



# **Tax Newsflash Albania**

Fiscal package 2020

Now, for tomorrow



## Curious about what the fiscal package 2020 will bring?

Below we provide the summary of the main changes that come into force with fiscal package 2020.

### Tax Procedures

Most of changes on the law on Tax Procedures aim to be in line with the law on Invoicing and Turnover Monitoring System.

As such, most of the articles of the law no. 83/2019 dated 18 December 2019 (published in the official gazette no. 184, dated 31 December 2019) will be in force when the dispositions of related law on Invoicing and Turnover Monitoring System are in force.

Other changes brought by the law 83/2019 mentioned above, which are part of the fiscal package 2020, are into force starting from 15 January 2020 as follows:

- **Compensation of tax liabilities/credits with custom credit amounts/liabilities;**
- **Reimbursement of VAT on installment basis;**
- **Uncollected tax liabilities;**
- **Field verification without prior notification.**

#### Compensation of tax liabilities/credits with custom credit amounts/liabilities and vice-versa

In specific cases tax liabilities/credits towards tax administration can now be compensated custom credit amounts/liabilities or vice-versa.

Procedures and criteria for applying such specific cases will be further elaborated by the instruction of Minister of Finance.

#### Reimbursement of VAT on installment basis

In specific cases by the request of the tax administration and, of course by getting the taxpayers' confirmation, both parties (tax administration and taxpayers requesting VAT reimbursements) can enter into an agreement for VAT reimbursement on installment basis. In such cases there will be no late payment interests, as the liability of the tax administration is considered as settled.

Procedures and criteria for applying such specific cases will be further elaborated by the Decision of Council of Ministers.

### Procedurat tatimore

Shumica e ndryshimeve ne ligjin per procedurat tatimore nr. 83/2019 date 18 dhjetor 2019 (i publikuar ne fletoren zyrtare nr. 184 date 31 dhjetor 2019) synojne te perafrohen me ligjin "per faturen dhe sistemin e monitorimit te qarkullimit".

Si te tilla, keto ndryshime do te hyjne ne fuqi kur te hyjne ne fuqi dispozitat ligjore te ligjit per faturen dhe sistemin e monitorimit te qarkullimit.

Ndryshimet e tjera te sjella nga ky ligj, te cilat jane pjese e paketes fiskale 2020, jane ne fuqi nga data 15 janar 2020 dhe jane si vijon:

- **Kompensimi i detyrimeve tatimore /tepricave kreditore me shumat e mbipaguara/detyrimet doganore;**
- **Reimbursimi i TVSH-se me keste;**
- **Detyrimet tatimore te pambledhshme;**
- **Verifikimet ne terren pa njoftime paraprake.**

#### Kompensimi i detyrimeve tatimore/tepricave kreditore me shumat e mbipaguara/detyrimet doganore

Ne raste te vecanta, shumat e tatimeve dhe te taksave per t'u paguar apo te paguara me teper ne administraten tatimore ose administraten doganore mund te kompensohen perkundrejt njera-tjetres.

Procedurat dhe kriteret specifike per aplikimin e ketyre rasteve do te percaktohen ne udhezim te ministrit te financave.

#### Rimbursimi i TVSH-se me keste

Ne raste te vecanta, me kerkese te administrates tatimore, dhe me dakordesine e tatimpaguesit, mund te lidhet nje marreveshje midis paleve per rimbursimin me keste te TVSH-se nepermjet nje plani te skeduar pagesash. Ne keto raste, detyrimi i administrates do te konsiderohet i shlyer, e per rrjedhoje nuk do te llogariten kamatevonesa per pagesa te vonuara.

Procedurat, dhe kriteret e aplikimit te ketyre rasteve do te percaktohen me vendim te keshillit te ministrave.

## Uncollected tax liabilities

Law 83/2019 provides further details on the declarations of “uncollected tax liabilities”. It provides a three different thresholds of uncollected tax liabilities and under whose authorities will such amounts be declared as uncollected, as follows:

- For uncollected amounts **up to 1 million ALL**, it will now be the director of the Regional Tax Directorate to declare the uncollected tax amounts (it was for amounts equal to or above 5 million under Minister of Finance authority);
- For amounts **above 1 million ALL up to 5 million ALL**, it will be the Director of General Tax Directorate to make the declaration of uncollected tax liabilities (it was for amounts equal to or above 5 million under Minister of Finance authority);
- For amounts **above 5 million ALL** it will be same as it was, meaning that it is the Minister of Finance to declare the uncollected tax amounts.

## Field verification from tax authorities without prior notification

Tax authorities will now perform field verification regarding to any incompliance such as: use of fiscal equipment, registration of taxable persons, employees' registration, issuing of invoices etc. without prior notification.

*Source: Law no. 83/2019, dated 18 December 2019, published in the official gazette no. 184, dated 31 December 2019.*

## Deklarimi i detyrimeve tatimore si te pambledhshme

Ligji nr. 83/2019 jep me teper detaje per deklarimin e pambledhshem te detyrimeve tatimore. Ai ofron 3 limite per shumet e detyrimeve te pambledhshme si dhe percakton kush e ka autoritetin per te urdheruar deklarimet per keto shuma, si me poshte vijon:

- Per shumet **deri ne 1 milione Leke**, deklarimet e detyrimeve tatimore si te pambledhshme do te behen me urdher te drejtorit te drejtorise rajonale tatimore (para ketij ndryshimi detyrimet e pambledhshme deklarohen me urdher te ministrit te financave per shuma sa ose me shume se 5 milione Leke);
- per shumet **mbi 1 milione Leke dhe deri ne 5 milione Leke** deklarimet e detyrimeve tatimore si te pambledhshme do te behen me urdher te drejtorit te pergjithshem te tatimoeve (para ketij ndryshimi detyrimet e pambledhshme deklarohen me urdher te ministrit te financave per shuma sa ose me shume se 5 milione Leke);
- Per shumet **mbi 5 milione Leke**, do te mbetet pa ndryshuar, pra deklarimet e detyrimeve tatimore si te pambledhshme do te behen me urdher te ministrit te financave.

## Verifikimet ne terren pa njoftim paraprak

Ne menyre qe te munden te gjejne ne kohe shkeljet e lidhura me perdorimin e kasave fiskale, regjistrimin e perosnave te tatueshem, regjistrimin e punemarresve, leshimin e faturave etj autoritetet tatimore do te kryejne verifikime ne terren pa njoftuar paraprakisht tatimpaguesit.

*Burimi: Ligji nr. 83/2019, date 18 dhjetor 2019, i botuar ne fletoren zyrtare nr. 184, date 31 dhjetor 2019.*

## Income taxes

The following changes on income tax law will come into force with fiscal package 2020:

- **Extension from 3 to 5 years of tax losses carried forward for taxpayers investing more than 1 billion ALL;**
- **Taxpayers resulting on a taxable profit over 100 million ALL sponsoring sports activities will now have the possibility to deduct them 3 times of sponsored amounts;**
- **Income tax rate for automotive industry will become 5% (it is 15% actually);**
- **Transfer of property right of house and/or land from one family member to another, only once to one beneficiary, through donating or waving the property rights is no longer subject to personal income taxes;**
- **Individuals being employed with 2 or more employers have to submit their annual individual income tax return regardless the 2 million ALL threshold;**
- **Representation expenses incurred out of Albania for exporters will be considered as deductible for income tax purposes at 3% of annual turnover (it was 0.3%).**

## Strategic investments

Taxpayers investing more than 1 billion ALL (i.e. strategic investors) will be eligible to carry forward their fiscal losses for 5 fiscal years, on the basis of "first loss utilized first" (it is 3 years actually).

Procedures and technical criteria for applying such cases will be further elaborated by the instruction of Minister of Finance.

## Sponsoring expenses

Taxpayers resulting on a taxable profit over 100 million ALL sponsoring sports activities for clubs which are members to specific federations, within the limits set by the law No. 7892, dated 12.12.1994 "On Sponsoring", will now have the possibility to deduct for the purposes of income tax calculations sponsoring expenses 3 times of sponsored amounts.

## Automotive industry

Taxpayers operating in automotive industry will be subject to income tax rate of 5% (it was 15%).

Procedures and criteria for applying these dispositions will be further elaborated by the Decision of Council of Ministers.

## Tatimi mbi te ardhurat

Ndryshimet ne ligjin per tatimin mbi te ardhurat me paketen fiskale 2020 do te jene:

- **Mbartja e humbjeve fiskale per 5 vite per tatimpaguesit qe investojne me shume se 1 miliarde Leke;**
- **Tatimpaguesve me fitim te tatueshem mbi 100 milione Leke do t'u njihen shpenzimet e sponsorizimeve te aktiviteteve sportive, sa 3-fishi i shumes se sponsorizuar;**
- **Shkalla e tatim-fitimit per personat juridike qe operojne ne industrine automotive behet 5% (ishte 15%);**
- **Transferimi i se drejtes se pronesis per banesen dhe/ose truallin brenda lidhjes gjinore ne familje, vetem nje here ndaj nje perfituesi, nepermjet dhurimit ose heqjes dore nga pasuria perjashtohet nga tatimi mbi te ardhurat personale;**
- **Individet e punesuar ne me shume se nje punedhenes do te dorezojne deklaratën individuale vjetore te te ardhurave pavaresisht nga vlera (ishte detyrim vetem per ata mbi pragun 2 milione Leke);**
- **Shpenzimet e perfaqesimit jashte vendit per eksportuesit do te njihen te zbritshme deri ne masen 3% te qarkullimit vjetor (ishte 0.3%).**

## Investimet strategjike

Tatimpaguesit te cilet investojne ne projekte biznesi me vlere mbi 1 miliarde Leke, mund te mbulojne humbjet fiskale per 5 periudhat e ardhshme tatimore sipas parimit "humbja e pare me perpara se ajo e fundit" (ishte 3 vjet).

Kriteret teknike dhe procedurat e aplikimit te kesaj dispozite do te percakton me udhezim te ministrit te financave.

## Sponsorizimet

Tatimpaguesve qe realizojne fitim te tatueshem mbi 100 milione Leke, do t'u njihen te zbritshme per efekte te llogaritjes se tatim-fitimit, shumat e sponsorizimeve te aktiviteteve sportive brenda limiteve te ligjit nr.7892 date 21/12/1994 "Per Sponsorizimet", per klube anetare te federatave sportive, sa 3-fishi i shumes se sponsorizuar.

## Industria automotive

Tatimpaguesit qe ushtrojne aktivitet ne industrine automotive do te jene subjekt i tatim-fitimit 5% (ishte 15%).

Aktivitetet, procedurat dhe kriteret per zbatimin e kesaj dispozite do te percaktohen me vendim te keshillit te ministrave.

## House/land donation within family members

Transfer of ownership rights of the residential premises/land within family members (i.e. to a spouse, husband, child) only once to a beneficiary through donation and/or renunciation of property will no longer be subject to personal income taxation.

## Individual annual income tax return

Individuals being employed with 2 or more employers will have to make their declaration of annual income return regardless of the minimum threshold of 2 million ALL. In such cases employees will have to declare the total remuneration and put it as a whole amount on which personal income taxes will be applied.

## Representative expenses of exporters

Taxpayer exporters (excluding those operating with ordering materials) whose activities for the last 3 years have generated more than 70% of revenue from exports, will be eligible to deduct their international representative expenses up to 3% of the annual turnover (it was 0.3%).

*Source: Law no. 84/2019, dated 18 December 2019, published in the official gazette no. 184, dated 31 December 2019.*

## Donations in case of emergency natural disaster situation

Donations in cash, for amounts up to 5% of profit before tax, made in favor of state treasury in cases of natural disaster situations will be considered as deductible for the purposes of corporate income tax calculations. In case of in-kind donations, then it is the Decision of Council of Ministers to provide the procedures for assessing the contributions up to 5% before income tax.

*Source: Normative Act no. 5, dated 30 November 2019, "On addition to the Law No. 8438, dated 28.12.1998 "On Income Tax".*

## Dhurimi i pasurise brenda rrethit familjar

Kalimi i se drejtes se pronesisë per banesen/truallin brenda lidhjes gjinore ne familje (bashkeshort, bashkeshorte, femije), vetem nje here ndaj nje perfituesi, nepermjet dhurimit apo heqjes dore nga pasuria perjashtohet nga tatimi mbi te ardhurat personale.

## Deklarata individuale e te ardhurave

Individet e punesuar ne me shume se 1 punedhenes do te jene te detyruar te dorezojne deklaraten individuale vjetore te te ardhurave pavaresisht limitit prej 2 milione lekesh. Ne keto raste, te gjitha te ardhurat e realizuara nga punesimi ne punedhenes te ndryshem deklarohen ne nje shume te vetme mbi te cilen llogaritet tatimi mbi te ardhurat personale.

## Shpenzimet e perfaqesimit per eksportuesit

Për tatimpaguesit eksportues, përjashtuar prodhuesit me material porositiesi, të cilët në 3 vitet e fundit kanë realizuar mbi 70 për qind të të ardhurave nga eksporti, shpenzimet për pjesëmarrje, prezantim në panairë apo ekspozita jashtë vendit, njihen si shpenzime të zbritshme deri në masën 3 % të qarkullimit vjetor (ishte 0.3%).

*Burimi: Ligji nr. 84/2019, date 18 dhjetor 2019, i botuar ne fletoren zyrtare nr. 184, date 31 dhjetor 2019.*

## Donacionet ne rastet e situates se fatkeqesise natyrore

Njihen te zbritshme per efekte te llogaritjes se tatimit, donacionet në mjete monetare deri ne nivelin 5% të fitimit para tatimit, të bëra për rastet e shpalljes së "gjendjes së fatkeqësisë natyrore" brenda afatit të përcaktuar dhe të transferuara në llogaritë e thesarit. Në rastet kur donacionet janë në formën e pasurive të paluajtshme, vlerësimi i kontributit deri në nivelin 5%, në raport me fitimin para tatimit, llogaritet sipas procedurave të përcaktuara me vendim të Këshillit të Ministrave

*Burimi: Akti Normativ Nr.5, datë 30.11.2019, "Per nje shtese ne Ligjin Nr.8438, datë 28.12.1998, "Per tatimin mbi te ardhurat"*

# VAT

Most changes on VAT law that will come into force with fiscal package 2020 relate to the emergency situation due to earthquake disaster in Albania.

Other changes on the VAT law aim to be in line with the law on Invoicing and Turnover Monitoring System and will be in force when the dispositions of related law on Invoicing and Turnover Monitoring System are in force.

The following changes on VAT law will come into force with fiscal package 2020.

- **Exemption from VAT of building services and materials and good provided from third parties to building companies carrying out building services provided under the re-building program due to emergency natural disaster situation;**
- **No VAT on brand new electric vehicles;**
- **Reverse charge invoices should now be issued within 10<sup>th</sup> of the following month (it was within 14<sup>th</sup>).**

## No VAT on building activities for emergency re-building program

Building services provided by the building companies (authorized by the General Tax Directory), and all related services and materials provided by the third parties for those building companies, in the light of re-building program due to emergency natural disaster situation will be exempted from VAT.

Procedures and criteria for applying these dispositions will be further elaborated by the Decision of Council of Ministers.

## Brand new electric vehicles

No VAT will be charged on brand new electric vehicles (i.e. 0 km and not register for circulation in any other country). Also, the reduced VAT rate of 6% on supplies of electric buses will still remain unchanged (it would be subject to changes starting from 1 January 2022).

## Invoices for reverse-charge

Taxpayers receiving services from non-residents which are subject to VAT in Albania through the reverse-charge mechanism, will now be liable to issue the reverse-charge invoice within 10<sup>th</sup> of the following month (it was within 14<sup>th</sup> of the following month).

*Source: Law no. 85/2019, dated 18 December 2019, published in the official gazette no. 184, dated 31 December 2019.*

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# TVSH

Shumica e ndryshimeve ne ligjin per TVSH-ne qe do te hyjne ne fuqi me paketen fiskale 2020 lidhen kryesisht me gjendjen e emergjences se fatkeqesise natyrore nga termeti ne Shqiperi.

Ndryshimet e tjera synojne te perafrohen me ligjin "per faturen dhe sistemin e monitorimit te qarkullimit", ndryshime te cilat do te hyjne ne fuqi kur ligji per faturen dhe sistemin e monitorimit te qarkullimit te hyje ne fuqi.

Me paketen fiskale 2020 do te hyjne ne fuqi ndryshimet si me poshte vijon :

- **Perjashtimi nga TVSH i sherbimeve te ndertimit, materialet e lendet e para nga te trete per shoqerite e ndertimit te cilat kryejne sherbimet e ri-ndertimit ne gjendjen e fatkeqesise natyrore;**
- **Perjashtimi i TVSH-se per automjetet vetem me motor elektrik;**
- **Ndryshimi i afatit per leshimin e auto-fatures nga data 14 ne daten 10 te muajit pasardhes.**

## Sherbimet e ndertimit gjate situates se fatkeqesise natyrore

Sherbimet e ndertimit nga shoqerite e ndertimit te autorizuar nga drejtoria e pergjithshme e tatimeve, si dhe te gjitha mallrat, materialet dhe lendet e para te ofruara nga pale te treta per keto shoqeri te autorizuar, per sherbimet e ndertimit gjate fazes se rindertimit ne situaten e fatkeqesise natyrore do te jene te perjashtuar nga TVSH.

Procedurat, dhe kriteret e aplikimit te ketyre rasteve do te percaktohen me vendim te keshillit te ministrave.

## Automjetet me motorr elektrik

Furnizimi i automjeteve vetem me motorr elektrik, te reja, me zero kilometer, dhe qe nuk jane regjistruar me pare per qarkullim ne asnje shtet tjeter do te jete i perjashtuar nga TVSH. Gjithashtu hiqet afati per shkallen e reduktuar prej 6% ne furnizimin e autobuzeve elektrike (ishte parashikuar te ndryshohej nga 1 janari 2022).

## Auto-faturat

Tatimpaguesit qe marrin sherbimet e ofruara nga tatimpaguesit jo-rezidente ne Shqiperi, te cilat jane subjekt i TVSH-se ne Shqiperi nepermjet skemes se auto-faturimit, duhet te leshojne auto-faturen brenda dates 10 te muajit pasardhes (ishte brenda dates 14 te muajit pasardhes).

*Burimi: Ligji nr. 85/2019, date 18 dhjetor 2019, i botuar ne fletoren zyrtare nr. 184, date 31 dhjetor 2019.*

## Revaluation of immovable properties

Starting from 14 January 2020 until 30 September 2020, all individuals owning immovable properties are now eligible to reevaluate their real estate properties. The reevaluation can be done by licensed experts at the arms' length (i.e. market prices) or by Cadastral Agency at minimum fiscal prices.

Income taxes that will be paid in such cases will be 3% of the difference between the reassessed value and the previous value (i.e. property's registered value or value as reevaluated previously on which related income tax has been paid respectively).

The reevaluation can also be performed by the juridical persons (i.e. taxpayers registered with Albanian authorities) that have accounted for such assets in their financial statements at lower values than the market ones. The reevaluation can be done by licensed experts.

In the cases of reevaluations, the differences between reassessed values and net book ones:

- will be subject to 5% income taxes;
- will be accounted for and reflected in the 2020 financial statements;
- will not be subject to depreciation for fiscal purposes.

Procedures and technical criteria for applying such cases will be further elaborated by the instruction of Minister of Finance and General Directory of Cadastral Agency.

*Source: Law no. 90/2019, dated 18 December 2019, published in the official gazette no. 182, dated 30 December 2019.*

## Rivleresimi i pasurive te paluajtshme

Duke filluar nga data 14 janar deri me 30 shtator 2020 individet qe kane ne pronesi pasuri te paluajtshme mund te bejne rivleresimin e kesaj pasurie me vleren e tregut. Rivleresimi mund te behet nga eksperte te licencuar (vleresim me vleren e tregut) ose nga zyra e Agjencise Shtetore te Kadastres (me cmimet minimale fiskale).

Tatimi mbi te ardhurat prej 3% do te paguhet per diferencen midis vleres se rivleresuar dhe vleres se pasurise se aktit te regjistruar ose vleres se rivleresuar per te cilen eshte paguar tatimi.

Rivleresimi i pasurive te paluajtshme mund te behet edhe nga personat juridike te cilet kane te regjistruar ne pasqyrat financiare te tyre keto asete me vlere me te ulet nga ajo e tregut. Per pesonat juridike rivleresimi mund te behet vetem nga eksperte te licencuar.

Ne rastet e ketyre rivleresimeve, diferencat ndermjet vleres se rivleresuar dhe vleres kontabel neto te aseteve:

- do te jene subjekt i tatimit mbi te ardhurat prej 5%;
- do te reflektohen ne pasqyrat financiare te vitit 2020;
- nuk do te jete subjekt i amortizimit per efekte tatimore.

Procedurat dhe kriteret specifike per aplikimin e ketyre dispozitave do te percaktohen ne udhezim te perbashket te Ministrit te Financave dhe Drejtorise se Pergjithshme te Agjencise Shtetore te Kadastres.

*Burimi: Ligji nr. 90/2019, date 18 dhjetor 2019, i botuar ne fletoren zyrtare nr. 182, date 30 dhjetor 2019.*

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