

ACT ON NON-LIFE INSURANCE PREMIUMS TAX

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Article 1

This Act shall introduce the obligation to calculate and pay tax on insurance premiums realised by concluding and executing contracts on non-life insurance operations in the Republic of Serbia (hereinafter: insurance premium tax).

Non-life insurance operations, in terms of this Act, shall be all types of non-life insurance established by the statute governing insurance.

Article 2

Insurance premium tax shall be calculated and paid on insurance premiums, which are, in terms of this Act, the insurance premiums composed of functional premium and expense load effected by the insurance companies, including preventive contribution, if calculated in the functional premium (hereinafter: insurance premiums).

Insurance premiums tax from paragraph 1 of this Article shall be a revenue of the budget of the Republic of Serbia

Article 3

The taxpayer of the insurance premium tax shall be the insurance company (hereinafter: taxpayer) that concludes contracts on non-life insurance operations from Article 1 and collects insurance premiums, directly or indirectly – through and intermediary or a representative.

Article 4

Tax base for calculating the insurance premium tax shall be the amount of the total insurance premium as stipulated in the insurance contract from Article 1 of this Act.

Article 5

Insurance premiums tax shall be paid at a rate of 5%.

Article 6

Insurance premiums tax shall not be paid for insurance premiums realised by concluding and executing the following contracts on non-life insurance:

- 1) accident insurance;
- 2) occupational accident and disease insurance;
- 3) voluntary health insurance;
- 4) motor vehicle insurance, covering damages on motor vehicles that are self-propelled, that is, the loss of such vehicle, the owners of which are persons with established disability;
- 5) residential credit insurance;
- 6) export credit insurance;
- 7) citizens' instalment credits;
- 8) farm credit insurance.

Insurance premium tax shall not be paid by diplomatic and consular offices, under the condition of reciprocity.

Article 7

The obligation to calculate insurance premium tax shall arise at the time the insurance contract is concluded.

Taxpayer shall pay the insurance premium tax until the 10th of the month for insurance contracts concluded in the previous month.

Article 8

Taxpayer shall be under the obligation, on the basis of concluded non-life insurance

contracts, and for the purpose of correct calculation of insurance premium tax to keep records that enables control of calculation and payment of insurance premiums tax.

Taxpayer shall be under the obligation to preserve the records from paragraph 1 of his Article for at least five years after the end of the calendar year to which the record relates.

Article 9

The minister competent for finance shall prescribe the manner of calculating the insurance premiums tax, as well as the contents and manner of keeping of records from Article 8 of this Act.

Article 10

Competent tax authority shall control the calculation and payment of insurance premiums tax.

Article 11

Statute governing tax procedure and tax administration shall apply accordingly to relations not expressly regulated by this Act (forced collection, interest, statute of limitations and the like).

Article 12

A fine of from 100,000 to 1,000,000 dinars shall be pronounced for a petty offence to taxpayer – legal person if it:

- 1) fails to pay tax in the prescribed time limit (Article 7 paragraph 2);
- 2) does not keep the prescribed records (Article 8 paragraph 1);
- 3) does not preserve the records in the prescribed time limit (Article 8 paragraph 2).

Responsible person in the legal person shall also be punished for the petty offence from paragraph 1 of this Article with a fine of from 10,000 to 50,000 dinars.

A fine in the amount of from double to quintuple amount of tax shall be pronounced for a petty offence to the taxpayer – legal person, if it does not calculate the tax in accordance with Article 1 paragraph 1 and Article 9 of this Act.

Responsible person in the legal person shall also be punished for the petty offence from paragraph 3 of this Article, by a fine of from 50,000 to 200,000 dinars.

Article 13

This Act shall enter into force on the following day after the day of its publication in the "Official Gazette of the Republic of Serbia", and shall apply as of January 1, 2005.