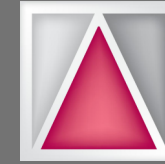


■ The employer who is not the employee's main employer shall withhold an amount equal to ten percent (10%) of the salary for each tax period.

Pensions paid are subject to tax withholding at source by the payer of pension according to the envisaged rate. In withholding provisions there are included withholding tax on interest and royalties, the tax withheld from lottery and games of chance winnings, as well as the withholding on certain payments to non-residents.

“ **Tax payment ensures
an economical
stability of the country!** ”



Administrata Tatimore e Kosovës
Poreska Administracija Kosova
Tax Administration of Kosovo

TAK contacts

If you need more information, we encourage you to review the relevant laws and administrative instructions. These are available on our website www.atk-ks.org. If you are not able to find answers to your questions, the TAK staff is available to assist you, there contact the nearest office of TAK:

Republika e Kosovës - Republika Kosova - Republic of Kosovo
Qeveria e Kosovës - Vlada Kosova - Government of Kosovo
Ministria e Financave - Ministarstvo za Financije - Ministry of Finance
Administrata Tatimore e Kosovës - Poreska Administracija Kosova - Tax Administration of Kosovo

PD **Telephones:** UNIREP

LTU : 038/200 346 41

[1] Tax Period: _____

[3] Fiscal Number: Prishtina-1: 038/200-255-21 [3a] Individual ID Number: _____

[4] Taxpayer's Name: _____

[5] Taxpayer's Address: Prishtina-2: 038/200-255-02

[6] Telephone: Prishtina-3: 038/200-255-17

[7] Put 'X' on the appropriate category which filing for the first time for this tax period.

Addition Prizreni: 029/244-963 correction Payment only

Peja: 039/432-812

Ferizaj: 0290/321-668

[47] Amount due (Transfer the amount from box [42]) _____

Gjilani: 0280/326-967

[48] Amount of tax paid _____

Mitrovica: 028/590-667

Gjakova: 0390/330-021

Headquarter: 038/200-250-17

I declare that facts reported in this Statement are true
First Name: _____ Date: _____

Corporate toll free line:
0800-80-800

Section of the Bank

Signature and Stamp: _____ Account Number: 1000420070000373 [49] Amount of Tax paid _____

Address: Këndi i rugëve Bill Clinton & Dëshmorët e Kombit
10000 Prishtinë, Kosovë

Tel & Fax: +381 (0)38 200 250 17 & 200 250 07

Email: info@atk-ks.org; Web: www.atk-ks.org

Form No. PD-E-6 Revised _____

QUESTION-ANSWER
ON PERSONAL
INCOME TAX

10. How is the Business Activity Tax payment realized?

Each taxpayer who realizes or accrues income from business activities, pays taxes every three months in a account specified by the Tax Administration, in a bank licensed by the CBK, not later than fifteen (15) days after the end of each calendar quarter (15 April, 15 July, 15 October, 15 January).

A taxpayer who has gross annual income of 50,000 Euros or more and the taxpayer who voluntarily decides to declare the real basis, beside quarterly installments shall, at the latest until March 31 of the oncoming year to submit an annual declaration to the Income Tax personal.

11. Who are the taxpayers who should submit the Annual Statement?

Taxpayers with income over 50,000 Euro, and those who choose to declare the real basis, required to submit an annual statement on the latest by March 31 of the oncoming year. Such taxpayers are required to submit annual declarations are required to do so in three successive periods, and only then (after three years) if their turnover fall below 50,000 Euro per year, until March 1st of the current year must make application to TAK, to escape from this kind of declaration. Taxpayers who carry only one revenue source (excluding business income) are not required to submit an annual declaration, unless these taxpayers chose to voluntarily declare on real grounds.

1. Who are the taxpayers on Personal Income Tax ?

According to this Law, a taxpayer is: a natural person resident or nonresident, Business Enterprises, Partnerships and Associations, who receive or generate incomes.

2. What is the object of Personal Income Tax?

The object of taxation for resident taxpayers are taxable income by the sources of incomes from Kosovo and sources of incomes outside Kosovo. The object of taxation for non-resident taxpayer's are taxable incomes from incomes having its source in Kosovo.

3. What is included in Gross Incomes?

Gross income means all income actually or constructively received from the following sources: income from business, salaries, rents, use of intangible property, interest resulting from the sale of capital assets, replacement incomes, capital profit resulting from an increase or decrease in value of shares, capital profit, wins in Games of Chance, and pensions paid by a previous employer.

About 30% of the incomes of TAK are generated from the Personal Income Tax

4. What are Exempted Incomes ?

From the Personal Income Tax, there is exempt following income: Salaries received by foreign diplomatic and consular representatives and the staff of foreign embassies or Liaison Offices of foreign countries in Kosovo, as defined in the applicable legislation on the establishment and operation of offices and diplomatic services in Kosovo:

The salaries received by foreign representatives, foreign officials and employees of international governmental organizations and international nongovernmental organizations that are registered in accordance with applicable laws in Kosovo and have received and maintained the status of public benefit under such legislation; Also, there are exempt salaries of donor agencies, their contractors or foundations to implement, and salaries received from foreign personnel of KFOR, ICO, EULEX, etc.

5. Which are Incomes from the Salary?

Gross income from salaries include: Salaries paid by the employer to the employee, bonuses, commissions and other forms of compensation to the employee, the incomes earned from temporary work, health and life insurance premiums, remission of debt of the employee or obligation of the employer, payment of personal expenses to the employee by the employer, etc.

6. Which are the Incomes from Business Activities?

Gross income from business activities mean gross receipts generated by a person or entity, except for legal entities for the purposes of this law, engaged in such activities. In Incomes from business activities include: income from rents, income from intangible assets, income from interest and other income including gifts.

7. What is included in the Allowed Business Expenses?

For businesses that declare in a realistic basis or those who have chosen to voluntarily declare in a realistic basis, are allowed as a deduction from general incomes generated from intangible assets, rents or business activities, expenses paid or incurred during the tax period that are entirely, exclusively and directly related to such activities that generate income, including premiums for health insurance, paid on behalf of an employee and those depending should be included in the policy of the employee.

In general provisions there are included:

- Representation costs;
- Bad debt costs;
- Business travel expenses;
- Salaries for related persons;
- Depreciation of livestock;
- Repair and improvements;
- Depreciation;
- Research and development expenses;
- Tax losses;
- Rent costs;
- Deductions allowed for charity contributions;
- Educational and training costs, etc.

8. What are the requirements for Books and Records?

The taxpayer with annual gross incomes from business activities exceeding 50,000 Euros for the tax period, as well as partnerships and groups of persons, must maintain books and records according to accounting standards. Whereas a taxpayer with annual gross income of 50,000 Euros or less, who does not choose to prepare the books and records, in a realistic basis, must keep books and records as follows:

- A sales book in which all sales and returns should be recorded;
- A purchase book in which all purchases and returns should be recorded;
- A diary of cash receipts and a diary of payments in cash related to the sales book and purchase.

9. When and how should the withholding tax be held?

Each employer is responsible for withholding tax from the taxable salaries paid to his employees during each payment period for which salaries are paid.

- The employer who has been selected as the main employer of the employee, shall withhold an amount under the tax rates for each tax periode;

