

### Albania | Issue 03/09

To keep you up-to-date with the latest economic and financial developments, this bulletin provides information that may affect the operation of your business in Albania.

The Albanian Parliament has recently approved new laws amending the existing Albanian fiscal legislation. The following laws have been subject to amendments: Law “On Tax Procedures in the Republic of Albania”, Law “On Local Taxes in the Republic of Albania”, Law “On Excise”, Law “On National Taxes”, Law “On Gambling” and Law “On Value Added Tax”. The new laws will enter into force 15 days after their publication in the Official Gazette.

Here below you will find brief information on these law amendments.

- **Amendment to Law “On Tax Procedures in the Republic of Albania”**

#### **Taxpayer may halt paying taxes if VAT is not reimbursed in due time**

The new Law no. 10148, dated 28.09.2009 “On Some Amendments to Law no. 9920, dated 19.05.2008 “On Tax Procedures in the Republic of Albania” states that the local tax authorities must verify the correctness of VAT reclaimed from the taxpayer and perform the reimbursement of VAT amount within 30 calendar days from the receipt of the reimbursement request;

Otherwise the taxpayer shall be entitled to suspend payment of other tax obligations up to an amount equal to the VAT reclaimed.

The modality and detailed technical procedures for the enforcement of this provision will be defined by a forthcoming instruction of Minister of Finance.

- **Amendment to Law “On Value Added Tax”**

#### **VAT exemption in import of books is abrogated**

According to Law no. 10144, dated 28.09.2009 “On Some Amendments to Law no. 7928, dated 27.04.1995 “On Value Added Tax”, the import of printed materials and books is no longer a VAT exempt supply.

- **Amendments to Law “On Local Taxes in the Republic of Albania”**

The new Law no. 10146, dated 28.09.2009 “On Some Amendments to Law no. 9632, dated 30.10.2006 “On Local Taxes” establishes the following new rules:

**Enforcement measures for collection of Real Estate Tax**

The Real Estate Registration Office may perform the registration or deregistration of an immovable property provided that the applicant will present to the Registration Office a confirmation letter issued by the municipality or commune on payment of the tax on real estate.

**New rate of the Tax for the Impact in the Infrastructure from New Constructions Applied to Buildings under Legalization Process.**

The tax for the impact on infrastructure from new constructions applied to buildings under procedure of legalization will be at the rate of 0.5% of the investment value.

**Advertisement Tax**

The new Law indicates the amount of the advertisement tax applicable in all municipalities and communes. Before this amendment, the municipality and commune councils were competent to set forth the tax amount at their discretion.

- **Amendments to Law “On Excise”**

The new Law no. 10147, dated 28.9.2009 “On Amendments to Law no. 8976, dated 12.12.2002 “On Excise” provides for some changes in the level of excise duty for coffee products, alcoholic beverages and tobacco products.

The new rate of the excise duty for the said goods is shown in the Annex 1 below.

(Annex 1)

## NEW EXCISE DUTY RATES

Code	Description	Excise Duty	
		Was	Becomes
<b>I</b>	<b>COFFEE</b>		
09 01 11 00	Coffee, not roasted , decaffeinated or not	50 Lek/kg	70 Lek/kg
09 01 12 00			
09 01 21 00	Coffee, roasted, decaffeinated or not	100 Lek/kg	140 Lek/kg
09 01 22 00			
<b>III</b>	<b>BEER, WINE, ALCOHOL AND ALCOHOLIC DRINKS</b>		
22 08	Alcoholic drinks with the alcoholic over 12% alcohol		
	From importers and producers with the quantity of less or equal to 20.000 hectoliter/year	150 Lek/liter	220 Lek/liter
	From importers and producers with the quantity exceeding 20.000 hectoliter/year	200 Lek/liter	300 Lek/liter
	Alcoholic drinks till 12% alcohol.	70 Lek/liter	100 Lek/liter
<b>IV</b>	<b>TOBACCO AND ITS SUB-PRODUCTS</b>		
24 02 10 00	Cigar and cigarillos that contain tobacco	2240 Lek/kg	2500 Lek/kg
24 02 20	Cigarettes that contain tobacco	40 Lek/pack	50 Lek/pack

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