HANDBOOK

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General developments in Kosovo Tax Administration are focused on creating a more favourable environment to taxpayers, on which occasion are marked continued successes, especially in the voluntary compliance of tax liabilities.

Manual - Questions & Answers, it has been developed with the purpose of TAK mission implementation, "To maximize voluntary compliance of tax liabilities, giving full concentration to the tax legislation, to provide professional, transparent and effective services to the taxpayers community so that they understand their obligations to tax payment, and to ensure compliance with fair and uniform as well enforcement of tax laws in order to collect revenues for the budget of Kosovo in an efficient manner and with low costs". Respecting the tax laws is essential civic responsibility.

In order that taxpayers have greater opportunities for quick and professional, information, in the TAK have been consistently developed new channels of communication and are created tools that are used by the taxpayer, including declaration manner and payment of tax liabilities. This document is primarily created for Taxpayer Service officials, in particular the Call Centre, who conducts telephone contact with taxpayers. The same is in general use for TAK officials, but also for taxpayers, through the official website of TAK.

The first version includes thirteen chapters following tax compliance cycle characterized by Tax Payers Registration as

the first proper step of doing business, Documentation of business transactions, Declaration of tax liabilities of the end last step in this cycle, Payment of Tax Liabilities

This manual provides brief answers to legal requirements and procedures to be followed by taxpayers, for the realization of their rights and obligations.

Note: This manual doesn’t have the character of an Explanatory Decision, so as such cannot be used in any proceedings to appeal against any decision of TAK officials or any other appeal procedure (contested).

Tax Administration of Kosovo
Department for Taxpayers Education and Services
**1. BUSINESS REGISTRATION**

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1. **Do I need to register?**

Any person who is subject to any tax administered by the Tax Administration is obliged to register with the TAK and to obtain a Fiscal Number before engaging in any economic activity.

*For more, Article 11 - Law No. 03/L-222.*

2. **Why is it necessary / important to register?**

TAK mission’s is a fair and equal treatment to all taxpayers, thus, by settling all tax obligations prescribed by tax legislation, you will directly contribute to the financing of government programs such as: provision of public services, education with high standards, health and social welfare, legal protection and security, as well as general infrastructure for a better economic and social prosperity.

3. **How much does it cost to register?**

Registration is **FREE**.

4. **What documents do I need, to register as a business?**

You should complete the registration form, which can be obtained in two ways:

a) At any KBRA centre, or:

b) It can be downloaded from the KBRA official website, [www.arbk.org](http://www.arbk.org)

Instructions for completing this form can be found at every BRKA centre, while additional documents depending from your selection of memorandum of association.

5. **What documents are required to be registered as Individual Business and General Partnerships?**

1) Completion of the application form “B”,

2) Identification document (ID, passport),

3) Consent of the registered agent under Article 27.1 point d) of Law no.02 / L - 123,

4) For general partnership, the agreement of general partnership based on Article 29 of Law no. 02 / L - 123.

The deadline for registration of individual business and general partnership at KBRA is 1 day.

6. **What documents are required in order to be registered as Partnership (Sh.K.M)?**

1) Completion of the application form “Ao”,

2) The agreement of the organization based on the Article 31.1 of the Law No. 02/L – 123,

3) The Statute,

4) Identification documents (ID, passport) copies of owners, authorized persons involved in the business,

5) Consent of the registered agent under Article 31.2 of Law No. 02 / L - 123.

7. **What documents are required in order to be registered as Limited Liability Company (LLC)?**

1) Completion of the application form “Ao”,

2) The agreement of the organization based on the Article 86 of the Law No. 02/L – 123,

3) The Statute based on the Article 33 of the Law No. 02/L – 123,

4) Copy of owners identification documents (ID, passport), authorized persons involved in the business,

5) Consent of the registered agent based on Article 33.2 of the Law No. 02/L – 123.

8. **What documents are required in order to be registered as Joint Stock Company (J.S.C)?**

1) Completing application form “Ao”,

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2) The Statute based on Article 35.1 of the Law No.02/L – 123,
3) Memorandum or the Rules of Association pursuant to the Article 138 of the Law No.02/L – 123,
4) Consent of the registered agent under Article 35.3 of the Law No. 02/L – 123,
5) Copy of owners identification documents (ID, passport), authorized persons involved in the business.

What documents are required to be registered as Foreign Company – Branch in Kosovo?

1) Completion of the application form "Ao",
2) Decision for opening of foreign company,
3) Decision for appointment of the Director (copy of Passport) and the registered Agent (copy of ID),
4) Court decision of the respective country that the business exists (notarized),
5) Business certificate (original or notarized copies, not older than three months from the date of issuance, and if not in Albanian, Serbian or English, to be translated in one of these three languages, and the translation must be notarized) that it is opening the representation in Kosovo,
6) Copy of Passports of the owner and of the director of the Foreign Company,
7) Copy of the Statute of the foreign company,
8) Consent of the registered agent based on Article 23 of Law No.02/L-123.

Warning: If the owner of the business is not present when the documents are submitted, then the applicant may submit the documents with authorization and copy of ID.

What documents are required to be registered as Agriculture Cooperative?

1) Completion of the application form “Ko”,
2) Agreement of the organization,
3) The Statute,
4) Decision for the appointment of the director,
5) Copies of members identification documents (ID, passport), authorized persons involved in the business,
6) Consent of the registered agent based on Article 23 of Law No.02/L-123.

Where to register the business?
Registration is carried out in a single place, thus at ONE-STOP SHOP, thus at any municipal centre, at the same place can be obtained the Business Registration Number Certificate as well Fiscal Number Certificate. Also, if you would like to be registered to VAT, as Importer/Exporter or VAT Voluntary Declarer, you perform this directly at ONE-STOP SHOP at the registration moment.

Can I register the business on-line?
No, on-line registration is not enabled.

Is it TAK the agency that handles business registration?
No, TAK is not the agency that deals with business registration. Registration of business is done at the Kosovo Business Registration Agency (KBRA), within the Ministry of Trade and Industry, more specifically in One - Stop - Shop centres at each Municipal Assembly, and business registration information are transferred to TAK in on-line manner, which generate you a fiscal number and with this number you are obliged to declare and pay taxes according to Law.

What happens if I need to register and I am not registered?
For tax purposes, TAK will equip you with Fiscal Number, will notify KBRA regarding the development of your business, and you will be subject to an administrative fine in the amount of five hundred (500) Euros.

What are the penalties for non-registration?
Any person who performs an activity without being provided with a Fiscal Certificate or without being registered with TAK, under criteria defined in Article...
11 of this law shall be liable to a penalty up to five hundred (500) Euros.

For more, see Article 50 – Law No. 03/L-222

16 What is Fiscal Number?
Fiscal number is the taxpayer identification number used by TAK for the purpose of Administering the Tax System. Fiscal Number is the number of 8 digits, plus a checking digit, randomly selected using an algorithm that provides security against fraudulent numbers and doubling the numbers.

17 Do I need to obtain the Fiscal Number?
Any person subject to any kind of tax administered by the TAK shall register with the TAK and obtain a fiscal number before engaging in any economic activity.

For more, Article 11 - Law No. 03/L- 222

18 How to obtain a fiscal number as business?
You can obtain a Fiscal Number at the One Stop Shop centre at the time of application for registration of the business, where in the same certificate you will have Business Registration Number and Fiscal Number. While, if you are an earlier registered business in the Kosovo Business Registration Agency (KBRA) and are not yet equipped with fiscal number, you have to submit the application in TAK Regional Office for Taxpayers Service that you belonged to.

19 How can I be equipped with Fiscal Number as natural person (individual)?
You may be equipped with Fiscal Number at TAK Regional Office of Taxpayer Service and Education.

20 How much does it cost to obtain the Fiscal Number?
Application and equipping with the Fiscal Number Certificate is free of charge.

21 Do I need to register first to TAK or KBRA?
Fiscal number and Business Registration Number are obtained at the same time at the ONE-STOP-SHOP centres, which are found at every municipality. In case of application for registration you will be equipped with Business Registration Number and Fiscal Number.

22 What persons are not required to register in KBRA, but are required to obtain a Fiscal Certificate?
1. Natural persons (who are required to declare and pay tax, when the employer is not required to withhold tax);
2. Landlords (individual);
3. NGO’s
4. Foreign contractors financed by international institutions and who do not carry out activities other than the respective project;
5. Budget organizations (Central and Local level);

For more, Section 9 of the Administrative Instruction No.15/2010

23 What documents are required to obtain a Fiscal Certificate while I’m not required to be registered as a business in KBRA?

Natural Persons
1. Application form “Application for Fiscal Number” which you can ensure in two ways:
   a) at any Taxpayers Service Centres; or
   b) download from the TAK official website
2. ID (Copy)
3. Labour contract (copy)
4. Bank Account (copy)

**Landlords (individual):**

1. Application form “Application for Fiscal Number” which you can ensure in two ways:
   a) at any Taxpayers Service Centres; or
   b) download from the TAK official website (www.atk-ks.org)
2. ID (copy)
3. Rent contract (copy)
4. Bank Account (copy)

**NGO’s**

**Natural Persons**

1. Application form “Application for Fiscal Number” which you can ensure in two ways:
   a) at any Taxpayers Service Centres; or
   b) download from the TAK official website
2. ID (Copy)
3. Work contract (copy)
4. Bank Account (copy)

**Foreign contractors financed by international institutions and who do not carry out activities other than the respective project:**

1. Application form “Application for Fiscal Number” which you can ensure in two ways:
   a) at any Taxpayers Service Centres; or
   b) download from the TAK official website
2. ID (copy)
3. Project contract (copy)
4. Bank Account in Kosovo (copy)
5. Proof of address locations in Kosovo / Lease Contract (copy)

**Warning:** If a foreign contractor does not establish locations in Kosovo must engage a fiscal representative, who must be resident in Kosovo.

**Budget Organizations (Central and Local level):**

1. Application form “Application for Fiscal Number” which you can ensure in two ways:
   a) at any Taxpayers Service Centres; or
   b) download from the TAK official website.
2. ID of the authorised person (copy)

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**Can I obtain the Fiscal Number at the TAK website?**

NO, equipping with Fiscal Number cannot be carried through TAK website.

**Another person is using my Fiscal Number, what to do?**

In case that your Fiscal Number is being used by another person, you have to notify TAK through:
- Cooperation hotline 0800-80-800,
- At one of the TAK Regional Offices
- At TAK Central Office.

**Can I change the type of business from Individual to LLC, Partnership, or vice versa?**

Any change of the form of business cannot be done directly, however, any change in the form of business (for example: Individual business to LLC; LLC to Joint Stock Company; General Partnership to Partnership; Partnership to Corporate; and any other similar change in the form of business) will result with issuing of a new Fiscal Number for the business. When a business proposes change of its ownership form, new business is required to apply for new Fiscal Number, while old business will have to apply for deregistration. New business will be subject to VAT, also have to be registered in order to be VAT taxpayer and to obtain VAT certificate. Thus, when a business proposes the change of its form of new business is required to apply for new Fiscal Number, while old business will have to apply for deregistration, according to the procedures foreseen by the Tax legislation.

**Furthermore, Paragraph 6 of the Article 11 of the Law No. 03/L-222- on Tax Administration and Procedures, as well Paragraph 6 of the Section 11 of the Administrative Instruction No. 15/2010**
Where can I be equipped with fiscal number as non-resident person?

Equipping with Fiscal Number for a non-resident person is done at respective Regional Office for Taxpayers Service.

How is the procedure for changing the address?

In order to change the address of the business you must notify TAK, therefore, such request is made at the Regional Office of Taxpayer Service which the business belongs to. Fill an application for Fiscal Number in which is defined the correct data. Once such a data modification is done, it will be notified also the Kosovo Business Registration Agency (KBRA).

What are the procedures to change the business owner?

To change the ownership of business, preliminary you should be interested and adjust your status in TAK. Then you should apply in KBRA (Kosovo Business Registration Agency) to get a protocol number and with that number to make a request for Tax Certificate in TAK. Within 15 days TAK will review your request and only when it will be ascertained that you have fulfilled all your tax liabilities, you will have a chance of getting Tax Certificate issued from TAK with a reasoning “Changing ownership of business”. After you get such a certificate, within seven days you should present that certificate in KBRA and there you will change your business ownership. For more information, please refer to Public Explanatory Decision No. 02/2014, on TAK web-site www.atk-ks.org at link Publications – Public Ruling.

Can I change the business form from individual to LLC?

Yes, you can change the business form, from individual to LLC, but to make this kind of change preliminary you should complete all tax liabilities and to get Tax Certificate from TAK with a reasoning “Changing the form of business.”

For more information please refer to Public Explanatory Decision No. 02/2014, on TAK web-site www.atk-ks.org, at link Publications – Public Ruling.

What are the procedures for changing business form from individual to LLC?

To make the change of business form, from individual to LLC, preliminary you should be interested and adjust your status in TAK. Then you should apply in KBRA (Kosovo Business Registration Agency) to get a protocol number and with that number to make a request for Tax Certificate in TAK. Within 15 days TAK will review your request and only when it will be ascertained that you have fulfilled all your tax liabilities, you will have a chance of getting Tax Certificate issued from TAK with a reasoning “Changing the form of business”. After you get such a certificate, within seven days you should present that certificate in KBRA and there you will change your business ownership. For more information, please refer to Public Explanatory Decision No. 02/2014, on TAK web-site www.atk-ks.org at link Publications – Public Ruling.
Why do I need to deregister?

If you are not developing economic activity, and at the same time you do not want to continue with the development of this business activity, deregistration is required.

For more, Article 12 of the Law No. 03/L-222 – on Tax Administration and Procedures, as well the Section 12 of the Administrative Instruction No.15/2010.

How to deregister?

In case you decide to close your business, you must file a request for deregistration of business to the respective TAK Regional Office. TAK within 60 days will review your application and if you meet all the requirements foreseen by the law, will provide you with tax verification for business deregistration. Such verification shall be sent to KBRA, also in that agency you will perform business deregistration. In case that you don’t meet the law requirements, TAK will notify you in writing within 60 days that you don’t meet the conditions for deregistration.

When to submit the request for business deregistration?

You should contact the appropriate Regional Office of Taxpayer Service next to Tax Administration.

How is the procedure for closure of business?

If the taxpayer decides to close the business, must notify the TAK in written, which notice must contain:

- Name and last name and the address of the taxpayer;
- Taxpayer Fiscal Number;
- Personal number of the owner, if the business is individual business;
- The amount of the remaining tax debt, if any;
- A statement that business is ceased and a request for deregistration, in compliance with legal applicable provisions.

- Excepted date for business ceasing;
- Copy of the decision of management body (if Joint Stock Company, or Limited Liability Company), which authorizes the cessation of the business signed by the authorised officials.
- Copy of Memorandum of Partnership (if Partnership, joint stock company or consortium) signed by all partners, members of the consortium, which reflects the agreement to cease the partnership business activity, joint stock company or consortium.
- Copy of foreseen final balance sheet and other related financial statements; and
- One authorization by the taxpayer for submission of such documents.

For more, Section 12 of the Administrative Instruction No. 15/2010.

What are the implications if don’t deregister?

TAK has the right to deregister from its active register any taxpayer when proven that he/she has not carried out activity during the last fiscal year. In this case, the taxpayers will be placed in a special register of inactive taxpayers, at which time TAK will inform the Business Registration Agency.

Regarding published taxpayers as inactive, TAK will not recognize any expense transactions, including payment of VAT if applicable regarding these businesses and the date of publication.

For more, Article 12 of the Law No.03/L-222 and Section 16 of the Administrative Instruction No.15/2010.

Can I deregister on-line?

No, there is no on-line opportunity for business deregistration.
Will I receive any document that proves that I am officially deregistered?

If you meet requirements foreseen by law regarding business deregistration, TAK will provide you with a tax verification which proves that you do not have any unsettled obligations and meet the requirements for the business deregistration. Such verification must be sent to the KBRA, where there will also get the document that your business is deregistered.

For more, Paragraph 2 of the Section 12 of the Administrative Instruction No. 15/2010

If I have applied to obtain verification for business closure, and I have not received any response from TAK, how should I act?

If your application has not been reviewed by TAK within the legal deadline, so within the 60 day period and you have not received any response either positive or negative, you will be considered to have fulfilled the requirements for your business deregistration. In this case you should visit the respective office of taxpayer service and seek for business closing verification.

Can I still develop business even if I am deregistered?

No, it is not allowed to develop economic activity without being registered. Otherwise you will receive administrative penalties as provided by law.

Which are the documents I need to provide in order to obtain tax verification from TAK regarding business closing?

Required documentation for tax verification regarding business closure:

1. Request (it can be taken at Regional Office for Service or download at TAK website and you have to fill it)
2. Copy of Fiscal Certificate
3. Copy of the owners/manager ID or copy of the authorization from the owner/manager if represent by the representative.
4. General state it can be taken at the Service counter
5. Copies of unprocessed statements and copies of remind letters, memorandums for payment with instalments (if the taxpayer have unsettled debts)

Remark: If the request of the taxpayer is approved and the tax verification regarding business deregistration is issued, such verification can be taken (withdrawn) only when taxpayer submits (returns):

- Original certificate of the Fiscal Number
- Original certificate of VAT

We are two partners in one General Partnership but I would like to withdraw from the Partnership. What are the procedures or the request that I have to do?

In a General Partnership established from two partners, if one of the partners will withdraw then a partner that decides to continue the same action it is obligated to change the business form (Partnership), where it will be determined transition from Partnership in Individual Business or Legal Person.

As for the changes within partnership, these changes should be presented in KBRA (Kosovo Business Registration Agency) and Tax Administration of Kosovo.

We are three partners in one General Partnership but one of them would like to be withdrawn from Partnership. What are the procedures to change the information in TAK?

Any change in taxpayer's registration information should be submitted in TAK at least 15 days before effective date of the change.

Changes in registrations information should be done in Application Form for Fiscal Number with a
sign that shows that it is submitted to change registration information. All changes should be submitted in TAK’s respective regional office.

What are the procedures to close the business with a status LLC?

The business with a status LLC may require for deregistration only after has done all tax liabilities and after has set closing balance. The request for deregistration should be submitted 60 days before closure and should possess the following information:

a) Taxpayer’s name and address;
b) Taxpayer’s fiscal number;
c) Shareholder’s personal number
d) The amount of tax debt that has remained, if there is a debt;
e) A declaration that business is ceased and a request for business deregistration in accordance with applicable legal provisions.
f) Expected date for ceasing business activity;
g) A copy of decision from leading body (of Joint Stock Company or Limited Liability Company) that authorises cessation of activity signed by authorised officers;
h) A copy of foreseen closing balance sheet and other statements related to that; and
i) An authorisation from taxpayer to submit such documents.
Where should I declare tax liabilities?
Each person subject to any type of tax is obliged to submit to TAK or its agent (Commercial Bank) a completed tax declaration as required with the Law on Tax Administration and Procedures.

For more, Article 17 of the Law No.03/L-222 on Tax Administration and Procedures.

Where can I be guided and receive help for declaration?
Tax Administration of Kosovo has its Regional Offices, where each tax can receive proper information regarding tax declaration and tax payment. Also, you can find information at TAK website [www.atk-ks.org](http://www.atk-ks.org) such as: Laws, public explanations, Informing materials, etc, which will assist you in tax declaration and its tax payments.

What is the deadline for the tax declaration?
Each declaration has its submission deadline, such as:

- Corporate Income Tax Declaration, **CD**, from 1 January to 31 March
- VAT payment declaration form, **TV**, from 1 to 20 of each month
- Annual declaration and payment form for personal income tax, **PD**, from 1 January to 31 March
- Statement of pension contributions and payment form, **CM**, from 1 to 15 of each month
- Request for reimbursement and refund/return of VAT, **KRR**, from 1 to 20 of each month or each quarter
- Partnership income statement, **DO**, from 1 January to 31 March
- Principal Employer Designation form, **FCKP**, within 15 days
- Authorization on Tax information, **AIT**, for every request

Where can I take the application form for declaring my liabilities?
Tax declaration can be done in two ways:

- Through the E-filing online system, and for:
  - VAT, Income Tax and Pension Contributions
- Regarding other taxes, declarations you can find at TAK website – in the link “download tax forms”.

I have not submitted a declaration in time—what to do?
Even though you have not submitted a declaration in time, you are required to declare and pay tax. So, must submit a statement for the relevant period or type of tax.
What happens if you do not submit the declaration that I had to declare?
You will be punished pursuant to the Article 51 of the Law No. 03/L-222 for non declaration and non payment.

What is the penalty for late declaration?
For not filing on time will be subject to punishment from:
- 5% of the unpaid tax for each month or part of a month to a maximum of 25%.
- If, within a period of five months have not made the declaration, then there will be penalty of 1% until the period of twelve months.
- Interest will be calculated from the period when you were supposed to declare and until the last period when the full payment of taxes is done.

Where can I get the declaration forms that I had to declare last year?
All forms that you are obligated to declare can be downloaded on the website of ATK, at the download electronic declaration link.

How long should you keep copies of declarations that I have already submitted?
All documents should be saved until the period of 6 years starting from the time when such documents are considered closed.

How to declare corrected/completed declarations?
Those declarations are made by EDI; correction should be done through EDI, while those which you have done manually, correcting need to be done in the same way by checking the correction box.

For how long should I declare the corrected/changed declaration?
Correction of tax forms is possible until the period of 6 years. If for such periods have begun or completed any tax investigation (control), then you cannot make such corrections for those periods.

Should I declare the quarter in which I had no transactions?
YES, you are obliged to declare in order not to be placed into a non-declaring businesses list.

How to declare when an individual has two businesses?
The individual must be equipped with fiscal number in which number are included all of its businesses and no matter how many businesses it has, then the whole turnover of all must be incorporated in its Fiscal Number. Then by applying the tax rates set by the law and business statute, will be determined its tax liability for payment.

Does TAK provide any instructions on how to declare taxes?
YES, you can find instructions at the TAK website, as Instruction for TAK, VAT, PIT, CIT, Instruction on E-filing, etc.

Can TAK recommend an accountant/economist/lawyer who can assist me with my taxes?
NO, TAK does not make the selection of the Accountant/Economist or lawyer. You have to make that selection on your own.

Can I seek assistance from TAK in fulfilling my tax obligations?
YES, TAK provides all required services from the businesses aiming at voluntary fulfilment of the tax obligations.
I have received a call from TAK Call Centre telling me that TAK has not received the declaration that I have declared a long time ago, what should I do?

The proof of the declaration for which you have been contacted by the Call Centre, you can send, at:

- Electronic address of the Call Centre gendra.thirjeve@atk-ks.org,
- Through fax +381 38 200 255 62,
- In hand at respective Regional Office for Taxpayers service.

I don’t have a business, but how can I declare my incomes that I gained time to time from various projects?

Initially you must register as a business, to obtain a fiscal number from TAK, which will then enable you to declare your income and tax payment based on your statute and by applying the tax rates set by the relevant tax Law.

When was changed the rate of quarterly installments from 5% to 9%?

Tax filing and payment in gross income for the quarterly period in a rate of 9% has been changed from third quarter of 2012. Therefore, starting from 3rd quarter 2012 the service activities for businesses up to 50,000€ and that did not choose voluntary to be taxed in the Real Incomes, shall be taxed with a rate of 9% in gross incomes of that period.

We are two shareholders of a business with a status LLC (dental clinic) and the premise where we are located it is individual property of the other shareholder (so it is not on behalf of the business). Is it obligated the co-owner to file and pay the tax on rent?

While the Premise (Clinic) is not on behalf of LLC, then the owner of the premise is obliged to make a contract with LLC and to set the price of rent based on the market opened value. LLC is obliged to do tax liabilities on behalf of rent by withholding tax on wage and paying that on monthly periods through WR form.

As a lessor I am natural/individual person and I have payed tax on rent for the contract done with a lessee that is LLC. Also, the lessor has withheld tax for the same rent. How should I act in this case?

If you as a lessor possess proof that the lessee has paid tax on rent, you can make corrections for the time periods which you have declared and paid tax on rent, for the same periods. You can make correction by filing with zero for those periods for which it is already withheld tax and is paid by the lessee. After processing of Correction Declaration the payments done from you on behalf of the rent will remain as advance payments. For these payments you have a right to ask for carrying forward in another outstanding liability if you have any. Such transfer is done through compensation form debit-credit. If you do not have outstanding liabilities you may ask for the return of that payment through the form "Request for Refunding/return of money".

Which types of tax is obligated to declare an NGO?

NGOs are considered taxpayers for Corporate Income Tax. An NGO that has a status of public benefit is obligated to declare through Annual Declaration for Corporate Income Tax (CD), while it is not obliged to pay for its incomes in accordance with Status of Public Benefit. If NGO will rent any premise is obliged to withhold tax in a rate of 9% in the moment of rent payment and to pay in TAK account.

NGO is obligated to declare and pay tax on wages and pension contribution for its employees; except for the foreign employees does not pay pension contributions. While international NGO with a status of public benefit, is not obliged to withhold tax for foreign employees. Also if NGO deals with commercial economic activity it may be considered
a taxable person also for VAT, so to be registered in VAT either as a volunteer person or by exceeding threshold of 50,000€.

I am an owner of a small individual business and I have declared quarterly instalments for small individual businesses (IS) and declaration on personal income tax (PD). Have I done this in a right manner?

As a small individual business that is not taxable in real bases, you are not obligated to submit Annual Declaration PD.

I have give for rent the office, the lessee has invested to renovate the office and I do not get the rent until we will be equally with the lessee. How should I act in this case, how should I file?

Your case is considered exchange transaction for which the revenue should be recognized as a cash transaction.

Therefore, for the renovation amount that the lessee does, it will be considered for you as income from rent for which it is required to declare as it is cash.

Tax liabilities in this case should be done in that form that if you as a lessor are individual or individual business and have give for rent the office to individual business then the liability for tax payment on incomes from rent pertains to you.

Payment of tax on rent for these cases should be done through Form IR in quarterly periods.

In case that you have give for rent the office to the business that is registered as a legal person, then the burden for paying tax liability is on the lessee that in these cases is done through withholding tax and then it is paid in TAK’s account for each monthly period.

Can I make a request to close tax account IS if I have liabilities?

You cannot close the tax account until you have paid completely the tax liabilities for that type of tax.

I have declared incorrectly Annual Declaration – PD for 2014 instead to declare for 2013. How can I correct declaration for which I have declared incorrectly?

You should submit correction declaration with zero for the tax period 2014, while for 2013 you should submit Annual Declaration – PD by describing real statute.

I declare with IL (quarterly installments for large individual business) and I do not know which will be more appropriate method for me to declare quarterly installments as advance as our business turnover changes, it’s not standard. How should I declare?

At the first year that you declare in the real incomes you are obligated to declare and pay advance installments by applying the method of forecasting incomes and expenses that you might have during the year. So, incomes and expenditures are forecasted then it is found taxable income that should be taxable based on tax rates. Incomes, expenses, taxable incomes and tax should be separated in four equally installments, so it should be declared and paid ¼ of whole tax liability.

How should I declare a small individual business that is dealing with sales and servicing (service)?

Small individual business that deals with actions from trade and services, should maintain special evidence based on business activity in order to set correct tax liability.

For the turnover part that comes from trade activity you should declare and pay 3% of gross turnover for the quarter, while for the turnover part that comes from service or professional activities you should declare and pay 9% of gross turnover for the quarter.

Therefore in the same declaration you should calculate tax liability of 3% or 9% in proportion with business activity.
In second year of taxation in real incomes, you have two options to declare and pay installments in advance. Based on Option A, advance installments should be declared based on forecast method, while based on Option B advance installment should be declared and paid based on method 110% of the previous year. Whichever method you will choose you should continue to declare fourth installments within calendar year. You can not declare for one installment with a method while for the other installment with another method.

If you have choose the method to declare advance installments based on option A, to keep the safe cover with a last installment it should be fulfilled annual tax liability over 90%.

But, if you have choose the method of advance declaration based on option B, the safe cover is if you have declared and paid advance installment over 110% more than real obligation of the last year.

How should I file for incomes that I gain with service contract?

For the incomes gained on behalf of service contract, your employer is obliged to withheld tax and pay pension contribution. Tax should be withheld and paid depending on that if it was chosen as a primary or secondary employer. Therefore, the employer is obliged to file and pay tax on wages and pension contribution at the moment of wage’s payment and for service contract. Also you should get from your employer Certificate for Withholding Tax. In case that your employer didn’t withheld tax on wages and didn’t paid pension contribution then you are obliged to pay by yourself tax on wage and pension contribution.

Filing and payment you can do at the end of the year with PD form, but if you would like to pay gradually then you can do that in monthly bases when you receive wage and you can file and pay through electronic system EDI.

Whichever method you will choose you are obliged that initially get individual fiscal number at the Taxpayers Education and Service Office in your respective region.

If you choose to file and pay tax on wages and pension contribution through electronic system EDI in monthly bases, then the payment deadline is from 1st until 15th of the following month after each month (tax period).

While if you decide to pay with PD form (annual declaration) then the declaration deadline is from 1st of January until March 31st of the following year after tax period in which there were generated incomes.

How should I declare withholding tax for non-residents and what is the tax norm?

If it is about non-residents that are treated as employees within your company it should withheld tax on wages, except you are not obliged to prohibit and pay pension contribution. Tax on wage is withheld depending on how the employee has selected you, as a primary employer you should apply tax rate or as a secondary employer you should apply tax norm of 10%.

In case that it is not about contractual agreements employer/employee, than in these cases it should be known for what kind of services is about. If service offering is from entertainment activities such as singer, artist, sportsperson etc. then withholding tax is applied only on payments over 1,000€ during tax period. But if payments done to a non-resident has to do for other services activities than withholding tax should be applied for payment over 5,000€ during the year. Tax rate in both cases is 5%.
I have changed business form from individual business to LLC. Change of form was done in June 2014 and tax accounts for individual business were also closed in June 2014. Should I declare with an old fiscal number for VAT declaration for June and second quarter 2014 and can I declare as my tax accounts has been closed on June 2014?

No, you cannot declare VAT for the period 06/2014, and quarterly installments for second quarter 2014 with an old fiscal number, because in the moment of closing tax accounts, it is not possible to download any declaration and it is not possible to declare with that fiscal number.

Tax declaration and payment should be done with a new fiscal number, so fiscal number of LLC. Excluded from this rule, for cases when VAT certificate for a new business form is not achieved to be issued within the period when the tax accounts has been closed at the old business form, then manually from the respective office of TES it will be opened tax account in old fiscal number and it will be available for the taxpayer to download declaration form, and immediately it will be closed that tax account.

I gain incomes from supervising a Project. With which form should I pay and declare tax?

For your incomes gained from supervising a Project, for which it was not withheld tax, you are obliged that starting from 1st of January until March 31 of incoming year to submit Annual Declaration (PD).

To complete this process, you are obliged to get individual Fiscal Number. Tax declaration should contain all incomes, including allowable expenditures. Therefore pension contribution will be recognized as a period expense only if it will be proofed that as such is declared and paid.

I gain incomes from wage for which it was withheld tax and pension contribution, while for incomes that I gain from delivering the trainings it was not withheld tax. How should I declare pension contribution as in annual declaration PD are recognized as expenses only pension contribution that are declared and paid?

For the incomes gained from delivering trainings for which it was not withheld tax, you are obligated that from 1st of January until March 31 of incoming year to submit Annual Declaration (PD). While to declare and pay pension contribution, initially you are obligated to get individual fiscal number and to open account of pension contribution in Taxpayers Education and Service Office and then to declare and pay obligated pension contribution with a rate of 5% through electronic system EDI. Pension Contribution will be recognized as a period expense only if it proofed that as such has been declared and paid.
What is EDI?
• EDI – acronym for Electronic declaring (E-filing)
• EDI is a modern, fast and simple way for declaring the tax.
• This system enables you to open an online account with TAK, where you can fill, declare, pay and as well check your tax background.

How to register for EDI?
By login into the official TAK website: www.atk-ks.org, on the left hand of your monitor you can find the link “Electronic services”, click on “E-filing” that is the first one in the list. The pop-up window will appear that asks you to access into this system. You have to click on the button Register, afterwards it will appear the window that will request from you to complete data and to accept the terms of contract for use of electronic system. After you filled all of them, then click on the button Register, when the system will suggest you to wait, and if given proper data, than it will inform that you are registered and the password it has been sent to your given email during your registration.


How to obtain password?
Password to use TAK’s EDI System, will be send to your email address that you provided during registration on EDI System. So, when you open that address, you will have access to passwords. The password must be used in such a way as sent by the TAK. So, this password is combined with letters and numbers, so it has to be written as it was send to you with upper and lower case letters (original). Once you log into the system, there may be the option that allows changing the password and you have the option of setting a password according to your wish.

Periods are not seen in EDI?
If you do not have an account open for the type of tax which enables EDI Electronic System, you should be guided to the regional office of TAK to which you belong and within Service Office you will provided with tax accounts, where then, after their activation, you will have the option of filing and payment of tax for those periods.

What services can be obtained through EDI?
EDI system now enables the delivery of these services:
• VAT payment and declaration
• Wage tax declaration and payment
• Pension Contribution declaration and payment
• Access to the declaration background
• Printing the payment slip
• Change of profile and password
• Determining tax professional / accountant
• Checking of tax balance and the background
• Request for help

What taxes can be declared through EDI?
Through Electronic System EDI, is enabled:
• Declaring and paying the VAT
• Declaring and paying Tax on Wages
• Declaring and paying Pension Contributions

What tax corrections can be made in EDI?
For all taxes that are enabled to be declared through EDI, you can also correct them. So corrections can be made, for:
• Value Added Tax- VAT
• Tax on Wages
• Pension Contributions
Can the declaration be zero, through the EDI Electronic System?

YES, there is also the possibility of declaring zero.

- On the Tax on Wages and Pension Contribution, you have to click on the small box which can be found at the window at the list of employees, below the box where is situated the Fiscal number.
- On VAT, you have to complete the declaration with zero and press button Declare.

Shall the pension quarterly report be submitted via EDI?

NO, EDI Electronic System receives more information electronically, so using it you no longer need to submit the quarterly report for Pension Contributions. Kosovo Pension Savings Trust, through this system takes all the information on the declaration and payment of Pension Contributions.

What is the procedure to declare electronically?

To declare electronically, you must first register in the Electronic System EDI, to receive a password generated by TAK, which will then allow you to connect to the system.


Can all the forms be declared electronically?

EDI Electronic System, so far enables declaration and payment, only for:

- Value Added Tax- TV
- Tax on Wages - WM
- Pension Contributions - CM

Thus, only these forms you can declare electronically.

Do I need any special equipment or password to declare electronically?

To declare electronically, all you need is to have a computer, have access to the Internet and the password provided by TAK for use of EDI Electronic System. The password to use the EDI System, TAK will send it your email address that you provided during registration on the EDI System. So, when you open that address, you will have access to passwords. The password must be used in such a way as sent by the TAK. So, this password is combined with letters and numbers, so it has to be written as it was send to you with upper and lower case letters (original). Once you log into the system, there you may find the option that allows changing the password and you have the option of setting a password according to your wish.

Why should I declare electronically?

EDI is a modern, fast and simple way to declare tax. This system allows creating an online account with TAK, where you can fill and declare tax declarations and check your tax background. By reforming the declaration and payment of Taxes, now the only option regarding declaration and payment of VAT, Tax on Wages and Pension Contribution is through the EDI system. So there is no other option of payment of the above mentioned taxes. While other types of taxes will be declared and paid manually by downloading the form from the TAK’s website.

What are the advantages of electronic filling?

Advantages of Electronic filling - EDI, are:

- Reduction of documents
- Reduction of periodic reports
- Saving time and cost
- Declaration of taxes at any time - 24h a day
- On-line payment at any time - 24h a day
- Reduction of many visits at TAK offices
- Immediate, reliable and safe submission
- Fast and accurate processing of declarations
• Access to declaration background
• Checking the tax background and balance, etc.

What is my motivation to declare electronically?
This system allows creating an online TAK account, where you can fill and submit tax declaration and control your tax history. So you can use this system from anywhere you are and get information on your tax situation without visiting the Tax Administration of Kosovo at all.

Does it cost anything to declare electronically?
All services which are provided through the Electronic System - EDI, are free of charge.

What kind of assistance does TAK provide to help me learn how to declare electronically?
Regarding to the use of the Electronic System EDI, you can request help directly from the TAK staff in the Regional Offices of TAK to which you pertain. There you will be provided with help to register and also in general to use the Electronic System EDI. Also, if you are already registered in the EDI system, to receive help, you can click in the "Help" menu and select the type of help you require. In this menu are provided answers for frequently asked question regarding to the electronic system- EDI, instructions and guidelines to fill the tax forms. For difficulties and problems you encounter, write to edi@atk-ks.org by elaborating your problem and TAK will soon provide solutions for that issue.

I don’t have a computer, however, I would like to declare electronically, does TAK have computers that I could use for this purpose?
YES, if you don’t own a computer, than it is enough that you visit the appropriate Regional Office of Taxpayers Service in TAK and there you will be provided with the help to register as well as entirely declare or use the Electronic System EDI.

How to make sure that my financial information are safe if I declare electronically?
The information which is entered in the EDI system is similar to the one send in manually, but the safety level is very high, this because there are clear and strict rules regarding the entering procedures to the server where it information are located. All data are encrypted using SSL technology and all actions which are conducted, leave a trace and can be checked at any time. All the information that is in the system is stored in a second copy just in case.

How safe (protected) is the use of the EDI system?
All actions which are performed through EDI are protected based in international standards and in accordance with the Statute of the Taxpayers in Kosovo, which gives to every taxpayer the right for privacy and confidentiality of his/her tax information.

Can I submit the tax declaration, and pay the obligations later?
YES, you can declare it and then and pay later. With declaration in this way, you will benefit by not undergoing any administrative penalty for not filing on time, while for not payment will be applied interests foreseen with law.

Is it possible to change/correct the declaration submitted electronically?
YES, all taxes which are enabled to be declared through EDI can be changed, i.e. can be corrected. Correction can be conducted for the following taxes:
• Value Added Tax – VAT
• Tax on Wages
• Pension Contributions

How to conduct the additional declaration through the Electronic System EDI?
Electronic System EDI does not provide the possibility of additional declaration. It only provides
the possibility if declaration and correction. So if you have made an additional declaration, you must choose the Correction option and fill the declaration entirely with the correct data, where this declaration will correct your previous declaration entirely.

24 How will the corrective declaration reflect?
Your corrective declaration will reflect with additional obligation or redundancy payment. In the first case, the corrected declaration will generate the voucher with additional obligation for payment, where from you is required to pay only the difference from the previous payment from the same tax period, while in the second case the correction declaration will generate the voucher where it is concluded that you have paid more. This will affect your situation and you will be in subscription. You can transfer the exceeding payment to other possible obligation or you can transfer it for paying obligation in future tax periods or you can ask for a refund.

25 How do I know that my declaration is accepted, if I declare them electronically?
Once you have completed declaration, the message: "Your declaration was successful" will appear. Also you can verify your declaration in your History which is a particular link in the EDI system.

26 I have an accountant/economist/lawyer who declares my taxes. What information should I provide them with so they can declare my taxes electronically?
In the Electronic System EDI, exists the opportunity of determining the authorized person, which can use this system on your behalf. To enable it, you must click on the menu "Your Profile" and chose the button "Assign authorized person to declare". Write here the information of the authorized person. Also you can notify the authorized person with the password for using the EDI system and then he/she will be able to access and use this system.

27 If I declare electronically, can I also pay my taxes electronically?
YES, the Electronic System EDI enables the payment of taxes electronically. Such payment can be done only in Commercial Banks which provide such service. Once you log in the EDI System, in the Tax Declaration menu, click on the link online tax payment, which will open a window where you can select the bank in which you want to do the online tax payment through E-banking.

28 Can I use the debit/credit card to pay the taxes declared electronically?
YES, to use the system of electronic payment, i.e. through e-banking, you must first have the option from the Bank that you may use the method of online payment.

29 If I try out the electronic declaration and I don’t like it, can I continue with manual declaration?
NO, on Value Added Tax, Tax on Wages and Pension Contribution, the only form of declaration and payment is through the E-filing system. So you cannot declare and pay through the manual form. As for declaration and payment of other taxes, which are not made through EDI, you have to do them manually.

30 Is “bandwidth” problem for electronic declaration?
No, it is not a problem.

31 Can I use the telephone / modem to declare electronically?
No, at the moment such thing is not possible.
What should I do if I have declared electronically and then I discovered that I have forgotten some information or that I have written something wrong?

Electronic System EDI enables the correction of submitted declarations, this way you will have to correct your declaration for that period and to declare the complete and accurate data.

Should I declare even if within a tax period I haven’t developed any activity?

YES, you should declare zero, in order not to appear in the list of non-filers.

Can I request access, so I can check the situation of my tax payment?

Yes you can use the EDI system from anywhere you are. Even if you have authorized someone else to declare for your business, you will be able to control your tax balance 24 hours per day, 7 days per week 365 days per year. In order to do so, it’s sufficient to have the password from TAK and the Fiscal number of your business.

Can I use the same list of employees sent in the previous month, if there is no change for the employees?

YES, you can save the employees list into your computer and if there was no change from the previous period you can charge it to the following period. If there is any change, than you can make the changes into the list and then charge it to the tax period.

Is it necessary to submit the annual wage tax reconciliation statement?

No, the Electronic System EDI receives a lot of information electronically, so with using it, from 2013 and onwards you no longer need to submit the WA form on annual wage reconciliation, this information will be taken directly from the electronic data.

If there is a mistake in the name of the employee is the mistake forward to the EDI notes?

If you have errors in the names of the employees, the EDI system will notify you that the data in the list do not correspond with the data in TAK on the respective person, this way you can make modification on the spot or cancel it and return and make modifications to your payment list.

Why in the EDI I cannot choose the period of declaration for Tax on salary and pension contribution for employees?

If you don’t have an open account in TAK for that type of tax and Pension Contribution, you will not have the possibility of choosing the tax period. For this reason you need to address the appropriate Regional Office of Taxpayers Services. There they will open your tax accounts and then you will have the possibility of choosing your period and declaration for that period. Also, if you want to declare before the declaration period, you will not have the possibility of choosing that period until three or four days before the declaration period. E.g. for the February period, the declaration period is from 01 March until 15 March, so the tax period can be opened from 26 February and not earlier.

During the registration in EDI is required the UNIREF, and I’m a new business and have never downloaded a tax form. What should I place into this section?

With the fiscal number which you posses, you should download an electronic statement from the TAK web page from which you will get the UNIREF (explanation: UNIREF is the identification number which is located in the right side of the tax administration) and you should place it in the box which requested on registration in EDI and then continue with the steps that the system requires.
Problems with registering in EDI, I don’t have the password? What should I do?

First you should register in the EDI system and then TAK will generate a password which will enable you to use this system.

Why don’t we have access to the declaration period WM-CM in EDI?

If you don’t have an account in TAK for that type of tax and Pension Contribution, you will not have the option of choosing the tax period. For this you will need to address to the Regional Taxpayers service centre to which you pertain as a business. There your account will be opened and then you will have the option of choosing the period and declaration for that tax period. Also if you want to declare before the declaration time you will not have the option of choosing that period until three or four days before the declaration period starts. For example, for the February period the declaration period is from 01 March to 15 March, this way the tax period for this period can only be opened from 26 of February and no earlier.

How to download the declaration from EDI to save it as an evidence copy?

After you are finished declaring, you can save your declaration by choosing the options "PDF" and click in the link "report" and print your declaration.

If an employee, in the same company, has two salaries and has two positions in the company, how to proceed in the payment list?

For this employee, by the company is given only one salary which should be declared in the monthly payment list, regardless to how many positions he/she exercises in that company.

When did it start VAT filing through EDI system?

VAT filing through EDI system has started on September 2011.

Initially, Electronic Filing – EDI on VAT was available only for businesses of Large Taxpayer Unit. Whereas from April/2012 and further, it was available that through EDI system to pay VAT other businesses too registered for VAT, while from 1st of January 2013, the way of filing and payment of VAT through EDI system is the only way for all taxpayers to file VAT.

When did it start filing of withholding tax (WM) and pension contribution (CM) through EDI system?

Filing tax on wage and pension contribution through EDI system has started since April 2012. While from November 1st, 2012, tax e-filing through EDI system is the only way of filing for all taxpayers that are required to declare tax on wage and pension contribution.

When did it start filing for quarterly installment (IS-IL and QS-QL) through EDI system?

Filing for quarterly installment (IS-IL and QS-QL) through EDI system has started from TM3/2013, from October 5, 2013.

When did it start filing for annual declaration (PD-CD) through EDI system?

Annual filing with PD and CD forms through EDI system has started from March 1st, 2014.
As a business I am registered for tax on real incomes and I file quarterly installments for large individual businesses (IL), but during filing on EDI system it is shown filing of installments for small individual businesses (IS). How should I act?

In case that you are a taxed business based on real incomes, you should file quarterly installments for large individual businesses (IL). In this case it is required to close tax account for IS.

Closing tax account IS it is done by a request in TAK’s regional office that your business pertains to.

I need to do correcting declaration for a VAT period but during filing on EDI it is shown a problem (UNIREF doesn’t accept me); how should I act?

In case that you select correcting option, you are required to declare VAT and in this case it is generated UNIREF of declaration from TAK system and it is not required from you to fulfill UNIREF.

I have never been registered in EDI system but now that I would like to be registered, it is shown that I have opened account in EDI. How should I act?

While you receive a message that you have opened account in EDI, this means that you are registered in EDI, so with one fiscal number you can be registered in this system.

To get information when you have been registered and which is your password to have access in EDI system, you should send a request/question in this address edi@atk-ks.org.

Can I file through system EDI only pension contribution as the filing form for WM-CM is common?

If you are not obliged to file and pay Tax on Wage, but only pension contribution, you may do this filing through EDI system, by opening the account only for pension contribution (CM), while the account for Tax on Wage should be closed. Opening or closing tax accounts should be done in relevant regional Office for Taxpayers Education and Service.

If for a tax period it is downloaded manually IL or QL, can I file through EDI for the same period?

While for the same period you have downloaded manually the forms IL and QL then you cannot file with electronic system EDI.
1. **What is VAT?**
Value Added Tax (VAT) is the tax on consumption (turnover of goods and services). It is calculated according to the applicable rate, it is charged in various stages of production, distribution and life cycle of trade’s goods and services, and at the end it is charged to the consumer, thus as such is indirect tax.

2. **How VAT is collected?**
VAT is a tax that is collected through self-declaration of taxable persons (persons who are registered for VAT). Upon invoicing, VAT charged to the consumers, is collected from the taxable person and transferred into Kosovo’s Budget.

3. **What is the standard rate of VAT?**
Standard rate of VAT is 16%.

4. **Who is obliged to declare VAT?**
Each person who conducts independently any economic activity in Kosovo and who’s total turnover in the last 12 months exceeds the threshold of 50,000€, persons which voluntarily want to register for VAT and non-resident persons in Kosovo, regardless of the threshold they should be registered for VAT Certificate, thus they become taxable persons and must declare it on a monthly basis.

5. **When should I declare VAT?**
The declaration and payment of VAT, is conducted no later than 20th of the previous month, e.g. April declaration is made at the latest on 20th May of the same Certificate for e year. In cases where the date 20th is a holiday or weekend, next working day would be considered.

6. **When VAT should be charged?**
VAT should be charged at all supplies made to your customers that are taxable supplies.

7. **How and when you should register for VAT certificate?**
If the total turnover in the last 12 months exceeds the threshold of 50,000€, you should fill in the form to register for VAT certificate, which is on the TAK website as well as to submit it at your regional TAK office and bring with you a copy of business registration documents, Certificate of Fiscal number and official identification document with photo (passport, ID card, etc.). On this occasion, TAK will review your application and by the moment your application is approved, TAK will issue the VAT’s Registration Certificate, which includes your name, your unique fiscal VAT registration number, as well as address where you are developing business activity.

8. **This far, in the last 12 months, I have a turnover of 49,000€, however, with a last supply made I reach the limit of 5,000€ for VAT. Do I need to tax the entire value of 5,000€ for VAT or how should I proceed?**
If you have for 12 months a turnover of 49,000€ and concurrently you made last supply in the amount of 5,000€, the taxable portion of the final supply will be solely the value that exceeded the overall supply of 50,000 €, which in this occasion is the amount of 4,000€.

9. **What permission we need from TAK at Customs to import a good?**
Firstly you must be provided with an Import/Export Certificate by TAK in order to conduct importation of a product.
When should you apply to be equipped with a certificate for export/import?

If you are involved in economic activities, and you are not registered for VAT and you want to develop exporting or importing activities, you are obligated that before starting to develop these activities to request the certificate for this activity at TAK.

What documents are needed to obtain an export/import certificate and the VAT certificate?

Necessary documents are:

- The request to be registered for export/import Certificate
- A copy of the Business Registration Number
- A copy of the Fiscal Certificate
- A copy of the Official Identification Document with photo (ID, passport etc)
- If you are not the owner, the original documentation on the authorization of the person.

When is the right borne and which is the way to deduct VAT?

The right to deduct VAT is born in the time when VAT becomes chargeable. You can deduct it from your VAT obligation. VAT paid in regard to purchases of goods and services. You conduct the deduction by deducting from the total amount of VAT, for a certain tax period, in the total amount of deductible VAT. The right to deduct the deductible VAT belongs to you if you use or intend to use those purchases for taxable supply and supplies exempt with the right of deduction of the deductible VAT.

I didn’t recognize the deductible VAT on time. Until when do I have the right to the deductible VAT?

If you haven’t deducted the deductible VAT in the tax period when it has happened, you can deduct this amount of deductible VAT at any time after this tax period, however no longer than the last period of the calendar year, after the year when the event has happened and for this late deduction you must notify the appropriate Regional Office Manager.

Which are the procedures for VAT refunding?

For VAT refund claims need to be applied the following procedures:

- To be in credit balance in each tax period for each quarter;
- At the end of each quarter the VAT crediting amount must exceed the amount of 5,000 €;
- Except this rule for export, refund may be required after every tax period, however, it is required that the export transactions to reflect at least 25% of the total transactions with the right of deducting the deductible VAT;
- To have declared all VAT declarations, and other types of taxes for all periods. For exports must be completed all applicable custom provisions.
- Except the above mentioned procedures, the request for refunding tax periods can be done from the European Commission and USAID contractors, regardless the amount of crediting.

I have credit in my VAT account. Can I transfer it to pay other taxes?

NO, from the credit balance of VAT you cannot request the transfer of means for paying liabilities without submitting a request for VAT refunding. First you must submit a request for VAT refunding and from that amount to request a transfer to the outstanding tax obligation, regardless to the type of the tax. After your request is reviewed and the crediting from TAK is conducted, from the approved amount first will be covered the outstanding obligations and then the remaining part will be transferred into your account.
16 What if I have charged VAT, before I registered for VAT?

If you have charged VAT into your invoices, before you have registered VAT, you will be submitted to VAT obligations on those sales and TAK will apply administrative penalties of 15 or 25% depending from the amount of sales.

Furthermore Article 58 of the Law No.03/L-222

17 The supplier does not issue a coupon /invoice for paid VAT. Is this a problem?

If your supplier is a taxable person registered for VAT, is obligated to provide you a coupon or invoice in which VAT appears. If you are a taxable person registered for VAT although you may have paid VAT for your purchase, you will not have the option of deducting the deductible VAT because you don’t own an invoice. Also, if you don’t have a receipt for the purchased goods, it will be considered that you possess goods without origin, and in case of their verification administrative penalties foreseen by the Law will be applied.

18 If goods are imported from America by a Kosovo business and is destined for Turkey, does it have to enter Kosovo or can we send it directly for Turkey?

Yes, the goods can be sent directly from America to Turkey without entering in Kosovo. This will not have implication for VAT.

19 Turnover in my business in the last 12 months has fallen under 50,000 €. Can I deregister from VAT?

If the total supplies during the last 12 months do not reach the amount of 50,000 €, than you can request from TAK to cancel your registration for VAT purposes, however, deregistration enters into force 12 month after the date of submitting the request, so you will be required to declare for another 12 following months from the date of the request for deregistration.

20 I want to close my business. Should I deregister from VAT?

You are obligated to require deregistration from VAT in case of closure of your business. For this you will need to notify TAK, 15 days from the moment of closing and deregistration enters into power starting from the date of your request.

21 Should I notify TAK in regard to the transfer of business?

YES, the transferor and the one that is receiving the transfer should notify TAK for their purpose at least thirty (30) days prior to the transfer.

22 What information should we have in regard to the transfer of the business?

Necessary information’s required regarding the transfer of business are:
- TAK should be notified 30 days prior to the transfer.
- Information regarding the transferor and the transfer receiver.
- Contract in regard to the transfer conditions.
- Description and the value of assets transferred.
- Location of property, etc.

23 Which is the moment of commencement of VAT liability?

The moment of liability commencement to charge VAT is the moment when supplying of VAT or service occurs. VAT becomes chargeable, depending on which of the three moments happens first:
1. Supply of goods or services,
2. The issuance of the invoice in relation to the supply of goods or services, or
3. Receipt of the payment in advance/advance payment, prior to the supply of the goods or services.
We, as a company, are contractors of the European Commission and we want to import some goods/equipments regarding to this project. What documents do we need in order to present to the Customs that we are exempt from VAT, so that we’re not charged with VAT on import?

While you are contractors of the European Commission, you are requested to submit a claim to TAK for exemption from VAT upon the importation of those goods/equipments. Such request is made in the Central Office of TAK, more concretely in the Division of Taxpayers Service and Education, where together with request should be submitted the “Purchase order for VAT exemption” which will be confirmed from TAK and then as such you will present it to the Customs and will be to import without being charged with VAT.

With the turnover realized in the last 12 months I have exceeded the threshold of 50,000€ and I have applied to register in VAT, however, I possess a large amount of stocks for which until now VAT has been paid. Is there the possibility of recognizing the paid VAT in purchase for the goods I have in my stock?

When a person becomes a taxable person either by exceeding the threshold or by registering voluntarily, this taxable person has the right that in the first tax period when it becomes a registered taxable person, to recognize the deductible VAT for all goods in his stocks in the day before registration becomes valid, if these goods are dedicated for taxable supplies.

Is there any condition to recognize VAT on stocks when registering for VAT?

The conditions which should be fulfilled to exercise the right of recognizing the VAT on stocks are as follows:

- Goods in stocks will be utilized for supplying which have the right of deduction;
- Taxable person should possess the list of stocks specified in amount and with the registration date of stocks in the day before becoming a taxable person;
- Should have a receipt with VAT for the purchasing of those goods;
- Must provide evidence for registration as it is foreseen with the Tax Legislation.

Due to recognizing the deductible VAT from stocks I possessed when registering in VAT I’m in crediting, can I request a VAT refund for this?

NO, crediting which is a result of recognizing the deductible VAT at the moment of registration for VAT cannot be refunded.

For more, Article 42 Law No. 03/L-146

What should a tax invoice contain?

An invoice issued from the taxable person to a taxable person should contain:

- Date of Issuance
- The Invoice’s number (serial)
- The Fiscal number and the VAT number of the seller
- The Fiscal number and the VAT number of the buyer
- Name of the business and the full address of the seller
- Name of the business and the full address of the buyer
- Description of good/service
- Amount of goods
- The value of sale of goods/services without VAT
- The rate of VAT applied
- The total amount for payment including VAT
- Confirmation of the submitter of goods/services
- Confirmation of the receiver of goods/services
When should a debit note or a credit note be issued?

When the taxable amount and the VAT in the tax invoice have to be corrected, the supplier has to issue a debit note or a credit note and has to treat that note as a tax invoice.

- **Debit note** is issued when the amount of VAT charged in the tax invoice or in the document serving as an invoice is lower than the actual VAT liability for that taxable supply.
- **Credit note** is issued when the amount of VAT charged in the tax invoice or in the document serving as an invoice, exceeds the actual obligation of VAT for that taxable supply.

What should a debit note or credit note contain?

A debit note and a credit note should at least contain the following information:

- Date of issuance;
- Ordinal number;
- Reference to the original invoice;
- Identification of the supplier and the buyer, name, address and their fiscal number, and if applicable, their VAT registration number;
- Reason for correction, and
- Corrected taxable amount and corrected VAT.

Where do I have to go to obtain an approval for deferment of VAT?

With the purpose of benefiting from VAT deferment, the business will request from the Tax Administration, by submitting an application, which you will download from the TAK webpage. The application together with the following documents should be submitted in the Central Office of TAK, directed to the Commission for Deferment of VAT. The application should be accompanied with:

- Copy of the business plan,
- Copy of the contract with the seller of machinery or equipment,
- Account to cover the VAT part (Bank guarantee),
- A plan of the plant or factory,
- Building permits issued by authorized agencies.

Tax Administration will review your request and will approve a deferment if you have fulfilled the credibility requirements.

How long am I obligated to keep and preserve the documentation?

The taxable person should keep and preserve the documentation, as:

- Books required by Law for a period of at least 6 years which starts after the year in which those books are closed.
- Records and other documents (as an invoice, coupons etc) for the period of at least 6 years, which starts after the year in which the VAT liability, deduction or adjusting has commenced.

In the occasion of importing equipment, does the possibility of deferment for payment of VAT exist?

YES, the deferment of VAT in the Capital Goods will be allowed for businesses, in importing machinery and equipments. The machinery and equipments may be new or used and will be utilized for production of other goods and services. VAT liability due to importation may be postponed for a maximum period of 6 months.

The business in 2012 had imports and on 31.12.2012 has conducted the registering of the goods. On 01.02.2013 voluntarily presented as a VAT declarer. The question is how should VAT declaration for this month be filled and how should this stock be treated?

When a person becomes a taxable person, either by exceeding the threshold or either registered as a volunteer, this taxable person has the right that in the first tax period, when it becomes a registered
taxable person, to know the deductible VAT for all goods in his stocks in the day before its registration becomes valid.

In the period of February/2013 when you have become a VAT taxable person, you have the right to know the VAT paid on the goods you have in your stock one day before your VAT registration is valid (31.01.2012). For this VAT you have no reimbursement right.

Being a regular buyer, the supplier once a month supplies me with goods for which I don’t have to pay, I receive the goods for free. How these goods, which charge the sale and effecting VAT, are treated?

For goods received as such, you have no deductible VAT since the same has not been charged, but on the occasion of sale you should charge VAT.

Is a business registered as an exporter of goods, obligated to submit a VAT declaration?

NO, businesses which possess the VAT Certificate as Importer/Exporter are not required to declare VAT.

During the import, the customs increases the custom base of imported goods. How should it be registered in the book of purchase, with the price of the invoice or according to the customs i.e. according to DUD?

If the Customs has conducted an evaluation of your merchandise, than the base for registering VAT in your books, is the Customs DUD.

Should banks apply VAT in the sale of their assets/Capital Goods and for mortgage or collateral assets?

If bank assets for which is not known the deductible VAT, are sold to a taxable person which provides exempt supplies (according to article 27 and 28 of the Law No. 03/L-146 on VAT) must be invoiced without VAT, while if such assets are sold to a taxable person which provides taxable supplies should be charged with VAT.

Assets mortgaged and pledged, should be charged with VAT.

We are a touristic agency; we have local expenses, such as, fuel, telephone and other VAT expenses. Are the expenses and crediting completely accepted inside the country and outside the country?

For purchases which you have made in the country, you have the right of recognizing the deductible VAT, while for purchases outside the country even if you have paid VAT, you are not entitled to deduction of VAT, however, that purchase will go directly as an expense.

Are life insurances exempt from VAT?

Life insurance is considered to be financial transactions and is exempt from VAT.

We are an Insurance Company registered as SH.A. The company turnover in the last 12 months is over 50.000€. Should we apply to register for VAT?

Yes, you are obligated to register for VAT.

Are subject to VAT services offered from educational institutions?

Businesses that are accredited from Ministry of Education, Science and Technology (MEST), for supplying services in their programs are exempted from VAT. While for purchases of goods and services they are not exempted from VAT. Therefore such purchases will be subject to VAT without a right of deduction.

Is it obliged a business with hotelier activity (restaurant) registered in VAT to keep in any time analytical and quantitative state or should it do only with counting based on applicable legislation until 10th of January of the following year?

Analytical and quantitative state of goods you should be able to verify in any time for inspection from TAK. While stock registration you are obliged
to do at the end of calendar year that should be completed on or before 10th of January of the following year.

**Can I make VAT correction for the same tax period more than once?**

Yes, you can make VAT correction more than once for the same tax period. But through EDI system the correction is possible only once while for correction more than once you should contact respective regional office and you should do that in presence of tax inspector.

**The taxpayer that has achieved limit to be registered on VAT or to be volunteer filer on VAT, is it obligated to notify TAK on verifying/counting goods on stocks from which will they will have the right of recognizing deductible VAT?**

Yes, if you will become VAT filer in a voluntary base or by exceeding threshold, you should fulfill form for registration on VAT and submit in relevant regional office in TAK.

Also, you should offer evidence on good’s stock a day before you become taxable person from which you have recognized deductible VAT. Deduction of VAT from stock may be verified from TAK based on information from your accounting and from stock registration, declared in the moment of VAT registration.

**For a VAT tax period I have paid more than the obligation was, what can I do with prepayment money?**

If you have surplus-payment, than with a compensation form debit-credit, you may ask to carry forward your monetary means in tax liabilities, regardless in what kind of tax and in which tax period. If you do not have outstanding liabilities you may ask for returning of those monetary means (payments) through the form “Request for Refunding/return of money”.

**Can it be approved the amount of refunding for a period of VAT if I have liabilities in any other period/type of tax?**

Yes, refunding will be approved, but the monetary means cannot be returned to you for the amount of outstanding liabilities that you possess.

If the amount of approved refunding is higher than outstanding liabilities than in your account it will be carried forward only money remained after keeping the obligations to TAK.

**I am a contractor and I have a contract with investor for work completion (constructing buildings). Since, the buildings are sold without VAT, should I invoice with VAT or without VAT?**

The contractor offers construction services, which are taxable supplies; therefore the invoicing that you will do for the investor will be with VAT.

When the investor will sell the buildings, will not charge VAT and at the same time it will not have a right of recognizing deductible VAT for purchases made on construction of buildings.

**In which cases it is applied VAT credit coefficient and how it is calculated?**

Credit coefficient is applied in cases when businesses have mixed supplies, so they have taxable supplies and excluded supplies.

Deductible proportion is calculated based on formulae: taxable supplies / taxable supplies + excluded supplies.

**Is it accepted deductible the VAT on intensive purchases?**

Yes, if the investments are done related to supplies of taxable goods/services it is accepted deductible VAT, as long as the purchases invoices that you possess to be issued from taxable person, so from person registered on VAT.
Business activity is chrome production. While invoicing I have made a mistake in setting the price (in invoice I have set the lower price) and I have to make a correction of this invoice (to set higher price?). Can I make the correction of VAT declaration for this period?

Yes, you can correct VAT declaration. Such a correction may be done for a period up to last 6 years, as long as TAK did not start with an audit process for that tax period.

Can I make a partial transfer of business?

Yes, you can make partial transfer of your business. In order to make a transfer of business, you are obligated to notify TAK 30 days before the transfer will occur. From TAK web-site you should download the form “Notification for transfer of business” and after you complete it you should send to relevant regional office on TAK.

For more information please refer to article 13 of the Law 03/L-146 on VAT and article 11 of Administrative Instruction No. 10/2010.
Who is subject to Personal Income Tax?

Object of taxation for resident taxpayers are the taxable income from the source of income in Kosovo and source of income outside Kosovo. Subject of taxation for non-resident taxpayers are the taxable income from income sourced in Kosovo.

Which are taxpayers of Personal Income Tax?

Taxpayers for Personal Income Tax are: physical persons, resident and non-resident, Personal Business Enterprises, Partnerships and Enterprises which receive and generate gross income.

What is included in Gross Income?

Gross income means all incomes which have been really or constructively received from the following sources: revenues from business, salaries, rents, use of intangible property, interest resulting from the sale of capital foods, substitute income, capital gaining’s which results from an increase or decrease the amount of shares, capital gaining’s, Gaining in the game of chance as well as Pensions paid from a former employer.

Which are the Incomes from Business Activities?

Gross income from business activities means the gross receipts generated from a person or entity, except legal persons for the purpose of this law, engaged in such activities. Incomes from business activities includes, income from rent, income from intangible property, income from interest and other incomes including gifts.

Which are Incomes from Wages?

In the gross income from wages are included: Wages paid from the employer to the employee, bonuses, commissions and other forms of compensation for the employee, income earned from temporary work, premiums, health and life insurance, remission of the employee loan or employers obligation, payment of personal expenses of the employee from the employer, etc.

Which are Exempted Incomes?

From the personal income tax, are exempt the following income: Wages received from foreign diplomatic and consular representatives and the foreign personnel of Embassies or Liaison Offices of foreign countries in Kosovo, as it is determined in the applicable legislation on the establishment and function of liaison offices and diplomatic services in Kosovo; Wages received from foreign representatives, foreign officials and foreign employees of international governmental organization and international non-governmental organizations which are registered in compliance with the applicable legislation in Kosovo and have obtained and maintained the status of public benefiting under such legislation.; Also, are exempt the wages received from donor agencies, their contractors or the foundations they implement, as well as the wages from the foreign personnel of KFOR, ICR, EULEX etc.

When and how should Withhold Tax?

Every employer is responsible for Withholding Tax from taxable wages paid to its employees during every period of the pay list for which the wages have been paid. 

The employer, which is selected as the principal employer of the employee, withholds an amount based on the tax rates for each tax period; 

The employer which is not the principal employer of the employee withholds an amount equal to ten percent (10%) of the wage for each tax period. 

Pensions paid are subjected to withhold tax from the pension provider according to foreseen rates. Also withholding is done in certain payments for non-residents.
My employer has not included me in the monthly payment list. Can I myself declare and pay the Personal Income Tax and Pension Contribution?

As long as you are employed and have proven that tax withholding has not been done by your employer, which is obligated to provide you with a Tax Withholding certificate, provided that you notify the Tax Administration of Kosovo with information that from which period you are in a working relation with this employer and what is the net salary that you have been receiving. However, in case that your employer has no obligation to withhold tax, then you yourself are obligated to declare and pay the tax based on the law.

For more, paragraph 6 of Article 18 of Law No. 03/L-222.

How is the payment of Tax for Business Activities completed?

Each taxpayer which realizes or accrues income from business activities, pays taxes every three months into an account determined from the Tax Administration, in a bank licensed by the CBK, no later than fifteen (15) days after conclusion of each quarter (15 April, 15 July, 15 October, 15 January) Taxpayer which has gross annual income of 50,000 Euro or more and the taxpayer which voluntarily chooses to declare in realistic basis, except quarter instalments, should no later than March 31st of the following year, submit the annual declaration on Personal Tax Income.

What is included in Allowable Business Expenses?

For businesses, which declare in realistic basis or those that have voluntarily chosen to declare in realistic basis, are allowed, as deduction from the general income created from intangible property, rents or business activities, expenses paid or caused during the tax period which are entirely, only and directly related to such activities which generate income, including premiums and health insurance, paid in interest of the employer and those depended which need to be included in the employees policy.

Which are the taxpayers that have to submit their Annual Declaration?

Taxpayers with the incomes over 50,000 euro and the ones that chose to declare in realistic basis, are required to submit the annual declaration no later than March 31 of the following year. Such taxpayers which are required to submit annual declarations, are obligated to do so in three subsequent periods and only then (after three years) if their turnover falls below 50,000 Euros per year, by 1st March of the current year, must apply to TAK, to quit this way of declaring. Taxpayers which are generating income only from one source (excluding the business income) are not obligated to submit the annual declaration, except if these taxpayers voluntarily chose to declare in realistic basis.

I’m a new individual business, can I register voluntarily to declare in real income at the beginning of my business developing?

For businesses which are taxable in real base or those that have voluntarily chosen to be taxed in real bases, are allowed deductions in general income generated from intangible property, rents or business activities, paid expenses or caused during the tax period which are completely, only and directly related with such activities which generate income, including health insurance premiums, paid in interest of the employer and those dependent which need to be included in the employer’s policy. In general provisions are included:

- Representation costs;
- Bad debt expense;
- Business Travel Expenses;
- Payments to related persons;
- Depreciation of livestock;
- Repairs and improvements;
- Amortization;
- Research and development costs;
- Tax losses;
- Rental costs;
• Allowed deduction for charitable contributions;
• Education and training expenses etc.

13 Which are the costs that are not accepted according to the law on PIT?

Expenses which are not accepted according to the law on Personal Income Tax are:
• Price of land acquisition or improvement
• Penalties, fines, and interest expense related thereto
• Personal Income Tax
• Personal, family or living expenses
• Loss from the sale or exchange of assets between related persons unless the sale price is in line with the open market value.
• Any other not documented expenses.

14 Loss, should it be transferred as it is or should it be evenly distributed for several years?

The loss should be transferred as it remains from the last year, but the maximum of loss transfer is 7 years, thus if you do loss transfer for more than 7 years, they will not be recognized from TAK.

15 Should partners register automatically in Real Income where each owner should deliver the PD declaration?

Each partner is obligated to declare as Large Personal Income or Large Corporation by declaring advance instalments and annual declaration regardless of their turnover.

16 Last year my business resulted in a loss. How should i submit my advance instalments this year?

When the business in the previous year has resulted in a loss, than in the following year should declare advance instalments, as if it is the first year of the business, thus choosing the option of Anticipating Income and Expenses.

17 Are the following deductible?
• Bank Provision
• Bank maintenance costs

YES, both are deductible business expenses.

18 A natural person who rents an individual business, which should withhold tax on rent (The owner or the renter)?

In this case, liable to pay the Tax on Rent is the owner, i.e. the one that receives the income. So, in such cases is now requested to withhold tax.

19 Which are the obligations of an individual business related to Withhold Tax for non-residents?

Individual businesses are obligated for Withholding Tax of 5 %, for non-residents if:
• The gross income of a non-residents as an entertainer, artist, singer and athlete is created from its activities with its physical stay in Kosovo, are larger than 1000 € in the tax period.
• Gross income of a non-resident from other services (except entertainment, artistic, sports and vocals) generated by its activity with its physical staying in Kosovo, are larger than 5,000 € in the tax period.

20 Except that we have to declare according to anticipation, can the real value of income and expenses be declared?

NO, advance instalments should be made by choosing one of the following options:
1. Prediction of income and expenses
2. 110% in report to previous year

21 What is the basis for calculating depreciation?

Base for the calculation of depreciation are the costs of purchasing or production by including all direct costs which are necessary to put an asset on standby for use.
What is the percentage of depreciation?

The amount allowed as a deduction for tax depreciation in the tax period is determined by individually applying the following percentages of the individual tangible property according to the linear method at the end of the tax period according to the category to which the assets pertain:

- Category 1: five percent (5%);
- Category 2: twenty percent (20%) and
- Category 3: ten percent (10%).

How are assets categorized for depreciation?

The entire tangible property of the taxpayer which is subjected to depreciation is assigned to one of the following categories:

- Category 1: Buildings and other construction structures;
- Category 2: Automobiles and light trucks, heavy transport vehicles, soil transfer equipment, bulldozers, scrapers and other heavy vehicles, computers, additional parts for computers and other devices for data processing, furniture and office equipment, instruments, sundries and other accessories, and livestock used for production or breeding;
- Category 3: Plant and machinery, railway inventory and locomotives used for railway transportation; airplanes; ships and perennial plants and shrubs used for vineyards or for the production of fruit such as apples, pears, walnuts, blueberries, etc, and all other tangible assets which are not included in Category 1 or Category 2.

How to conduct the improvement of the Principal Employment Designation Forms (PEDF), since the date of employment commencement is misspelled?

Improvement of Principal Employer Designation form is done by downloading a new form from TAK webpage which you need to fill with the accurate data e.g. the date of employment commencement and sent it to the TAK Regional Office to which you pertain.

Being a regular buyer, the supplier once a month supplies me with goods for which I don’t have to pay, I receive the goods for free. How are these goods, which charge the sale effecting PIT and CGS, treated?

For goods received as such, in case of sale:
- You have no CGS
- Will be considered as clear income for PIT.

Are there exempted from Withholding Tax (WM) and Pension Contributions (CM) local staff of NGOs that has funds from European Council, World Bank, KFOR, EULEX, Embassies, UNDP etc?

NGO that is registered in Kosovo is obliged for withholding tax and pension contributions for the local employees as well as to pay in TAK account regardless of financial source of NGOs.

Are there exempted from tax on wages the non-local employees that work in NGOs with SPB or without SPB?

NGOs that are registered in Kosovo, regardless of their status, employing foreign staff, are obliged to pay only tax on wage and are not obliged to pay pension contributions.

Are there exempted from tax on wage non-local employees that work on international NGOs?

Wages received from foreign representatives, foreign officials and foreign employees of governmental international organizations and non-governmental international organization that are registered in accordance with applicable law in Kosovo and have take and hold status of public benefit according to such legislation are exempted incomes.
A company concludes a borrowing contract with a natural person with interest. If the interest is paid from the company to the natural person and the tax is withheld, is it accepted the interest for the company as expense when it is about for natural persons?

If the company has withholding tax on interest, then that company has this interest as deductible expense.

Should it be taxed per-diem for official trips outside country, paid from the employer in private sector?

The amount given from the employer to the employee on behalf of per-diem for official trips, it should be incorporated in gross salary of the employee and should be taxed.

Should it be accepted electricity expenses if they are on behalf of owner and the building is owner’s property and business is individual?

In case that the business is taxed based on real incomes and electricity expenses are done for the development of the business (not for personal purpose) then these expenses are acceptable.

What types of tax are obliged to declare the partnership and individual partners?

The partnership or grouping of persons is responsible for submitting declarations and making payment of all taxes for which the partnership or grouping of persons becomes liable. According to the Law the partnerships are obliged to submit annual declaration (DO) where are included all revenues and expenses of partners, without the right of payment.

Also, the partnership is obliged to declare and pay Tax on Wages, Pension Contribution, Tax on Rent, VAT, Withholding tax etc.

While partners are obliged to pay obligatory income tax with advance installments, such:

For the first tax period one-fourth $\frac{1}{4}$ of total tax liability for following tax period based on taxable income estimated and deducted by any amount of tax withheld during quarterly period. Payment shall be done in four installments, and with payment of fourth installment it covers 90% of tax liability. While for the second tax period and further, may choose one of the following options, such:

- 1/4 of total tax liability for the following tax period based on estimated taxable income and deducted by any amount of tax withheld for quarterly period, or
- 110% of the total tax liability from previous year deducted by any amount of tax withheld during quarterly period.

For declaring and payment of prepayments partners should submit the statement IL while for Annual Declaration should submit Annual Declaration PD.

Based on PIT, what are the tax rates for monthly incomes and annual incomes?

Tax rates for Personal Income Tax are:

<table>
<thead>
<tr>
<th>Tax norm</th>
<th>Monthly incomes</th>
<th>Annual Incomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>0 to 80</td>
<td>0 to 960</td>
</tr>
<tr>
<td>4%</td>
<td>80 to 250</td>
<td>960 to 3000</td>
</tr>
<tr>
<td>8%</td>
<td>250 to 450</td>
<td>3000 to 5400</td>
</tr>
<tr>
<td>10%</td>
<td>450 and more</td>
<td>5400 and more</td>
</tr>
</tbody>
</table>

Is it accepted as deductible expense the advance that is not documented?

Expenses that are not documented are not accepted as deductible.

Is it accepted as deductible expense the bank interest that was taken as loan to construct a building?

In case that a loan was taken on behalf of business to expand business activity, so to construct a business building, then the bank interest is accepted as expense.

I have reached the age of retirement of 65 years and I have monetary means in Kosovo Pension Trust. I receive this money in certain amount
every month and I would like to know are this money taxable?

Money collected on behalf of pension that may withdraw from Kosovo Pension Savings Trust after age 65 is subject to taxation. Therefore, in this case incomes from Pension Contribution at the moment taken it will be taxed according to tax rates.

**Should the advance be set in the declaration of Personal Income Tax – PD?**

The advance should not be set in the declaration of Personal Income Tax – PD, it is considered as deferred revenue. Only received advances that are related to long-term constructing contracts as investor, should be recognized as revenues and should be set in Annual Declaration.

**Is it accepted as deductible expense medications and cure for the employee that had an injury during working hours?**

For tax purposes it is not accepted deductible expenses for medications and cure to the employee that had an injury during working hours.

**I am registered as a new business in February 2014; can I make a request for registration in real incomes in June 2014?**

You as a new business registered in first quarter had the possibility to apply for taxation in real bases until April 1st, 2014.

After you did not use the above-mentioned opportunity then you can make this application from January 1st until March 1st of the following year.

**Can I make a request for transfer of monetary means from PD of XX year in PD of YY year or can I make a request to return monetary means that are prepayment for year XX and then to make payments for liabilities that I have for YY year?**

If you have surplus of payment then you can make a request to carry forward your monetary means in tax liabilities with a form of compensation debit-credit, regardless in what kind of tax and tax period.

For over-payments of Personal Income Tax (PIT) less than 500€ it is not required to submit a request for refunding; submitting the declaration means such a request.

In your declaration (statement) you should include the necessary bank information in order that over-payment can be carried forward directly in certain bank account. TAK will process your refunding request immediately after receiving it, and by reviewing with TAK data that shows that such a refunding is correct.

Therefore, in case that your statement results with over-payment more than 500€ then you are obliged besides annual declaration – PD to also submit a request for refunding/return, that can be downloaded through TAK web-site www.atk-ks.org, at link download electronic declaration. The request form should be submitted in regional relevant office.

**As an individual I have earned capital gain; what kind of form should I use and when should I declare tax liability?**

You should declare and pay capital gain with Annual Declaration – PD from January 1st until March 31 of the following year of tax period in which it was generated capital gain.

**Does a partnership have a right to continue the business with only one partner, if the previous partners withdraw from the business?**

In case that other partners withdraw from a partnership and remains only one of them, then the partner that decides to continue the same activity it is obliged to change the business form (Partnership) where it will be determined transition from Partnership to Individual Business or Legal Person. Such changes should be submitted in MTI and Tax Administration of Kosovo in accordance with procedures foreseen with Public Explanatory Decision No. 02/2014.

**When should it be submitted the form for setting main employer (FSME)?**

Employees that start working will set the main employer within 15 days from starting date of
employment by fulfilling and submitting the form for setting main employer in TAK.

I have made employees' payments for three months. I have collected three wages and within that amount I have done necessary calculations. Have I done this correctly?

In this case you are obliged to set wages for three months at payroll as following:

**Example:** for the employee that didn't get wage for three months and take those money collected, you should set that employee in payroll for three consecutive months by setting monthly wage in order that tax and pension calculation to be treated correctly for these wages, so as they were monthly wages.
What does Corporate mean?

Corporate means a legal person, which has an identity which is separated and distinct from the members, owners and shareholders. A commercial company, whose capital is divided into a specified number of shares of the same nominal amount.

Which are taxpayers for Tax on Corporate Income?

Taxpayers for Tax on Corporate Income are:

- A corporation or other business organization that has the status of a legal person;
- NGOs;
- A publicly or socially owned business organization;
- The permanent Unit and any other organization which has the status of a legal person.

Who is subject to Tax on Corporate Income?

Object of taxation for resident taxpayers are taxable income from income resources of Kosovo and foreign income source.

The object of taxation for non-resident taxpayers is the taxable income from the source of income in Kosovo.

What is the manner of declaring the Tax on Corporate Income?

Small Corporation – declares four quarterly instalments during the year. Declaration is conducted based on gross turnover for the quarter and is the final taxation.

**Tax Rates:**

- 3% of the gross income in commercial activities, no less than 37.5 € for quarter
- 9% from the gross income in service activities, no less than 37.5 € for quarter

Large Corporation is the one which voluntarily has chosen to be taxed in real bases - declares four advance instalments within the year and the final declaration for equalization.

**Tax Rate:** 10% of net gaining

What are the obligations of a legal entity regarding to Withhold Tax for non-residents?

Legal persons are obligate to 5% of Withhold Tax, for non-residents if:

- Gross income of a non-resident entertainer, artist, singer and athlete, created by its activity with its physical staying in Kosovo, are larger than 1000€ within the tax period.
- Gross income of a non-resident from other services beside (entertaining, artistic, singing and sports activities) generated from its activity with its physical staying in Kosovo, are larger than 5000 € within the tax period.

What are the forms of the corporate for declaring tax obligation?

For declaration purposes, we have:

- Small corporation
- Large corporation

What are the obligations of a legal person regarding to Withholding Tax for residents and non-residents regarding rents, property rights and interests?

Legal Persons are obligated that upon payment of the rent, the property right and interest, to Withhold Tax in a rate of:

- 9% for payment regarding rent
• 10% for payment regarding the property rights and interest

9 Can a Small Corporation, declare tax liabilities in real bases?

YES, a Small Corporation can choose to declare in real bases if it submits a statement (request) to TAK by 1st of March of the current period.

10 I’m a new Small Corporation, can I voluntarily register at the beginning of business development to declare the real income?

New businesses which are registered after 1st of March can be taxed in real bases, if they apply for taxing in real bases within periods, as follows:

1. The new business, registered during the Q1 period, can be taxed in real bases, if they apply to choose taxation in real bases, until April 1st, i.e. before starting the declaration deadline for the Q1 tax period.

2. The new business, registered during the Q2, can be taxed in real bases, if it applies to choose taxation in real bases, until 1st of July, i.e. before the declaration deadline for the Q2 tax period starts.

3. The new business, registered during Q3 can be taxed in real bases, if it applies to choose taxation in real bases, until October 1st, i.e. before the deadline for declaration for the Q3 tax period starts.

The new business, registered during Q4 can be taxed in real bases, if it applies to choose taxation in real bases, until 1st of January, i.e. before the deadline for declaration for the Q3 tax period starts.

12 Which are non-allowable expenses in CIT?

Expenses which are not allowed according to the Law on Corporate Income are:

• Cost of land acquisition or improvement
• Penalties, fines, expenses and interest related thereto.
• Income Tax
• Personal, family or living expenses
• Loss from sale or exchange of assets between related persons, except if the selling price is in accordance with the value of the open market
• Pension contribution on maximum amount allowed from the law on pension in Kosovo
• Any other undocumented expenses.

11 Which are the Incomes which are exempt from Tax on Corporate Income?

From Tax on Corporate Income, are exempt:

• NGO’s income which have the status of the Public Beneficiary.
• Central Bank revenues
• Dividends
• Interest from financial instruments
• Income generated from religions
• Primary contractors or sub-contractors income, except local population, which are generated from the United Nations contracts for supplying with goods and services (including UNMIK), specialized agencies of the United Nations, KFOR and the International Atomic Energy Agency under the conditions that they are directly engaged in projects and programs of the organizations mentioned above.
• Primary contractors or sub-contractors income, except local population, which are generated from contracts with foreign government, their bodies and agencies, European Union, Specialized Agency of the European Union, World Bank, International Monetary Fund and International Intergovernmental organizations for supplying of goods and services in support of projects and programs for Kosovo.

13 Which are allowed expenses in CIT?

For businesses which are taxed in real bases or those that have chosen voluntarily to be taxed in real bases, are allowed as deductions from general income:
• Deductions for rental expenses, current or 10% of the gross rent.
• Deduction for pension contributions
• Deductions for expenses related to income on the use of intangible property
• Deductions for charitable contributions
• Loss of carrying
• Depreciation
• Amortization
• Special allowing for new assets

Other deductions allowed, as bad debt, representation expenses, research and development, etc.

14 How are representation expenses treated?
Expenses incurred of the representation will be limited in 50% of the amount invoiced for business entertainment. The maximum amount of representation expenses will not exceed 2% of the annual gross income.

15 How to download the form for CIT?
Go to the internet page www.atk-ks.org and click on the part Download Tax Form in the left part of the navigation. Write the Fiscal Number of your Corporate. Its name should appear automatically. If not, make sure you have written the Fiscal Number accurately. Chose the form, chose the tax period and get the declaration.

16 When can the bad debt be recognized?
The part of taxpayers receivable accounts whose payments are doubted can pass to bad debt after they have meet certain criteria’s, respectively after all necessary legal steps been taken for their collection.

The conditions are as follows:
• Amount previously included in income
• The debt has been deleted (de-registered) in the taxpayers books as worthless

• There is no dispute on the legal validity of the debt
• The debt has passed at least 6 months from the deadline; and
• There is sufficient evidences that substantial efforts were made to collect the debt, including every applicable action for collection of the debt such as:
  o the taxpayer has broken (balanced) every undisputed debt against the bad debt;
  o correspondence and contacts in attempt to collect the debt
  o the legal action was unsuccessful, or the legal actions is considered as uneconomical for documented reasons, or
  o The request is submitted on bankruptcy/liquidation, if applicable, and the amount that will be taken is determined in a reasonable manner from the administrator/executor. Until taken from bankruptcy, they have been applied to the outstanding debt.

The deduction of the bad debt has been restricted in the uncovered part of the debt. Any bad debt deducted as an expense which than has been collected, will be included in the income at the time of collection.

There will be no deduction of the bad debts for debts between related parties.

17 What is the basis for calculating depreciation?
The basis for the calculation of depreciation are purchasing or production cost including all direct costs that are necessary to put an asset on standby for use.

18 What is the percentage of depreciation?
The amount allowed as a deduction for tax depreciation in the tax period is determined by individually applying the following percentages of the individual tangible property according to the linear method at the end of the tax period according to the category to which the assets pertain:
- Category 1: five percent (5%);
- Category 2: twenty percent (20%) and
- Category 3: ten percent (10%).

How are assets categorized for depreciation issues?

The entire tangible property of the taxpayer which undergoes depreciation is appointed to one of the following categories:
- Category 1: Buildings and other construction structures;
- Category 2: Automobiles and light trucks, heavy transport vehicles, soil transfer equipment, bulldozers, scrapers and other heavy vehicles, computers, additional parts for computers and other devices for data processing, furniture and office equipment, instruments, sundries and other accessories, and livestock used for production or breeding
- Category 3: Plant and machinery, railway inventory and locomotives used for railway transportation; airplanes; ships and perennial plants and shrubs used for vineyards or for the production of fruit such as apples, pears, walnuts, blueberries, etc., and all other tangible assets which are not included in Category 1 or Category 2.

What is considered capital gain?

Capital gains are incomes, which the taxpayer implements through the sale of capital assets, including real estates and securities. The income which is implemented implies the positive difference between revenues from the sale of capital assets according to the sale price and the net amount in books. While in case of selling the assets from group accounts, no capital gaining is recognized.

What does Permanent Unit mean?

The permanent unit means a determined place of business activity through which the business activity of the non-resident person is developed entirely or partly in Kosovo. Permanent Unit includes:
1. Any place of management;
2. Each branch;
3. Each office;
4. Each factory;
5. Each workshop;
6. Each mine and
7. Any source of oil and gas, quarry or other place of exploitation of natural resources, etc.

Are Handicapped associations obligated to submit annual tax declaration?

Yes, because this association is registered as an NGO and is considered a legal person.

The loss, should it be transferred as it is or evenly distributed for several years?

The loss should be transferred as it remains from the last year, but the maximum of loss transfer is 7
years, thus if you do loss transfer for more than 7 years, they will not be recognized from TAK.

Last year my business resulted in loss. How should I submit my advance instalments this year?

When business in the previous year has resulted in loss, than in the following year should declare advance instalments, as if it is the first year of the business, thus choosing the option of Anticipating Income and Expenses.

A legal person who rents to another legal person, which should withhold tax on rent (The owner or the renter)?

In this case, the owner is obligated to retain Withholding Tax in Rent.

Are the following deductible: Bank Provision and Costs for Bank maintenance?

YES, both are deductible business expenses.

Except that it has to be declared according to anticipation, can the real value of income and expenses be declared?

Advance instalments should be made by choosing one of the following options:
1. Prediction of income and expenses
2. 110% in report to previous year.

A company concludes a borrowing contract with a natural person with interest. If the interest is paid from the company to the natural person and the tax is withheld, is it accepted the interest for the company as expense when it is about for natural persons?

If the company has withholding tax on interest for the natural person, then that company has this interest as deductible expense.

What is the norm for Corporate Income Tax?

The norm for Corporate Income Tax is 10%.

Is it accepted as deductible expense the advance that is not documented?

Expenses that are not documented are not accepted as deductible.

Is it accepted as deductible expense the bank interest that was taken as loan to construct a building?

In case that a loan was taken on behalf of business to expand business activity, so to construct a business building, then the bank interest is accepted as expense.

Should the advance be set in the declaration of Corporate Income Tax – CD?

The advance should not be set in the declaration of Corporate Income Tax – CD, it is considered as deferred revenue. Only received advances that are related to long-term constructing contracts as investor, should be recognized as revenues and should be set in Annual Declaration - CD.

Is it accepted as deductible expense medications and cure for the employee that had an injury during working hours?

For tax purposes it is not accepted deductible expenses for medications and cure to the employee that had an injury during working hours.

I am registered as a new business in February 2014; can I make a request for registration in real incomes in June 2014?

You as a new business registered in first quarter had the possibility to apply for taxation in real bases until April 1st, 2014.
After you did not use the above-mentioned opportunity then you can make this application from January 1st until March 1st of the following year.

### What are the tax liabilities for an NGO?

NGOs are considered taxpayers for Corporate Income Tax.

An NGO that has a Status of Public Benefit is obliged to file through Annual Declaration for Corporate Income Tax (CD), while it is not obliged to make payment on its incomes in accordance with Status of Public Benefit (SPB).

If rents a building each NGO is obliged for withholding tax in rate of 9% at the moment of rent’s payment and to pay that in TAK account.

Also, NGO is obliged to file and pay tax on wages and pension contribution for its employees; NGO doesn’t pay pension contribution for its foreign employees. While international NGO with SPB it is not obliged for withholding tax for its foreign employees.

Also, if NGO deals with commercial economic activity may be considered taxable person for VAT too, so to be registered for VAT either as volunteer or by exceeding the threshold of 50,000€.

### As a corporate I have earned capital gain; what kind of form should I use and when should I declare tax liability?

You should declare and pay capital gain with Annual Declaration – CD from January 1st until March 31 of the following year of tax period in which it was generated capital gain.

### Is it possible to make the depreciation of the land that is capital asset?

The land as a capital asset is not depreciated.

### When is the deadline for stock registration?

Registration of goods in stocks should be completed on or before January 10th of the following year and to be in disposal for inspection with a request of Tax Administration of Kosovo.

### Can apply for donation an NGO that doesn’t have fiscal number?

Each NGO after registration in Office for NGOs Registration, within 15 days should apply in TAK to get Fiscal Number. NGO that doesn’t get Fiscal Number can not apply for donation.
What are my obligations as a tax payer?

Any business (person) that deals with economic activity is required to maintain accounting books and records as provided by law. Keeping books and real records from the persons involved in economic activities derive obligations of any business to pay taxes. To pay taxes first you need to know which taxes are you obliged to pay, such as PIT, CIT VAT, withheld, etc. So you have to be sure for type of the tax and then follow the procedures for making payments which may be made through the Electronic Declaration or through downloading the statements from the TAK web page.

For more Article 13 of the Law No.03/L-222 on the Tax Administration and Procedures and Article 17 of the Administrative Instruction No. 15/2010.

What books and records must be kept by a business with a gross annual turnover up to 50,000€?

Books and minimum records that must be kept for businesses with a gross annual turnover of up to 50,000€ or less are:

1. Book of Purchase in which should be registered all purchases and declarations;
2. Book of sale in which should be registered all sales and statements;
3. Book of cash register which is related to book of purchase and book of sale so all ins and outs are registered in the cash register;
4. Bank reports, including registrations of deposits and withdraws;
5. Copies of the supporting documents for entries in the books have to remain and accompany with acceptable book.
6. Registration of Goods must be kept together with other registrations of the present goods during the year.
7. Book of the employees, where employees will be recorded, if there are any.
8. Business must make an annual registration of goods, as prescribed in the article 18 of the Administrative Instruction and that registration of goods must be kept together with other registration of present goods received during the year.

Which books and records should be kept by a business with a yearly gross turnover above 50,000€?

Books and minimal registrations that should be kept by a business with yearly gross turnover above 50,000€ are:

1. Book of purchase, where all purchases and returns are registered;
2. Book of sale in which are registered all sales and return;
3. Cash book, where will be registered all inflows and outflows of the cash register;
4. The main account, if applicable, which includes opening balance, additions to capital, expenditures that should be capitalised, depreciation rate, depreciation amount, sale and closing balance;
5. Financial statements and balance sheets as required for the setting of the beginning point for preparation of the yearly statements of tax on incomes and calculation of the yearly tax liabilities.
6. Copies of the supporting documents for notes in the relevant book must be accompanied by the applicable book.
7. In addition, there should be a registration of goods from the business as described in Article 18 of this Administrative Instruction and this record of goods should be kept together with other registrations of the present goods taken during the year.
8. Book of the employees, where employees will be recorded, if there are any.
9. Copies of the contract and other relevant correspondences of the business must be kept.
How can I pay Tax liabilities?
Taxes can be paid in one of the banks or financial institutions licensed by the Central Bank of Kosovo such as:

- In a physical form
- Through E-Banking

What forms are used to declare tax liability?
Forms used for tax payment, are:

- IR – Tax Statement on rent and intangible property
- IL - Quarterly tax and contribution payment for large individual businesses,
- IS - Quarterly tax and contribution payment for small Individual business,
- WM - Statement of tax withholding and remittance,
- WR - Monthly statement of withholding tax and payment of interest, dividends, royalties, rental, lottery winnings and gambling,
- QS - Quarterly advance payment statement for large corporations,
- QL - Quarterly advance payment statement for small corporations,
- CD – Tax Declaration on the Corporate income,
- TV – Declaration form and payment for VAT h,
- PD – Form of yearly Declaration and payment on the personal income,
- CM – The statement of pension contributions and form of payment
- DO – Declaration of the Tax on the incomes from partnership,

How to obtain the payment sheet?
If you are declaring tax through Electronic system EDI, then when you press the button Declare, you will be able obtain the payment sheet, through which the payment of the tax is done. While if you are declaring through manual system by downloading the form from the TAK web page then the payment of the tax is done through that form and there is no need for any other payment sheet.

Should I declare tax even if at the moment of declaring I can't make the payment?
Yes, in order to take advantage of not applying the 5% penalty for failure to submit a tax declaration, even if you cannot pay for the time it would be in your favour to declare.

Is it possible for me to pay tax with instalments?
Yes, if their payment is not done or is partially done, sanctions and interests will be applied for the unpaid part.

What is the interest and penalty if I don’t declare and also pay taxes on time?
If you have not filed tax statement within the deadline, first will be applied a 5% penalty for failure to submit a declaration to the maximum 25% (for 5 months) and if the tax payment is not made yet, then the application is terminated after penalty of 5%, i.e. after five months, there will be penalties of 1% for non-payment of tax and interest of 1.25% per month will apply from the first day of the expiration of the filing deadline until the moment of tax obligation compliance.

What is the penalty if I declare, but don’t pay taxes on due time?
If tax liabilities are declared and if they are not paid, you will be penalized by 1% for non-payment of tax on time, to a maximum of 12 months and 1.25% interest of the value of tax liability to total tax obligation compliance.
What should I do if I pay only a part of tax liability?

If you pay only a portion of your tax liability you should keep in mind that you still have obligations to TAK and you should make other payments. For part of the unpaid tax obligations will continue to apply penalties as:

- 1% for non payment of the tax on time
- 1.25% interest

Can I pay my taxes online?

YES, for electronically tax declarations through EDI system, some of the commercial banks enable online payment through E-Banking.

Can I pay taxes through telephone

If you have declared through EDI system and have internet access on your cell phone, you have also the option for paying through E-Banking in the banks that enable this form of payment.

I can’t pay my tax liabilities now, what are my options?

Full disclosure tax is very important, but that does not mean you do not have the right to pay only part of the tax liabilities. You can pay as much as you can, but you should know that for the remainder of your tax will continue to apply penalties as

- 1% for non payment of the tax on time
- 1.25% interest

Also there is possibility of paying debts by instalments but for this you have to submit a request for achieving agreement for payment by instalments and after your request is reviewed you can make payments with instalments as defined by the reviewer of your request.

How can I submit a request for payment of debt with instalments?

The request for payment of debts with instalments, you should download it through the TAK web page [www.atk-ks.org](http://www.atk-ks.org) by clicking at the link “Download electronic declaration” and after you fulfil that you have to submit it to the relevant Regional TAK.

What actions can TAK take if I don’t pay the taxes?

In case of non-payment of taxes by the taxpayers, the Tax Administration will take all measures that are intended by tax legislation, so you will switch to the enforced collection procedures.

I have mistakenly paid more tax. What do I have to do to reimburse overpaid amount?

For overpaid payments of tax liabilities you can apply for the transfer of that surplus if you have unpaid obligations in other taxes or may claim for refund

The request for return of the funds you have to download through TAK webpage [www.atk-ks.org](http://www.atk-ks.org) by clicking at the link “Download electronic declaration” and after you fulfil that you have to submit it to the relevant Regional TAK.

How to transfer the overpaid payments to some other unpaid tax?

Transfer of overpaid payments to any unpaid tax obligation, is made by filling the demand for debit-credit transfer. Request for Debit-Credit may be downloaded via the web-site of TAK [www.atk-ks.org](http://www.atk-ks.org) and after you fill it should be submitted to the respective Regional Office of TAK, or you can get it directly from the Regional Office. Such application is reviewed by TAK and if you meet the conditions for such transfer, then the transfer will be made in periods where there are unpaid debts.
19. I have lost the evidence of the payment for the taxes I have paid. How can I get a copy?

In case you have done payment of the tax but you have lost the payment sheet, you can request for the evidence at the relevant Regional Office of the Taxpayer Service by directing to TAK with such request and TAK will supply a copy of your paid declaration.

20. What evidence does the bank provide to me when I pay taxes?

The bank must give you the evidence of the payment which you have made. If you are paying a tax which you have declared through EDI electronic system, bank should give you a copy of your payment sheet which proves the amount paid in that payment sheet while if you have to pay a tax that you have declared through downloading of forms the bank should give you a copy of your filled form in the part of the bank by the bank officer which also proves the paid amount with that form and attached payment sheet.

21. Is there allowed any lowering of the sanctions?

If non-payment of tax is proved to be reasonable, then you can apply for a rebate of sanctions, but not the interest calculated. Such application is submitted to the appropriate Regional Office of TAK.

For more article 62 of the Law No. 03/L-222

22. One TAK employee has told me that I can pay the debts of the previous tax only to him. Is this all right?

Payment of tax liability is only made at the commercial banks or other institutions that are licensed by the Central Bank of Kosovo, and not to tax officials. In such case, you can immediately inform the Tax Administration, the No. 0800-80-800, or write to official address:

standardet.profesionale@atk-ks.org

23. Can I make correction of quarterly instalments for large individual businesses (IL) and quarterly instalments for large corporations (QL) if I have to make additional payment?

Tax legislation provides you possibilities to make correction of statements (IL) and (QL) in order to make sufficient payments for tax liabilities. Such correction may be done for installments of current year while you did not submit annual declaration and for previous periods you cannot make correction in installments after those corrections you can make directly in annual declaration.

24. I am registered as a business for confection production, concretely bride’s dresses. How should I pay tax, with norm 3% or 9%?

For productions that you realize and at the end you will sell them, you will apply norm of 3%. But, if you offer only sewing services by using client’s material than such services will be taxable with a norm of 9%.
Where should be done the request for registration of fiscal device?

The application for registration of fiscal device must be done at the one of the licensed operators for supply with Fiscal Equipment.

Where should be done the request for registration of fiscal device?

First an application should be made to TAK, after having performed all the procedures required by Article 12 of the Administrative Instruction No.15/2010, to the taxpayer is issued a written confirmation that it has to sent it to a licensed operator where the device was purchased and then to carry out the de-registration/change.

Where the fiscal device should be bought?

The device or one of the devices (with its elements) can be bought at one of the licensed operators:

- Gekos with phone number 038/553-688
- Dukagjini with phone number 038/603-232
- Printek with phone number 038/248-428

What is the price for buying a fiscal device?

The price to buy a fiscal device depends on the type of the equipment. The lowest price for a device is 480€.

Who does the installation of the fiscal device?

Installation of the device is only done by the authorised technicians, and installation is done at the taxpayers' point of sale after the appropriate procedures for installation have been completed.

Who does the appointment of the technicians that do the installation and repair the fiscal devices?

The authorised dealer appoints technicians that install and repair electronic fiscal equipments for which he is licensed to sell.

What are the procedures for appointment of authorized technicians who install and repair electronic fiscal equipment?

- Authorised dealer appoints technicians to install and repair electronic fiscal equipment.
- The Commission examines the information submitted by the authorized dealer. The Commission may seek needed clarification before issuance or denial of authorization for technicians to install or repair electronic fiscal equipment fiscal. Further, the Commission will authorize the appointed technician from the authorized dealer.
- After approval of the technician, the Commission will require from TAK to provide picture identification card that identifies the individual, as a technician for installation or repair, or both if necessary. Technician, equipped with the unique identification number which will be compared with the personal identification number to him / her in the database maintained by TAK.

Authorized technicians for installation and repair should be re-authorized annually.

What documents are required from taxpayer for fiscalization?

- Fiscal certificate
- Business certificate

If the taxpayer is a VAT declarer, VAT certificate is also needed.
Do the taxpayers have right to make changes in the fiscal equipment?

No change in the use of fiscal device can be done without the approval of the Tax Administration.

What are the procedures to pause a fiscal device?

Business, in order to be considered “passive” by TAK, is required to pursue the following procedures:

- To make an announcement (request by the taxpayer) to the relevant Office of Taxpayer Service and Education.
- The application is stamped by the staff of the tax payers service.
- A copy is given to the taxpayer, while the other copy (service personnel) is submitted to operations (Control and Enforced Collection) to proceed further procedures.
- The filing of tax declarations, the relevant terms, stating zero flow.
- Before the business is reactivated, the taxpayer must notify the Tax Administration and the relevant operator and then proceed through the normal procedures of reporting through Fiscal Electronic Device.

How do you de-activatie (make passive) Fiscal Electronic equipment (EFP)?

Procedures for making a business passive are also associated with the disposal of Fiscal Electronic Device, but you should refer to Article 13 of the Administrative Instruction No. 15/2010, to further develop the procedures required by TAK.

Can you transfer Electronic Fiscal Device (sell) to the other business?

Selling or Buying Electronic Fiscal Device is considered normal and free Transaction and conducted with the will of the Contracting Parties.

Procedures for transfer of Fiscal Electronic Device have always been associated with procedures to follow to the taxpayer associated with its business in TAK. So, first the business should follow business closure procedures then sell or transfer the device to any other taxpayer. For this it is needed the approval from TAK and then the licensed company on Fiscal cash registers makes modification of registration data to the Fiscal register.

Can we become authorised seller for selling of EFP’s?

Yes, every manufacturer, importer or assembler of EFP-s, may seek to become an authorized dealer of EFP-s, for one or more specific models within the terms of sale published by the Commission before selling in Kosovo.

Where the request for becoming an authorised dealer should be submitted?

Application to become an authorized dealer should be submitted to the procurement office in the Ministry of Finance, referring to paragraph 10 (1-6) of Article 21 of the Administrative Instruction nr.15/2010.

What is the timeline for review of the application to become a licensed operator?

The commission within 60 days from the date of receipt of applications and data determines the approval or refusal to grant or not the license to the applicant.
Has the taxpayer right to request for compensation in case he has noticed that his equipment doesn’t fulfil technical and functional requirements according to the law?

Yes, the seller of the equipment must offer compensation in case sold and installed equipment is found not to fulfil technical and functional specifications determined by the laws in force at time of installation.

Are the operators required in addition to EEP to supply us with another additional material?

Apart from fiscal devices, operators are obliged to supply you with a manual for use and servicing.

When should the technical control and subscription for fiscal equipment be made?

The owner of the fiscal device is obliged every year to make technical control and subscription for the fiscal equipment.

How long does the procedure of the regular technical control of fiscal equipment last?

The procedure for technical inspection of the equipment is mandatory to finish within 48 hours.

After paying the bill for the fiscal equipment what is the timeline for installation of this equipment?

Installation and testing phase should last maximum 15 days after payment of the bill.

How much is the price of regular annual control and annual subscription for fiscal equipments?

The price for regular annual control and annual subscription is in total 99 € with VAT.

Where should the installation and testing of the equipment take place?

Installation and testing of the equipment is done at the taxpayers’ headquarters.

In addition to the cash payment, does the device provide any other option of payment?

Yes, except cash the equipment enables you the payment through bank credit cards.

When should the Z-report be closed?

You are obliged to issue Z-report every day at the end of the working schedule.

When should the quarter periodic report to TAK be reported?

Monthly periodic report for the finished month is done on the 10th of the current month for the previous one.

In case I don’t finish the daily report, how should I act?

The closure of the daily report must be done every day at the end of the working hours. If you haven’t closed it then you are obliged that on the next day together with current day report to close also the Z-report of the previous day.

Should the daily and periodical reports be registered to the accounting books?

Every daily or periodically report of the fiscal device, should be registered as a sale in the Sale Book.

In which cases are the taxpayers required to be equipped and use fiscal cash registered?

Taxpayers who do transactions with cash and when not required to issue a bill is obliged to be equipped with fiscal equipments.
When should the fiscal coupon be issued?

After carrying out a transaction where the issuing of the Bill is exempt from the fiscal equipment at the point of sale should be issued a fiscal coupon.

What is the penalty for the taxpayer, for non fiscalization of the equipment?

The penalty for the non equipment with fiscal equipment is 1000 €.

Should the public and municipal companies be equipped with fiscal cash registers?

Public and Municipal companies if they are dealing with transactions of cash flows should be equipped with Fiscal registers.

Should all businesses be equipped with fiscal cash registers?

All businesses that have transactions with cash flows when they don't issue bills are obliged to be equipped and use fiscal registers.

How should it be acted with businesses whose equipment does not sent data?

Each taxpayer from EFP-is obliged to broadcast data to the TAK server otherwise hell be penalised with administrative penalty, depending on the business turnover.

For more paragraph 3 of the article 53 of the Law 03/L-222

Should the NGO-s be equipped with fiscal cash registers who within its activity of the public profit would sell tickets for a show?

Yes, if NGO within its activity makes transactions with cash it is obliged to be equipped and use fiscal cash register.

How is done the return of goods and do we have the right to return them?

If the purchased goods contain defects, they may be returned and exchanged for the same goods, but with the same price. A a condition should be that the buyer should possess with him the original coupon. Goods returned must be recorded from sellers in a form, whose content is provided by TAK and recorded in the special book. In the Regional offices or TAK Central Office, the taxpayers may request the form to return the goods, while electronically this is regulated by programs that taxpayers have installed itself and then are recorded in the book of returns.

How is the recording of returned goods done and which documents we should use?

Any goods returned by the customer shall be evidenced by the seller as goods returned and registered in the returns. In the Regional offices or TAK Central Office, the taxpayers may request the form to return the goods, while in electronically manner this is regulated by programs that taxpayers have installed itself and then they are recorded in the books.

If during use of fiscal cash register happens any unwilling mistake, how should be acted?

In case of any error in operating the fiscal equipment or due to power outages, you must submit the problem to the appropriate regional office of TAK. It will take the necessary clarifications to proceed further, however, you should bring along the original fiscal receipt, in which the error occurred.

What fiscal device should we use for the companies of fuel derivates and where are they purchased?

The fiscal equipment of derivates is special and has the motto “no derivates without fiscal coupon”. So far have been certified two operators for selling of these equipments (Gekos and Printek).
In case of any error of the equipment or servicing period how should the taxpayer act?

In case of temporary breakdown of fiscal device the taxpayer is obliged to notify the appropriate regional tax office, as well as the licensed operator where the device was purchased to eliminate the defect or do servicing of equipment.

Where should we stamp fiscal coupons and how to keep evidence for this period?

Non-fiscal receipts should be sealed in the appropriate office of taxpayer service. Any Cash Transaction is evidenced in these vouchers at the end of the day and recorded into the book of sales.

Upon receipt of the advance, should the fiscal coupon be issued and how should we proceed with issuing the invoice?

Since there is no supply/offering of goods we suggest you print Fiscal coupon at the moment when you do the supply/or offering of the service and not in the moment when you accept the advance. When you print the fiscal coupon you attach to it the invoice of accepting the advance.

I have issued a fiscal receipt with a mistake. How should I act in this case?

In case when fiscal receipt is issued with a mistake, you are obliged to make the necessary corrections by issuing new fiscal receipt and at the same time to notify TAK – regional relevant office for the mistake at the fiscal receipt.

I have registered a business unit, how should I get fiscal cash register for this unit?

In order to get fiscal cash register for the business unit, you first should get proof for unit’s registration also in TAK and after this to make a request to Licensed Operator with which you have agreement.

Does a business have a right to use fiscal cash register from a business that doesn’t function anymore?

Yes, taxpayer is allowed to carry forward fiscal cash register to another business only if there were respected all the procedures and was taken TAK approval. Technical aspect of carrying forward FED to another business will be provided from licensed economic operator.

Does a business have a right to start selling without getting fiscal cash register?

No. Before the sales starts the business should get fiscal cash register, except in cases when transactions will be only business – business where according to the law it is required to issue bill and not fiscal receipt.

When should be printed X-report from fiscal cash register?

Report X – from fiscal cash register may be printed only for business statistical purposes.

An individual is an owner of two individual enterprises and has closed one of the enterprises; how should be acted with a fiscal cash register of an enterprise that is closed?

With evidence taken from TAK for closing one of the individual enterprises you may contact licensed company for returning (selling) fiscal cash register.

I do sales for businesses and natural persons. All of the payments from businesses and natural persons are done through bank transfers. Am I obliged to get fiscal cash register for the sales that I do for natural persons even though the payments are done through bank?

For all of the sales that you do for natural persons or businesses for which you issue tax bill and their payments are done through bank transactions, it is not required to issue fiscal receipt, therefore it is not required to get fiscal cash register.
When and how should be reported in TAK realized transactions through fiscal cash register?

From 1st until 10th of the following month, through Tax Terminal you will send periodic reports of the previous month.
1 Who can make an Appeal?
A person, who opposes the evaluation of tax or the official decision of TAK, can make an appeal in the Appeal Department to review the official decision. So, an appeal can be submitted from any person who believes that he is aggrieved by a written decision of TAK and which contests it based on one or most of the cases such as:

- when there are procedural violations
- when the document issued has factual or legal errors, regardless to whether the error appears in the document or not;
- When there is no prove or other materials justifying the evaluation in cases of evaluating a third person
- When the tax document is against the law.

2 How to make an appeal?
In order to comply with the law, an appeal for notifying the evaluation or an official decision should be submitted on writing and contain all the reasons and documents in which the taxpayer bases the appeal. The appeal should contain the following:

- Name, address and taxpayer`s fiscal number;
- A description of the matter for which the appeal is made (notice of evaluation including the date of notice, the date of receiving, the tax period, the amount of tax for which the appeal has been made)
- Evaluation or other part of the evaluation on which it is appealed;
- Legal base for appealing;
- Description of reasons to why the notice or the official decision is considered to be incorrect or irregular, including the legal basis for unfairness or irregularities.

The signature of the taxpayer, the person assigned from the taxpayer, or the authorized representative from the taxpayers.

3 Where can I write to send an appeal?
An appeal can be submitted in certain ways accepted by the law:

- On hand (directly to the Appeals Department or through the Regional office which has issued the evaluation);
- By mail, fax or courier

4 How long do I have to submit an appeal?
An appeal against the evaluation notice or other official decision from TAK should be submitted within 30 days after issuing the evaluation document. The appeal should be submitted to the Department of Appeals in TAK, except evaluation in cases of risk on which the taxpayer has the right to submit the appeal directly to the Fiscal Division of the Administrative Department of the District Court in Prishtina.

5 The 30 days deadline to make an appeal has past. Can I submit an appeal after the legal deadline?
The late appeal is referred to an appeal submitted outside the deadline foreseen by law. Notice that an appeal sent by mail before the deadline set by law but received after the deadline from TAK, fulfils the admission terms.

The Law authorizes the Appeals Department to allow the admission of late appeals if:

- There was a reasonable justification for the delay of the appeal
- The appeal was submitted without unreasonable delays (e.g. the appeal is submitted immediately after the termination of obstructive circumstances)

According to the law the 30 day deadline for appealing against official decisions issued from TAK, can be extended if during this period existed reasonable circumstances which have prevented the person in respecting the legal deadline and which circumstances are out of the control of the
taxpayer or are such that if reinstatement of the deadline is not allow than it would result with injustice to the person.

To qualify for extension of deadline the taxpayer must submit a written appeal to the Appeals Department which describes the circumstances which have prevented the submission of the appeal on time or to describe the injustice which would follow if the appeal is not to be accepted.

The written request must have attached documents which prove the circumstances described from the taxpayer, for reviewing from the Appeals Department.

I made an appeal to TAK, however, now I am convinced that TAK was right in the assessment. Is there a possibility of withdrawing my appeal?

After submitting the appeal, the appellant may wish to withdraw the appeal (partially or completely). Withdrawing must be done through a written declaration. If the appellant has verbally informed that he/she wants to withdraw the appeal, a written confirmation should be required.

The appeals department should issue a decision of completion of the administrative process after the withdrawal of the appeal and notify the appellant. The appeal will be referred as decided and the appeal case will be closed.

Which are the evidences of a submitted complaint?

Prove of the submission of the appeal are:
- Date of the postal stamp on the envelop (if it is sent by mail);
- Date of the official stamp on the return-sheet (if sent by registering mail); or
- Date of the transport receipt (if sent by a courier)

By fax, the date of the fax received from TAK

How long to get the result of an appeal?

The official decision from the Appeals Department is made in written and will be sent to the taxpayer within 60 days from the date of the appeal. If the Department of Appeals has not issued a decision within the deadline the taxpayer may complain on the evaluation or other official decisions directly to the Fiscal Division of the Administrative Department in the District Court in Prishtina. The Appeals department can suspend the case for reconsideration for 45 days until an additional report from the relevant region.

For more, Article 77.4 of the Law No. 03/L-222 on Tax Administration and Procedures

Can I object the decision of the Appeals Department?

A taxpayer who does not accept the decision the Appeals Department can complain to the Fiscal Division of the Administrative Department of the District Court in Prishtina. The deadline within which an appeal should be submitted to the relevant court should be thirty (30) days from the day of receiving the decision of the Appeals department.

If my appeal is unsuccessful, is there any other instance for review?

If your appeals was unsuccessful, i.e. is not in your favour, you may appeal to the Fiscal Division of the Administrative Department of the District Court in Prishtina. The deadline within which an appeal should be submitted to the relevant court is thirty (30) days from the date of receiving the decision of the Appeals Department.
What is tax burden?
Tax burden is a public official document under the applicable tax legislation in Kosovo. This document will protect the right of the Tax Administration for the payments of the debts with special priority.

For more see Article 33 of the Law No.03/L-222 and Article 32 of the Administrative instruction 15/2010.

What is collection order?
Collection order is a legal document in the applicable tax legislation of Kosovo. Procedures of the measure for taking of assets for tax liabilities start only after the taxpayer didn’t pay debts and all the measures were taken and procedures of notification mentioned in the law on Tax Administration were respected.

For more Article 33 of the Law No.03/L-222 and Article 32 of the Administrative Instruction,

If I had an agreement and I didn’t comply to it how can I reprogram it again and what are the consequences?
If a taxpayer fails to an instalments agreement, interest will be reinstated retroactively to the date the agreement was signed. If a taxpayer fails in an instalment agreement and wants to re-establish another agreement with instalments, next instalment agreement will not include the removal of interest. Interest will continue to flow into each subsequent instalment agreement for the duration of the agreement.

For more paragraph 7 of the Article 28 of the Law No.03/L-222

How are the payments applied in delinquent debts e.g. interest, debt penalty, base etc?
If any type of the amount of any tax administered by TAK under legislation applicable in Kosovo is not paid until the last date prescribed for payment, the taxpayer will be required to pay interest.

Any obligatory interest for payment may be collected in the same manner and with the same coercive measures as the tax on which it is based - Order of Payments.

When a person required to file a tax return under applicable legislation in Kosovo, does not do so by the due date, such person shall be liable to an administrative penalty of five percent (5%) of the unpaid tax for each month or part of a month that is late, to a maximum administrative penalty fee of twenty-five percent (25%) of tax.

If after 5 months payment is not made, then for the next 12 months will continue to apply the penalty of 1%.

For more Article 28 of the Law no.03/L-222 and Article 51 of the law and article No. 51 of Law Nr. 03/L-222

What is the interest for delays in payment?
If any amount of any tax administered by TAK under legislation applicable in Kosovo is not paid by the last date prescribed for payment, the taxpayer will be required to pay interest at the rate of 1.25%.

When a person is required to file a tax return under applicable legislation in the Republic of Kosovo, and doesn’t submit it to the date, such person shall be liable to an administrative penalty of five percent (5%) of the unpaid tax for each month or part of a month that is late, to a maximum administrative penalty fee of twenty-five percent (25%) of tax liability.

When a person is required to pay tax under the applicable legislation in Kosovo, does not pay all or a portion of such tax by the due date, such person shall be liable to a penalty of one percent (1%) of the tax due for each month or part of a month that the payment is late, up to a maximum of twelve (12) months.

Therefore penalties for the delays in declaration and payment are:

- Interest – 1.25%
• Penalty for non declaration – 5% (maximum 25%)
• Penalty for non payment – 1% (maximum 12%)

I have ceased the business activity and I have debts, I can pay only a percentage of the total amount of the debt. What should I do?

Taxpayers have the right to ask to cancel registration only after paying all taxes and after submitting the closing balance.

De-registration from the active registry does not eliminate tax liabilities. In such cases, TAK shall ensure the collection of taxes in accordance with all relevant means of collection that may apply to a taxpayer under applicable tax legislation. Except in cases when taxpayers submit TAK claim for payment of tax by instalment agreements, interest will accrue from the month following the month in which the agreement is placed until it is fully respected.

For more, Article 12 of the Law No: 03/L-222

I have tax debt and debt amount includes penalties and interest. Can they be forgiven and if so, how do I ask for this?

Interest cannot be waived, only stopped when:

• You are in regular arrangement for payment of the debt in instalments
• You are not breaking the deal for payment
• During the agreement you do not create new debt and
• Have regular declarations

The penalty can be forgiven if the conditions set forth by legislation are fulfilled and can be forgiven by a special decision of the Government. For remission of penalties you should contact the appropriate Regional Office and after considering your application from the relevant region, then this will pass to the Taxpayer Advocate at the Central Office of Tax Administration.

What are the circumstances and or/interest may be forgiven?

• In case where a taxpayer who voluntarily informs TAK on his obligation before first being notified of a tax inspection by TAK, which can be detected by ATK, the maximum financial penalty shall be twenty-five percent (25%) of fines which would otherwise apply. If a taxpayer voluntarily informs TAK when the taxpayer is first notified of a tax investigation, but before TAK begins this inspection, the maximum financial penalty shall be fifty percent (50%) of the sanction to be applied otherwise.
• Where a taxpayer with an unpaid tax liability enters into a written agreement to pay the unpaid tax by two or more instalments; fulfils the conditions of the written agreement, and finishes in time all other tax liabilities during the course of that agreement; financial sanction that would otherwise apply in relation to the delivery and delayed payment accordingly will be deducted for two percent (2%) of the tax liability and interest incurred will remain payable unless the other provisions set forth by law are used.
• If any person liable to tax proves good cause, good faith, undue hardship or other reasons that will enhance the effectiveness of TAK, TAK may reduce or waive any penalty assessed, or proposed, in appropriate basis.
• Director General or its delegated person/s reviews the requests for lowering the penalty and takes decision based on the review of the facts and circumstances.

For more, Article 62 of the Law No. 03/L-222
I believe I have a tax debt, but I'm not sure, can you check if I have a debt?

It's the right of each taxpayer to be informed about his tax status, from the responsible officials. On your tax status you can get informed every day by Visiting Regional Taxpayer Service.

Can I get a reminder letter for debt payment in Pristina, while the business tax centre is in Peja?

You can get the reminder letter for debt payment only in respective regional office in TAK.

Can I get payment-order through EDI to pay debt that has arisen because I didn't pay on time where penalty and interest was calculated for several months?

You can get payment-order for unpaid debts through electronic system only for taxes that were declared through EDI.

I have been in an agreement to pay debts with instalments and I didn't fulfil this agreement, so my bank account is blocked. Now I would like to pay this liability but I'm not able to because my bank account has been blocked from TAK. How should I act?

Your bank account has been blocked from TAK because you didn't respect the agreement for debts payment with instalments. If you have monetary means in your bank account then the bank is obliged to transfer that money in TAK account in amount of the debt. After receiving a transfer confirmation from bank, TAK will de-block your account.

What are the main criteria to be registered a tax lien?

Lien arise when a "person" obliged to pay a tax liability doesn’t pay that within a legal determined deadline. Therefore if a taxpayer doesn’t pay or refuse to pay estimated tax liability than the lien is considered to be related behind with the estimated date and is applicable starting from 5pm of the date when tax was estimated.

Where should be done registration of tax lien?

Depending on where TAK will set tax lien, it should be registered in respective office:

- For movable property – tax lien should be submitted in pledge registration office within MTI.
- For immovable property – tax lien should be registered in cadastral office of municipality in which is the immovable property.

What is the criterion to declare a debt as uncollected?

A debt will be declared as uncollected when the debt is older than 6 years, as long as there are not circumstances that will prolong this deadline.
1. Who should submit the Report of Purchase over 500€?

Report Purchases over € 500, must submit:

- All persons involved in business, who are taxed on the basis of real income
- Government and Municipalities of the Republic of Kosovo
- NGOs, public institutions and similar organizations

Universities, hospitals and other public or private institutions, etc

2. What is the deadline for submitting the Report of Purchase over 500€?

The deadline for submitting the report of purchase over 500 Euros is from 1st January to 31 March of the current year.

3. If I don't submit the Report of Purchase over 500€, is any penalty applied by the TAK?

Each entity, except for government or municipal ones, who is required to submit statements and information and doesn't submit it, will be subject to a penalty of 500 €.

4. If I haven't submitted the Report of purchase over 500 € for three years what is the penalty that TAK can issue to me?

If a taxpayer is required to provide only a statement of information, whereas the only penalty that will be applied is 500 € penalty for non-submission of an informative report. If a taxpayer is required to submit two or more statements of information, the penalty will be 500€ plus 125€ for non-submission of the second, third, or more declarations.

5. What should report on purchase above 500 include?

The report shall include all goods and services purchased by any taxable person.

6. In the reports of purchases above 500, should imports be included too?

No, in the Purchases Report over 500€ are not required to be included in the import, because this information TAK receives directly from Kosovo Customs.

7. Purchases of goods from abroad, should they be included in the Report of Purchase above 500€?

Yes, in the Report on Purchases over 500€, it required to include data on purchases outside the country when it has been required to apply the reverse charge, so when during purchase of goods the place of the service supply is considered to be Kosovo.

8. What does the amount over 500€ mean?

Amount over 500€ means not a single transaction or a single consideration but the total of the transactions or considerations made during a tax period.

9. What is the tax period that the Report of Purchase over 500€ should include?

Tax period means the calendar year beginning on January 1 and ends on December 31.

10. How is the Report on purchases over 500€ made?

Reporting of Purchases over 500€, is done by connecting to the TAK web page, in the left side by clicking on the link Report of Purchases over 500 €, where first we need to register, take password from TAK and after have the possibility of sending such report.

For more, click here for connection to connect with reporting link: http://blerjet.atk-ks.org/blerjet
Where can I get the sample (form) for Reporting of Purchases above 500€?

The sample (form) for Reporting Purchases above 500€, you can download it directly from the TAK web page in the link Reporting purchases over 500 €.

For more click here for connection with reporting link: http://blerjet.atk-ks.org/bl4rjet sq-AL/Home/DownloadTemplate

I am an accountant and I do accounting services for several businesses. Is submitting of a report over 500 € allowed for several businesses from one email address?

If you are registered in the System for Reporting purchases over 500€ and you possess an electronic address for completing a report for a business, you will not be able to use the same address for other such reporting’s for any other business.

Can I sent physically the report of Purchases above 500 € to the TAK?

To send Report of Purchases over 500€, the only way of sending it is through the website of TAK, where you first have to sign up, get a password from TAK and then have the option of sending your report.

For more, click here for connection to connect with reporting link: http://blerjet.atk-ks.org/bl4rjet

Can I send the Report of Purchases above 500€ through mail?

To send Report of Purchases over 500€, the only way of sending it is through the website of TAK, where you first have to sign up, get a password from TAK and then have the option of sending your report.

For more, click here for connection to connect with reporting link: http://blerjet.atk-ks.org/bl4rjet

In reporting purchases over 500€ should it also be reported rent that exceeds amount of 500€ during the year.

In the Report for Purchasing over 500€ you should also declare the rent, if the lessor is taxable person for VAT.

How should I report purchases over 500€ from Ministry of Mines because we do not have Ministry’s fiscal number?

In the Report for Purchasing over 500€ should be reported only purchases done from persons that are registered for VAT.

This means that you are not obliged to report purchases done by Ministries.

Should invoices for investing purchases be reported in the Report for purchasing over 500€?

Even invoices for investing purchases in amount over 500€ should be reported, if such purchases are from taxable persons (registered for VAT).

Should it be set taxable amount or amount with VAT in the Report for purchasing over 500€?

In the Report for Purchasing over 500€ should be set the amount of taxable supplies without VAT.

In the Report for Purchasing over 500€ should it be reported purchases from farmers that are not registered for VAT?

Only purchases done from taxable persons are obliged to report, therefore this means that if the farmers are not registered for VAT then they do not have to report their purchases.
Is it important to set NAC number in the Report for purchasing over 500€?

It is important to be also set the NAC number but if you do not possess such information then this doesn’t mean that you cannot continue with fulfilling and submitting this report.
1. Has the tax inspector the right to take documentation without leaving us any evidence?

The tax inspector is obliged upon receipt of original documentation at your business to equip you with a copy of the document “Reverse for the taken documentation”, whereas also upon the return of the documentation it is again required to equip you with a copy of the document “Reverse for the returned documentation”. If from the business side the documentation is given to the official as a copy than the tax officer doesn’t have an obligation to return to the business, a copy of the Reverse is not required for taking or returning the documentation.

2. Why doesn’t the tax inspector during the inspection in business, leave a copy of the report at the end of the visit?

According to the applicable legislation, the tax inspector is not required that during a visit to provide you with a copy of the report. You as a business can sign the copy of the report which is required to be prepared during the visit in the business.

3. How is it possible that the tax inspector suggests to the company’s to increase of the turnover?

If the tax inspector has reviewed your file and documentation, for which has suggested to increase the turnover and make a real statement. Otherwise such business will be selected to undergo a tax audit.

4. I know someone who is cheating on his taxes. Can I report them anonymously?

Yes, you will contribute to the collection of taxes if you inform TAK on such case. All such information accepted by TAK will be confidential. You can call on free charge line, tel. 0800-80-800 or write to: standardet.profesinonale@atk-ks.org. You can also send a notice by placing it in the remarks or suggestions box, which is located in each Regional Office of Tax Administration as well as in the Central TAK.

5. I have information that a TAK employee is asking for bribe, what should I do?

You should immediately notify such case in TAK. All such information accepted by TAK will be confidential. You can call on free charge line, tel. 0800-80-800 or write to: standardet.profesinonale@atk-ks.org. You can also send a notice by placing it in the remarks or suggestions box, which is located in each Regional Office of Tax Administration as well as in the Central TAK.

6. Can anyone in TAK help me to prepare my taxes?

Taxpayer Service and Education Office can help in the tax declaration, however, no employee of TAK has any right to manage and keep your documentation. So if you have kept records and you only need to declare the tax assistance, you can contact the appropriate Regional Office of Taxpayer Service.

7. The stock situation, are we obligated to have it at every moment, or we are obligated to have it by 31 December of each year?

Registration of stocks is mandatory by Law to be prepared until the date 10 of January and to be available for verification from the tax inspector. But in other cases when tax inspector sees it as reasonable for a moment verification, then you are obliged that in the certain moments to bring the present stocks for verification.

8. If the business makes correction of tax declaration, according to the law on TAK is the business sanctioned by the tax inspector?

Only because you have made a tax declaration correction, can not be applied a penalty by the tax
inspector, since the correction of the tax declaration is allowed by law. However, even if you have made correction to the tax declaration and you did not make an accurate declaration again, then, you may be exposed to penalty according to law.

I am a tax expert (accountant, lawyer, and economist) can call centre make a research on the tax law for me and give me a written explanation?

Call Centre cannot provide individual explanations. To get an individual explanation you should contact the Taxpayer Service and Education Office.

Can I request a written response from the Call Centre?

Call Centre cannot provide you a written response. To receive a written response you should contact the Taxpayer Service and Education Office.

Can I send by email a question to TAK?

Yes, you can send your question at one of the down listed addresses:

- info@atk-ks.org
- edi@atk-ks.org

Most frequent questions (at TAK web page)

Can you send me any manual that explains the taxes and how to operate?

At TAK’s web page www.atk-ks.org, you can download Laws, Guides, Public Explanations, Information Materials, and various brochures that could be of your help in regard to taxation and tax procedures.

What should I do to get an individual explanation?

You have to submit a written request, pursuant to the article 10 of the Law on Tax Administration and procedures and Article 8 of the Administrative Instruction No. 15/2010.

For more, Article 10 of the Law No. 03/L-222 on Tax Administration and procedures and article 8 of the Administrative Instruction No. 15/2010.

Does TAK offer educational seminars for taxpayers in order to learn for declaration and tax payment?

Kosovo Tax Administration, in order to facilitate the procedures and providing better services for taxpayers and for all civil servants, is constantly holding seminars with taxpayers. Notice of holding a seminar is always published by the Tax Administration, as in the media, the web-site of TAK and also it is sent to taxpayers in email addresses, for those that TAK has the email address.

Can I be rewarded with % based of total value of fiscal receipts collected from taxpayers (in the role of agent)?

No, this is not stipulated by applicable laws in Kosovo. However, if you provide non-fiscal receipts in boxes that TAK possesses at each Regional Office as well as the Central Office, you will contribute to the collection of taxes

Who is Director General and what is his/her phone number?

Tax Administration Director General is X...X... and his phone number is +381 38 200 250 01.

I would like to talk to your Call Centre Manager?

You can contact the Manager of the Call Centre at the phone number: +381 38 200 255 63.
I will be shortly outside the country. Do I need any Tax Verification in order to go? If yes, what do I need to obtain it and how long does it take?

If you are required for a document for going abroad for example: to apply for a visa, or other, TAK can provide you a tax verification which will indicate your status at TAK.

If you are a natural person, you can download the Tax Verification directly from the TAK web page (www.atk-ks.org) by registering through the link TAX Verification, while if you are a business whether individual or entity you can make such requests in the relevant Regional Office of the Taxpayer Services.

If you are required for a document for going abroad for example: to apply for a visa, or other, TAK can provide you a tax verification which will indicate your status at TAK.

If you are a natural person, you can download the Tax Verification directly from the TAK web page (www.atk-ks.org) by registering through the link TAX Verification, while if you are a business whether individual or entity you can make such requests in the relevant Regional Office of the Taxpayer Services.

If you cannot take such verification through TAK web page, the necessary documentation required to be equipped with Tax verification for a business in order to get visa is:

- Request (which is taken in the Regional Office of Taxpayer Service or TAK's web page which should be filled)
- Copy of Fiscal Certificate
- A copy of ID of the owner / manager or a copy of the authorization from the owner / manager if you are a representative of the business
- The overall situation can be obtained at the counter service
- Copies of a processed statement and copies of paper reminders, arrangements for payment by instalments (if you have unpaid obligations)

Notice: you can take tax verification even if you have obligations, but in the verification is noted that the taxpayer has unpaid liabilities.

Whereas the necessary documentation for the worker to be equipped with TAX Verification is:

- ID of the employee (copy in the both sides)
- The form of Principal Employer Designation (copy)
- Work contract (copy)

My accountant left and took all books and records with him; can TAK help me to recover it?

TAK cannot help you to retrieve back documentation from your former accountant. You have to address the bodies dedicated for such issues, for example Court.
What is the validity of a Tax Certification?

The validity of Tax Certification depends from the reason of issuing that certificate, as following:

- **Certification for Tender** – valid 90 days from the date of issuance;
- **Certification for Visa** – valid 6 months from date of issuance;
- **Certification for de-registration of the business** - valid 10 days from date of issuance;
- **Certification for removing citizenship** - valid 90 days from date of issuance;
- **Certification “other”** - valid 90 days from date of issuance;
- **Certification for “Changing the business form”** - valid 7 days from date of issuance;
- **Certification for “Changing business ownership”** – valid 7 days from date of issuance.

I was punished from tax inspector with a penalty of 500€ (penalty which was paid); after the complaint I have made the Appeals Department has deducted the amount of penalty from 500€ in 250€. How can I return this money that are prepayment form me?

To return the money that has been paid for penalty, you should submit a request to return the money. Such a request you should send to respective regional office.

Is it accepted as expense a purchase that was done with tax coupon?

Purchases with tax coupon are not accepted as expenses. To accept such an expense then you should ask that tax coupon be followed with tax receipt. So to be issued a tax receipt based on tax coupon data.

Does the call centre give information through e-mail address?

The call centre gives information only through telephone.

How should I get Tax Certificate for Natural Persons?

Tax Certificate can be downloaded in electronic way through TAK website, from the link Tax Certificate. Through this link you should be registered, to get password from TAK and then to have access and download Tax Certificate for your purposes.

Also, you can get Tax Certificate for Natural Persons in TAK’s respective regional office too.

I would like to download Tax Certificate for visa but I do not have access with old password. How can I get new password?

You should regenerate password as a process that you do by yourself in electronic way.

If you will still have problems, then you should submit questions/request in address “frequent questions” through TAK web-site www.atk-ks.org.

Why it is my business at the de-activated business list at TAK website?

According to tax legislation businesses that do not declare for the last fiscal year, TAK put them in De-activated Business List.

As an employee I cannot get the Tax Certification, after setting ID number, it is shown a message “doesn’t exist”. How should I act?

While it is shown a message “doesn’t exist”, you should contact the respective regional office; there you will present your ID card, working contract and then you will get Tax Certificate.
Can I get in electronic way from TAK website the Tax Certificate for Business?

It is still not possible to get Tax Certificate for business from TAK website. You should make a request in TAK’s respective regional office where you will get required Tax Certificate.

I have lost the whole tax documentation because I have changed business base; what should I do?

In case that you have lost books you should possess evidence from competent bodies.

TAK has the right to make assessments for you if you have not declared or even under-declared compared with information that TAK possess, while the burden to verify otherwise is on taxpayer.

As a business do I have a right for sales for a business that is not registered and doesn’t have fiscal number?

No, under no circumstances it is not allowed such a sale.

I have made some changes for business in MTI; after these changes do I have to notify TAK?

For every change within the business TAK should also be notified.

Does the advocate office has a right to deduct expenses occurred as rent, electricity etc?

If the advocate office is taxed based on real incomes, has the right to recognize all expenses related to its economic activity.

I am an owner of the business and I am interested to cooperate with another business but initially I would like to be informed for history and status of this taxpayer in TAK. Can TAK offer me information for the other business?

Through TAK website (www.atk-ks.org), you may be informed about general information for the business, such as: correctness of fiscal number, business registration number, VAT number, status of registration in VAT, information that you can get at link “Search taxpayer”.

Also, through TAK website you can provide if the business is deactivated, has annulled VAT Certificate, Certificate of Fiscal Number, is de-registered etc.

While for history of taxpayer’s status you can get this information from TAK only if the business you are asking for information releases you from confidentiality, release that should be in written form.

I am an owner of the business that is in audit procedure; during this period of time can I make a request for individual explanatory decision?

No, it will not be issued an individual explanatory decision for a request that includes an issue under control, under appeal or court issue.

Can I get a tax certificate if I do not have fiscal number?

Yes, as a natural person you can get tax certificate even without having fiscal number. Tax Certificate for Natural Persons can be downloaded in electronic way through TAK website www.atk-ks.org, at link http://evertetimi.atk-ks.org/.

For more information about registration and downloading Tax Certificate please refer to “Instruction for getting Tax Certificate for Natural Persons”, that you can find in TAK website.
Can an accounting company make a request for individual explanatory decision on behalf of other businesses?

Yes, if accounting company is authorized from the company to make a request on its behalf for individual explanatory decision and if it is in accordance with provisions foreseen with tax legislation.

What kind of complaints may I submit to Taxpayers Advocate?

The taxpayer may submit complaints to Taxpayers Advocate as in following cases:

- When a taxpayer has submitted written correspondence in TAK, as in Region or Headquarter but did not get response within 30 days or the given response didn’t addressed the taxpayer’s question;
- A taxpayer’s declaration was not processed in TAK system within 30 days, after a contact made with Taxpayers Education;
- When audit was longer than projections (foreseen planning);
- when the taxpayer during the audit procedure has shown documentation or data that were not considered from audit inspector and for which it was not given a clarification to the taxpayer why he didn’t consider provided information/documents offered;
- When taxpayer has requested a meeting with inspector’s team leader to discuss audit but that was impossible or when it was not given the opportunity to the taxpayer to rise concerns/his issue during the meeting;
- When refunding request was submitted but was not completed within 60 days;
- The taxpayer has given evidence that declaration was submitted on time but wrongly has been subject of penalties from TAK;
- The taxpayer has submitted a declaration with changes or corrections but it was not proceeded or wrongly proceeded;
- The taxpayer has submitted a request to collection officer for instalment agreement but collection officer didn’t respond to that request.

In which cases cannot be made a complaint to Taxpayers Advocate?

Taxpayers Advocate doesn’t have a right to work in one case that is under jurisdiction of Appeals Division.
WORKING GROUP

Sakip Imeri
Director of the Department for Taxpayers Education and Services

Sami Salihu
Manager of the Taxpayers Education and Services

Isen Lipovica
Director for Policies and Procedures

Ajtene Shabani
Head of Sector for Explanatory Decisions in DTES

Emira Shatri
Call Centre Manager

Nazime Çoçaj
Head of Service – CTS– Pristine

Hasime Shabanaj
VAT Adviser – DTES

Isuf Zeqiraj
VAT Adviser – DTES

Minire Luta
CIT Adviser – CS

Magbule Shala
PIT Adviser – CS

Havë Ademi
PIT Adviser – DTES

Yllka Emini
Education Officer – DTES

Rexhep Krasniqi
Web Designer

The working group was assisted by other departments within the Tax Administration of Kosovo.