



# Annual personal income tax for income generated in 2022

## Tax Alert

February 2023

Tax residents in Serbia report their world-wide income, while persons who are not residents in Serbia report their income earned on the territory of Serbia.

Individuals whose total personal net income in 2022 exceeds **RSD 3,719,376 (non-taxable amount)** are required to file the annual personal income tax return.

### Decrease of personal net income for taxpayers younger than 40 years

Taxpayers required to file the annual personal income tax return, who have less than 40 years of age on the last day of the calendar year 2022, personal net income from employment, self-employment, copyright and related rights and industrial property rights can be reduced for additional amount of RSD 3,719,376 (three average annual salaries per employee paid in Serbia in the taxable year).

The total personal net income earned in calendar 2022 and the non-taxable amount are reported in the tax return, where the difference represents taxable income.

Taxable income is decreased for the amount of prescribed personal deductions. The remaining amount represents **income for taxation** to which the prescribed tax rates are applied.

Personal deductions are set in the following amounts:

- for the taxpayer: RSD 495,917
- for each dependent family member: RSD 185,969

The total amount of personal deductions cannot be higher than 50% of taxable income.

Below is a summary of tax rates and income for taxation amounts to which they apply:

Description	Amount of income for taxation in RSD
Income for taxation at a rate of 10%	up to 7,438,752
Income for taxation at a rate of 15%	from 7,438,753

### How to file the annual personal income tax return?

As of 1 January 2023, the annual personal income tax return (PPDG 2R form) can only be submitted online, via Tax Authorities' system.

Please note that for filing an electronic personal income tax return an individual must possess a qualified electronic certificate for accessing the Tax Administration's portal "E-Porezi" or should authorize someone to do so on individual's behalf using the PEP form.

### Tax liability and tax payment

As of 1 January 2023, the Tax Authorities will no longer issue Tax Assessment. Namely, the annual personal income tax liability on income generated in 2022 is **determined and paid through self-assessment**.

The amount of annual tax obligation is equal to the amount stated in the submitted (PPDG 2R) tax return.

The deadline for submission of the annual personal income tax return and payment of annual tax, based on the income earned in 2022, is 15 May 2023.

### Approximate estimate of annual income tax

Should you wish to estimate the approximate amount of your annual income tax, **without personal deductions**, below are provided tax brackets:

Total personal net income earned in 2022	Annual tax obligations For taxpayers who are below 40 years old	Annual tax obligations For taxpayers who are above 40 years old	Tax rate
Up to 3,719,376 (non-taxable amount)	Non taxable	Non taxable	0%
From 3,719,377 up to 7,438,752	Non taxable	Taxable	10%
From 7,438,753 up to 11,158,128	Taxable	Taxable	10%
From 11,158,129 up to 14,877,504	Taxable	Taxable	10% for taxpayers who are below 40 years 15% for taxpayers who are above 40 years
From 14,877,505	Taxable	Taxable	15%

Should you need assistance in preparing and filing your personal income tax return or if you are interested in having a presentation given to your employees, do not hesitate to contact us.

If you have any questions or need the support of our experts, feel free to contact us at [tax@kpmg.rs](mailto:tax@kpmg.rs)

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