

TAX Alert

March 2010

With Law no. 10209 date 23.12.2009 the Albanian Parliament approved a list of amendments to the Law no.9920 "On tax procedures in the Republic of Albania" dated 19.05.2008. Amendments are related to the following issues:

Electronic declaration (article 3)

According to the approved amendments the tax returns should be submitted only electronically and the Albanian Council of Ministers is the competent authority for defining the deadlines for the submission of the tax returns and other tax declarations.

Penalties (article 7/1)

The approved amendments provide for the penalties for non-payment of the tax liabilities on the due date to be as 5% of the outstanding liability per each month of delay but not exceeding 25% of it. The previous minimum penalty threshold of ALL 10,000 is abolished.

Change of the tax returns (article 7/2)

The approved amendments provide a penalty to be imposed in case of change of a specific tax return. This penalty is 5% of the outstanding liability per each month of delay but not exceeding 25% of it. No penalty was provided for this case in the previous provisions of law.

Non-declaration of new employees (article 9)

The approved amendments provide the deadline for notification of the tax authorities for the new recruited employees and increase of the penalties related to such non-declaration. Based on that, the deadline notification is limited to 24 hours before the first day of work instead of 48 hours provided in the previous provisions. In such case, in addition to the due tax liabilities (i.e. personal income tax and social security/health insurance contributions), the penalty for non-declaration of the new employees to be imposed by the tax authorities is ALL 100,000 for the taxpayers subject to VAT and ALL 50,000 for other taxpayers.

Penalties for non-usage of fiscal equipment and non-issuance of the fiscal coupon (article 10)

The new amendments provide for higher penalties in case of evidence of administrative violations related to the usage of the fiscal equipment, and issuance of fiscal coupons.

Seize of the documentation or equipment for data storage (article 12)

The new amendments provide that in case the tax authorities have credible information that the taxpayer is hiding information on its economic and financial status, the tax authorities have the right to seize the documentation, data storage equipment (i.e. computer) and fiscal equipment used for keeping the records located in the premises of the business activity.

Entry into force

This law enters into force 15 days after the publication date.

(Law No.10 209 dated 23.12.2009 is published in the Official Gazette no.194 dated 20 January 2010).

This information is provided as a guide only and should not be construed as advice. Professional accounting and tax advice should be sought before acting upon any of the point raised in this information.