



Law on Amendments to the Law on Tax Procedure and Tax Administration adopted

Tax Alert

December 2018



On 7 December 2018 the Serbian Parliament adopted the Law on Amendments to the Law on Tax Procedure and Tax Administration (hereinafter: Law on Amendments to LTPTA) as published in the Official Gazette of the Republic of Serbia number 95 dated 16 December 2018

The Law on Amendments to LTPTA goes into force on 24 December 2019 and its application will commence on 1 March 2019.

The most significant changes adopted are:

Games of chance

Games of chance will no longer be within the competence of the Tax Authority starting as of 1 March 2019.

The Law on Games of Chance regulates procedures related to games of chance (granting and revocation of approvals, licenses, consents, etc.), audit procedures, as well as infractions. The competencies of state administration in the area of games of chance are entrusted to the newly established Administration for Games of Chance.

Assessment of tax liability by Tax Authority without participation of taxpayer in proceedings

In situations when the taxpayer does not file a tax return the tax authority shall issue a tax assessment without any prior declaration by taxpayer on relevant circumstances for establishing tax liability, in which case tax liability is determined based on records kept by the competent authorities and on documentation issued by competent authorities and public notaries.

We believe that this provision will have wide application for assessment of property tax, of tax on transfer of ownership, but also, in our opinion, in other cases of assessment of tax which does not represent tax income of local self-government units, despite the fact that this amendment of the law is motivated by increase in the base of property taxpayers and by more efficient administration of other sources of tax income of local self-government units.

Namely, given that this is a general provision, its wider application cannot be excluded in other situations in which the Tax Authority establishes tax liability with a tax assessment, as for instance in the case of personal income tax when also, in case a tax return has not been filed, the Tax Authority can assess tax liability based on information available in official records.

Submission of information of significance for assessment, collection and control of tax income of local self-government units

Legal obligations that relate to submission of information about transactions that are within the competence of local self-government units have been extended to territorially autonomous authorities and to local self-government, public enterprises, as well as to legal entities and private individuals who have been granted public authority (e.g. public notaries, etc.).

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