

**16 Annex - Taxation**

**116. RULEBOOK ON FORM AND CONTENT OF THE ANNUAL RETURN ON CALCULATING AND PAYING TAX ON INCOME OF PHYSICAL PERSONS**

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116. RULEBOOK ON FORM AND CONTENT OF THE ANNUAL RETURN ON CALCULATING  
AND PAYING TAX ON INCOME OF PHYSICAL PERSONS

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On the basis of Article 52 of the Law on Tax on Income of the Physical Persons (Official Gazette of the Republic of Montenegro 65/01, 37/04 and 78/06), the Ministry of Finance adopted

**RULEBOOK**  
**ON FORM AND CONTENT OF THE ANNUAL RETURN ON CALCULATING AND PAYING TAX**  
**ON INCOME OF PHYSICAL PERSONS**

(Official Gazette of Montenegro 16/08 and 21/09)

**Article 1**

This Rulebook shall prescribe the form and the content of the return on calculating and paying tax on income of physical persons (hereinafter: Annual Tax Return).

Provisions of the Rulebook shall refer also to calculating and paying contributions for mandatory social insurance for physical persons who generate their income from self-employment activity.

**Article 2**

The Annual Tax Return shall be filed by a physical person who generated his income from:

- personal earnings from two or more employers and personal earnings which are not generated from employment,
- self-employment activity, which is a core business activity of a tax payer, except for incomes subject to the lump sum taxation,
- property and property right.

**Article 3**

Annual Tax Return shall be filed on "GPP-FL Form" with Annexes "A", "PPG", "A1", "B", "C", and "D", which shall be printed together with this Rulebook and shall make its integral part.

**Article 4**

Annual Tax Return shall be filed to the tax authority in charge according to the place of residence of the physical person.

Annual Tax Return shall be filed in one copy directly or by mail, and it can also be filed on a floppy or in some other form which provides for a computer data processing.

**Article 5**

Annual Tax Return shall be signed and verified by a tax payer, or by an authorized person.

**Article 6**

By coming into force, this Rulebook shall supersede the Rulebook on Form and Content of the Return on Calculating and Paying Tax on Income of Physical Persons (Official Gazette of the Republic of Montenegro 6/06).

**Article 7**

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This Rulebook shall enter into force on the eighth day from the day of its publishing in the Official Gazette of Montenegro.

Number: 04-965/1

MINISTER,

Podgorica, 27 February 2008 Igor Lukšić, PhD

**Montenegro**

**Tax Administration**

**Regional**  
**Unit**

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**ANNUAL TAX RETURN ON INCOME OF PHYSICAL PERSONS**

FOR YEAR |\_|\_|\_|\_|

		0.1. BASIC	
		0.2. MODIFIED	
<b>1. DATA ON TAX PAYER</b>			
1.1 Tax identification number (Personal Identification Number)			
1.2 Surname, father's name and name		_____	
1.3 Qualifications and occupation		_____	
1.4 Employed in		_____	
<b>2. PLACE OF RESIDENCE/DWELLING</b>			
2.1 Municipality /_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/			
2.2 Postal number and place	/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/_/		
2.3 Street and number	_____		
2.4 Phone number	_____		

**3. DATA ON SELF-EMPLOYMENT ACTIVITY**

ACTIVITY	NAME OF THE STORE	NUMBER OF EMPLOYEES	HEAD OFFICE AND RESIDENCE	NUMBER OF REGISTRATION PAPERS
1	2	3	4	5

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**4. BANK ACCOUNTS**

Name of the bank                      Number of the account

**5. ANNEXES WITH  
THE RETURN**

- |              |             |            |                |
|--------------|-------------|------------|----------------|
| 1. Annex A   | 3. Annex A1 | 5. Annex C | 7. Form IPPO-2 |
| 2. Annex PPG | 4. Annex B  | 6. Annex D | 8. Form OPD2   |

**6. NOTE**

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**ASSESSING TAX LIABILITY**

NUMBER	DESCRIPTION	AMOUNT IN EUR
<b>I TAXABLE INCOME</b>		
1.	Employment income, Form OPD2, number 6	
2.	Income from personal earnings not generated from employment, Form IPPO-2, number 7	
3.	Self-employment activity income – Annex A, number 8	
4.	Property and property rights income – Annex B, number 6	
5.	Income generated outside Montenegro – Annex C, number 5	

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6.	Total taxable income (1+2+3+4+5)	
7.	Relief on the basis of the paid gross salaries for the newly-employed	
8.	Taxable income (6-7)	
9.	Assessed tax – Annex D, number 6	
<b>II RELIEVES AND ADVANCED PAYMENT OF TAX</b>		
10.	Tax on income from employment paid during the tax period, Form OPD2, number 8	
11.	Tax on income paid from personal earnings not generated from employment, Form IPPO-2, number 10	
12.	Advanced payment of tax on income from self-employment activity	
13.	Relief for investment in fixed assets	
14.	Advanced payment of tax on income from property and property rights – Annex B, number 7	
15.	Recognized tax paid outside Montenegro – Annex D, number 8	
16.	Total relieves and advanced payment of tax (10+11+12+13+14+15)	
<b>III AMOUNT FOR PAZMENT OR RETURN</b>		
17.	Tax debt (9-16)	
18.	Overpaid tax (16-9)	
19.	Amount of overpaid tax required for return	
20.	Amount intended for crediting advanced payment of tax in the following year	

**I declare, under penalty of perjury, that the foregoing data in Return and Annexes to the**

**Return are true and correct.**

Signature of the payer or an authorized person .....

Tax Identification Number: /\_/\_/\_/\_/\_/\_/\_/\_/\_/\_/ Date: .....

LS

**TO BE FILLED BY TAX ADMINISTRATION**

Document number:...../..... Reception date:..... Processing date:.....  
Surname and name of the authorized officer: ..... Signature: .....

**GUIDELINES FOR FILLING FORM GPP-FL**

**GENERAL DATA ON TAX PAYER**

In the general part of the Annual Tax Return, the following data should be entered:

**Under number 0.1:** symbol "X" if the basic Annual Tax Return is being filed.

**Under number 0.2:** symbol "X" if the modified Annual Tax Return is being filed.

**Under number 1:** personal data from the tax payer

Under number 1.1: tax identification number (Personal Identification Number) of 13 digits;

Under number 1.2: surname, father's name and name of physical person;

Under number 1.3: qualification and occupation;

Under number 1.4: name of the employer where the tax payer is employed.

**Under number 2:** residence or dwelling in Montenegro

Under number 2.1: municipality;

Under number 2.2: postal number and place;

Under number 2.3: street and number;

Under number 2.4: phone number.

**Under number 3:** the following data on self-employment activity:

in column 1: kind of employment;

in column 2: name of the store, and if the one does not exist, then state it;

in column 3: number of employees in the stated store;

in column 4: head office – place and address – street and number;

in column 5: number of the registration paper in the tax authority in charge.

**Under number 4:** name of the bank where the tax payer's deposits are placed and the bank account number.

**Under number 5:** Annexes which must be filed with the Annual Tax Return, by checking the number in front of the name of a particular annex.

**Under number 6:** note about the annexes and other documents which are filed with the Annual Tax Return.

### **DATA FOR ASSESSING TAX LIABILITY**

In the special part of the Annual Tax Return, the following data shall be entered:

#### **I Taxable income**

**Under number 1:** amount of gross income from employment shown under number 6 of the Form OPD2, which must be filed with the Annual Tax Return.

**Under number 2:** amount of personal earnings which are not generated from employment (for example, members of representative bodies, members of assemblies, steering boards, etc.) shown under number 7 of the Form IPPO-2, which must be filed with the Annual Tax Return.

**Under number 3:** amount of income generated from self-employment activity, shown under number 8 of the Annex A.

**Under number 4:** amount of income generated from property and property rights, shown under number 6 of Annex B.

**Under number 5:** amount of income generated outside Montenegro, shown under number 5 of Annex C.

**Under number 6:** total taxable income obtained by adding the amounts shown under numbers 1, 2, 3, 4 and 5.

**Under number 7:** amount of relief on the basis of gross incomes for the newly-employed, paid in the year for which the return is being filed, which is shown in the Form OPD2, enlarged by contributions for mandatory social insurance paid by the employer (tax payer). Together with Form OPD2, a work contract for the newly-employed must also be filed or any other appropriate document which proves that those are newly-employed persons.

**Under number 8:** amount of taxable income – tax base, which is obtained by reducing the amount under number 6 by the amount under number 7.

**Under number 9:** the assessed amount of tax which is obtained when the tax rate from Article 10 of the Law on Tax on Income of Physical Persons (“The Official Gazette of the Republic of Montenegro”, no. 65/01, 37/04, and 78/06) applies to the base shown under number 8. Tax calculation is done in Annex D, and the datum shown under number 6 from Annex D shall be entered in the Annual Tax Return.

#### **II Relieves and advanced payment of tax**

**Under number 10:** amount of advanced payment of tax on personal earnings, shown under number 8 of the Form OPD2, which must be filed with the Annual Tax Return.

**Under number 11:** amount of advanced payment of tax on personal earnings which are not generated from employment, shown under number 10 of the Form IPPO-2, which must be filed with the Annual Tax Return.



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**Under number 12:** amount of advanced payment of tax on revenues from self-employment activity in the tax period.

**Under number 13:** amount of tax relief up to 50% of realized investments into fixed assets, whereas that deduction cannot be more than 70% of the total tax liability for the tax period, shown under number 9 of the Annual Tax Return.

**Under number 14:** amount of advanced payment of tax on revenues from property and property rights, shown under number 7 of the Annex B.

**Under number 15:** amount of recognized tax which is paid outside Montenegro, shown under number 8 of the Annex C.

**Under number 16:** total amount of relieves and advanced payment of tax, which is obtained by adding the amounts under numbers 10, 11, 12, 13, 14, and 15.

### **III Amount to be paid or returned**

**Under number 17:** amount of tax debt if the amount under number 9 is higher than the amount under number 16, enter the difference (9-16).

**Under number 18:** amount of the advanced payment of tax if the amount under 16 is larger than the amount under 10, enter the difference (16-9).

**Under number 19:** amount of advanced payment of tax which is required for return.

**Under number 20:** amount of advanced payment of tax intended for crediting advanced payment of tax on income in the following year.

**ANNEX A: GAIN OR LOSS FROM SELF-EMPLOYMENT ACTIVITY**

FROM YEAR \_\_\_\_\_ TO YEAR \_\_\_\_\_

A. Surname and name:	B. Tax Identification Number (Personal Identification Number):
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**CALCULATING TAXABLE GAIN OR LOSS**

<b>Number</b>	<b>DESCRIPTION</b>	<b>AMOUNT IN EUR</b>
1.	Gain (or loss) according to income statement before taxation (+ or -)	
2.	Amortization expense from the income statement	
3.	Amortization expenses recognized for tax purposes	
4.	Expenditures included in the income statement, but not recognized for tax purposes: a) expenses not incurred while performing business activities, b) expense which cannot be documented, c) interest on unpaid taxes and contributions, d) interest paid to residents at the rate higher than the usual commercial rate, e) administrative expenses paid by a foreign business unit to nonresidential head office, f) earnings of the employees or other persons from the gain distribution, g) pecuniary fines and penalties, h) contributions to political organizations, i) difference in expenses for the materials and the purchase price of goods sold, calculated above the average price or FIFO method, j) contributions to health, educational, scientific, religious, cultural, humanitarian, sports, environmental purposes over 3% of the total income, k) representation expenses made with the purpose of advancing business in the amount over 1% of the total income, between the non-related persons, l) membership dues to chambers, alliances and associations over 0,1% of the total income, m) non-documented doubtful claims (written-off values), n) interest paid to related persons over the amount on the arms length principle,	 <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

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	o) expenditures for mandatory social insurance of 50% of these expenditures included in the income statement	
5.	Incomes from dividends and shares in gain of legal persons	
6.	Gain (or loss) from self-employment activity (1+2+4) – (3+5)	
7.	Amount of business losses from the previous five years (Annex PPG, number 3)	
8.	Taxable income from self-employment activity (6 – 7)	
9.	Amount of business loss which can be transferred to gain account during the next five years	

**GUIDELINE FOR FILLING ANNEX A:  
GAIN OR LOSS FROM SELF-EMPLOYMENT ACTIVITY**

Annex A shall be filled by tax payers who are obliged to keep business records according to the dual aspect accounting principle, physical persons who are being taxed on actual income and physical persons who generate income jointly.

Balance sheet and income statement shall be filed with the Annual Tax Return.

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Calculating taxable gain or loss**

**Under number 1:** Enter the amount of gain or loss shown in the balance sheet for the tax period.

**Under number 2:** Enter the amount of amortization expenses of fixed assets in the income statement.

**Under number 3:** Enter the amount of amortization expenses of fixed assets recognized in tax purposes.

**Under number 4:** Enter the amount of expenditures included for financial purposes, but which are not recognized as expenditures for tax purposes, and those are the following:

**Under number 4.a:** Enter the amount of expenses which were not made by performing business activities (for example, personal expenses of the employer and the employees);

**Under number 4.b:** Enter the amount of expenses which cannot be documented, for which there is no valid documentation which proves the amount, the time, the creation and the purpose of expenses;

**Under number 4.c:** Enter the amount of the paid interest due to the defaulted payment of taxes and contributions;

**Under number 4.d:** Enter the amount of the interest paid to non-residents at the rate higher than the usual commercial interest rate in Montenegro;

**Under number 4.e:** Enter the amount of administrative expenses paid to the non-residential head office;

**Under number 4.f:** Enter the amount which is distributed from income to the employees and other persons;

**Under number 4.g:** Enter the amount of pecuniary fines and penalties;

**Under number 4.h:** Enter the amount of contributions to political organization;

**Under number 4.i:** Enter the amount of difference in expenses for the materials and the purchase price of goods sold, calculated above the average price or FIFO method, established in line with the law which regulates accounting;

**Under number 4.j:** Enter the amount of expenditures for health, scientific, cultural, sports, humanitarian, environmental purposes over 3% of the total revenue;

**Under number 4.k:** Enter the amount of expenses of representation which exceeds the amount of 1% of the total revenue;

**Under number 4.l:** Enter the amount of membership dues to chambers, alliances and associations over 0,1% of the total revenue;

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**Under number 4.m:** Enter the amount of non-documented doubtful accounts (written-off values), which cannot be proved to have been collected and for which the tax payer did not present all the necessary proofs of their unsuccessful payment (Article 27 of the Law);

**Under number 4.n:** Enter the amount of interest paid to related persons at the rate higher than the usual commercial interest rate in Montenegro;

**Under number 4.o:** Enter the amount of 50% of expenditures by way of contributions for mandatory social insurance;

**Under number 5:** Enter the amount of revenues from dividends and shares in the gain of legal persons, shown in the balance sheet, and which is not included into the tax base.

**Under number 6:** Enter the amount of gain from self-employment activity obtained by adding amounts shown under numbers 1, 2, and 4, reduced by the sum of amounts shown under numbers 3 and 5. If the difference is positive, the gain has been generated, and in the case of negative difference, the loss has been generated. If the loss is generated in this line and in line 8, a zero should be entered, and the amount of loss from self-employment activity should be entered in line 9.

**Under number 7:** Enter the amount of transferred loss from the previous five years which is shown under number 3 of the Annex PPG. If the gain is shown, the stated amount of transferred loss cannot be larger than the amount shown under number 6. If the loss is shown, a zero is entered.

**Under number 8:** Enter the amount of taxable income which is the difference of amounts shown under numbers 6 and 7.

**Under number 9:** Enter the amount of loss shown under number 6 which can be transferred to the gain account during the next five years.

**ANNEX PPG: TRANSFER OF BUSINESS LOSSES**

A. Surname and name:	B. Tax Identification number:
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Number	DESCRIPTION	AMOUNT IN EUR
1.	Amount of gain shown under number 6 of the Annex A	
2.	Amount of loss from the previous five years:  <div style="text-align: right; margin-right: 100px;">                         _____ year _____ EUR                          _____ year _____ EUR                          _____ year _____ EUR                          _____ year _____ EUR                          _____ year _____ EUR                     </div>	_____  _____
3.	Amount of loss to be covered (smaller amount than the amount shown under numbers 1 and 2)	

**GUIDELINE FOR FILLING DATA PPG: TRANSFER OF BUSINESS LOSSES**

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Under number 1:** Enter the amount of gain, shown under number 6 of Annex A.

**Under number 2:** Enter the year to which the loss refers and the amount of loss from the previous five years (by year and total).

**Under number 3:** Enter the amount of loss to be covered. Under his number, enter the smaller amount from the amounts shown under numbers 1 and 2.

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**ANNEX A1: CALCULATION OF CONTRIBUTION FOR MANDATORY SOCIAL INSURANCE  
FROM INCOME FROM SELF-EMPLOYMENT ACTIVITY**

FROM \_\_\_\_\_ TO \_\_\_\_\_ YEAR

A. Surname and name	B. Tax identification number
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Number	DESCRIPTION	AMOUNT IN EUR
1.	Taxable income from self-employment activity	
2.	<b>Calculated contributions</b>	
2.1.	Calculated contribution for retirement and invalid insurance	
2.2.	Calculated contribution for health insurance	
2.3.	Calculated contribution for unemployment insurance	
3.	<b>Advanced payment of contributions</b>	
3.1.	Advanced payment of contribution for retirement and invalid insurance	
3.2.	Advanced payment of contribution for health insurance	
3.3.	Advanced payment of contribution for unemployment insurance	
4.	<b>Overpaid contributions</b>	
4.1.	Overpaid contribution for retirement and invalid insurance	
4.2.	Overpaid contribution for health insurance	

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4.3.	Overpaid contribution for unemployment insurance	
5.	<b>Contribution debt</b>	
5.1.	Contribution debt for retirement and invalid insurance	
5.2.	Contribution debt for health insurance	
5.3.	Contribution debt for unemployment insurance	

**GUIDELINE FOR FILLING FORM A1:**

**CALCULATION OF CONTRIBUTION FOR MANDATORY SOCIAL INSURANCE ON THE BASIS  
OF INCOME FROM SELF-EMPLOYMENT ACTIVITY**

Annex A1 shall be filled by tax payers who generate income from self-employment activity.

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Under number 1:** Enter the amount of taxable income from self-employment activity (Annex I, number 8).

Note: Amount of base for calculating contribution cannot be smaller than the amount prescribed by law which regulates the contributions for mandatory social insurance.

**Under number 2:** Enter the total amount of calculated contributions for mandatory social insurance (2.1.+2.2.+2.3.).

**Under number 2.1.:** Enter the amount of calculated contribution for retirement and invalid insurance, obtained by multiplying the base for contribution calculation with the prescribed rate of contribution.

**Under number 2.2.:** Enter the amount of calculated contribution for health insurance, obtained by multiplying the base for contribution calculation with the prescribed contribution rate.

**Under number 2.3.:** Enter the amount of calculated contribution for unemployment insurance, obtained by multiplying the base for contribution calculation with the prescribed contribution rate.

**Under number 3:** Enter the total amount of advanced payment of contributions (3.1.+3.2.+3.3.)

**Under number 3.1.:** Enter the amount of advanced payment of contributions for retirement and invalid insurance.

**Under number 3.2.:** Enter the amount of advanced payment of contributions for health insurance.

**Under number 3.3.:** Enter the amount of advanced payment of contributions for unemployment insurance.

**Under number 4:** Enter the total amount of overpaid contributions (4.1.+4.2.+4.3.).



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**Under number 4.1.:** Enter the amount of overpaid contribution for retirement and invalid insurance (if the amount under number 3.1 is larger than the one under number 2.1., difference 3.1.-2.1.).

**Under number 4.2.:** Enter the amount of overpaid contribution for health insurance (if the amount under number 3.2 is larger than the amount under number 2.2, difference 3.2.-2.2.).

**Under number 4.3.:** Enter the amount of overpaid contribution for unemployment insurance (if the amount under number 3.3. is larger than the one under number 2.3., difference 3.3.-2.3.).

**Under number 5:** Enter the total amount of contribution debts (5.1.+5.2.+5.3.).

**Under number 5.1.:** Enter the amount of contribution debt for retirement and invalid insurance (if the amount under number 2.1 is larger than the amount under number 3.1., difference 2.1.-3.1.).

**Under number 5.2.:** Enter the amount of contribution debt for health insurance (if the amount under 2.2. is larger than the amount under number 3.2., difference 2.2.-3.2.).

**Under number 5.3.:** Enter the amount of contribution debt for unemployment insurance. (if the amount under number 2.3 is larger than the amount under 3.3, difference 2.3.-3.3.).

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**ANNEX B: INCOME FROM PROPERTY AND PROPERTY RIGHTS**

A.	Surname and name	B.	Tax Identification Number
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**CALCULATING INCOME FROM PROPERTY AND PROPRIETARY RIGHTS**

Number	DESCRIPTION	AMOUNT IN EUR
<b>Income from property and property rights</b>		
1.	Income from lease of movable and immovable property a) incomes from renting rooms, apartments, and summer houses b) other revenues	_____ _____ _____
2.	Income from time-limited ceding of copyrights, industrial property and other property rights	_____
3.	Total income from property and property rights (1+2)	_____
<b>Expenses</b>		
4.	Actual (documented) expenses	_____
5.	Standard expenses: a) 50% from number 1.a b) 40% from number 1.b c) 40% from number 2	_____ _____ _____ _____
<b>Taxable revenues from property and property rights</b>		
6.	Taxable income from property and property rights (3-4) or (3-5)	_____
<b>Advanced payment of tax on income from property and property rights</b>		
7.	Amount of advanced payment of tax	_____

<b>8. Kind of property and property rights</b>	
A	

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B	
C	
D	
E	
F	

**GUIDELINE FOR FILLING ANNEX B:  
INCOME FROM PROPERTY AND PROPERTY RIGHTS**

Annex B shall be filled by tax payers who generate income from property and property rights.

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Calculation of income from property and property rights**

**Under number 1:** Enter the amount of income from leasing movable and fixed property (add the amount under numbers 1.a and 1.b).

**Under number 1.a:** Enter the amount of revenues generated from renting rooms, apartments and summer houses to travelers and tourists.

**Under number 1.b :** Enter the amount of other revenues generated from leasing property.

**Under number 2:** Enter the amount of income from time-limited assignment of copyrights, industrial property rights or other property rights.

**Under number 3:** Enter the amount of total income from property and property rights (add amounts under numbers 1 and 2).

**Under number 4:** Enter the amount of actual expenses; it is necessary to have documents which prove that those expenses were created for the purpose of generating income from property and property rights.

**Under number 5:** Enter the amount of standard expenses (add the amounts under numbers 5.a, 5.b i 5.c).

**Under number 5.a:** Enter the amount of expenses which are recognized to the amount of 50% of the generated revenue, which are shown under number 1.a, for revenues generated from renting rooms, apartments and summer houses to travelers and tourists.

**Under number 5.b:** Enter the amount of expenses which are recognized to the amount of 40% of the generated revenue from leasing the remaining property, shown under number 1.b.

**Under number 5.c:** Enter the amount of expenses recognized to the amount of 40% of the generated revenue from time limited ceding of copyright, shown under number 2.

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**Under number 6:** Enter the amount of taxable revenue from property and property rights, obtained by subtracting the amount from number 4 or 5 from the amount under number 3. This amount shall be entered under number 4 of the Annual Tax Return.

**Under number 7:** Enter the amount of advanced payment of tax on income from property and property rights. If payer of revenue is a legal person or an entrepreneur, enter the amount shown under number 10 of Form IPPO-2, which must be filed with the Annual Tax Return.

**Under number 8:** Enter data important for identification; for fixed and movable property (name, kind, address, surface, etc) and for copyright, industrial property and other property right (description, kind of rights, number of patents, etc.).

If the tax payer has more than six kinds of property, he shall fill and submit more of Annexes B, and the data on income and expenses shall be entered only in the first Annex B.

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**ANNEX C: INCOME GENERATED OUTSIDE MONTENEGRO**

A. Surname and name of tax payer	B. Tax Identification Number (Personal Identification Number)
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**CALCULATING INCOME GENERATED OUTSIDE MONTENEGRO**

<b>INCOME GENERATED OUTSIDE MONTENEGRO</b>					
Source of income (revenue)	I Country _____	II Country _____	III Country _____	Total revenue	Paid tax
	-	-	-		
1	2	3	4	5	6
1. Personal earnings					
2. Self-employment activity					
3. Property and property rights					
4. Capital					
5. Total income generated outside Montenegro, column 5 (1+2+3+4)					XXXXXXXXXXXXXXXXXX X
6. Total paid tax outside Montenegro, column 6 (1+2+3+4)				XXXXXXXXXXXXXXXXXX X	
7. Amount of tax which would have to be paid if the income had been generated in Montenegro					
8. Amount of recognized tax paid outside Montenegro (smaller amount from amount shown under numbers 6 and 7)					

**GUIDELINE FOR FILLING ANNEX C:  
INCOME GENERATED OUTSIDE MONTENEGRO**

Annex C shall be filled by tax payers who generate income outside Montenegro.

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Calculating income generated in Montenegro**

In fields I, II and III, enter the name of foreign country in which the income was generated.

**Under number 1:** Enter data on income from personal earnings in the following way: in columns 2, 3 and 4, the amount of revenue generated in the country entered under I, II or III, in column 5, the total amount of revenues generated from personal earnings, and in column 6, the amount of paid tax on all these revenues.

**Under number 2:** Enter data on income from self-employment activity in the following way: in columns 2, 3 and 4 the amount of income generated in the country entered under I, II or III, in column 5 the total amount of revenue from self-employment activity, and in column 6 the amount of paid tax on these revenues.

**Under number 3:** Enter data on income from property and property rights in the following way: in columns 2, 3 and 4 the amount of generated income in the country entered under I, II or III, in column 5 the total amount of revenue from property and property rights, and in column 6 the amount of the paid tax on these revenues.

**Under number 4 :** Enter data on income from capital in the following way: in columns 2, 3 and 4 the amount of income generated in the country entered under I, II or III, in column 5 the total amount of revenue from capital and in column 6 the amount of the paid tax on these revenues.

**Under number 5:** In column 5, enter the sum of amounts from number 1 to number 4, and column 6 shall be left empty.

**Under number 6:** Column 5 shall be left empty, and in column 6, enter the sum of amounts from number 1 to number 4.

**Under number 7:** Enter the amount of tax which would have been paid if the income (shown under number 5) had been generated in Montenegro, by applying the tax rate from Article 10 of the Law.

**Under number 8:** Enter the amount of recognized tax, which is a smaller amount than the amounts shown under numbers 6 and 7. This datum shall be entered in the Annual Tax Return (number 15).

**ANNEX D: TAX ASSESSMENT**

A. Surname and name of tax payer	B. Tax Identification Number (Personal Identification Number)
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**TAXABLE INCOME**

1. Total taxable income, Annual Tax Return, number 8	
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**TAX CALCULATION**

Number	DESCRIPTION	Amount in EUR
2.	Taxable income	
3.	Amount of nontaxable income	840
4.	Difference (2-3)	
5.	Rate (u %)	
6.	Tax on income from number 4 (4x5)/100	

**GUIDELINE FOR FILLING ANNEX D: TAX ASSESSMENT**

In Annex D, the assessment of tax liability is being done, depending on the amount of taxable income and tax rate.

Surname and name of the tax payer shall be entered in field A;

Tax Identification Number of the tax payer, which is the Personal Identification Number, shall be entered in field B.

**Tax calculation**

**Under number 1:** Enter the amount of total taxable income, shown under number 8 of the Annual Tax Return.

**Under number 2:** Enter the amount from number 1 of this Form.

**Under number 4:** Enter the difference between amount under numbers 2 and 3 of this Form.

**Under number 5:** Enter the valid tax rate on income of physical persons.

*Note:* fro 2007, and 2008, the rate is 15%, for 2009 it is 12% and for 2010 and on is 9%.

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**Under number 6:** Enter the amount of tax on income shown under number 4. The amount of tax is calculated by multiplying the amount under numbers 4 and 5, and by dividing the obtained amount by 100. This datum is entered into the Annual Tax Return (number 9)