



Tax Administration Instruction No. 3/2000 On the Implementation of the Presumptive Tax

The Co-Heads of the Central Fiscal Authority,

Hereby give the following administrative instruction:

Article 1: Not for Profit Activities

With respect to Section 1/e of the Regulation, not for profit activities include:

- a) activities carried out by a central, regional or local administrative body or government;
- b) activities carried out by any organization organized exclusively for religious, charitable, scientific and educational purposes, with the condition that no part of the net earnings are used for the benefit of a private person. These organizations should be registered with UNMIK, a competent agency or the tax administration.
- c) activities carried out by labor organizations, chambers of commerce, industrial or agricultural organizations with the condition that no part of the net earnings are used for the benefit of any private individual or shareholder;

Any business which is conducted by the organizations listed in Section 1(a), 1(b) or 1(c) of the present Instruction, that is not substantially related to the main purpose of these organizations, shall be considered an activity for profit.

Article 2: Rental Income

With regard to Section 3.2(a)(iii) of the regulation, all persons earning rental income from a dwelling or from rental of offices or any other property, must keep written records of their rental income. If their rental income is less than DM 15,000 per quarter, they must submit a tax declaration and pay only the fixed quota of the first category of economic activity. If their rental income is DM 15,000 or more in a quarter, they must submit a declaration and pay the fixed quota and the 3% tax for the turnover in excess of 15,000 DM for that given quarter.

Article 3: Treatment of Banks, Financial Institutions, Travel Agents and Financial Services

With regard to section 4.2 of the Regulation, “Gross receipts “ for banks and other financial institutions, include income received from:

- Interest,
- Fees and Commissions, and
- Other operating income

For some special services such as Travel Agents, Tourist Agencies, Exchange Offices, Money Transfers and any other similar activity, “gross receipts” means only the amount of the commissions and fees they are charging for the services rendered.

Article 4: Books and Records for Taxpayers With Quarterly Turnover Less than DM 2,500

Taxpayers conducting business in a fixed premise, with quarterly turnover less than DM 2,500 shall keep a cash book where all the daily sales are registered. A sample cash sales book is set forth below:

No	Date/month/Year	Daily sales (DM)
(a)	(b)	(c)

Article 5: Books and Records for Taxpayers With Quarterly Turnover between DM 2,500-15,000

Taxpayers with quarterly turnover greater than 2,500 DM, but less than 15,000 DM, shall keep a cash book where purchases and sales are registered. Every purchase entered in the book must be

supported with an invoice or a receipt. The total value of the daily sales should be entered in the book. A sample book is set forth below:

No.	Date/month/year	Daily purchases	Daily sales	Daily Balance
(a)	(b)	(c)	(d)	(e)

Article 6: Books and Records for Taxpayers with Quarterly Turnover in excess of DM 15,000

Taxpayers, with quarterly turnover in excess of DM 15,000, shall keep the following books and records:

a). An invoice for every sale of goods or services rendered as wholesale to the retailers is required. A sample invoice is set forth below:

Sale Invoice No.		<input style="width: 100%;" type="text"/>		
		Day/Month/Year		
		<input style="width: 80%;" type="text"/>		BRN of the buyer
Name of the vendor	<input style="width: 100%;" type="text"/>			<input style="width: 100%;" type="text"/>
BRN of the vendor	<input style="width: 100%;" type="text"/>			Name of the buyer
Address of the vendor	<input style="width: 100%;" type="text"/>			<input style="width: 100%;" type="text"/>

No	Goods/services description	Quantity	Price	Total value
1	2	3	4	5
TOTAL:				

Signature of the person in charge

b) A consecutively numbered receipt for every sale of goods or providing of services to the final consumer is required. A receipt should contain at least the following data: Name and BRN (Business Registration Number) of the vendor, date, gross takings for that receipt, a serial number and any other information that taxpayer wants to include in it. A sample of the receipt is set forth below:

Receipt Number			
Name of the vendor		<input style="width: 100%;" type="text"/>	
BRN of the vendor		<input style="width: 100%;" type="text"/>	
Address of the vendor		<input style="width: 100%;" type="text"/>	
Description of goods/services	Quantity	Price	Total
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total.....			<input style="width: 50px;" type="text"/>
Date/month/year		Signature of the person in charge	
<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>	

c) A sales book that lists all sale invoices and receipts for a month is required. A sample of the sales book is set forth below:

Sales invoices/receipts		Total price charged	BRN of the buyer(if there is)	Signature and title of the person in charge
Number	Date			
1	2	3	4	5
Monthly Total:				

d) A purchase book that lists all copies of purchase invoices, receipts, customs declarations and any other documents related with their domestic purchases and imports is required. A sample of it is given here below:

Purchase invoices, receipts, Cust.declarat.		BRN of the vendor	Total Cost of goods and services purchased	Signature and title of the person in charge
Date	Number			
1	2	3	4	5

Article 7: Retention of Records

The original copies of all records entered into the purchase and sale book must be maintained by taxpayers for at least three years.

Article 8: Treatment of Hotels, Food and Beverage Establishments subject to the HFBST

Those taxpayers who are subject to the Hotel, Food and Beverages Service Tax, for the purposes of that tax, shall continue to keep books and records as specified in the respective implementing Administrative Instruction. The Presumptive Tax due will be calculated as following:

Example: Let's take the case of a restaurant located in Prishtina.

Gross receipts for the quarter : 45,000 DM

Service tax : $45,000 \times 10\% = 4,500$ DM.

Gross receipts less HFBST: $45,000 - 4,500 = 40,500$ DM

Taxable base for Presumptive Tax: $40,500 \text{ DM} - 15,000 \text{ DM} = 25,500 \text{ DM}$

Presumptive Tax in excess of 15,000 DM : $25,500 \times 3\% = 765 \text{ DM}$

Total Presumptive Tax to be paid for that quarter = (Fixed quota, 400 DM)+ 765 DM=1165 DM

Article 9: Presumptive Tax Declarations

Pursuant to Section 6.1, 6.2 and 6.3 of the Regulation on Presumptive Tax, all taxpayers, including insurance companies, shall submit a tax declaration each quarter on or before the dates specified in the regulation. They must also pay the tax owed to one of the BPK offices at that same time. A sample of the presumptive tax declaration is set forth below and the instruction on how to fill it out will be printed on the reverse side of the declaration:

Presumptive Tax Declaration

1.1 Taxpayer's name		1.5 Tax Period	
1.2 Taxpayer's BRN		Temporary TIN	
1.3 Taxpayer's address			
1.4 Taxpayer's telephone number		1.6 Day/Month/Year	

Businesses with a quarterly turnover lower than DM 15,000 (If your quarterly turnover is lower than 15,000 DM, place an "x" in the appropriate box to indicate your final tax)

	Loc.A	Loc.B	Loc.C
2.1. Business and Service Providers, Professionals	400	300	200
2.2. Entertainment Activities	400	300	200
2.3. Transport	250	200	150
2.4. Moving traders and low income earners (less than 2,500 DM a quarter)	75	75	75

Businesses with a quarterly turnover higher than DM 15,000

2.5. Gross receipts for the quarter	
2.6. Threshold of registration = 15,000 DM a quarter	
2.7 If 2.5 > 2.6 then (2.5 - 2.6) x 3% = Tax in excess of 15,000 DM quarterly turnover	
2.8 Total Presumptive Tax for Large Taxpayers = Fixed quota as in (2.1-2.4/a,b,c) + 2.7	

Hotels & Restaurants subject to HFBST

2.9 Gross Receipts for that quarter	
2.10 Turnover for Presumptive Tax purposes = 2.9 - HFBST; (HFBST = 2.9 x 10%)	

2.11 Taxable base = (Amount in box (2.10) minus 15,000 DM)	
2.12 Tax due = (Amount in box 2.11 multiplied by 3%) + 2.1/a,b,c	

Insurance Companies

2.13 Total premiums for that quarter	
2.14 Presumptive Tax Rate = 10%	
2.15 Tax due (2.14 x 2.13)	

2.15. Tax Paid	
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(Name and signature of the person in charge)

(Signature and seal of the BPK)

Account number

860 - 224

DM 1000	
DM 500	
DM 200	
DM 100	
DM 50	
DM 20	
DM 10	
DM 5	
DM 2	
DM 1	

TOTAL:

Article 10. Business Activities that Commence and Cease during the Tax Period

Taxpayers are required to file and pay Presumptive Tax if they conduct business activities for at least one day during the taxable period. Businesses that permanently cease operations during the taxable period must write “Final” in the upper right hand corner of their tax declaration

Article 11. Businesses with more than one place of business

Businesses that have more than one branches or points of sale, but still have the same Business Registration Number, shall pay only one fixed quota and a 3% tax on their consolidated gross receipts.

Article 12. Entry into force

The present Administrative Instruction will be effective on July 1st.

Co head of
Central Fiscal Authority

Ali SADRIU

Co head of
Central Fiscal Authority

Alan PEARSON

Instruction on how to fill in the Presumptive Tax Declaration

Part 1

- Box 1.1: Fill in the name of the taxpayer. **For example: "Albkos-Trade"**
Box 1.2: Fill in the BRN of the taxpayer. **For example:3009167-1**
Box 1.3: Fill in the address of the business. **For example: "Mother Teresa" str. Nr.170,Prishtina**
Box 1.4: Fill in the telephone number of the business/owner: **For example: 27-789**
Box 1.5: Fill in the tax period. **For example: 3Q 1.07-30.09/2000**
Box 1.6: Fill in the date the declaration is prepared: **For example: 10.10.2000**

Part 2

Businesses with quarterly turnover lower than DM 15,000

Box 2.1, 2.2, 2.3 and 2.4: Chose the economic activity that corresponds to your activity(or the most similar one) and the location of the business and place an "x" in the appropriate box. If your quarterly turnover is lower than 15,000 DM that's your final tax. Than go to line 2.15

Businesses with quarterly turnover higher than DM 15,000

If your quarterly turnover is higher than 15,000DEM than you should do the following:

- Box 2.5: Fill in your quarterly gross receipts. **For example:21,000 DM**
Box 2.6: Threshold of 15,000 DM a quarter
Box 2.7:Deduct 15,000 DM from the figure filled in box 2.5 and multiply the result by 3%. **For example: 21000-15000=6000DMx 3%=180 DM**
Box 2.8: Add the amount in box 2.7 to the respective fixed quota as in 2.1/a. **For example: 180+400=580 DM. That's your final tax for the quarter and you must go to line 2.15**

Hotels & Restaurants subject to HFBST

- Box 2.9:Fill in the gross receipts for the quarter. **For example:46,000DM.**
Box 2.10: Deduct the HFBST (4,600 DM) from the gross receipts: **For example:46000-4,600=41,400 DM**
Box 2.11: Deduct 15,000 DM from the amount shown in box 2.10. **For example:41,400-15,000=26,400 DM**
Box 2.12: Total tax due is $(26,400DM \times 3\%) + 400 = 792 + 400 = 1192DM$

Insurance Companies

- Box 2.13:Fill in total premiums for the quarter. **For example: 2,123,009 DM**
Box 2.14: Multiply the amount on line 2.13 by 10% and that's the Presumptive Tax this Insurance Company has to pay for that quarter. **For example: 2,123,009x 10%=212,300 DM**

Tax Paid

- Box 2.15: Fill in the amount of tax you are paying with this tax declaration.

Part 3

Note:

Leave the part 3 of the declaration empty. BPK will fill it out.

- **You may submit the tax declaration in one of the following branches of the BPK:Prishtina, Mitrovica,Gjilani, Prizren, Peja, Ferizaj, Gjakova and any other sub branch authorized by BPK to accept payments of taxes.**
- **This tax declaration must be compiled in three copies out of which: Copy 1 belongs to the Tax Administration, Copy 2 belongs to the BPK and copy 3 belongs to the taxpayer.**
- **Tax declaration must be submitted to the above mentioned BPK branches on or before 15th of April, July, October and January for the activity of previous quarters.**

➤ **Print or type in BLUE or BLACK ink.**