

# Amendments to the Value Added Tax Law adopted

## Tax Alert

December 2025



The parliament of the Republic of Serbia adopted the Law on Amendments to the Value Added Tax Law (**the Law**) at its session held on 3 December 2025. The Law was published in the Official Gazette of the Republic of Serbia No. 109/2025 as of 4 December 2025.

The Law goes into effect on 12 December 2025 and shall apply from 1 April 2026, unless otherwise specifically stated below.

The most important changes are presented below.

### Preliminary VAT return

The preparation of the preliminary tax return has been postponed for one year, specifically for the tax period of January 2027, that is, January – March 2027.

The change applies from the date of entry into force of this Law.

### Correction of errors from previous tax periods in the current tax return

It is prescribed that a VAT taxpayer may, in the current tax return, state the amount of under-calculated VAT and the amount of over-reported input VAT from previous tax periods. It will be considered that this rectifies the error which resulted in an incorrectly determined tax liability and that there is no obligation to submit an amended tax return.

This change applies from 1 January 2027.

### Persons considered as tax debtors

In accordance with the amendments, the following persons are also considered tax debtors:

- A person who states VAT on an internal invoice without a legal obligation, and
- The recipient of investment gold for the supply of investment gold between two VAT payers.

### Issuance of periodic invoices for supply of goods

It is prescribed that, in case of issuance of periodic invoices for the supply of water, electricity, natural gas, and energy for heating or cooling for final consumption, the supply is considered to be performed on the last day of the period for which invoice is issued.

The period for which such a periodic invoice is issued may not be longer than one year.

This change applies from 1 January 2026.

### Change of tax base

An obligation has been introduced to issue a credit note in case of subsequent decrease in tax base for a supply for which the supplier of goods and services, VAT payer, is the tax debtor.

It is specified that change of tax base is made for the VAT period in which the change occurred.

It is prescribed that, in case of decrease in tax base, decrease of calculated VAT is made for the tax period if, by the day preceding submission of tax return for that tax period, and no later than the 10th day of the calendar month following that tax period, prescribed conditions for VAT decrease have been fulfilled.

### Requirements for input VAT deduction

In case where the tax debtor is the recipient of goods and services, the right to input VAT deduction for the tax period may be exercised provided that the internal invoice is prepared by the day preceding submission of the tax return for that tax period, and no later than the 10th day of the calendar month following that tax period.

It is prescribed that the VAT payer can exercise the right to input VAT deduction within five years from the end of the year in which the obligation to calculate that VAT arose.

## Correction of input VAT in case of change of tax base

The recent amendments provide more precise regulation of the manner and deadlines (tax period) in which adjustment of input VAT deduction is made in case of change of tax base.

Among others, the following is prescribed:

- The VAT payer makes correction – decrease of input VAT for the tax period if, on the day preceding the submission of tax return for that tax period, and no later than the 10th day of the calendar month following that tax period, they possess a previously issued credit note or if, within that period, the document based on which obligation to decrease input VAT arises has been cancelled.
- The VAT payer makes correction – increase of input VA for the tax period for which prescribed conditions for the right to input VAT deduction are fulfilled. In case of cancellation, correction – increase of input VAT deduction is made for the tax period if, on the day preceding submission of tax return for that tax period, and no later than the 10th day of the calendar month following that tax period, the document based on which the correction is made has been cancelled.

## Preparation of an internal invoice

It is specified that the tax debtor – recipient prepares an internal invoice for the supply of goods and services, an increase or decrease of tax base for the supply, as well as for advances and decrease of advances.

The Law introduces a new provision that the user of system of electronic invoicing (SEF) prepares an internal invoice within the SEF.

## Cancellation of invoices

It is prescribed that if the VAT payer cancels an invoice with stated VAT by the day preceding submission of tax return for the tax period, and no later than the 10th day of the calendar month following that tax period, it decreases the amount of tax base for that tax period, and it may decrease the amount of VAT for the same tax period if:

1. a new invoice has been issued (if there is an obligation to issue an invoice), and
2. they possess a confirmation from the recipient of the invoice, the VAT payer or the person entitled to a VAT refund, stating that VAT stated on the canceled invoice has not been used as input VAT, or that a request for a VAT refund has not been and will not be submitted.

It is further specified that confirmation from the recipient of an invoice is issued after cancellation of the respective invoice.

## Cancellation of internal invoices

It is prescribed that a person is obliged to pay VAT they declared on an internal invoice.

It is prescribed that if an internal invoice is cancelled by the day preceding submission of the tax return for the tax period, and no later than the 10th day of the calendar month following that tax period, the amount of tax base for that tax period is decreased, and the amount of VAT may be decreased for the same tax period if, within the specified time period:

1. a new internal invoice has been prepared (if there is an obligation to prepare an internal invoice), and
2. input VAT has been corrected, if calculated VAT was used as input VAT.

## Contact details

### Igor Lončarević

Partner

T: +381 60 20 55 570

[iloncarevic@kpmg.com](mailto:iloncarevic@kpmg.com)

### Biljana Bujić

Partner

T: +381 60 20 55 511

[bbujic@kpmg.com](mailto:bbujic@kpmg.com)

### Igor Soldatović

Director

T: +381 60 20 55 548

[isoldatovic@kpmg.com](mailto:isoldatovic@kpmg.com)

## KPMG Tax & Legal Department

### KPMG d.o.o. Beograd

Milutina Milankovića 1J

11070 Beograd, Srbija

T: +381 11 20 50 500

F: +381 11 20 50 550

[tax@kpmg.rs](mailto:tax@kpmg.rs)

[kpmg.com/rs](http://kpmg.com/rs)

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