



Amended Decree on the criteria for determining activities that affect the environment and the amounts of fees

Tax Alert

April 2024

The Government of Serbia has issued amended Decree on the criteria for determining activities that affect the environment and the amounts of fees "Official Gazette of Serbia" No. 30/2024.

The Decree is effective as of 6 April 2024.

An overview of significant changes is provided below.

Criteria for determining activities that affect the environment

According to the amended Decree, the branch of a foreign legal entity is required to pay the fee for the protection and improvement of the environment.

It has been specified that the activities of legal entities, entrepreneurs and branches of foreign legal entities are performed in the headquarters and separate business units.

The amended Decree provides a broader definition of predominant activity that includes activity that is registered in the appropriate register in accordance with the law, i.e. the activity from which the taxpayer generated the most income in the year preceding the year for which the fee for the protection and improvement of the environment is determined.

The amount and the method of determining the fee for the protection and improvement of the environment

The amount of the fee, which was determined according to the degree of negative impact of the activity performed by the taxpayer and the classification, remains unchanged.

Activities classified according to the degree of negative impact on the environment are listed in the Annex to the Decree.

It has been specified that the fee is determined for the calendar year and proportionally to the period of performance of the activity.

The new provision of the Decree stipulates that an entrepreneur who pays income tax from self-employment on a lump-sum determined income, pays the amount of the fee for the protection and improvement of the environment in the amount prescribed for micro legal entities and entrepreneurs.

The new provision of the Decree prescribes the method of determining the fee for the protection and improvement of the environment in cases when the taxpayer performs an activity on the territory of several local self-government units, i.e. city municipalities in the city whose special acts regulate that the city municipality determines fee.

In addition, in the same edition of the Official Gazette of the Republic of Serbia and with the same date of entry into force (6 April 2024), a new Rulebook on the appearance, content and method of submitting returns for environmental protection and improvement, has been adopted prescribing new tax forms:

- Form 1 Eco Tax Return
- Form 2 Eco Tax Return for transport of goods.

Please note that the deadline for submission of above returns for 2024 is 30 April 2024.

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

For previous editions of KPMG Tax Alerts please visit the following web page:

KPMG Tax Alerts

Contact details

Igor Lončarević

Partner

T: +381 60 20 55 570

iloncarevic@kpmg.com

Biljana Bujčić

Partner

T: +381 60 20 55 511

bbujic@kpmg.com

KPMG Tax & Legal Department

KPMG d.o.o. Beograd

Milutina Milankovića 1J

11 000 Belgrade, Serbia

tax@kpmg.rs

kpmg.com/rs

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG d.o.o. Beograd, a Serbian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.