

Tax Newsflash

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Value added tax on import of machinery and equipment

Additional items have been included in the list of machinery and equipment imported by taxpayers eligible to be exempted from VAT on import (please refer to Issue 2 of Newsflash, dated April 2013). The list now also includes hydraulic turbines, water wheels, X-ray scanners and greenhouses.

[Source: Decision of Council of Ministers No. 344 dated 24 April 2013, Official Gazette No. 69 published on 6 May 2013.]

Value added tax on agriculture

As of 10 June 2013, the exemption from VAT for raw materials and bred animals used by taxpayers engaged in the agriculture industry, as provided in Issue 2 of Newsflash, dated April 2013, is no longer in effect.

[Source: Law No. 142/2013, dated 2 May 2013, Official Gazette No. 83 dated 20 May 2013.]

Corporate income tax

As of 4 June 2013, banks, branches of foreign banks and other financial institutions (non-banks) licensed by the Bank of Albania can remove bad debts from their accounting records:

- i) 365 days after such an institution files a request for the court executor to initiate a compulsory execution procedure, if the loan is guaranteed by movable or immovable property; and
- ii) 365 days after the issuance of an executive order by the court, if the loan is not guaranteed by movable / immovable property.

[Source: Instruction No. 14 dated 24 May 2013, Official Gazette No. 93 dated 4 June 2013.]

Fiscal amnesty

As of 28 June 2013, the right to benefit from the fiscal amnesty as provided in Law 10 418 dated 21 April 2011, "On legalisation of capital and tax amnesty of customs and fiscal debts", as amended, is extended to 31 December 2013.

[Source: Law No. 154/2013 dated 30 May 2013, Official Gazette No. 95 dated 7 June 2013.]

Temporary reduced tax on immovable property

During the period 27 May to 31 October 2013, individual owners of immovable property have the opportunity to revalue their property to current market value and pay 1% tax on the difference between the current market value of the property and either the price at which this property was initially purchased or the minimal fiscal price for the date on which the immovable property was registered with the competent authorities.

[Source: Law No. 149/2013 dated 6 May 2013, Official Gazette No. 88 dated 27 May 2013.]

Tax procedures for VAT Representatives

On 14 June 2013, some amendments and additions to the tax procedures for VAT representatives came into force. The detailed procedures to follow up and the documents required for the registration process are provided in Instruction No.17 dated 13 June 2013, "On some additions and amendments to Instruction No.24, dated 2 September 2008, on tax procedures in the Republic of Albania".

[Source: Instruction No.17 dated 3 June 2013, Official Gazette No. 99 published on 14 June 2013.]



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