

## PERSONAL INCOME TAX

### Taxation of the citizens' revenues

The revenues made by the citizens, in country and abroad, are being taxed with the Personal Income Tax (PIT).  
A taxpayer for the Personal Income Tax is:

- Resident of Republic of Macedonia - a citizen who makes revenue in country and abroad;
- Non-resident of Republic of Macedonia - a citizen who makes revenue on the territory of the Republic;
- Sole proprietor;
- Citizen who performs agricultural, handicraft activity and a person who provides services or free activities, that is not considered being a merchant (notary, lawyers, executors, professors, artists, priests etc.);
- Citizen who performs activities unregistered and makes revenues that are subject to taxation.

#### REPORTING REVENUES TO THE PRO

The revenues that you make during the calendar year, as a citizen and a taxpayer of the Personal Income Tax you are obliged to declare to the Public Revenue Office (PRO) and to submit an appropriate advance tax return in the legally estimated deadlines.

The tax rate upon which the Personal Income Tax is calculated is 10%.

The tax base for calculation of the Personal Income Tax is different depending on the type of revenue that you make or the activity you perform as a physical person.

The revenues that you make in country and abroad, which are subject to taxation and have to be declared in the PRO are the following:

#### Personal income

As personal income are considered all revenues that you gained based on salaries and salary compensations from employment and payments based on business success in the country or abroad, expenditures compensations from employment and all the other expenditures compensations liaised with the job, pensions, income from being a member of the management organs and of the trading companies supervision bodies, income in case you are an official, MP, an advisor or holder of a public function, or a professional athlete (premiums, transfers etc.), also each individually made income based on a contract for occasionally or temporary providing services to legal entities and physical persons...

The revenues might be paid in cash, vouchers, cash receipts, shares, goods or in some other kind that has a financial value. Your employer (the revenue payer) is obliged to calculate and pay the Personal Income Tax and during the each payment of income to give you the calculation sample on the paid out Personal Income Tax and contributions, and a summary data about the total paid advance after the end of the calendar year, by latest January 25 the next year.

#### Self-employment income

Self-employment income is income made by performing an economic activity, by giving professional and other intellectual services, income from agricultural activities, and from other activities whose permanent goal is to gain revenue.

As a self-employed person you are obliged by latest March 15 next year to the Public Revenue Office and the Central Registry to submit the forms "B" and "PDD-DB".

If as a self-employed person during the year, apart from self employment income, you gain income on other grounds, you are obliged to submit an Annual Tax Return (form "PDD-GDP").

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## Income from property and property rights

If you gain income from property and property rights, meaning you rent under the lease or sublease land, living and commercial space, garages, rest and recreation facilities, equipment, transport vehicles and other types of property, you have to report them in the PRO within 15 days from the day of the income made, on the form "PDD-ADP/PI".

## Income from copyrights and industrial property rights

For the paid income on copyrights (e.g. you have concluded a copyright contract with an Authors' agency) or income from industrial property rights (e.g. you concluded a contract to use a patented product, a contract to use a trademark etc.), the income payer is obliged at the moment of the income payment to calculate and pay the Personal Income Tax and to give you a calculation sample for the paid tax.

## Income from capital

If you make income from capital, as dividends and other income made by participation in the profit of legal entities and physical persons, interests on loans given to physical persons and legal entities and interests on bonds or other securities, the income payer should calculate the income tax for each individually paid income, at the moment of payment.

*\* Interest on time savings and other deposits are exempt from taxation to the date of the accession of the the Republic of Macedonia to the European Union.*

## Income from capital gains

If you made income from capital gains (sale of participation in the capital and real estate), you have to declare them to the PRO within 15 days from the day the income was made, on the form "PDD-ADP/KD".

*\* Capital gains realized from the sale of securities are not taxable from 1 January 2013 to 31 December 2018.*

## Gains from games of chance

By realizing gain out of games of chance (in cash, securities, in kind or in some other form), the gain payer is obliged to calculate and pay the Personal Income Tax for the income you made and to give you a sample of the calculation.

When making gain from common games of luck (lottery games of luck, electronic games of luck, competitions and interactive games of luck) in amount exceeding 5,000 denars, the payer entity is obliged to calculate and pay income tax on the entire amount of the gain and issue a copy of the calculation.

## Other income

In case that you make "other income" (income made by becoming an owner of securities and participation in the capital without compensation) these should be declared to the PRO in 15 days from the day the income was made on the form "PDD-ADP/DP".

## SUBMITTING OF ANNUAL TAX RETURN

As a citizen throughout the year you can make income on many grounds, i.e. apart from your salary or pension, for example, you have made income also from renting a living space, or you made a fee based on author's contract, further on you participated into a prize game and gained income over 5,000 denars etc.

In such case, apart from being obliged to declare the income to the PRO during the calendar year, or in deadlines as described above, you are obliged for all of your income that you made on various grounds during the year to declare on the Annual Tax Return.

The Annual Tax Return is being submitted after the ending of the year for which the tax is assessed, by latest March 15 next year on the form "PDD-GDP".

## More information about the Personal Income Tax!

The PRO web site [www.ujp.gov.mk](http://www.ujp.gov.mk) provides you with fast and easy access to the publications, tax information and forms of the Public Revenue Office. We recommend you to download the information about taxation on PIT, through <http://www.ujp.gov.mk/en/vodic/category/538>

For more information regarding PIT, you can also contact us via e-mail: [info@ujp.gov.mk](mailto:info@ujp.gov.mk)

*Your tax, your future!*