



Content of Capital Gain and Lease Income Tax return in Montenegro



Tax Alert

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Montenegrin Ministry of Finance has finally adopted the Rulebook on content of tax return for incomes earned by non-resident legal entity based on capital gains and lease of movable or immovable property (hereinafter: the Rulebook).

The Rulebook was published in the Official Gazette of Montenegro no. 19/2019 as of 29 March 2019 and it entered into force on 6 April 2019.

Adoption of the Rulebook is prescribed by Article 29c paragraph 4 of the Corporate Income Tax Law (hereinafter: the CIT Law). Article 29c of the CIT Law prescribes that non-resident legal entity earning income from capital gains and lease of movable or immovable property on the territory of Montenegro must file tax return within 30 days from realizing the income. Tax return is filed with the appropriate Tax Authority via appointed tax proxy. Tax is assessed by the Tax Authority.

Even though Article 29c is effective as of 1 January 2017, content of tax return form was not prescribed prior to adoption of the Rulebook.

Tax return (attached to the Rulebook) encompasses the following four elements:

1. Information on tax proxy appointed by non-resident,
2. Information on non-resident income recipient,
3. Information on capital gains/losses realized, and
4. Information on income from lease of movable or immovable property.

In addition, tax return is accompanied with filing instructions.

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