

**REGULATION NO. 2000/29****ON THE ESTABLISHMENT OF A PRESUMPTIVE 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 and UNMIK Regulation 1999/16 of 6 November 1999, as amended, on the Establishment of the Central Fiscal Authority of Kosovo and Other Related Matters,

For the purpose of establishing a presumptive tax, Hereby promulgates the following regulation:

**Section 1****Definitions**

For the purpose of the present regulation:

- (a) "Person" means any entity or natural person, public or private, that engages in any economic activity for profit in Kosovo, whether legal or illegal, including but not limited to: legal persons, individual entrepreneurs, permanent establishments, and non-resident entities but only with respect to income sourced in Kosovo;
- (b) "Taxpayer" means any person who engages in economic activity for profit in Kosovo at any time during the calendar year who does not receive wages for that activity;
- (c) "Small taxpayer" means any taxpayer (other than an insurance company) that had gross receipts of less than 15,000 DEM per quarter in all previous calendar quarters;
- (d) "Large taxpayer" means any taxpayer (other than an insurance company) that is not a small taxpayer under this Section; and
- (e) "Activity for profit" means any activity that is entered into for gain or income excluding those activities registered as not for profit with UNMIK, a competent agency, or the tax administration.

**Section 2****Presumptive Tax**

The presumptive tax is a monetary payment to the Kosovo Consolidated Budget based on a taxpayer's presumed income.

## Section 3

**Tax Base**

3.1. The presumptive tax base shall depend on the type and location of the economic activity.

3.2. The type of the economic activity of taxpayers is classified into four categories.

Taxpayers (other than insurance companies) that are not listed in any category shall pay the tax applicable to the category of activities most similar to the activity that they engage in:

- (a) Businesses, Service Providers, Professionals and Tradesmen. This includes, but is not limited to:
  - (i) Businesses that trade to retailers or final consumers in products that include, but are not limited to: food, clothing, fashion items, boutique items, perfume, precious metals, jewelry, pharmaceutical products, appliances, hardware and household goods;
  - (ii) Businesses that manufacture products that include, but are not limited to: aluminum, textiles, processed food, machinery, tools, bricks, building products, wooden products and furniture;
  - (iii) Service providers operating businesses that include, but are not limited to: banks, other financial institutions, photo laboratories, beauty salons, barber shops, tailor shops, auto repair shops, parking lots, educational institutions, shoe repair shops, driving schools, coffee shops and the rental or leasing of equipment or other property, including dwellings;
  - (iv) Professionals that include, but are not limited to: lawyers, notaries, economists, accountants, doctors, dentists, pharmacists, engineers, architects and computer scientists; and
  - (v) Tradesmen that include, but are not limited to: painters, plumbers, electricians, carpenters, masons, veterinarians and agronomists;
- (b) Entertainment Activities. This includes, but is not limited to the following facilities: billiard parlors, gambling houses, discos, cinemas, theatres and sports facilities;
- (c) Transport Activities. This includes, but is not limited to, the transport of passengers and the transport of goods; and
- (d) Moving Traders, Artisans and Low Income Activities. This includes, but is not limited to, street vendors, artisans and farmers who sell their products in an open market and any activity including those in Section 3.1(a), (b) and (c) above that yields quarterly gross receipts less than DEM 2,500.

3.3. The location of the economic activity is classified into three categories. The location of an economic activity is any shop, separate unit or other fixed place where business is conducted. The three categories of location are:

Location A: Prishtina/Pristina;

Location B: The towns of Prizren/Prizren, Gjilan/Gnjilane, Peje/Pec, Gjakove/Dakovica, Ferizaj/Urosevac;

Location C: All areas not covered in Category A or B.

#### Section 4

##### **Amount of Tax**

4.1. Small taxpayers. Each small taxpayer shall pay a presumptive tax depending upon the type of economic activity and the location of the activity. The applicable fixed quarterly presumptive tax is set forth in Annex A to this Regulation.

4.2. Large taxpayers. Each large taxpayer shall pay the applicable fixed quarterly presumptive tax set forth in Annex A to this Regulation plus three percent (3%) of their quarterly gross receipts, in excess of 15,000 DEM. Gross receipts for banks and other financial institutions consist of income on interest, fees, and commissions. Gross receipts for all other large taxpayers mean gross sales.

4.3. Insurance companies. Each insurance company shall pay a quarterly presumptive tax in the amount of ten percent (10%) of its quarterly gross premiums.

#### Section 5

##### **Record-keeping Requirements**

5.1. Depending upon the category of taxpayer, the following books and records shall be maintained: cash sales, daily sales, daily purchases, sales invoices, customs receipts and other documents related to import.

5.2. The books and records specified in Section 5.1 shall be maintained in accordance with requirements set forth in an administrative instruction that shall be issued by the Central Fiscal Authority in accordance with section 3 (b) of UNMIK Regulation No. 1999/16, as amended.

#### Section 6

##### **Tax Declarations and Payments**

6.1. Small taxpayers shall submit a tax declaration and pay the applicable fixed presumptive tax listed on the tax table in Annex A on or before the following dates: 15 April (for the period 1 January through 31 March); 15 July (for the period 1 April through 30 June); 15 October (for the period 1 July through 30 September); and 15 January (for the period 1 October through 31 December).

6.2. Large taxpayers shall submit a tax declaration and pay the applicable fixed presumptive tax listed on the tax table in Annex A plus three percent (3%) of their quarterly gross receipts in excess of DEM 15,000 on or before the following dates: 15 April (for the period 1 January through 31 March); 15 July (for the period 1 April through 30 June); 15 October (for the

period 1 July through 30 September); and 15 January (for the period 1 October through 31 December).

6.3. Insurance companies shall submit a tax declaration and pay a presumptive tax in an amount equal to ten percent (10%) of their quarterly gross premiums on or before the following dates: 15 April (for the period 1 January through 31 March); 15 July (for the period 1 April through 30 June); 15 October (for the period 1 July through 30 September); and 15 January (for the period 1 October through 31 December).

6.4. The place for submitting tax declarations and procedures for paying the tax will be specified in an administrative instruction that shall be issued by the Central Fiscal Authority in accordance with section 3 (b) of UNMIK Regulation No. 1999/16, as amended.

## Section 7

### **Inspection of Records**

Tax officials in the Tax Administration of the Central Fiscal Authority may inspect all written records and other relevant evidence in order to determine compliance with this regulation.

## Section 8

### **Allocation of Revenues**

Revenue derived from the presumptive tax shall be deposited in the Kosovo Consolidated Budget.

## Section 9

### **Offences and Penalties**

Any taxpayer that commits a tax violation shall be subject to the applicable penalties set forth in UNMIK Regulation No. 2000/20 of 12 April 2000 on Tax Administration and Procedures.

## Section 10

### **Appeals**

Any taxpayer that contends that an official determination made under the present regulation is incorrect may make an appeal in accordance with the procedures set forth in UNMIK Regulation No. 2000/20 of 12 April 2000 on Tax Administration and Procedures.

## Section 11

### **Implementation**

The Special Representative of the Secretary-General may issue administrative directions in connection with the implementation of the present regulation.

Section 12

**Applicable Law**

The present regulation shall supersede any provision in the applicable law that is inconsistent with it.

Section 13

**Entry into Force**

The present regulation shall enter into force on 20 May 2000.

Berndard Kouchner

Special Representative of the Secretary-General

## ANNEX A

<b>TYPE/LOCATION OF ECONOMIC LOCATION</b>	<b><u>LOCATION A</u></b>	<b><u>LOCATION B</u></b>	<b><u>LOCATION C</u></b>
BUSINESSES, SERVICE PROVIDERS, PROFESSIONALS AND TRADESMEN	(quarterly amount) DEM 400	(quarterly amount) DEM 300	(quarterly amount) DEM 200
ENTERTAINMENT	DEM 400	DEM 300	DEM 200
TRANSPORT	DEM 250	DEM 200	DEM 150
ARTISANS AND OTHER LOW-INCOME ACTIVITIES	DEM 75	DEM 75	DEM 75

