



Tax&Legal Highlights

Albania

Amendments to the Law on Income Tax

On 18 and 19 September 2018, amendments to the income tax law included in the first part of the fiscal package for 2019 were published in Albania's official gazette. The amendments include changes to the profit tax law that initially were not accepted by the president and were returned to the parliament for approval.

The principal amendments are as follows:

Profit tax rate

From 1 January 2019, the standard profit tax rate will be 5% for taxpayers with turnover of up to ALL 14 million and 15% for taxpayers whose turnover exceeds ALL 14 million. (Currently, the 5% rate applies where annual turnover is between ALL 5 million and ALL 8 million and the 15% rate applies where turnover exceeds ALL 8 million).

The 5% rate also will apply for 10 years to agricultural cooperative companies regardless of turnover and legal entities that obtain the status of certified "agro tourism entity" by 2021.

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Reporting requirements for approval and distribution of profits

As from 3 October 2018, entrepreneurs and freelancers registered as "physical persons" are no longer required to notify the tax authorities how after-tax profits will be allocated.

Commercial companies still will be required to notify the tax authorities by 31 July each year of the decision of their responsible body to approve the annual results, but the penalty for failure to do so will be reduced to a single fixed payment of ALL 10,000.

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