



# Draft Law on Solidarity Contribution

## Tax Alert

March 2023



On 27 February 2023, the Ministry of Finance of Montenegro released the Draft Law on Solidarity Contribution (hereinafter: "Draft Law") for public debate. The public debate is expected to last until 20 March 2023. During this time all interested parties will be able to submit comments and suggestions to the Draft Law.

The main features of the Draft Law are the following:

- The solidarity contribution is introduced as an extraordinary and temporary measure that will apply only for 2023 and 2024;
- The solidarity contribution applies to all corporate taxpayers with annual revenue in excess of EUR 5,000,000 in the year preceding the year of assessment (2022 and/or 2023). Solidarity contribution represents additional tax payable in addition to corporate income tax payable for 2022 and 2023;
- **The tax base** is assessed on the taxable profits, determined in accordance with the Corporate Income Tax (hereinafter: "CIT") Law and realized in the fiscal years 2022 and 2023 **decreased for** average taxable profits realized for 2018, 2019, 2020 and 2021 increased for 20%. Assessment of average taxable profits for period 2018 to 2021 (inclusive) does not take into account year(s) during which tax losses were declared.
- The solidarity contribution **rate** applicable to the tax base is **33%**.
- Solidarity contribution is self-assessed by taxpayers.
- **Deadlines** for filing respective return and paying solidarity contribution are 30 June 2023 (for 2022 profits) and 30 June 2024 (for 2023 profits).

If you have any questions or you need assistance of our professionals, please contact us at [tax@kpmg.rs](mailto:tax@kpmg.rs).

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