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United Nations Interim
Administration Mission
in Kosovo

UNMIK

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Mission d'Administration
Intérimaire des Nations Unies
au Kosovo

UNMIK/REG/2005/51
16 December 2005

REGULATION NO. 2005/51

AMENDING UNMIK REGULATION NO. 2004/51 ON CORPORATE INCOME TAX

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council resolution 1244 (1999) of 10 June 1999,

Taking into account United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/1 of 25 July 1999, as amended, on the Authority of the Interim Administration in Kosovo,

Having promulgated UNMIK Regulation No. 2004/51 of 4 December 2004 on Corporate Income Tax,

Recognizing that capital investments in Kosovo is a high priority for economic development, and that projects with high capital intensity require adequate tax provisions to minimize risks to investors,

Acting at the request of the Government and having consulted with the Economic and Fiscal Council,

For the purpose of amending sections 14 and 21 of UNMIK Regulation No. 2004/51 in order to provide for a realistic regime of depreciation for taxation purposes in respect of heavy transport equipment and for a simpler method of determination of depreciation deductions, as well as to extend the period of carry forward of business losses,

Hereby promulgates the following:

Section 1 Amendment

1.1 Section 14.3 shall be revised to read:

14.3 All tangible property of the taxpayer that is subject to depreciation under subsection 14.1 shall be placed in one of the following categories:

(a) Category 1: Buildings and other construction structures;

(b) Category 2: Automobiles and light trucks, heavy transport vehicles, earth moving equipment, bulldozers, scrappers and other heavy vehicles, computers, peripherals and other data processing equipment, office furniture and office equipment, instruments, sundries and other accessories; and

(c) Category 3: Plant and machinery, rolling stock and locomotives used for rail transport, airplanes, ships and all other tangible assets.

1.2 Section 14.5 shall be revised to read:

14.5 The amount allowed as a depreciation deduction for the tax period shall be determined by applying the following percentages to the capital account for such category under the straight line method at the close of the tax period:

(a) Category 1: five percent (5%);

(b) Category 2: twenty percent (20%); and

(c) Category 3: fifteen percent (15%).

1.3 Section 21.2 shall be revised to read:

21.2 The amount of the business loss determined under the present section may be carried forward for up to seven (7) successive tax periods and shall be available as a deduction against any income in those years.

Section 2
Entry into Force

The present Regulation shall enter into force on 1 January 2006.

Søren Jessen-Petersen
Special Representative of the Secretary-General