KPMG

Amendments to tax regulations

Tax Alert

November 2023.

Amendments to the Property Taxes Law

Tax exemption for the real estate transfer tax

Tax exemption is introduced for the real estate transfer tax in case when a foreign country acquires immovable property for the needs of its diplomatic-consular representative office, under the condition of reciprocity.

The new provisions of the law apply from 1 January 2024.

Postponement of the deadline for the transfer of certain competences of the Tax authorities to local self-government units

The starting date from which local municipalities will determine, collect and audit the inheritance and gift tax and the tax on the transfer of absolute rights is postponed until 1 January 2025 (until then, these taxes will be determined, collected and audited by the Tax Authorities).

Amendments to the Personal Income Tax Law and the Mandatory Social Insurance Contributions Law

Salary tax non-taxable amount increased

The non-taxable amount for salary tax calculation is increased to RSD 25,000 (instead of current RSD 21,712).

The new provisions of will apply from 1 January 2024.

Next adjustment will be from 1 January 2025.

Tax incentive for newly employed individuals extended

The right to refund of a part of the salary tax and a part of the mandatory social insurance contributions on the salaries of a newly employed individuals is extended until 31 December 2024.

Amendments to the Decree on closer conditions, criteria and elements for lump sum taxed entrepreneurs

Extension of the validity of tax base limitation and greater reduction of the tax base for new lump sum taxed entrepreneurs

The limitation of the increase of the tax base for lump sum taxed entrepreneurs of a maximum of 10% per year is extended until the end of 2025.

Also, a significant novelty is the reduction of the base for lump sum taxed entrepreneurs which are newly registered, by 50%, while until now the reduction was 20%.

Amendments to the Law on Health Insurance

Shortening of deadlines in case of temporary inability for work and deadlines for the payment of wage compensation

In case of an employee's temporary inability to work due to an illness or injury, the deadline for referral to a first-level medical commission has been shortened from 60 to 30 days after the end of the total inability to work. Also, if the employee has interruptions in the inability to work for more than six days between the same or different illnesses or injuries, the selected doctor is obliged to refer him to the medical commission if the total inability to work lasted from 45 to 60 days, instead of the previous period of 60 up to 90 days.

The deadline for employers to submit requests for wage compensation has been shortened from the previous 30 to 15 days from the date of payment of wages for the month for which the wage compensation applies, and the deadline for payment of wage compensation to employees from the previous 30 to 7 days from the day of receipt of funds.

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

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KPMG Tax Alerts

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