

**16 Annex - Taxation**

**130. RULEBOOK ON USE OF TAX RELIEF IN RESPECT OF  
CORPORATE PROFIT TAX IN UNDERDEVELOPED  
MUNICIPALITIES**

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UNDERDEVELOPED MUNICIPALITIES

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Pursuant to Article 31 paragraph 9 of the Law on Corporate Profit Tax (Official Gazette of the Republic of Montenegro 65/2001), the Minister of Finance hereby issues the

**RULEBOOK  
ON USE OF TAX RELIEF IN RESPECT OF CORPORATE PROFIT TAX IN UNDERDEVELOPED  
MUNICIPALITIES<sup>1</sup>**

**Article 1**

This Rulebook shall regulate the manner of using tax reliefs for payment of the corporate profit tax by newly established legal persons or business units that conduct production activities, and whose main place of business is in economically underdeveloped municipalities.

Main place of business of the taxpayer referred to in paragraph 1 of this Article, is the place where the share of the average number of employees and accounting value of property are bigger than in any other place of business.

Economically underdeveloped municipalities referred to in paragraph 1 of this Article shall be determined by the Act on Economic Policy.

**Article 2**

Production activities referred to in Article 1 of this Rulebook, include activities that are provided for in the Law governing the classification of activities, and they consist of:

- 01 - Agriculture, hunting and appropriate service activities,
- 02 - Cultivation and exploitation of forests and appropriate service activities,
- 05 - Fishing, spawning and breeding fish in ponds, fishing services,
- 10 - Extracting stone and brown coal and lignite, extraction of peat,
- 13 - Mining of metal,
- 14 – Extraction of other minerals and stone,
- 15 - Production of alimentary products and beverages,
- 16 - Production of tobacco products,
- 17 - Production of textile yarns and fabrics,
- 18 - Production of clothing items: finishing and dyeing of fur,
- 19 - Tanning and finishing leather, production of cases, handbags, saddles, leather products and footwear,
- 20 - Wood processing and products of wood and cork, except furniture: production of items made of straw and weave materials,
- 21 - Production of cellulose and paper and paper products,
- 24 - Production of chemicals and chemical products
- 25 - Production of rubber and plastic masses products,
- 26 – Production of items from other non-metal minerals,
- 27 - Production of common metals,
- 28 - Production of standard metal products except machines and devices,
- 29 - Production of machines and devices that is not mentioned in any other place,

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<sup>1</sup> Official Gazette of the Republic of Montenegro 03/03

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- 30 – Production of office and adding machines,
- 31 – Production of electrical machines and devices that is not mentioned in any other place
- 32 - Production of radio-television and communication equipment and devices,
- 33 - Production of medical, precise and optical instruments, watches and clocks,
- 34 - Production of motor vehicles, trailers and semitrailers,
- 36 – Production of furniture, production of various products that is not mentioned in any other place,
- 37 - Recycling,
- 40 - Production and supply of electricity, gas, steam and hot water
- 41 - Collection, purification and distribution of water,
- 45 - Construction.

**Article 3**

Review (list) of municipalities that are considered to be underdeveloped in terms of this Rulebook, shall be published in the Official Gazette of the Republic of Montenegro until 31 December in the current year for the next year.

Until the publication of the list referred to in paragraph 1 of this Article, economically underdeveloped municipalities are considered to be: Andrijevica, Berane, Bijelo Polje, Danilovgrad, Kolašin, Mojkovac, Plav, Pljevlja, Plužine, Rožaje, Šavnik i Žabljak.

**Article 4**

This Rulebook shall enter into force on the eighth day following that of its publication in the Official Gazette of the Republic of Montenegro.

No 04-3196/

27 December 2002

Podgorica

**Minister**

**Miroslav Ivanišević**