



# Annual personal income tax for income generated in 2023

## Tax Alert

February 2024

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 2023 exceeds **RSD 4,269,564 (non-taxable amount)** are required to file the annual personal income tax return.

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

For taxpayers required to file the annual personal income tax return, who are younger than 40 years of age on the last day of the calendar year 2023, personal net income from employment, self-employment, copyright and related rights and industrial property rights can be reduced for additional amount of RSD 4,269,564 (three average annual salaries per employee paid in Serbia in the taxable year).

The total personal net income earned in calendar 2023 and the non-taxable amount are reported in the tax return, where the difference represents taxable income.

Taxable income is decreased for 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 569,275
- for each dependent family member: RSD 213,478

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

Alternative investment fund:

- A taxpayer who invests in an alternative investment fund is granted the right to a tax credit for annual tax purposes of up to 50% of the investment made in the calendar year for which the annual personal income tax is determined.
- The tax credit cannot exceed 50% of determined annual tax liability.

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 8,539,128
Income for taxation at a rate of 15%	from 8,539,129

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

The annual personal income tax return (PP GPDG 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

The annual personal income tax liability on income generated in 2023 **is determined and paid through self-assessment**.

The amount of annual tax obligation is equal to the amount stated in the submitted (PP GPDG) tax return.

The deadline for submission of the annual personal income the tax return and payment of annual tax, based on the income earned in 2023, is 15 May 2024.

## 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 4,269,564 (non-taxable amount)	Non taxable	Non taxable	0%
From 4,269,565 up to 8,539,128	Non taxable	Taxable	10%
From 8,539,129 up to 12,808,692	Taxable	Taxable	10%
From 12,808,693 up to 17,078,256	Taxable	Taxable	10% for taxpayers who are below 40 years 15% for taxpayers who are above 40 years
From 17,078,257	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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#### Contact details of our Tax & Legal Department – Global Mobility Services

**Igor Lončarević**  
Partner  
T: +381 60 20 55 570  
[iloncarevic@kpmg.com](mailto:iloncarevic@kpmg.com)

**Biljana Bujic**  
Partner  
T: +381 60 20 55 511  
[bbujic@kpmg.com](mailto:bbujic@kpmg.com)

**Gordana Zekic**  
Director  
T: +381 60 20 55 568  
[gzekic@kpmg.com](mailto:gzekic@kpmg.com)

**Dragica Marković**  
Manager  
T: +381 60 20 55 558  
[dmarkovic@kpmg.com](mailto:dmarkovic@kpmg.com)

**KPMG d.o.o. Beograd  
Milutina Milankovica 1J**  
11070 Beograd, Srbija  
T: +381 11 20 50 500  
F: +381 11 20 50 500  
[tax@kpmg.rs](mailto:tax@kpmg.rs)  
[kpmg.com/rs](http://kpmg.com/rs)

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