



**NEW
STIMULUS SET
TO BENEFIT
EMPLOYERS**

JPM

JANKOVIĆ POPOVIĆ MITIĆ



SERBIA: NEW STIMULUS SET TO BENEFIT EMPLOYERS

The latest amendments to the Law on Citizen Income Tax and the Law on Contributions for Compulsory Social Insurance provide for stimulus measures to micro and small enterprises, starting from January 2016.

According to the previous legal framework, the stimulations were planned to last until June 30, 2016, while the new legislative amendment extends these until December 31, 2016. Before legislative amendments came into force, employers were entitled to a partial refund of paid taxes and contributions, amounting to:

1. 65% if they established employment relationships with one to nine newly employed persons;
2. 70% if they established employment relationships with 10 to 99 newly employed persons;
3. 75% if they established employment relationships with 100 or more newly employed persons.

The amendments have introduced a benefit for micro and small enterprises and entrepreneurs in the form of an entitlement to a partial refund of paid taxes and contributions amounting to 75% provided they establish employment relationships with at least two new persons, as compared to their number of employees on October 31, 2015.

This employment stimulation also applies to newly established employers if they commenced their business after October 31, 2015.

Employers are to receive such refund of paid taxes and contributions within 15 days from the date of submitting an application.

Hence, as from January 2016, the stimulations for micro and small enterprises and entrepreneurs employing new persons amounts to 75% of the paid taxes and contributions, provided they established employment relationships with at least two new persons, whereas such arrangement is still in force for medium and large enterprises.



JPM JANKOVIĆ POPOVIĆ MITIĆ
NBGP Apartments, 6 Vladimira Popovića street
11070 Belgrade
Tel: +381 11 207-6850, Fax: +381 11 207-6899
E-mail: office@jpm.rs, Online: www.jpm.rs

JPM

JANKOVIĆ POPOVIĆ MITIĆ

