LAW ON AMENDMENTS TO THE LAW ON PERSONAL INCOME TAX ("Official Gazette of RS", no. 93/2012)

The Assembly of the Republic of Serbia has on the Ninth extraordinary session passed the Draft of Law on Amendments to the Law on Personal Income Tax, which was published in the Official Gazette of RS no. 93 on September 28 2012 and entered into force on October 6 2012.

The most important amendments to the Law on Personal Income Tax (hereinafter: “the Law”) are reflected in the following:

- the rate of tax on capital income, capital gains and personal insurance has been increased from 10% to 15%;
- capital gains based on the income of traffic rights, shares or securities that the taxpayer held in his portfolio continuously for at least ten years before the traffic fee have been exempted from taxation;
- the list of incomes that are subject to taxation by annual personal income tax has been narrowed by deleting personal insurance incomes;
- It is envisaged that the farmers are released from paying tax on agriculture and forestry income, regarding cadastral income for 2013, which aims to provide incentives for development and investment in agriculture.

Amendments to the Law were passed primarily to increase the inflow and collection of public revenues from taxes on personal income, specifying particular provisions of the Law and prescribing new tax exemptions.