

Flash Report

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Temporary Military Tax



Contacts:

Ron Barden

Partner & TLS Leader
ron.j.barden@ua.pwc.com

Rob Shantz

Legal Partner
rob.shantz@ua.pwc.com

Slava Vlasov

Partner, Tax and Legal Services
slava.vlasov@ua.pwc.com

Kristina Kochetkova

Manager
Tax and Legal Services
kristina.kochetkova@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032
Tel: +380 44 490 6777
Fax: +380 44 490 6738

www.pwc.com/ua

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Individuals will pay Temporary Military Tax on personal income

Yesterday, the Parliament of Ukraine passed the Law* introducing changes to the Tax Code.

Among other changes, a temporary 1.5% military tax on personal income was introduced. This is effective until 1 January 2015 and affects all resident and non-residents whose Ukrainian income is derived from:

- employment related income (including salary and benefits),
- remuneration under civil agreements, and
- winnings from lotteries and gambling.

The tax base **is not capped**.

Ukrainian employers and other tax agents will be responsible for withholding the tax from an individual's personal income, and then transferring it to the State budget.

The Law* should enter into force starting from the next day following the day of its official publication.

**The Draft Law # 4309a dated 21 July 2014*