

# Legal Tax Bulletin

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## RECENT AMENDMENT TO INCOME TAX LAW

The Albanian Assembly approved in February 2010 a new law to amend Law No. 8438, dated 28.12.1998 "On the income tax", as amended. Below are highlighted some of the key changes:



- An addition to Article 8, adding a further source of personal income to the remit of personal income tax. The amendment states that personal income is charged on: "*incomes in the form of cash injection for the purpose of capital increase in a company, which are not taxed and which are not supported with official documents that certify the origin of these incomes.*"
- An amendment to Article 33.1 that relates mostly to changes to procedure and submission deadlines, but also provides for a new taxation of income derived from receipt of profit regardless of whether profit is received. Specifically, the law reformulates Article 33.1 inter alia: (i) by setting a new deadline for the submission of the approval of annual results and use of profits for the previous year by profit tax payers (which are not companies); (ii) reducing the fine for each month of delay in the submission of a company's annual results and use of profits; (iii) introducing a new fine for profit taxpayers (which are not companies) who fail to submit approval; and (iv) providing for the obligation to submit approval of annual results to the tax authorities, even in loss-making years.
- An amendment to Article 22 to the method of depreciation; the consequence will be a tax rise.
- An amendment to Article 16 introducing a provision that businesses which pay profit tax cannot become payers of personal income tax, but instead they must deregister.

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