

## By-laws on eco-tax 2024

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The Government of the Republic of Serbia adopted a new Regulation on Criteria for Determining Activities that Affect the Environment and the Amounts of Compensation (Official Gazette of the RS, No. 30/2024, "**Regulation**"), which replaced the previously valid Regulation on Criteria for Determining Activities that Affect the Environment according to the Degree of Negative Impact on the Environment caused by the Performance of Activities, the Amounts of Fees ("Official Gazette of RS", no. 86/2019 and 89/2019) and entered into force on 06/04/2024.

The Regulation now clearly extends the application to branches of foreign legal entities, in addition to legal entities and entrepreneurs, whereby entrepreneurs who pay tax on income from self-employment on a flat-rate determined income, pay the amount of compensation for the protection and improvement of the environment in the amount prescribed for micro legal entities and entrepreneurs. Fees for legal entities that carry out activities on the territory of several local self-government units, i.e. city municipalities in the city whose special acts regulate that the fee is determined for the territory of the city municipality, are paid in all territories where the activity that affects the environment is carried out according to the degree of the negative impact of the predominant activity, with the abolition of the

previously valid limit of 0.4% of the annual income of the fee payer. The amounts of fees remained unchanged compared to the previously valid Regulation, with the fact that it was specified that the amount of the fee is determined for the calendar year, but in proportion to the period of performance of the activity, which will be relevant for the calendar years in which the taxpayers are established or cease to exist.

The annex to the Regulation is, as before, a list of activities and their classification into those that have a large, medium and small impact on the environment, with certain changes and additions related to the expansion or narrowing of the list of activities in certain areas, such as e.g. narrowing the list of activities from the processing industry that have a large impact on the environment or adding activities from the fields of agriculture, forestry and fishing to the list of activities that have a small impact on the environment.

In addition to the above, a new Rulebook on the Appearance, Content and Method of Submitting an Application for Environmental Protection and Improvement ("Official Gazette of RS", No. 30/2024, "**Rulebook**") was adopted, which replaced the previously valid Rulebook from 2019, and the implementation of which also started on 04/06/2024. The Rulebook contains the layout of the new Application Form for determining the fee for protection and improvement of the environment for carrying out

activities that affect the environment, with detailed instructions for filling it out, with the definition of Form 2 - Application for determining the fee for protection and improvement of the environment for the transport of goods, which is submitted for the transport of oil and oil derivatives, i.e. raw materials, products and semi-products of chemical and other hazardous substances from industry or for industry, i.e. the transport of raw materials, products and semi-products of chemical and other hazardous substances intended for further sale from warehouses, on the territory of the local self-government unit with the status of endangered environment in the area of importance for the Republic of Serbia.

The application for determining the fee for the protection and improvement of the environment for the performance of activities that affect the environment is submitted on Form 1 exclusively in electronic form to the organizational unit of the local self-government responsible for determining the fee for the protection and improvement of the environment, except for 2024 which application can be submitted directly or by mail. On the other hand, the application for determining the fee for the protection and improvement of the environment for the transport of goods is submitted on Form 2 directly or by mail to the competent authority of the local self-government unit with the status of endangered environment in the area of importance for the Republic of Serbia, until the conditions for

submitting the application in electronic form are met.

We remind you that the deadline for submitting an application for determining the fee for environmental protection and improvement is **April 30, 2024**.