

Amendments to Tax Laws

In the Official Gazette of the Republic of Serbia No. 92 as of October 27th, 2023, among other things, the following amendments to law, were published:

- Law on Amendments to the Law on Property Taxes;
- Law on Amendments to the Law on Personal Income Tax i
- Law on Amendments to the Law on Contributions for Compulsory Social Insurance.

Law on Amendments to the Law on Property Taxes

Amendments to the Law on Property Taxes provide for the postponement of the deadline for the transfer of certain tax responsibilities to local self-government units by one year, i.e. from January 1, 2025.

Starting from January 1st, 2025, local self-government units will fully **determine, collect, and control the inheritance and gift tax and the tax on the transfer of absolute rights** and will be considered a tax authority in the sense of the provisions of this law.

In the current and next year, the procedure for solving these tax obligations will remain the same and will be under the jurisdiction of the Tax Administration. Initiated procedures that are not completed by the Tax Administration by December 31st, 2024, will be completed by the competent local self-government units.

Amendments to the Law on Property Taxes also prescribe a new basis for tax exemption based on the tax on the transfer of absolute rights for the case when a foreign country acquires immovable property for the needs of its diplomatic-consular representation, under the condition of reciprocity.

The aforementioned changes will enter into force on January 1st, 2024.

The Law on Amendments to the Law on Personal Income Tax and the Law on Amendments to the Law on Contributions for Compulsory Social Insurance

Amendments to the laws extended the deadline for using tax benefits for newly employed persons **until the end of 2024**.

In the above manner, an employer - a legal entity, an entrepreneur, a lump-sum entrepreneur, or an agricultural entrepreneur, who hires a new person, has the right to:

- a refund of part of the paid income tax for a newly employed person, paid by the end of **December 31st, 2024** (instead of the end of December 31st, 2023) as well as
- a refund of part of the paid contributions for compulsory social insurance, at the expense of the employee and at the expense of the employer, based on the salary for a newly employed person, paid as of **December 31st, 2024**.

Also, an employer - a legal entity classified as micro and small legal entities, as well as an entrepreneur, lump-sum entrepreneur, or an agricultural entrepreneur, who establishes an employment relationship with at least two new persons, has the right to a:

- refund of 75% of the paid income tax for a newly employed person, paid by **December 31st, 2024**, as well as
- refund of paid contributions for compulsory social insurance, at the expense of the employee and at the expense of the employer, based on the salary for a newly employed person, paid as of **December 31st, 2024**.

All taxpayers who meet the conditions prescribed by the relevant articles of the law can use tax benefits for newly employed persons until the end of 2024.

Amendments to the aforementioned laws will be applied starting January 1st, 2024.

For any additional consultation or legal assistance, you can contact the Tasić & Partners team by email at office@tasiclaw.com or by phone at +381116302233.