

LAW

on Tax on the use, possession and carrying of goods

the Official Gazette of the Republic of Serbia no. 26/01, 80/02, 43/04, 132/04, 112/05, 114/06, 118/07, 114/08 and 31/09

Article 1

This law shall introduced taxes on the use, possession and carrying of goods as follows:

- 1) the tax on motor vehicle;
- 2) the tax on the use of mobile phones;
- 3) the tax on the use of vessels;
- 4) the tax on use of aircraft and spacecraft;
- 5) the tax on the registered firearm.

Article 1a

Taxes in the Article 1 of this law shall contribute to the budget of the Republic of Serbia.

I. TAX ON USE OF MOTOR VEHICLE

Article 2

Tax on use of motor vehicles shall be paid at registration, renewal and replacement of motor vehicle license plates, which are performed in accordance with the regulations governing the registration of motor vehicles and trailers, including: passenger cars, vans and motorcycles.

Passenger car or van, or motorcycle, shall be considered as passenger car, van or motorcycle, according to the regulations governing road safety.

Article 3

Tax payer in Article 2 of this law is a legal or physical person, on whose name the vehicle is registered, registration is extended or license plate is replaced, unless otherwise is provided by the law.

Article 4

Taxes specified in Article 2 of this Law shall be paid according to engine capacity of passenger cars and vans, and motorcycles (hereinafter referred to as vehicle), for:

1. Passenger cars and vans
 - 1) to 1150cm³- 850 dinars
 - 2) over 1150 to 1,300 cm³ -1650 dinars
 - 3) over 1,300 to 1,600 cm³ 3650 dinars
 - 4) over 1,600 to 2,000 cm³ -7500 dinars
 - 5) over 2,000 to 2,500 -37,000 dinars
 - 6) over 2,500 to 3,000 -75,000 dinars
 - 7) over 3,000 cm³ -155,000 dinars
2. Motorcycle
 - 1) to 125cm³ - 990 dinars
 - 2) over 125 to 250 cm³ -1650 dinars
 - 3) over 250 to 500 cm³ -2500 dinars
 - 4) over 500 to 750cm³ -4995 dinars
 - 5) over 750 to 1,100cm³ -12,495 dinars
 - 6) over 1,100 cm³ - 31,230 dinars

Tax on use of motor vehicle shall be paid in the amounts specified in paragraph 1 of this article, or in amounts adjusted according to the Article 27a of this Law (hereinafter referred to as the prescribed amount of tax on motor vehicle).

The prescribed amount of tax on use of the motor vehicle shall be reduced to vehicles over the age of five years of age, for:

- 1) 15% - for vehicles over five to eight years of age;
- 2) 25% - for vehicles over eight to ten years of age;
- 3) 40% - for vehicles over ten years of age.

Notwithstanding to paragraph 3 of this Article, for the passenger cars and vans of age 20 and over, the tax on the use of motor vehicles shall be 20% of the prescribed amount of taxes on motor vehicle from paragraphs 1 and 2 of this article.

Article 5

Taxes on use of motor vehicles shall not be paid by:

- 1) disabled veterans and civilians disabled in war and disabled workers, with 80 percent or more percentage of physical impairment ;
- 2) disabled veterans and civilians disabled in war and disabled workers, who have a physical impairment which results in the inability of the lower leg extremities of 60 percent or more;
- 3) the health care institutions for medical vehicles, vehicles for transport patients on dialysis and for vehicles used for blood transfusions.

The prescribed amount of tax on use of motor vehicles, in addition to reductions in accordance with Article 4 Paragraph 3 of this Law, shall be further reduced by 50% for passenger vehicles that performs car-taxi transportation and special passenger vehicles for driver training with dual controls.

Article 5a

Paid tax on the use of motor vehicles for motor vehicle which is destroyed or unsubscribe, or stolen, before the expiry of the registration shall not be considered as more or mistakenly paid tax, in accordance with the law governing the tax procedure and tax administration.

A person who during the year acquired the right of ownership to a registered motor vehicle for which registration tax on motor vehicle is paid at the prescribed amount, shall not be obligated to pay prescribed tax because of the substitution, unless new registration is required based on substitution, or renewal of registration or replacement of license plates of motor vehicles, in accordance with the regulations governing the registration of motor vehicles and trailers.

Article 5b

Tax on use of motor vehicle taxpayer shall calculate and pay on the prescribed public revenues account.

Evidence on paid tax on motor vehicle in the prescribed amount shall be submitted with the application for registration or for renewal of registration or replacement of license plates – to the organizational unit of the Ministry of Interior Affairs responsible for registration of motor vehicles for which the tax is paid.

Article 6

Vehicle registration, renewal or replacement of license plates shall not be performed without evidence of paid tax on use of motor vehicle, in the prescribed amount.

II. TAX ON MOBILE PHONE USE Article 7

Tax on use of mobile phones shall be paid:

- 1) deleted (the Official Gazette of the RS, no. 31/09);
- 2) for the duration of the subscription for mobile telephony services ("postpaid" customers);
- 3) payment for the future use of mobile phone services ("Prepaid" users).

Article 7a

Taxpayer of the tax on use of mobile phones shall be a physical or legal person - a user of mobile telephone service.

Article 8

Tax on use of mobile phones in Article 7 paragraph 2) of this law shall occur at maturity of any bills for the services of mobile telephony.

Tax on use of mobile phones in Article 7 paragraph 3) of this law shall occur at the moment of the future use of mobile phone services.

Article 8a

Tax base for the use of mobile phones in Article 7 paragraph 2) of this Law shall be amount of compensation for mobile telephony services stated in the invoice, a tax under Article 7 paragraph 3) of this law - amount paid for the future use of mobile phone services, without tax on added value.

The rate of tax on use of mobile phones shall be 10%.

Article 9

Tax on use of mobile phones in Article 7 paragraph 2) of this Law shall be disclosed to user of mobile phone services as a separate item in the invoice for the services of mobile telephony, and shall be paid simultaneously with the bill.

Tax on use of mobile phones in Article 7 paragraph 3) of this Law shall be paid in payments for future use of mobile phone services.

Article 10

Tax on use of mobile phones in Article 7 paragraph 2) of this Law shall be calculated and charged by mobile phone service provider, and the tax under Article 7 paragraph 3) of this Law, on behalf and benefit of the mobile service provider - the person at whom the payment for the future use of mobile phone services is performed.

Provider of mobile phone services, to 15th day of the month, shall pay taxes on the use of mobile phones in Article 7 of this law, collected in the previous month, to the prescribed public revenues account.

For paying tax on the use of mobile phones that is not collected within the terms of Article 9 of this Law, jointly and severally shall be guaranteed by the provider of mobile telephony service.

Article 11

Deleted (the Official Gazette of the Republic of Serbia 31/09).

Article 12

From the payment of the tax on use of mobile phones shall be released diplomatic and consular missions and international organizations, as well as foreign diplomats, consular officers and officials and staff of international organizations, if they are not citizens of the Republic of Serbia.

TAX ON USE OF VESSEL

Article 13

Taxes on the use of vessels shall be paid on boats, ships and yachts length of 15 meters or more, with motor drive, as well as floating plants - restaurants (hereinafter referred to as vessel).

Article 13a

The tax liability shall occur when a vessel registration enter the register and with any extension of the importance of ship's certificates or permits of navigation, which is performed in accordance with the regulations governing the shipping, unless otherwise is provided by the law.

Article 14

Taxpayer specified in the Article 13 of this law shall be a legal and physical person in whose name the vessel is registered in the corresponding register, or extend the importance of marine certificates or permits of navigation in accordance with the regulations, unless

otherwise is provided by the law.

Tax on the use of vessels is:

1. deleted (Official Gazette of the RS, no. 80/02)
2. deleted (Official Gazette of the RS, no. 80/02)
3. deleted (Official Gazette of the RS, no. 43/04)
4. deleted (Official Gazette of the RS, no. 43/04)

Article 15

5. deleted (Official Gazette of the RS, no. 43/04)
6. deleted (Official Gazette of the RS, no. 43/04)
7. deleted (Official Gazette of the RS, no. 43/04)

7a Boat (no cabin) up to five meters, with motor drive

- 1) of 7.35 to \ 22.05 in the k \ in 3000
- 2) over 22.05 to \ 73.60 in the k \ in 20000
- 3) over 73.60 to \ 96.60 in the k \ in 45000
- 4) over 96.60 k \ in up to 220.62 k \ in 66000
- 5) over 220.62 k \ in 99000

7b Boat (no cabin) measuring over five to ten meters, with motor drive

- 1) of 7.35 to \ 22.05 in the k \ in 5000
- 2) over 22.05 to \ 73.60 in the k \ 30.000
- 3) over 73.60 to \ 96.60 in the k \ in 66000
- 4) over 96.60 k \ in up to 220.62 k \ in 99000
- 5) over 220.62 k \ in 138000

7v Boat (no cabin) measuring over ten to 15 meters, with motor drive

- 1) of 7.35 to \ 22.05 in the k \ in 6000
- 2) over 22.05 to \ 73.60 in the k \ in 44000
- 3) over 73.60 to \ 96.60 in the k \ in 99000
- 4) over 96.60 k \ in up to 220.62 k \ in 138000
- 5) over 220.62 k \ in 210000

7g boats (with cabin) up to five meters, with motor drive

- 1) of 7.35 to \ 22.05 in the k \ in 7000
- 2) over 22.05 to \ 73.60 in the k \ 30.000
- 3) over 73.60 to \ 96.60 in the k \ in 66000
- 4) over 96.60 k \ in up to 220.62 k \ in 99000
- 5) over 220.62 k \ in 138000

7d boats (with cabin) measuring over five to 15 meters, with motor drive

- 1) of 7.35 to \ 22.05 in the k \ in 15,000
- 2) over 22.05 to \ 73.60 in the k \ in 44000
- 3) by 73.60 to \ 96.60 in the k \ in 99000
- 4) over 96.60 k \ in up to 220.62 k \ in 138000
- 5) over 220.62 k \ in 210000

8. Boats and yachts, length of 15 meters or more

- 1) of 7.35 to \ 22.05 in the k \ in 108830
- 2) over 22.05 to \ 73.60 in the k \ in 163240
- 3) over 73.60 to \ 96.60 in the k \ in 227540

4) over 96.60 k \ in up to 220.62 k \ in 346260

5) over 220.62 k \ in 494660

9. Floating plants:

a) deleted (Official Gazette of the RS, no. 80/02)

b) restaurants in an area of 3710 Š2

Tax on the use of vessels shall be paid in the amounts specified in paragraph 1 of this Article, or in amounts adjusted according to Article 27a of this Law (hereinafter referred to as the prescribed amount of tax on use of vessels).

Prescribed amount of the tax on use of vessels shall be reduced for vessels over the age of five years of age, for:

1) 10% - on vessels over five to eight age years of age;

2) 20% - on vessels over eight to ten years of age age;

3) 30% - on vessels over ten years of age age.

Article 16

Taxes on the use of vessels shall be calculated by the taxpayer and paid to the specific public revenues account.

Evidence of paid tax on the use of vessels in the prescribed amount the taxpayer shall submit with the application for registration in the register, or for extension of ship certificates, or permits of navigation – to the body responsible for the registration of the vessel in the register, or for extension of ship certificates, or permits of navigation.

Entry of the vessel or extension of validity of certificates of ship or permits of navigation in the register shall be performed only with the evidence on paid tax on the use of vessels in the prescribed amount.

Article 16a

Paid Tax on the use of vessels, for the vessel that was destroyed or removed from the register, or stolen, before the expiry of the ship's certificates, or navigation permit shall not be considered as more or mistakenly paid tax, in accordance with the law governing the tax procedure and tax administration.

A person who during the year acquired the property right on a vessel registered in the register, where the tax on the use of vessels is paid in the prescribed amount, shall not be obliged to pay prescribed tax because of the substitution, unless new entry in the register of the vessel is required based on substitution, or extension of validity of certificates of ship or navigation permit, in accordance with the regulations governing the shipping.

IV. TAX ON USE OF AIRCRAFT AND SPACECRAFT

Article 17

Taxes on the use of aircraft and spacecraft shall be paid on the aircraft and spacecraft with motor drive, when are used for the own transport or for recreational activities (hereinafter referred to as aircraft and spacecraft).

Tax on the use of aircraft and spacecraft shall be paid at registration of aircraft and spacecraft or at the renewal of the validity period of certificates of airworthiness of aircraft in the register or in the records of aircraft (hereinafter referred to as registration), which are made in accordance with the regulations governing air traffic, If otherwise is not provided by this law.

Article 18

Taxpayer of the tax on use of airplanes and spacecrafts under Article 17 of this law shall be a legal and physical person in whose behalf the aircraft or spacecraft entered in the register of aircraft and spacecraft or records of aircrafts, and extended the expiration date of the certificate of airworthiness, in accordance with the regulations, if otherwise is not provided by

this law.

Article 19

Tax under Article 17 of this Law shall be paid to aircraft with motor drive, when are used for:

1. Own transport

- 1) up to 6 seats 741,990 RSD
- 2) over 6 to 12 seats 1,483,995 RSD
- 3) over 12 to 20 seats 1,854,990 RSD
- 4) over 20 seats 2,225,985 RSD

2. Recreational activities

- 1) up to four seats 445,200 RSD
- 2) over the four-seat 741 990 RSD

Tax on the use of aircraft and spacecraft shall be paid in the amounts specified in paragraph 1 of this article, or in amounts adjusted according to Article 27a of this Law (hereinafter referred to as the prescribed amount of tax on use of aircraft and spacecraft).

Prescribed amount of tax on use of aircraft and spacecraft shall be reduced for aircraft or spacecraft over the age of five years and as follows:

- 1) 10% - on the aircraft or spacecraft over the age of five to eight years;
- 2) 20% - of aircraft or aircraft over eight to ten years of age;
- 3) 30% - of aircraft or aircraft over ten years of age.

Tax on the use of aircraft and spacecraft shall not be paid to aircraft and spacecraft with motor drive used for the sport, and owned by the Air Force Association of Serbia and its members (clubs and athletes) who possess a certificate of membership issued by the alliance.

Article 20

Tax on the use of aircraft and spacecraft taxpayer shall calculate and pay to the specific public revenues account.

Taxpayer of the use of aircraft and spacecraft, who requires the registration of an aircraft or spacecraft, or renewal of the validity period of certificates of airworthiness in the registry, shall be obliged to submit with the application and the evidence on paid tax the use of aircraft and spacecraft is in the prescribed amount.

Aircraft or spacecraft registration, or renewal of the validity period of certificates of airworthiness in the appropriate register, shall be performed only with the evidence of paid tax under paragraph 2 of this article.

Article 20a

Paid tax on the use of airplanes and spacecraft, for aircraft and spacecraft that was destroyed or removed from the register, or stolen before the expiry of the certificate of airworthiness, shall not be considered as more or mistakenly paid tax, in accordance with the law governing the tax procedure and tax administration.

A person who during the year acquired ownership of aircraft and spacecraft registered in the register, where the tax on the use of aircraft and aircraft is paid the prescribed amount, shall not be obliged to pay prescribed tax because of the substitution, unless a new entry in the register, or extension of validity of certificates of airworthiness is required based on substitution, in accordance with the regulations governing air transportation.

V. TAX ON REGISTERED FIREARMS

Article 21

On registered firearms provided in this law the tax shall be paid for each calendar year.

Article 22

Tax liability for registered firearms shall be effective from the date of issuing a permit, or

weapon certificate or permit, to hold, or to possess and carry weapons.

Article 23

Taxpayer of the registered weapons shall be a physical or legal person on whose behalf the weapon license for possession of weapon for personal safety is issued, or weapon license to possess and carry weapons, or permit to carry weapons for personal security is issued.

If weapon license for possession and carrying of the same weapons, is issued to the more than one legal or physical persons, the taxpayer shall be the owner of the weapon.

Article 24

Tax on registered weapons that permit or weapon license is issued shall be paid in annual amount as follows:

- 1) automatic rifle 8240 dinars;
- 2) semi-automatic rifle 3300 dinars.

Tax on a weapon for personal safety for which is issued weapon license for possession of weapons or weapon license for possession and permits to carry weapons shall be paid on annual basis, for:

- 1) weapons that weapon license was issued for possession of arms 2230 dinars
- 2) a weapon that is issued weapon license for possession and permits to carry weapons, 11,130 dinars.

Article 25

Tax on registered weapons shall not be paid to:

- 1) weapons registered for business purposes in a state authority or public organization (service weapon) responsible of activities that require and by regulations governed the possession and carrying of weapons,
- 2) a weapon firing shooting clubs and organizations,
- 3) deleted (Official Gazette of the RS, no. 43/04)
- 4) weapons, which the taxpayer received as a gift as a reward, or upon retirement from the Army of Serbia and from the military state whose legal successor is the Republic of Serbia, or from bodies of Internal Affairs of the Republic of Serbia, or the authority responsible for internal affairs of the state whose legal successor is the Republic of Serbia, for a maximum of one of the registered weapons obtained for which a minimum amount of tax is prescribed
- 5) weapons that authorized manufacturers of weapons and munitions used as the primary means of (equipment) in the defense industry. Exemption for the organization of small arms applies only to weapons that are permanently housed in a warehouse or other secured areas of the organization.

Article 26

Tax on registered weapons shall be determined by the decision of the competent tax authority, based on data that provided by the Republic administration authority responsible for internal affairs who issued weapon license for possessing and carrying weapons for personal safety, weapon license for possessing and carrying weapons, weapon permit for carrying weapons for personal safety.

The Republic authority responsible for internal affairs shall submit the information from paragraph 1 of this Article to the competent tax authority within 15 days of the issuance of a license for possession of weapons for personal safety, a license for possession and carrying of weapons or permit to carry weapons for personal safety.

The taxpayer shall pay tax on the weapon registered within 15 days of receipt of decision under paragraph 1 of this article.

The jurisdiction of the tax authority is determined by place of residence or seat of the taxpayer.

VI. APPLICATION OF OTHER LAWS

Article 27

In terms of tax, interest, collection and other enforcement issues not envisaged in this Law, the provisions of the law governing the tax procedure and tax administration shall be applied.

ADJUSTMENT OF THE AMOUNT OF TAX

Article 27a

To pay taxes for the following year, the amount of tax from the article 4, 15, 19 and 24 of this law shall be adjusted in December with the growth rate of retail prices for the previous twelve months, according to the Republic organization responsible for the statistics.

Notwithstanding to paragraph 1 of this Article, payment of taxes for year 2005, tax amounts under Article 4, 10, 15, 19 and 24 of this Law shall be adjusted in December of 2004 with the growth rate of retail prices for the period from the first day of the following month from the date of enactment of this legislation to the end of November 2004, according to the Republic organization responsible for the statistics.

In occasion of adjusting dinar`s amount of tax, in accordance with paragraph 1 of this article, the basis for adjustment shall be the latest published dinar`s tax amounts, where the rounding shall be performed so that the amount to five dinars is not taken into account and the amount over five dinars rounded to ten dinars.

The government, on the recommendation of the ministry responsible for finance, shall publish Dinar`s tax amounts in paragraph 1 of this article.

VII. PENALTIES

Article 28

The legal entity - the taxpayer who fails to pay the tax from article 2, 7, 13, 17 and 26 of this Law (Articles 5, 9, 16, 20 and 26) shall be punished with fine ranging from 10,000 to 500,000 dinars.

Responsible person in legal entity shall be punished with fine ranging from 5,000 to 50,000 dinars referred to in paragraph 1 of this article.

The physical person - the taxpayer who fails to pay the tax from article 2, 7, 13, 17 and 26 of this law shall be punished with fine ranging from 5,000 to 50,000 dinars for (Article 5b, 9, 16, 20 and 26).

Responsible person in authority responsible for registration, renewal or replacement license plates shall be punished with fine ranging from 5,000 to 50,000 dinars if motor vehicle registration, a renewal or replacement license plate of motor vehicles is carried out without evidence of tax payment the use of motor vehicles in the prescribed amount (Article 6).

Responsible person in authority in charge of registration of vessels in the Register, or for extension of ship certificates, or permits of navigation, if the registration of vessels, or extension of ship certificates, or navigational permits shall be punished with fine ranging from 5,000 to 50,000 dinars, if is performed without evidence of paid tax on the use of vessels in the prescribed amount (Article 16, paragraph 3).

Responsible person in authority responsible of registration of aircraft and spacecraft in the register, or for the extension of the validity period of certificates of airworthiness shall be punished with fine ranging from 5,000 to 50,000 dinars, if the aircraft or vehicle registration, or renewal of the validity period of certificates of airworthiness, if is performed without evidence of paid tax on the use of aircraft and spacecraft in the prescribed amount (Article 20, paragraph 3).

Responsible person in the Republic administration authority responsible for internal affairs shall be punished with fine ranging from 5,000 to 50,000 dinars, if fails to submit or not submit in a timely manner information from Article 26 Paragraph 2 and Article 31 Paragraph 2 this law.

Mobile telephony service provider, or the person from whom the payment is made for the

future use of mobile telephony services under Article 7 Item 3) of this law shall be punished with fine under paragraph 1 of this Article if not comply with the provisions of Article 9 and 10 of this law.

The responsible person of the mobile phone services that do not comply with the provisions of Article 9 and 10 of this law shall be punished with fine under paragraph 2 of this Article.

VIII. TRANSITIONAL AND FINAL PROVISIONS

Article 29

Upon entry into force of this Law, the provisions of Article 1 Paragraph 1 items 4) to 6) and the provision of Article 8 to 21 of the Law on providing funds for implementation of the social program of the Republic of Serbia (Official Gazette no. 44/98 and 48/99) shall not be implemented.

Article 30

Liability for tax on use of mobile phones in Article 7 item 1) of this Law for users of mobile telephony that have that property on the date of entry into force of this law shall occur in the following month from the date of enactment of this Law, and tax shall be calculated and collected:

1) at the "postpaid" users - the invoice (bill) for the services of mobile telephony in that month;

2) the "prepaid" users - through a separate payment deposit slip sent by mobile phone service provider to the taxpayer at the address contained in the contract under Article 11 Paragraph 1 item 1) of this Law, with specified purposes ("tax on the use of mobile phones") and with the Account budget payment .

Article 31

The provisions of Article 21-26 of this Law shall apply from 1 January year 2001.

If the republic authority responsible for internal affairs to the date of enactment of this Law issued to the taxpayer of tax on registered weapon license, weapon license for personal safety, weapon license to possess and carry weapons or permit to carry weapons for personal safety, shall within 15 days from the date of enactment of this

Law to submit the information listed in Article 26 this Law to the competent tax authority.

Article 32

This Law shall come into force eight days after publication in the Official Gazette of the Republic of Serbia.

Provisions that was not included in the Revised Text

The Law Amending the Law on Taxes on Use, Possession and Carrying of Goods (Official Gazette of the RS, no. 43/04)

Article 7

Tax on the use and possession of vessels shall be directed to a special account and shall serve to rebuild Hilandar.

The provision of Article 3 of this law shall apply to tax payments starting following month from the date of entry into force of this Law, therewith that the obligation to pay tax on the use of mobile phones cease to meet the requirements on that basis determined by 31 December 2004 year.

The provisions of Article 9 and 10 of this Law shall apply from 1 January year 2004 of the Law Amending the Law on Taxes on Use, Possession and Carrying of Goods (Official Gazette of the RS, no. 31/09).

Article 33

The first adjustment of the amounts of tax on use of motor vehicles, tax on use of vessels and tax on use of aircraft and spacecraft, as prescribed by this law, for the payment in year

2010 shall be performed in December 2009. The growth rate of retail prices for the period from the first day of the month from the date of enactment of this Law to 30 November 2009, according to the republic authorities responsible for statistics, with the rounding so that the amount to five dinars is not taken into account and the amount over five rounds to ten dinars.

The Government, on proposal of the ministry responsible for finance, shall publish Dinars tax amounts in paragraph 1 of this article.

Article 34

From the date of enactment of this Law shall not apply the amount of tax on use of motor vehicles and tax on use of aircraft and spacecraft, aligned to the implementation of this law according to Article 27a of the Law on Taxes on Use, Possession and Carrying of Goods (Official Gazette of the Republic no. 26/01, 80/02, 43/04, 132/04, 112/05, 114/06, 118/07 and 114/08).

Article 35

Taxes on use of mobile phones provided for in this Law shall be calculated and paid on the first day of the month from the date of enactment of this Law.