

16 Annex - Taxation

**124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES
FROM SELF-EMPLOYMENT ACTIVITY**

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT ACTIVITY

Based on Article 49, paragraph 2 and Article 52 of the Law on Tax on Income of Physical Persons (Official Gazette of the Republic of Montenegro 65/01 and 37/04), the Ministry of Finance adopts

RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT ACTIVITY

(Official Gazette of the Republic of Montenegro 3/05 and Official Gazette of Montenegro 80/08)

Article 1

This Rulebook prescribes more detailed criteria for lump sum taxation of revenues from self-employment activities, establishes tax scale, prescribes the content of the business book on generated turnover, as well as the content of the request for lump sum taxation which a tax payer files to the tax authority in charge.

Article 2

More detailed criteria for lump sum taxation of revenues from self-employment activities are the following:

- kind of activities,
- amount of planned turnover,
- share of business expenses in the total turnover, and
- amount of planned taxable revenue.

Article 3

Tax payers are categorized in four groups, depending on the kind of activities:

1) first groups consists of: basket-makers, net-makers, weavers, cap-makers, artistic craftsmanship, watchmakers, potters, package-makers, millers, chimney sweepers, wool workers, cottage industry, collection of medical herbs and wild-berries, cultivation of fruit and vegetables, lime production, production of bricks and tiles, production of charcoal, blacksmiths, millers, taxi drivers, fishermen, "opanak" makers, shoemakers, barbers, sellers of popcorn, corn, chestnuts, etc., oyster farmers, bee-keepers, bookbinders, oil producers, and other occupations. The obligors from this group are recognized the business expenses in total turnover up 75%.

2) second group consists of: the service of tachograph and taxi-meter, offering services of tourist private accommodation, winklers (spoolers), tailors, repair of scales, repair and selling of watches and clocks, pool clubs, video clubs, tool makers, repair and service of batteries, plumbers, locksmiths, production of soda water and soft drinks, bag makers, carpenters, truck operators up to 8 tons, taxi (vans), production of vines, fruit trees and other seedlings and grafts, breeding and selling of ornamental birds, stamps and seals making, precise mechanics, metallic lather, selling of products on market stands, crust makers, cabinetmakers, services with carpenter tools, funeral services, mechanics, making tools for cutting, stone-carvers, florists, tire repairmen, production of chicken and eggs, maintenance and servicing ship engines, servicing ship tanks, framing pictures, tinsmiths, key making, bags making, repair of sewing machines, repair of agricultural machines and other similar occupations. The obligors of this group are recognized the business expenses in the total turnover up 65%.

3) third group consists of: car-body sprayer, car-body repairmen, car mechanics, car service, car electrician, truck operator over 8 tons, car wash and car lubrication, electrical mechanics, masons,

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT ACTIVITY

house-painter, parquet layer, ceramic workers, terrace builders, glass-cutters, photocopy shops, collection, buying off and selling scraps, dry cleaning of floors, maintenance and repair of computers, maintenance and repair of mobile phones, service with construction machines, machine processing of car parts, entertainment games, repair of installations in households, sign-painters, photographers, carvers, welders, decorators, maintenance of telecommunication networks, alarm installation, radio and television mechanics, electricians, electrical fitters, repair of musical devices, repair of household devices, barbecue stalls, meat smoking, maintenance of central heating and elevators, and other similar occupations. The obligors from this group are recognized the business expenses in total turnover of 55%.

4) fourth group consists of: traders, caterers, pastry cooks, bakers, coffee roasting shop, lawyers, designers, surveyors, accountants, auditors, other profession and intellectual occupations, hair-dressers, cosmeticians, and other occupations which are not covered by points 1), 2), and 3) of this Article. The obligors from this group are recognized the business expenses in the total turnover of 35%.

Article 4

Tax payers from Article 3 of this Rulebook, depending on the amount of planned turnover, are categorized into four sub-groups:

- first sub-group covers the obligors whose planned turnover is up to 5 000.00 €;
- second sub-group covers the obligors whose planned turnover is up to 10 000.00 €;
- third sub-group covers the obligors whose planned turnover is up to 15 000.00 €;
- forth sub-group covers the obligors whose planned turnover is up to 18.000,00 €.

The planned taxable revenue represents the difference between the planned turnover from paragraph 1 of this Article and the business expenses from Article 3 of this Rulebook.

Article 5

Lump sum taxation of revenues from self-employment activity is performed according to the following tax scale:

in EUR

I GROUP		II GROUP		III GROUP		IV GROUP	
Amount of taxable income	Annual amount of lump sum tax	Amount of taxable income	Annual amount of lump sum tax	Amount of taxable income	Annual amount of lump sum tax	Amount of taxable income	Annual amount of lump sum tax
do 1250	70	do 1750	150	do 2250	220	do 3250	390
do 2500	260	do 3500	400	do 4500	540	do 6500	780
do 3750	450	do 5250	630	do 6750	810	do 9750	1170
do 4500	540	do 6300	756	do 8100	972	do 11700	1404

Amount of tax liability is established by tax assessment, based in the tax scale from paragraph 1 of this Article.

Article 6

Records on generated turnover are kept by a tax payer, in the turnover book, on Form «KPP», whose content is printed together with this Rulebook and makes its integral part.

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY

Turnover records are kept on the basis of data contained in daily returns from cash register, or bills on products sold, or services performed.

Bills from paragraph 2 of this Article shall be marked by serial numbers and verified at the tax authority in charge.

Turnover book can be kept in electronic form as well, with the previous consent from the tax authority in charge.

Article 7

Request for lump sum taxation of revenues from self-employment activities shall be filed by a tax payer to the tax authority in charge, by 31 December of the year preceding the year for which tax is being assessed, and in case of starting the performance of an activity, the request shall be filed within 5 days from the day of the activity registration.

Request from paragraph 1 of this Article shall be filed on the Form "ZPO", which is printed together with this Rulebook and makes its integral part.

Article 8

Notwithstanding Article 7 of this Rulebook, request for lump sum taxation of revenues from self-employment activities for 2005 shall be filed by 31 January of that year.

Article 9

By coming into force this Rulebook shall supersede the Rulebook on Lump Sum Taxation of Revenues from Self-Employment Activities (Official Gazette of the Republic of Montenegro 71/02).

Article 10

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

Number: 04-9802/1

Podgorica, 25 December, 2008

MINISTER,

Igor Lukšić, PhD

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY

KPP

DATA ON TAX PAYER

Name/Name and Surname _____

Place _____

Activity and group _____

Tax Identification Number _____

Personal Identification Number _____

TURNOVER BOOK

Number	Date of entry	Generated turnover		TOTAL (3+4)
		From selling products	From services performed	
1	2	3	4	5

Guideline for filling

In column 1, enter the number of change in business.

In column 2, enter the date of entry of change in business, chronologically.

In column 3, enter the turnover from selling products.

In column 4, enter the turnover from services performed.

In column 5, enter the total generated turnover.

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY

Republic of Montenegro

Tax Administration

Regional Unit

ZPO

**REQUEST FOR LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY**

1. DATA ON TAX PAYER

1.1 Tax Identification number
(Personal Identification Number)

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1.2 Surname, father's name,
name

1.3 Place, street, number

1.4 Address of the store

1.4.1. Store name

1.4.2. Postal number and place

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1.4.3. Phone number

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1.4.4. Fax

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1.5 Bank account

Bank name	Account number

2. WAY OF FILING REQUEST

124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY

2.1 Year for which request is filed _____

2.2 Way of filing request

- in writing _____
- on floppy or by electronic mail (e-mail) _____

3. KIND OF ACTIVITY AND WAY OF PERFORMING IT _____

4. DATA ON BUSINESS PREMISES

4.1 Premises owned _____

Premises leased _____

4.2 Space covered by premises in m2 _____

5. DATA ON EQUIPMENT FOR PERFORMING ACTIVITIES

5.1 Equipment owned _____

Equipment leased _____

6. DATA ON EMPLOYEES

6.1 Number _____

7. TURNOVER GENERATED IN THE YEAR PRECEDING THE YEAR OF TAXATION

Number	Description	Amount EUROS	in
7.1	Turnover from selling products		
7.2	Turnover from services performed		
7.3	TOTAL GENERATED TURNOVER (7.1 + 7.2)		

8. TURNOVER PLANNED FOR THE YEAR FOR WHICH THE REQUEST FOR LUMP SUM
TAXATION IS FILED

Number	Description	Amount EUROS	in
8.1	Turnover from selling products		
8.2	Turnover from services performed		
8.3	TOTAL PLANNED TURNOVER (8.1 + 8.2)		

9. DATA ON PERSON FILING REQUEST

**124. RULEBOOK ON LUMP SUM TAXATION OF REVENUES FROM SELF-EMPLOYMENT
ACTIVITY**

9.1 Surname and name _____

9.2 Signature of person filing request _____

9.3 Date _____ year _____

9.4 Tax Identification Number

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10. DATA ON FILING REQUEST

10.1 Request file in _____

(place)

10.2 Date of filing _____

10.3 Signature of person who filed request _____

11. DATA ON RECEIVING AND PROCESSING REQUEST (filled by tax authority)

11.1 Received on the following date _____

11.2 Number of request file _____

11.3 Note _____

11.4 Signature of authorized person _____

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