mean a Central Registry member bank that keeps an earmarked monetary account of the taxpayer for making payments on the basis securities sales.

Article 107

(Deleted)

Article 107a

When charging the withholding tax on the revenue of a non-resident, the payer of revenue shall apply the clauses of the contract relating to the avoidance of double taxation, on condition that the non-resident concerned proves its status of a resident of a country with which Serbia has concluded an agreement on the avoidance of double taxation and that he is the actual owner of revenue.

The non-resident concerned shall prove to the payer of revenue his status of resident of a country with which an agreement on the avoidance of double taxation has been concluded by presenting a certificate (deleted) in conformity with the law dealing with taxation proceedings and taxation administration.

If the payer of revenue applies the clause of the contract relating to the avoidance of double taxation and the requirements referred to in paragraphs 1 and 2 of this Article have not been met, resulting in the payment of a smaller amount of tax than required, he shall be bound to pay the difference between the tax paid and tax owed under the present Law.

At the request of a non-resident, the competent tax office shall issue a certificate of payment of tax in the Republic.

If the payer of revenue to a non-resident at the time of payment of revenue does not possess a certificate referred to in paragraph 2 of this Article, the payer shall apply the provisions of this Law in the payment of revenue.

If a non-resident taxpayer subsequently submits to the tax authority the certificate referred to in paragraph 2 of this Article, the difference between the amount of tax paid under paragraph 5 of this Article and the amount of tax that the taxpayer would have been obligated to pay if at the time of payment of revenue he had had the certificate referred to in paragraph 2 of this Article at his disposal, shall be considered tax overpayment.

*Article 108**

*(Deleted)**

Register of the Payers of Revenue to Performers

Article 108a

The Tax Administration shall keep the Register of payers of revenues based on staged pop and folk music programmes, on which the withholding tax is payable, to performers, in the capacity of authors or holders of related rights, ensembles and orchestras, imitators, illusionists and other performers (hereinafter: the performers), managers and other hired persons (hereinafter: the other hired persons).

For the purposes of the present Law, the following shall be understood to mean the payers of the revenues referred to in paragraph 1 of this Article:

1) Legal entities and individuals conducting a registered business in the fields of catering, tourism, mediation and other kinds of business, who organise the staging of popular and folk music programmes or other entertainment programmes, on their own or hired premises;

2) Legal entities and individuals registered for the production and broadcasting of radio and television programmes, which/who produce and broadcast television programmes of popular and folk music, entertainment, collage, New Year's and similar programmes, regardless of whether they have been issued the licence for broadcasting programmes pursuant to the law dealing with broadcasting, or not;

3) Legal entities and individuals conducting a registered business, unions, associations, organisations, groups, local communities and similar entities, which organise on their own or hired premises or elsewhere, concerts, cultural and artistic, tourist and other related events and performances, at which programmes of popular and folk music, New Year's and other related entertainment programmes or other entertainment events are staged.

Any payer of the revenues referred to in paragraph 2 of this Article shall file with the Tax Administration local office the application for being entered in the register referred to in paragraph 1, by 31 January 2005 at the latest.

The newly established payers of the revenue referred to in paragraph 2 of this Article shall file with the Tax Administration local office the application referred to in paragraph 3 of this Article within 15 days from the date of their entry in the appropriate register kept by competent authorities.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

If the legal entities and individuals who are conducting a business referred to in paragraph 2 of this Article and are not the payers of revenues for the performance of popular and folk music programmes and other entertainment programmes, hire the performers and other hired persons referred to in paragraph 1 of this Article shall apply for entry in the register referred to in paragraph 1 of this Article, within 48 hours from the time of actual start of staging popular and folk music programme and other entertainment programmes.

The Tax Administration shall render a decision placing a 30-day ban on the business of any payer of the revenue referred to in paragraph 2 of this Article in the event of that payer's failure to file with the Tax Administration within the set term the application referred to in paragraphs 3 and 4 of this Article for being entered in the register referred to in paragraph 1 of this Article.

Complaints may not be filed against the decisions referred to in paragraph 6 of this Article.

Any payer of the revenue referred to in paragraph 2 of this Article shall make a contract with the performer or some other person hired to perform a programme of popular and folk music programme or some other entertainment programme and report to the Tax Administration by the fifth day of the current month in writing the contracts made in the previous month.

The Tax Administration shall render a decision placing a 30-day ban on the business of any payer of the revenue referred to in paragraph 2 of this Article if the payer concerned stages a popular and folk music programme or some other entertainment programme by hiring the persons referred to in paragraph 1 of this Article without making a contract or if it fails to report concluded contracts in writing to the Tax Administration within the set term.

Complaints may not be filed against the decision referred to in paragraph 9 of this Article.

The Minister shall set the contents of the application referred to in paragraph 3 of this Article and the report referred to in paragraph 8 of this Article.

*(Deleted)**

*Article 108b**

*(Deleted)**

Taxes Payable According to Decision

Way of Determination and Maturity of Taxes Payable According to Decision

Article 109

The lump sum tax payable on determined revenue from self-employment shall be determined by the tax office on the basis of data from the tax declaration, criteria and elements determined pursuant to Article 41 of the present Law.

Pending the decision determining tax for the current year, the payers of the tax referred to in paragraph 1 of this Article shall be obligated to pay tax in the amount corresponding to the amount of tax liability set by the decision for the previous year.

Competent tax office shall determine the tax on capital gains based on the data presented in tax declaration and based on other information.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Capital gain taxpayer shall present in the tax declaration the information on the price realized by transfer of rights, interests and securities and their purchase price and the right to tax exemption.

If the taxpayer fails to submit tax declaration, the tax liability shall be determined based on the information on realized capital gain that is available to the competent tax office.

Right to tax exemption referred to in Article 79, paragraph 1 and Article 80 of this Law, shall be determined by a decision of the competent tax office, based on the documentation submitted with the tax declaration as evidence of resolving a personal housing issue.

Return of the capital gain tax referred to in Article 79, paragraph 2 of this Law, shall be realized at the request of the taxpayer, to which the supporting documentation on resolving a personal housing issue is attached.

Annual individual income tax shall be determined by the tax office on the basis of data from the tax declaration, book of accounts and other data relevant for the determination of tax liability.

(Deleted)

Article 110

Taxes that are determined by decision of the tax office shall be paid as follows:

- 1) Within 15 days upon the expiry of each month – in case of lump sum tax on determined revenue from self-employment;
- 2) Within 15 days from the date of delivery of the decision setting the annual individual income tax and capital gain tax.

Way of Determination and Maturity of Taxes with Respect to Self-taxation

Article 111

*A taxpayer who keeps books of accounts referred to in Article 43, paragraphs 2 and 3 of this Law shall be obliged, in accordance with this Law, to calculate the following in his tax declaration:**

- 1) Tax for the taxable period for which the declaration is being filed (hereinafter: final calculated tax);
- 2) Monthly advance tax for the current taxable period.

The taxpayer referred to in paragraph 1 of this Article shall determine the monthly advance tax as one-twelfth of the final determined tax that does not comprise tax on capital gain.

If during the taxable period the taxpayer referred to in paragraph 1 of this Article performed the business activity for less than twelve months, the monthly advance tax shall be calculated as the ratio of the final determined tax that does not comprise tax on capital gain and the number of months in the previous taxable period during which the business activity was performed.

In the case referred to in paragraph 3 of this Article, the number of months during which the business activity was performed shall include every month in which the taxpayer performed such business activity, irrespective of the number of days in that month during which the business activity was performed.

If the taxpayer referred to in paragraph 1 of this Article paid less tax by advance payment than the final determined tax, the difference shall be paid no later than the date of filing of the tax declaration.

If the taxpayer referred to in paragraph 1 of this Article paid more tax by advance payment than the final determined tax, the overpaid tax shall be considered an advance payment for the next period or shall be refunded to the taxpayer at his request.

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Pending the determination of the final determined tax, a sole proprietor who keeps books referred to in Article 43, paragraphs 2 and 3 of this Law* shall be required to pay tax in the amount of monthly advance determined for the previous taxable period.

If the amount of monthly advance determined in the manner prescribed in paragraphs 2 through 4 of this Article is greater or smaller than the monthly advance paid pursuant to paragraph 7 of this Article, the taxpayer shall be required to increase or decrease the monthly advance for the current taxable period, so that the sum of advance payments from the beginning until the end of the current taxable period is the same as if the advance payments had been made from the beginning until the end of the current taxable period in the manner set forth in paragraphs 2 through 4 of this Article.

The obligation to pay increased or decreased monthly advance referred to in paragraph 8 of this Article shall arise in the month following the month in which the tax declaration was filed.

Article 112

A taxpayer referred to in Article 43, paragraphs 2 and 3 of this Law* who undertakes a business activity during the year shall determine amount of the monthly advance by applying the provisions set forth in Article 111 of the present Law on the basis of data from the tax declaration filed in conformity with Article 94, paragraph 1 of the present Law.

If during the current taxable period significant changes occur in business operations, tax instruments or other circumstances that significantly affect the level of monthly advance, the sole proprietor who keeps books referred to in Article 43, paragraphs 2 and 3 of this Law* may, upon filing of the tax declaration referred to in Article 111 of the present Law, file a tax declaration with tax balance sheet, in which he would declare all information relevant for the adjustment of monthly advance and determine its amount, no later than 30 days from the expiry of the period for which the tax declaration was prepared.

The shortest period for which a tax balance sheet is made pursuant to paragraph 2 of this Article shall be one month.

A taxpayer referred to in Article 43, paragraphs 2 and 3 of this Law* may commence advance payments in conformity with the tax declaration referred to in paragraph 2 of this Article for the month in which the tax declaration was filed.

Article 113

(Deleted)

(Deleted)

The payer of taxes which are determined by self-taxation in conformity with the present Law, shall declare data indicating the type and the amount of earned revenue and other information relevant for determination of the amount of tax liability in the tax declaration, as well as the amount of tax liability determined in conformity with the present Law depending on the type of revenue.

Article 114

The taxes that are determined by the taxpayer by way of self-taxation in conformity with the present Law shall be paid no later than the expiry of the date for filing of the tax declaration.

*Notwithstanding paragraph 1 of this Article, any taxpayer who keeps books of accounts referred to in Article 43, paragraphs 2 and 3 of this Law shall pay monthly advance tax within 15 days upon expiry of each month.**

Article 115 – 119

(Deleted)

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Article 120 – 123

Ceased to be valid (see: Article 192 of the Taxation Procedure and Taxation Administration Law - 80/2002)

Chapter Four

FORCED TAX COLLECTION

Article 124 – 156

Ceased to be valid (see: Article 192 of the Taxation Procedure and Taxation Administration Law - 80/2002)

Chapter Five

SURETY, TAX REFUND AND UNENFORCEABILITY

Surety

Article 157

The payer of revenue shall stand surety solidarily for the payment of withholding tax.

All adult members of the taxpayer's household that make up his/her household pursuant to Article 10 of the present Law at the onset of tax liability shall stand subsidiary surety for the payment of tax on the revenue from self-employment.

*A person who, with or without compensation, takes over a part or the entire property utilized by the taxpayer referred to in Article 32 of this Law in the performance of business activity shall stand surety solidarily for the obligations of the taxpayer referred to in Article 32 of this Law arising from the performance of the business activity prior to takeover of the property, up to the value of property that was taken over, and the taxpayer referred to in Article 32 of this Law who ceases to conduct business activity shall, prior to deletion from the prescribed register, be obliged to pay all tax liabilities incurred in the course of performance of business activity.**

Article 158 – 162

(Deleted)

Article 163 – 165

Ceased to be valid (see: Article 192 of the Taxation Procedure and Taxation Administration Law - 80/2002)

* Published in the *Službeni glasnik RS*, No. 113/17 of 17 December 2017.

Part Five

PENAL PROVISIONS

Article 166

Ceased to be valid (see Article 85 of the Law Amending the Law on Tax Procedure and Tax Administration - 68/2014)

Article 167

Ceased to be valid (see Article 85 of the Law Amending the Law on Tax Procedure and Tax Administration - 68/2014)

Article 168

Ceased to be valid (see Article 85 of the Law Amending the Law on Tax Procedure and Tax Administration - 68/2014)

(Articles 169 through 171 deleted)

Article 172

Ceased to be valid (see: Article 192 of Taxation Procedure and Taxation Administration Law - 80/2002)

TRANSITIONAL AND CONCLUDING PROVISIONS

Article 173

The validity of the Individual Income Tax Law (Službeni glasnik RS, Nos. 43/94, 74/94, 53/95, 1/96, 12/96, 24/96, 39/96, 52/96, 54/96, 39/96, 52/96, 54/96, 16/97, 60/97, 20/98, 42/98, 18/99, 21/99, 25/99, 27/99, 33/99, 48/99 and 54/99) shall run out on the effective date of the present Law.

Pending the enactment of regulations in conformity with the provisions of the present Law, the regulations enacted on the basis of the law referred to in paragraph 1 of this Article shall apply.

Article 174

The procedure for setting the tax advances on revenues from agriculture and forestry and revenues from self-employment in 2001, that was started up in conformity with the provisions of the law referred to in Article 173, paragraph 1, of the present Law, shall be completed in conformity with that law.

Article 175

Any procedure for the determination and collection of the tax on capital that was not effectively completed by the effective date of the present Law, shall be completed in conformity with the provisions of the present Law.

Article 176

The tax account for the 1 January – 30 June 2001 period shall be compiled in conformity with regulations that were in force until the effective date of the present Law.

The tax account referred to in paragraph 1 of this Article shall be filed with the competent tax office by 15 July 2001.

Article 177

Any taxpayer who had acquired, prior to the effective date of the present Law, the right to tax exemption on the basis of newly opened business or the right to tax facility on the basis of foreign investment, in conformity with the law referred to in Article 173, paragraph 1, of the present Law, shall have the right to enjoy that tax exemption facility until the expiration of the term for which it was granted.

Article 178

The individual income tax for the year 2001 shall be determined and paid in conformity with the provisions of the present Law and the amounts set in Article 87, paragraphs 1 and 2, Article 88, paragraph 1, and Article 89, paragraph 1, of the present Law shall be adjusted to the percentage of the wage increase/decrease from the effective date of the present Law to 31 December 2001.

Article 179

Tax on the yield on capital shall not be payable for the period from 1 January 1999 to the effective date of the present Law, on the interest accrued from the foreign exchange savings that were converted, without the savers' consent, into term deposits with authorised banks, which make up government debts, in conformity with the law dealing with settlement of the commitments based on household foreign exchange savings.

Article 180

The present Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije and become applicable as of 1 July 2001, with the exception of the provisions dealing with tax on wages/salaries and other revenues, which shall become applicable as of 1 June 2001, and Article 123, which shall be applicable as of the effective date of the present Law.

* * *

ARTICLES NOT INCLUDED IN THE FINAL TEXT LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 80/02)

Article 16

The provisions of Article 13, paragraph 1 and Article 14 of this Law shall apply when determining yearly individual income tax for 2002.

Article 17

The present Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije, and shall become applicable as of 1 January 2003, with the exception of Art. 3 and 9, which shall be applicable as of the effective date of the present Law.

* * *

ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 135/04)

Article 70

The tax on the revenue from agriculture and forestry shall not be charged and paid on cadastral revenue in 2004 and 2005.

Article 71

The tax liability based on the final account for 2004 in the case of payers of tax on the revenues stemming from self-employment and revenues from agriculture and forestry, who pay tax on taxable profit, shall be determined in conformity with the regulations that were in force up to the starting date of application of the present Law.

The taxpayers referred to in paragraph 1 of this Article shall draw up the tax balance sheet for 2004 in conformity with the regulations that were in force up to the starting date of application of the present Law.

Article 72

The provisions of the present Law shall apply to the determination and payment of tax on the annual income of individuals in 2004.

Article 73

The present Law shall come into force on the first day upon its publication in the Službeni glasnik Republike Srbije and be applicable as of 1 January 2005.

* * *

ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 62/06)

Article 33

Any employer who is paying earnings and/or pays on the effective date of the present Law shall file with the local Tax Office the application for entry in the Register referred to in Article 29 of the present Law on the form referred to in that article, by 30 November 2006.

Article 34

Any employer which is a legal entity shall be fined 100,000 to 1,000,000 dinars for breach of regulations, if it fails to file the application referred to in Article 33 of the present Law within the term set in that article.

The responsible person in the legal entity concerned for an act referred to in paragraph 1 of this Article shall be fined 5,000 to 50,000 dinars.

The responsible person in a government agency and a local self-government agency for an act referred to in paragraph 1 of this Article shall be fined 5,000 to 50,000 dinars.

Any sole proprietor shall be fined 50,000 to 500,000 dinars for an act referred to in paragraph 1 of this Article.

Article 35

The tax on the earnings made by November 2006 inclusive shall be worked and paid in accordance with the regulations which were in force until the beginning of application of the present Law.

The legal entities who have paid out a part of the earnings for December 2006 prior to the starting date of application of the present Law and paid the tax on earnings, and are paying out the second part of earnings for that month, shall work out and pay the tax on earnings on final payment in conformity with the present Law.

Article 36

The facility referred to in Articles 9 and 10 of the present Law may be enjoyed by any employer who has at least the same number of employees on 1 December as that on the effective date of the present Law.

Article 37

The tax on the income from agriculture and forestry on cadastral income shall not be accounted and paid for 2006 and 2007.

Article 38

The provisions of the present Law shall apply to the determination and payment of annual individual income tax for 2006.

Article 39

The first adjustment of the dinar amounts pursuant to Article 3 of the present Law shall be made in January 2008.

Notwithstanding the provision of paragraph 1 of this Article, the first adjustment of the dinar amounts referred to in Articles 5 and 26 of the present Law shall be made in January 2007, for the period from the first day of the month following the effective date of the present Law to 31 December 2006.

The adjusted dinar amounts referred to in paragraph 2 of this Article shall be applicable as of the first day of the month following the publication of such amounts.

Article 40

The regulations supporting the enforcement of the present Law shall be enacted by 31 December 2006.

Article 41

The present Law shall be applicable as of 1 January 2007, with the exception of the part of Article 1, paragraph 9, dealing with VAT charges, as well as the provisions of Articles 4 and 8, which shall be applicable as of the effective date of the present Law, and Articles 2, 9 and 10, which shall be applicable as of 1 September 2006.

Article 42

The present Law shall come into force on the eighth day upon its publication in the Sluzbeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 31/09)

Article 16

The tax on the revenue stemming from agriculture and forestry on cadastral income shall not be levied and paid for the year 2010.

Article 17

The additional receipts of a resident alien employed by a resident or in a permanent operating unit of a non-resident, which have been paid up to the effective date of this Law, shall be exempt from the earnings tax under the regulations which were in force up to the effective date of this Law.

The receipts of the individual/resident alien as referred to in paragraph 1 of this Article, which were paid after the effective date of this Law, shall be treated as the income referred to in Article 87, paragraph 7, of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02-other law, 135/04, 62/06 and 65/06-Corrigendum) for the purpose of levying the annual individual income tax.

Article 18

This Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 44/09)

Article 18

This Law shall come into force on the first day upon its publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No.18/10)

Article 18

The tax on the revenue stemming from agriculture and forestry on cadastral income shall not be levied and paid for the year 2011.

Article 19

The provisions of this law concerning the duty to determine and pay the annual individual income tax shall apply to the income generated in 2010.

Article 20

Exceptionally, for the 2009 individual income tax determination purposes, the taxable income shall mean the difference between the income determined in accordance with Article 87, paragraphs 4 through 7 of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 - other law, 135/04, 62/06, 65/06 - Corrigendum, 31/09 and 44/09) and the non-taxed amount referred to in paragraph 1 and/or paragraph 2 of that Article, less the amount of the provisional reduction of wages/salaries, net remunerations and other receipts of individuals who are individual income taxpayers, in keeping with the Law on Provisional Reduction of Wages/salaries, Net Remunerations and other Receivables in Government Administration and Public Sector (Službeni glasnik RS, No. 31/09).

Exceptionally, any payer of individual income tax for the year 2009 shall file a tax declaration for the income earned in that year for the purpose of determining the annual individual income tax, by 15 April 2010.

Article 21

The individuals referred to in Article 3 of this Law who had the status of value-added tax payers on 1 January 2010 in accordance with the law dealing with value-added tax, with the exception of the persons who are already the payers of tax on the income from self-employment under the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 – other law, 135/04, 61/06, 65/06 - Corrigendum, 31/09 and 44/09), shall file with the competent tax office the tax declaration for the purpose of determining the tax on the income from self-employment, within 90 days from the effective date of this Law.

Article 22

The determination, accounting and payment of the tax liability on the basis of the taxation law liabilities occurring from 1 January 2010 onwards shall be carried out in accordance with the provisions of this Law, and in connection with self-employment and annual individual income tax, in accordance with the provisions of Articles 3, 4, 11, 12, 13, 15, 19 and 21 of this Law.

Article 23

This Law shall come into force on the first day upon its publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 50/11)

Article 12

The tax on the revenue stemming from agriculture and forestry on cadastral income shall not be levied and paid for the year 2012.

Article 13

This Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 93/12)

Article 12

Capital gain, pursuant to Article 4 of this Law, shall not be determined and be payable on revenues earned from the date of entry into force of this Law on the basis of transfer fee rights, interest or securities kept by the taxpayer in his portfolio for a period of at least ten years continuously prior to the sale, including the period of time before entry into force of this Law.

Article 13

The tax on the revenue stemming from agriculture and forestry on cadastral income shall not be levied and paid for the year 2013.

Article 14

This Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 47/13)

Article 67

The payers that, by the date of application of this Law, have already made payments of a portion of salary/wage, and/or pay and wage/salary compensation, and/or pay, shall charge and pay tax on revenue in conformity with the Law on Individual Income Tax (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 – other law, 135/04, 62/06, 65/06 – Corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 –Decision CC, 93/12 and 114/12 –Decision CC) until the final payment the salary/wage, and/or pay/salary and wage compensation.

Article 68

The provisions of the present Law governing determination of tax by way of self-taxation shall be applicable as of 1 January 2014.

Notwithstanding the paragraph 1 of this Article, as of 1 July 2013 the determination of tax by way of self-taxation may be implemented a taxpayer who pays tax on actual revenue from self-employment who chooses to pay personal wage/salary from 1 July 2013 as his monthly

individual receipt referred to in Article 22, paragraph 2 of the present Law and notifies the competent tax office in writing by 1 July 2013.

The provisions of Article 2 of the present Law shall be applicable as of 1 January 2014.

Article 69

The final tax liability on actual revenue from self-employment for 2013 shall be charged in conformity with the present Law.

Article 70

The provisions of the present Law governing lump sum taxation shall apply to determination of liabilities from 2014, excluding the provision of Article 23, paragraph 1, item 4) of the present Law, which shall apply from the date of entry into force of this Law.

Article 71

The provisions of the present Law shall apply to determination of annual individual income tax for 2013.

Article 72

The regulations for the implementation of the present Law shall be passed no later than six months from the date of entry into force of this Law.

Article 73

This Law shall come into force on the following day from the date of publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 108/13)

Article 13

Any sole proprietor who pays tax on actual revenue from self-employment, and who decides to make payments of personal earnings in 2014, shall be obliged to submit a written notice to the competent tax authority on his/her decision to make payments of personal earnings by 31 January 2014.

Article 14

The provisions of Article 3 paragraphs 1 and 2 and Articles 5, 6, 8, 9 and 10 of this Law shall be applicable as of 1 January 2014.

Article 15

This Law shall come into force on the following day from the date of publication in the Službeni glasnik Republike Srbije.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 57/14)

Article 3

An employer, who by the effective date of this Law, has acquired the right to the tax facility referred to in Articles 21v and 21d of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 – other law, 135/04, 62/06, 65/06 – Corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 – CC, 93/12, 114/12 – CC, 47/13, 48/13 – Corrigendum and 108/13), shall exercise the tax facility in accordance with this Law.

Article 4

This Law shall come into force on the eighth day upon its publication in the Službeni glasnik Republike Srbije, and shall be applicable as of 1 July 2014.

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ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW

(Službeni glasnik RS, No. 112/15)

Article 40

Procedures for determining and collecting capital gain tax that are not completed by the date of coming into force of this Law, shall be concluded according to the provisions of this Law.

Article 41

Employer that uses tax relief referred to in Article 21v of the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 – other law, 135/04, 62/06, 65/06 – Corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 – CC, 93/12, 114/12 – CC, 47/13, 48/13 – Corrigendum, 108/13, 57/14 and 68/14 – other law), for a newly employed worker, shall continue to use relief in accordance with Article 7 of this Law.

Employer that employs new workers as of 1 January 2016, may opt to use the tax relief referred to in either Article 7 or Article 8 of this Law, on the basis of employment relationship with such persons.

Article 42

This Law shall come into force on 1 January 2016, except for the provisions of Articles 1, 16, 27, 32 and 33 in the part relating to taxation of revenues from real estate, as well as Articles 17, 18 and 20 that shall be applicable as of 1 January 2017.

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*ARTICLES NOT INCLUDED IN THE FINAL TEXT
LAW AMENDING INDIVIDUAL INCOME TAX LAW*

(Službeni glasnik RS, No. 113/17)

Article 48

For the purpose of Article 3 of this Law, the first adjustment for a non-taxable amount of the wage/salary of 15,000 dinars shall be made as of 2019.

Article 49

The non-taxable amount referred to in Article 7 of this Law shall apply when charging and paying the tax on wages/salaries starting from the wage/salary for January 2018.

The non-taxable amount of 11,790 dinars shall apply until payment of the wage/salary for December 2017 (inclusive).

Article 50

The tax exemption referred to in Article 12 of this Law shall apply as of 1 October 2018.

Article 51

The provisions of Articles 14, 23, 24, 25, 38, 42, 44, 45 and 46 of this Law, in the part pertaining to the method of keeping books of accounts of the payers of tax on the revenue stemming from self-employment, and the provision of Article 37 of this Law, shall apply as of 2019.

Article 52

A payer – legal entity that has paid a withholding tax in accordance with the Individual Income Tax Law (Službeni glasnik RS, Nos. 24/01, 80/02, 80/02 – other law, 135/04, 62/06, 65/06 – corrigendum, 31/09, 44/09, 18/10, 50/11, 91/11 – Decision CC, 93/12, 114/12 – Decision CC, 47/13, 48/13 – corrigendum, 108/13, 57/14, 68/14 – other law and 112/15) since the commencement of application of the Decision on Accounting Write-off of Balance Sheet Assets (Službeni glasnik RS, No. 77/17), and on the date of entry into force of this Law meets the conditions for the recognition of expenditures to the bank on the basis of the write-off of the value of individual claims stemming from loans which, in terms of the regulations of the National Bank of Serbia, are considered problematic, in accordance with the law governing legal entity profit tax, may exercise the right to return of thus paid tax in accordance with the law governing tax procedure and tax administration.

The receipts of a natural person that were subject to taxation in terms of paragraph 1 of this Article shall not be included in the annual individual income tax base.

The payer of income shall not be obliged to issue a certificate or to provide information in the confirmation on the withholding tax paid in connection with the receipts of a natural person referred to in paragraph 1 of this Article.

Article 53

This Law shall come into force on 1 January 2018.