



Administrata Tatimore e Kosovës
Poreska Administracija Kosova
Tax Administration of Kosovo

Annual Declaration and Reporting of Financial Statements, for :

- Personal Income Tax (PD)
- Corporate Income Tax (CD)
- Partnerships (DO)

March, 2018

Legal basis for tax administration in Kosovo

No	Title of the Law	No. of Law	No. of Administrative Instruction
1	Law on Tax Administration and Procedures	No. 03/L-222	No. 15/2010
		No. 04/L-102	No. 03/2016
		No. 04/L-223	
2	Law on Value Added Tax	No. 05/L-037	No. 03/2015
			No. 06/2016
3	Law on Personal Income Tax	No. 05/L-028	No. 01/2016
4	Law on Corporate Income Tax	No. 05/L-029	No. 02/2016
5	Law on Pension Contribution	No. 04/L-168	
		No. 04/L-101	
6	Law on Games of Chances	No. 04/L-080	No. 03/2013



Declaration and payment of Personal Income Tax



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Who is obligated to submit the declaration– PD ?

- Large individual businesses;
- Individual businesses, opting to be taxed based on real income;
- Partnerships;
- Any individual not subjected to Withheld Tax.



Who can submit the declaration – PD ?

- Any person with two or more sources of income, and
- Any person that did not have a constant salary during the tax period.



Tax Rates for declaration of PIT

Tax Rates	Monthly Income	Annual Income
0%	0 to 80	0 to 960
4%	80 to 250	960 to 3,000
8%	250 to 450	3,000 to 5,400
10%	450 and more	5,400 and more



Taxable Income under the Law on PIT

- Gross salaries;
- Net income from business, partnership, rent;
- Gross income from pensions;
- Gross interest income;
- Gross income from game of chance winnings;
- Gross income from intangible property;
- Capital profit;
- Income from foreign sources;
- Other incomes that have not been mentioned above, such as: not-for-cash winnings in games of chances, debts forgiveness or other income that increased taxpayers net value



Fully and partially eligible expenses under the Law on PIT

- Any expenditure that relates to development of economic activity;
- Deductions of rent expenditures, realistic or 10% of gross rent;
- Deduction of Pension Contribution;
- Deductions of Charity Contribution;
- Special deductions for new properties;
- Transferred loss (6 years);
- Depreciation;
- Amortization;
- Other eligible deductions – such as bad debt, representation and advertising expenditures, research and development expenditure, etc.



Ineligible expenses under the Law on PIT

- Price of land acquisition or melioration;
- Penalties, fines, expenditures and related interest;
- Income Tax;
- Credited or reimbursed VAT;
- Personal, family and living expenditures;
- Loss from sale or exchange of assets between related persons;
- Gift expenditures, other than those bearing the business's name and logo, which are part of representation expenditures;



Ineligible expenses under the Law on PIT

- Loss of weight, damage, waste, surpluses, destruction or breakage during production, transport, storage and exposure beyond norms laid down in specific legal and sub-legal acts;
- In-kind benefits such as meals and transport, except in cases when organized by a business;
- Apartment rent expenditure paid by the employer to the employee;
- Expenditures covered by grants, subsidies and donations in accordance with rules and conditions of benefit;
- Any other undocumented expenditure.



PIT Declaration and Payment

Advance installments

- There are criteria of submitting advance installments for:
 - First year of business;
 - Second year of business, and beyond



Taxpayers with incomes over 50,000€

First year of business

- **1/4** of the overall tax liability for the subsequent tax period based on taxable income estimated and deduced of any amount withheld during the quarter;
- Payment in four installments, whereby in the fourth installment is covered **80%** of the tax obligation;



Taxpayers with incomes over 50,000€

Second year of business and beyond

The taxpayer may chose one of the following options, such as:

- **1/4** of the overall tax obligation for the subsequent tax period based on taxable income estimated and deduced of any amount withheld during the quarter, or
- **110%** of tax liabilities from the previous year deduced of any amount withheld during the quarter



Advance installments

- **Exemptions:**
 - Loss generating taxpayer;
 - Taxpayer subjected to tax audit, and where deviation exceeds over 20% in that given year.



Preparing the tax declaration

- Tax declaration is considered an assessment conducted by the taxpayer itself, and contains:

1. Financial Declaration

- Gross income regarding operational activities;
- Expenditures related to operational activities;
- Non-operational activities;
- Net Income or Loss.



Preparing the tax declaration

2. Tax Declaration

- Taxable income;
- Deductions;
- Other (such as e.g. transferred losses);
- Withheld tax during the year;
- Payable tax (payment /reimbursement).
- [Forma e deklarates vjetore PD.pdf](#)



Preparing the tax declaration

- The final tax amount, is the general tax amount for the tax period minus:
 - Amounts of Withheld Tax and paid by others;
 - Amounts paid in quarterly installments;
 - External tax credit allowed under this Law.



Preparing the tax declaration

- Depending on calculations, the following situations may arise:
 - Obligation to pay;
 - Reimbursement.



Deadline for declaration - TAK

- For advance installments, declaration deadline from the 1st to 15th of the subsequent month after each quarter.
- For TAK's Annual Declaration, the deadline from 1st of January to 31st of March of the subsequent tax period year.



Downloading the Declaration

- www.atk-ks.org
- Download the electronic declaration

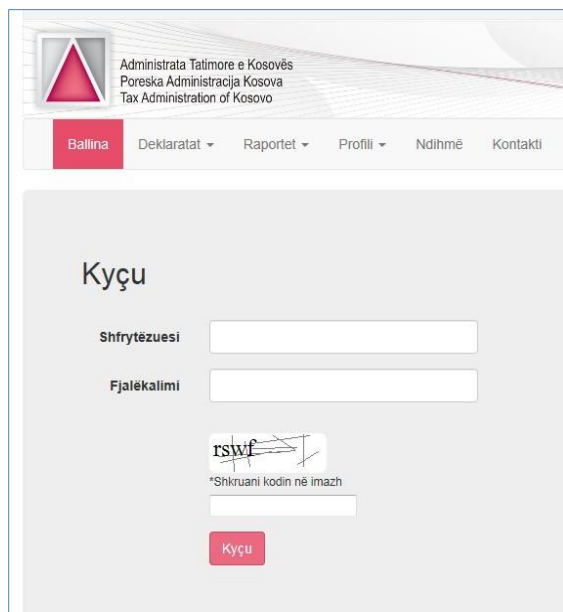


The screenshot displays the web interface for downloading tax declarations. At the top center is the coat of arms of Kosovo. Below it, a message in Albanian states: "Ky aplikacion në rrjet është dhënë nga Administrata Tatimore e Kosovës për të lejuar shtypjen direkte të deklaratave me kërkesë." Below the message are three language links: "Shqip", "Srpski", and "English". A warning message in Albanian reads: "Vëmendje: 'Formulari tatimor mund të përdoret vetëm një herë për një periudhë tatimore, prandaj çdo herë para se të bëni dorëzimin e deklaratës tatimore ju lutem se pari bëni shkarkimin elektronik të deklaratës përkatëse nga Ueb-i i ATK-së'". The form fields include: "Numri fiskal:" with the value "601138177" and a "Vazhdo" button; "Emri:" with the value "TEST CORP"; "Deklarata Tatimore:" with a dropdown menu showing "CD - Tatimi në të Ardhurat e Korporatave"; and "Periudha Tatimore:" with a dropdown menu showing "2015". At the bottom, there is a "Teksti me pamje:" field and a large "NVEQ9" watermark.



Deklarimi i PD-së përmes Sistemit EDI

www.atk-ks.org




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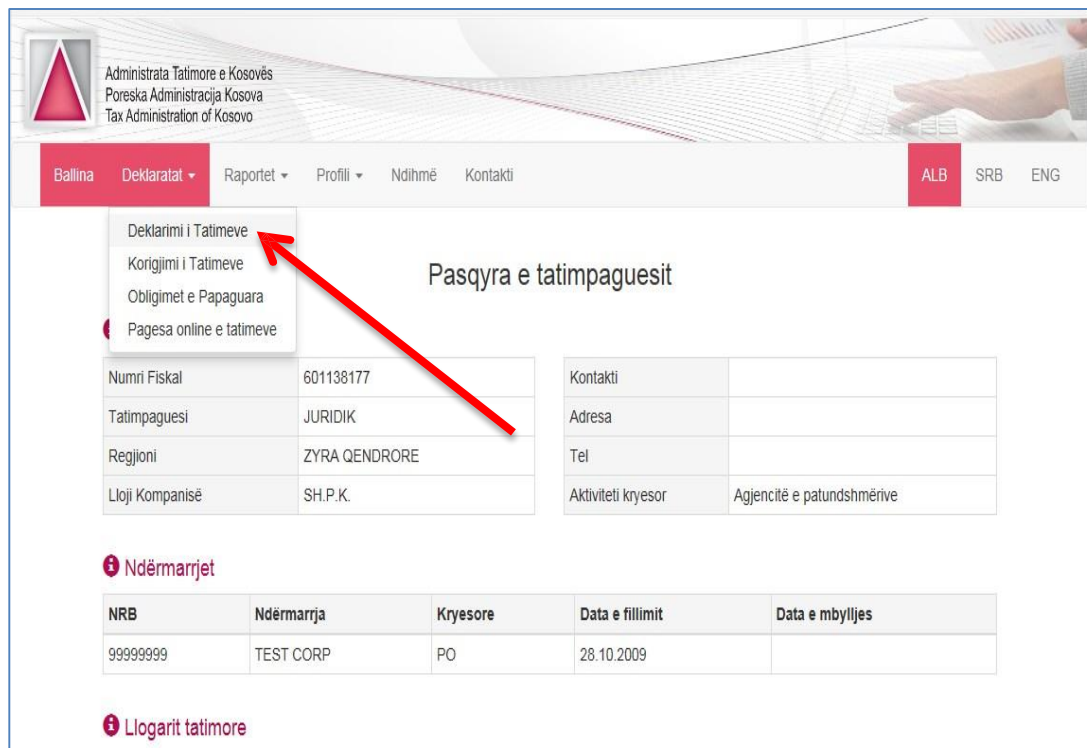
Kyçu

Shfrytëzuesi

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*Shkruani kodin në imazh

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Deklarimi i Tatimeve
Korigjimi i Tatimeve
Obligimet e Papaguara
Pagesa online e tatimeve

Pasqyra e tatimpaguesit

Numri Fiskal	601138177	Kontakti	
Tatimpaguesi	JURIDIK	Adresa	
Regjioni	ZYRA QENDRORE	Tel	
Lloji Kompanisë	SH.P.K.	Aktiviteti kryesor	Agjencitë e patundshmërie

i Ndërmarrjet

NRB	Ndërmarrja	Kryesore	Data e fillimit	Data e mbylljes
99999999	TEST CORP	PO	28.10.2009	

i Llogarit tatimore



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Example – Annual Declaration with the PD Form

- Person “X” with the Fiscal Number: 600111112, during 2017 has had the following transactions:

INCOMES

Gross business income	58,000.00 €
Net partnership income	12,000.00 €
Gross Rent	5,000.00 €
Foreign Source Income	4,000.00 €
Other income (e.g. Sale of basic equipment)	20,000.00 €
Gross salary from "Y" employer	10,000.00 €
Total income	109,000.00 €



Example – Annual Declaration with the PD Form

Expenses

Gross employee salaries	6,000.00 €
Depreciation and amortization expenses	1,200.00 €
Sales expenses	100.00 €
General and administrative expenses	500.00 €
Other operational expenses	2,000.00 €
Pension contribution expenses	400.00 €
Other eligible expenses	200.00 €
Totalexpenses	10,400.00 €



Example – Annual Declaration with the PD Form

Other information

Loss transferred from 2016	1,200.00 €
Expenses/payment of charity contribution	1,200.00 €
Salary withheld tax from employer "Y"	400.00 €
Rent Withheld Tax	100.00 €
Crediting foreign tax	300.00 €
Advance quarterly payments on business income	1,700.00 €
Advance quarterly payments on rent and intangible property income	600.00 €
Stock in the beginning, on 01.01.2017	12,000.00 €
Purchase and production cost during 2017	30,000.00 €
Stock at the end, on 31.12.2017	25,000.00 €

▪ [Shembull 1 pr deklarim PD.pdf](#)



Declaration and payment of Corporate Income Tax



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Which CIT taxpayer are obliged to submit the Annual Declaration - CD

- Large corporates;
- Small Corporates, opting to be taxed at real basis;
- NGOs;
- Socially or Publicly owned trade enterprises;
- Permanent Units, and any other organization that holds the status of a legal entity



CIT Declaration and Payment

Advance installments

- There are criteria of submitting advance installments for:
 - First year of business;
 - Second year of business, and beyond
 - .



Taxpayer with income over 50,000€

First year of business

- **1/4** of the overall tax liability for the subsequent tax period based on taxable income estimated and deduced from any amount withheld during the quarter;
- Payment in four installments, whereby in the fourth installment is covered **80%** of the tax liability.



Taxpayer with income over 50,000€

Second year of business and onwards

The taxpayer may chose one of the following options such as:

- **1/4** of the overall tax liability for the subsequent tax period based on taxable income estimated and deduced of any amount withheld during the quarter, or
- **110%** of tax liabilities from the previous year deduced of any amount withheld during the quarter



Advance installments

- **Exemptions:**
 - Loss generating taxpayer;
 - Taxpayer subjected to tax audit, and where deviation exceeds over 20% in that given year.



Filling the accompanying tables for harmonization

- Financial accounting for corporate needs and harmonization of legal requirements.
- Presentation of differences:
 - Temporary tax difference;
 - Permanent tax difference.



Preparing the Tax Declaration

- Tax declaration is considered an assessment conducted by the taxpayer itself, and contains :

1. Financial Declaration

- Gross income;
- Expenditures.



Preparing the tax declaration

2. Tax Declaration

- Taxable income (profit/loss);
 - Regulation of income and expenditures;
 - Payable tax (payment/ reimbursement).
-
- [Forma e deklaratës vjetore CD.pdf](#)
 - [Tabelat për rregullimin e tatimit në TAK.pdf](#)



Preparing the tax declaration

- The final tax amount, is the general tax amount for the tax period minus :
 - Amounts of Withheld Tax and paid by others;
 - Amounts paid in quarterly installments;
 - External tax credit allowed under this Law.



Preparing the tax declaration

- Depending on the calculations, the following situations may arise:
 - Obligation for payment;
 - Reimbursement.



Deadline for filling - CIT

- For advance installments, the filling deadline is from the 1st to 15th of the subsequent month following each quarter.
- For TAK's Annual Declaration, the deadline is from 1st of January to 31st of March of the subsequent year following the tax period.



Downloading the Declaration

- www.atk-ks.org
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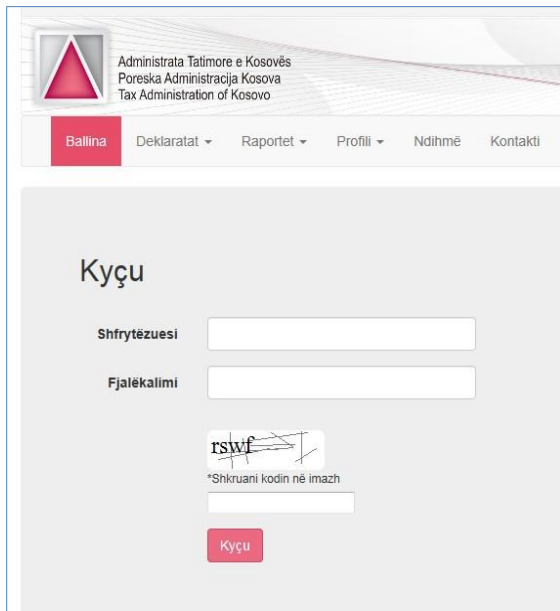


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Filing CD through EDI system

www.atk-ks.org




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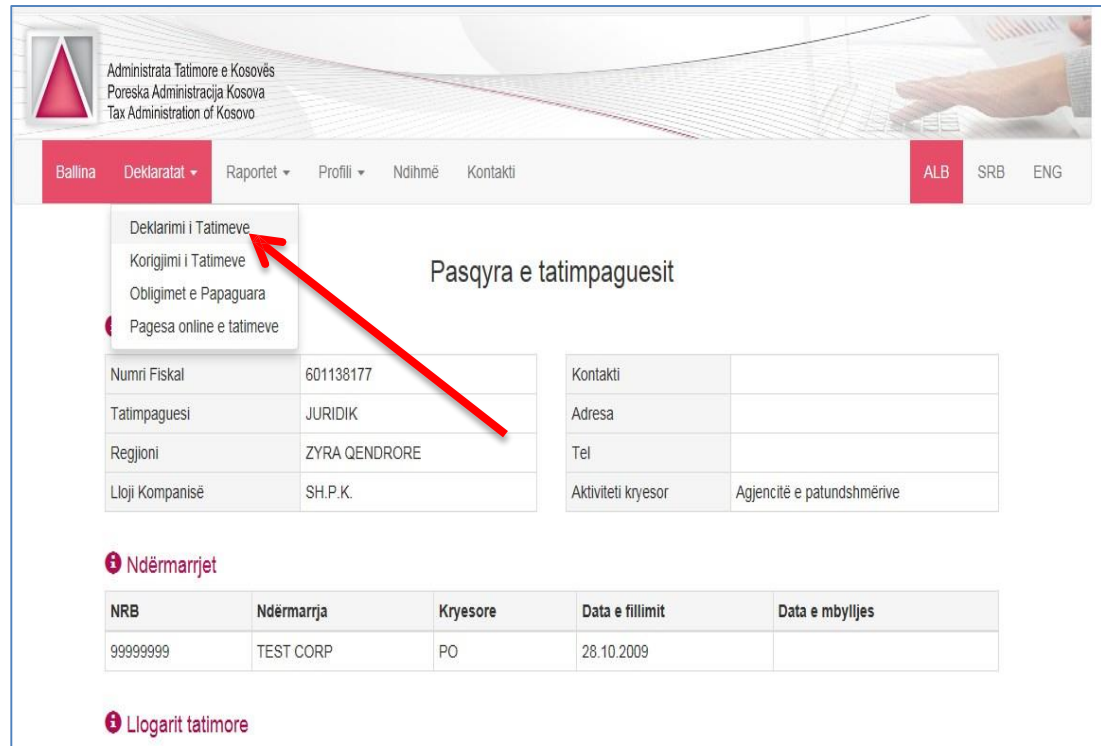
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Example - Annual Declaration with CD Form

- Company “X” LLC, during 2017, performed transactions as follows:

INCOME

Gross income	700,000.00 €
Foreign Source income	7,800.00 €
Recovery of bad debts	2,000.00 €
Other income/profits	1,400.00 €
Gross premiums for tax period	10,000.00 €
Total Income	721,200.00 €



Example - Annual Declaration with CD Form

- Company “X” LLC, during 2017, performed transactions as follows:

Expenses	
Non-deductible expenses	1,400.00 €
Representation expenses	1,600.00 €
Special allowance for new assets	100.00 €
Other expenditures	750.00 €
Gross wages	18,000.00 €
Depreciation and amortization expenses	35,160.00 €
Sale expenses	5,200.00 €
General and Administrative Expenses	60,000.00 €
Other operational expenses	5,000.00 €
Total expenses	127,210.00 €



Example - Annual Declaration with CD Form

- Company “X” LLC, during 2017, performed transactions as follows: :

OTHER INFORMATION

Transferred losses	2,000.00 €
Tax crediting by foreign countries	2,000.00 €
Paid installments	9,700.00 €
Stocks in the beginning, on 01.01.2017	350,000.00 €
Purchase during 2017	240,000.00 €
Stocks at the end, on 31.12.2017	130,000.00 €

- [CD SHembulli 1.pdf](#)



Declaration of Partnership Income



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Partnership's obligation to declare

- **Partnerships** are by law obliged to submit an annual declaration, including therein all **partners'** income and expenses, without the obligation of payment.
- The partnership or a grouping of persons is responsible for filling and paying all taxes that are mandatory for the partnership or group of persons (such as: VAT, Income Tax, Pension Contribution, Salary Withheld Tax, Rent Tax, etc.).



How should Partnerships declare?

- **Partnerships** cannot download the following declarations: IS, IL, QS, QL, CD, PD.
- **Partnerships and groups of persons, as well as partners and members of groups**, should maintain books and records in accordance with paragraph 4 of Article 33 of the Law, and each partner shall pay tax on obligatory income in accordance with paragraph 2.2 of Article 43 of this Law.
- **Partners** can download one of the declarations based on the option selected: IL, QL, PD, CD, depending on the Partner's status.
- [Forma e deklaratës vjetore DO.pdf](#)



Example:

- Partnership “A&B”, is comprised of partner X and Y . Income statement for 2017, looked as follows:

Income Statement	
INCOME	300,000
KMSH	230,000
GROSS PROFIT	70,000
OPERATING EXPENSES	12,000
Gross salaries	5,000
Sale expenses	2,000
Administrative expenses	2,000
Other operational expenses	3,000
PROFIT BEFORE TAX	58,000

- [Deklarata Vjetore DO.pdf](#)



Filing deadlines and tax payment

No.	Denomination of the form	Abbreviation	Filing deadline
1	Statement of rent and intangible property tax	IR	From the 1 st to 15 th of each quarter
2	Quarterly payment of taxes and contributions for large individual businesses	IL	From the 1 st to 15 th of each quarter
3	Quarterly statement of taxes and contributions for small individual businesses	IS	From the 1 st to 15 th of each quarter
4	Statement of withheld tax and payment of taxes	WM	From the 1 st to 15 th of each month
5	Monthly statement of withheld tax, payment of interest tax, dividends, property rights, rent, lotto and game of chance winnings.	WR	From the 1 st to 15 th of each month
6	Quarterly statement of advance payment for small corporates	QS	From the 1 st to 15 th of each quarter
7	Quarterly statement of advance payment for large corporates	QL	From the 1 st to 15 th of each quarter
8	Tax Declaration on Corporate Income	CD	From 1st of January to 31st of March
9	VAT filing and payment form	TV	From the 1 st to 20 th of each month
10	Annual Personal Income Tax declaration and payment form	PD	From 1st of January to 31st of March
11	Pension Contribution Statement and Payment Form	CM	From the 1 st to 15 th of each month
12	Request for Reimbursement and return	KRR	From the 1 st to 20 th of each month or quarter
13	Tax Declaration on Partnership Income	DO	From 1st of January to 31st of March
14	Authorization for tax information	AIT	For any request



Penalties

- Penalties for failing to submit tax declaration: 5% to the tax liability, for a maximum of 5 months.
- Penalty for failure to pay taxes: 1% of the unpaid taxes, for a maximum of 12 months (applied after the penalty of 5% for failing to submit the declaration has stopped)
- Interest for non-payment of tax :
 - 1.25% per month until 31.12.2014;
 - 0.91% from 01.01.2015 – 31.12.2015;
 - 0.7% from 01.01.2016 – 31.12.2016;
 - From 01.01.2017 and beyondInterest is at 0.65% per month.



Visit TAK's website
www.atk-ks.org

**Thank you for your
attention!**



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