

TAX Alert *September 2009*

Amendments to the Value Added Tax Law

The Albanian Parliament approved Law No 10144 dated 28 September 2009 on some amendments to Law No 7928, dated 27 April 1995 on the VAT Law. The approved amendments are of a technical nature and aim to harmonize the provisions of the Value Added Tax Law with those of the Tax Procedures Law.

Amendments to Tax Procedure Law

The Albanian Parliament approved Law No 10148 dated 28 September 2009 on some amendments to Law No 9920 dated 19 May 2008 on Tax Procedures. The approved amendments relates specifically to the reimbursement procedure of the excess input VAT.

According to the changes, the tax administration should verify the accuracy of the VAT amount claimed for the reimbursement within 30 days from the submission date of the request. If the conditions for reimbursement are met, the tax authorities should revert to the taxpayer with an official confirmation and reimburse the claimed amount in the account of the taxpayer. Otherwise, if the tax authorities do not comply with the payment of the amount approved for reimbursement, the taxpayer has the right to not pay other future tax liabilities up to the amount equal to the VAT amount approved for the reimbursement.

Amendments to the Excise Tax Law

The Albanian Parliament approved Law No 10147 dated 28 September 2009 on some amendments to Law No 8976 dated 12 December 2002 on Excise Tax. The approved amendments aim the increase of the current levels of the excise tax on certain goods in order to unify the excise tax with the levels of the region's countries and those of the European Union. Based on the amendments approved, the excise tax for tobacco, alcoholic drinks and coffee will be increased significantly from 25 percent to 50 percent. Please refer to the table below:

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.

	Description	Previous Tax Rate	Current Tax Rate
I	COFFEE		
	Roasted or non-roasted coffee	50 ALL/ Kg	70 ALL/ Kg
	Roasted coffee decaffeinated or not	100 ALL/Kg	140 ALL/ Kg
II	BEER, WINE, ALCOHOL AND ALCOHOL DRINKS		
	Alcoholic drinks (vol. > 12%)		
	Domestic production or imported quantities < 20,000 hectoliter/ year	150 ALL/ liter	220 ALL/ liter
	Domestic production or imported quantities >20,000 hectoliter/ year	220 ALL/ liter	300 ALL/ liter
	Alcoholic drinks (vol. < 12%)	70 ALL/ liter	100 ALL/ liter
III	TOBACCO AND ITS DERIVATIVES		
	Cigars and cigarillos that contain tobacco	2,240 ALL/ Kg	2,500 ALL/ Kg
	Cigarettes containing tobacco	40 ALL/ Kg	50 ALL/ Kg

Entry into force

All above mentioned laws are published in the Official Gazette No 144 dated 9 October 2009 and become effective from 23 October 2009.

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