

Cyprus Tax News

Provisional Tax Returns 2014



24 June 2014

Deloitte would like to inform you that the provisional tax returns (Forms I.R.5/6) for the tax year 2014 should be completed where applicable and submitted to the Inland Revenue Department (IRD) on or before 31 July 2014.

Companies that are expecting to have taxable income and individuals that are expecting to earn taxable income other than employment income, are required to submit a provisional tax return.

Where a tax payer has taxable income but the tax liability is fully discharged by overseas tax credits, a provisional tax return, must still be submitted even though no tax will be due. A provisional tax return does not need to be submitted where there is no taxable income.

The provisional tax is payable in two equal installments as follows:

31 July 2014	Submission of provisional tax return and payment of first installment
31 December 2014	Payment of second installment

If any installments are not paid within the prescribed date, interest is charged at tax rate of 4.5% per annum from the original due date (imposed on a complete month basis) plus a penalty of 5%. Where the provisional income declared is less than 75% of the final taxable income, a 10% penalty will apply on the difference between the final tax due and the provisional tax declared.

We are at your disposal to assist you with the preparation and submission of the provisional tax return as well as with the administration of the provisional tax payments.

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