

Amendments to the Law on Tax Procedure and Tax Administration have been adopted

8 June 2018

In Brief

The National Assembly of the Republic of Serbia recently adopted amendments to the Law on Tax Procedure and Tax Administration.

Within an aim to improve realisation of taxpayer's rights, familiarization taxpayers with their lawful rights, as well as for creation of more effective Tax Administration, the Ministry of Finance proposed amendments to the Law on Tax Procedure and Tax Administration (hereinafter the Law).

Some of the significant adopted amendments are:

Tax administrative acts in electronic form

The Tax Administration will now be able to issue tax administrative acts in the form of electronic document, and enable electronic delivery, via e-mail to the taxpayers, with the consent of taxpayer.

Activities of the Tax Administration

From 1 January 2019, the activity of the Tax Administration will encompass providing tax services, perform tax control and actions aimed at detecting tax crimes. The Law defines provision of tax services as a set of actions in a tax procedure that ensures the exercise of taxpayer's rights, or creates equal conditions for facilitation of tax regulations. In addition, the Law no longer makes a distinction between field and office control, but regulates tax control as unified process.

Electronic submission of property tax return

Starting from January 1 2019, taxpayers will be able to submit property tax return and request for postponement of payment of due tax electronically. Also, in the future data necessary for collecting property tax and other local fees and charges will be kept in the single tax information system at the level of local self-government units.

The right to submit amended VAT return

The taxpayer cannot submit amended VAT return in which selected option for VAT refund is changed, irrespective of the refund amount.

VAT refund amount will be decreased for the value of tax due on another basis.

Other changes

- After the tax police initiates activities aimed towards detecting tax crimes, the taxpayer cannot submit an amended tax return, nor be deleted or make any changes of the information registered in the Serbian Business Register;

- Amendments to the Law increase penalties for incorrect request for tax refunds and tax credits;
- The Law introduces two new types of tax offences, i.e. for legal entities which do not disclose data on the premises in which they perform the registered activity to the Tax Administration, and for banks which do not act in accordance with decision of Tax Administration, and/or which do not perform payments from taxpayer's funds in accordance with the Law;
- From now on, enforced tax collection can be performed against taxpayer's bank accounts, and savings deposits.
- Tax police can now bring criminal charges against taxpayers based on the report of Tax inspector who, in the course of tax control, came to the knowledge of facts and circumstances (not determined as it was prescribed before) that give rise to suspicion that tax crime has been committed, and informs competent Manager of the Tax Administration of such facts and circumstances. If the Tax police determined that there are no grounds for criminal charges, it will inform competent Manager of the Tax Administration in order for him to file a motion initiate the tax offence procedure.

Let's Talk!

For a deeper discussion of how this issue might affect your business, please contact:

PricewaterhouseCoopers Consulting d.o.o.
Omladinskih brigada 88a
11070 Belgrade
Tel: +381 11 33 02 100
www.pwc.rs

Branka Rajicic
Partner
branka.rajicic@pwc.com

Dragan Draca
Director
dragan.draca@pwc.com

Bojana Bjelicic
Manager
bojana.bjelicic@pwc.com

Legal Disclaimer: The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2018 PricewaterhouseCoopers Consulting d.o.o. All rights reserved. "PricewaterhouseCoopers" refers to the Serbian firm of PricewaterhouseCoopers Consulting d.o.o. or, as the context requires, the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.