

BOGA & ASSOCIATES

TAX ALERT

To keep you up to date with the latest legal and economic developments, this tax alert prepared by our Team provides information that may affect the operation of your business in Albania.

***Minimum Wage Increase &
Reduction of Tax Rates
on Employment Income***



Decision no. 158, dated 12.03.2022 “On Determining the National Minimum Wage”

On 12.03.2022, the Council of Ministers adopted Decision no. 158 “**On Determining the National Minimum Wage**”.

Based on this decision, the minimum monthly wage is increased to ALL 32 000 (thirty-two thousand) (instead of the current minimum monthly wage of ALL 30 000). The said wage is paid for 174 (one hundred and seventy-four) working hours per month, performed during normal working time.

The new minimum wage shall be effective starting from 1 April 2022.



Normative Act no. 4, dated 12.03.2022 “On an amendment to law no. 113/2021 amending law no. 8438/1998 “On Income Tax”

The Council of Ministers adopted the Normative Act no. 4, dated 12.03.2022 “On an amendment to law no. 113/2021 “On an amendment to law no. 8438/1998 “**On Income Tax**” as amended”. Under the Normative Act, the amendment of the progressive tax rates applied on employment income, which were foreseen to enter into force on 1 July 2022, shall be effective as of 1 April 2022.

Hence, starting from 1 April 2022, the progressive tax rates shall be amended as per table no. 1.

Table no. 1

| Monthly Remuneration (ALL) | | | Rate (%) |
|----------------------------|---|--------|---|
| Up to | | 40,000 | 0 |
| 40,001 | - | 50,000 | 0% up to ALL 30,000 6.5% of the amount over ALL 30,000 up to ALL 50,000 |
| Over | - | 50,000 | 0% up to ALL 30,000 13% of the amount over ALL 30,000 up to ALL 200,000 ALL 22,100 + 23% of the amount over ALL 200,000 |



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The Legal 500 2021: Top Ranked in Legal Market Overview

Benchmark Litigation Europe 2022: Top Ranked in Dispute Resolution

WTR1000 2022: Top Ranked in Trademarks

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Boga & Associates

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The firm's particularity is linked to the multidisciplinary services it provides to its clients, through an uncompromising commitment to excellence. Apart from the widely consolidated legal practice, the firm offers the highest standards of expertise in tax and accounting services, with keen sensitivity to the rapid changes in the Albanian and Kosovo business environment. The firm delivers services to leading clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods.