

Kosovo Introduces New Minimum Wage and Income Tax Amendments

Tax Alert



New National Minimum Wage in Kosovo

The Government of the Republic of Kosovo, in its 218th meeting held on August 28, 2024, issued Decision No. 02/218 "On the National Minimum Wage" which repeals the previous Decision No. 04/33 dated August 17, 2011.

As per the new decision, the national minimum wage is now set at EUR 2 (two) per hour for

standard working hours, or EUR 350 (three hundred fifty) gross per month for full-time employment.

This new minimum wage will take effect starting October 1, 2024.

Amendments to Kosovo's Income Tax Law and Minimum Wage Procedures

On August 23, 2024, Law No. 08/L-142, "On Amending the Laws Determining the Amount of the Benefit at the Level of the Minimum Wage, the Procedures for Determining the Minimum Wage and Tax Rate on Annual Personal Income" (the **New Law**), was published in the Official Gazette of the Republic of Kosovo. The law became effective immediately upon publication.

The New Law introduces the following amendments to the income tax rates as defined in Law No. 05/L-028 on Personal Income Tax:

- 0% on annual taxable income up to €3,000 (monthly up to €250)
- 8% on income from €3,000.01 to €5,400 (monthly from €250.01 to €450)
- 10% on income exceeding €5,400.01 (monthly exceeding €450.01)

The Tax Administration of Kosovo has announced the release of a new version of the Electronic Declaration System (EDI) by September 1, 2024. This updated system will be used for declaring and paying various taxes, including salary tax, pension contributions, and other applicable taxes for both business and non-business individuals, in accordance with the new tax rates.



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