



# SERBIA TAX CARD 2025

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## **TAX CARD 2025 – SERBIA**

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### Table of Contents

#### **1. Individuals**

- 1.1 Personal Income Tax
  - 1.1.1 Tax Rates
  - 1.1.2 Taxable Incomes
  - 1.1.3 Exempt Income
  - 1.1.4 Deductible Expenses
  - 1.1.5 Allowances
- 1.2 Social Security & Health Insurance Contributions
- 1.3 Submission of Tax Returns

#### **2. Corporate Taxation**

- 2.1 Corporate Income Tax
  - 2.1.1 Residency
  - 2.1.2 Tax Rates
  - 2.1.3 Taxable Incomes
  - 2.1.4 Exempt Income
  - 2.1.5 Deductible Expenses
  - 2.1.6 Non-deductible Expenses
- 2.2 Withholding Taxes

#### **3. Indirect Taxation**

- 3.1 Value Added Tax (VAT)
  - 3.1.1 VAT Registration Threshold
  - 3.1.2 VAT Rates
  - 3.1.3 Exempted Supply of Goods & Services
- 3.2 Custom Duties
- 3.3 Excise Duties

#### **4. Local & Other Taxes, Fees**

#### **5. Tax Calendar**

#### **6. Administrative Penalties**

## I. Individuals

### 1.1 Personal Income Tax

Residents are subject to personal income tax on their worldwide income. Non-residents are taxed on their Serbian-source income only. Income tax is assessed in the year, in which the income is earned on a current year basis.

#### 1.1.1 Rates

Annual Personal Income Tax Rate	Taxable amount
Exempt	Total annual income from all taxable sources is exempt up to 3 times the average annual salary.
10%	On income between 3 to 6 times the average annual salary.
15%	On income above 6 times the average annual salary.

#### 1.1.2 Taxable Income

Income Type/Taxable Source	Taxable Amount
Income from salaries and bonuses arising from labor agreements	Gross salary (net salary + income tax + social security contributions) less a variable non-taxable amount
Rent of own properties	20% tax on gross - 25% of standardized costs (-50% in tourism)
Income from dividends or from other types of profit distribution	Monetary or non-monetary amount received as income
Royalties	gross-34%- 50% of standardized costs
Capital gains	The sales price less the acquisition price is further adjusted in accordance with the Personal Income Tax Act

#### 1.1.3 Exempt Income

Income Type	Exempted Amount
Income received as a result of being insured in the social and health insurance scheme	100%
Inheritance and gifts	Inheritance received by a first-degree related person.  Farmer received agricultural land (under specific conditions)  The person receiving a dwelling (under specific conditions)
Pensions	100% in case of retirement
Games of Chance income	100%- Gains from casinos and slot machines
Organized social and humanitarian help	100%
Income derived in line with legislation related to disability persons	100%

Scholarships	100% for scholarships up to RSD 43.160 RSD per month
Unemployment benefits	100%
Redundancy and retirement payments	Subject to limitations

Additionally, the following are the non-taxable amounts of payments/benefits done by the employer

- Daily allowance for business trips in the country – up to RSD 3.380 (approx. EUR 28) per day
- Daily allowance for business trips abroad – up to 90 EUR
- Business trip transportation cost – up to 9.855 RSD ( approx. EUR 84)
- Public transportation cost for coming to and going from work – up to RSD 5.630 (approx. EUR 48)
- Compensation for use of own vehicle for a business trip – 30% of the cost of 1l of gasoline per kilometer of trip
- Remuneration for accommodation and meal expenses on a business trip – must be justified by bills and is fully non-taxable
- Severance pay at time of retirement – either prescribed by the Company Act or two-fold average monthly salary (Labor Law prescribed)
- Redundancy severance pay – 1/3 of salary for each year of employment with the employer making the payment
- Compensation for expenses of burial of employee, his/ her spouse or child – RSD 98.534 (approx.. EUR 842)
- Solidarity bonus–in case of the death of an employee or member of his family or of a company retiree – RSD 98.534 (approx. EUR 842)
- Solidarity bonus in case of long or serious illness, rehabilitation, or disability – RSD 56.307 (approx.. EUR 480)
- Solidarity bonus for the abatement of consequences of flood or other acts of god or in other extraordinary circumstances
- Anniversary reward – RSD 28.152 (approx.. EUR 240)
- Loan for the purchase of heating material, school books, and winter supply of pickled vegetables and fruit preserves
- Christmas gifts for children of employees up to 15 years of age 14.077 (approx.. EUR 120)
- Scholarships for pupils and students – up to RSD 43.160 per month (approx.. EUR 368 )
- Additional health insurance and retirement plan premiums – RSD 8.449 (approx.. EUR 72) per month

All non-taxable amounts are adjusted once a year during January and are valid for the next 12 months.

### 1.1.4 Deductible Expenses

Expenses are non-deductible for personal income tax purposes.

### 1.1.5 Allowances

Personal deduction for the purpose of the annual personal income tax equal to 40% of the average annual salary is automatically deducted. Additional allowance equal to 15% of the average annual salary may be claimed for each dependent family member. The total amount of the allowances may not exceed 50% of the aggregate taxable income.

## 1.2 Social Security and Health Insurance Contributions

Contribution rates are as follows:

Contribution	Employer	Employees
Pension and Disability Insurance	10%	14%
Health Insurance	5.15%	5.15%
Unemployment insurance		0.75%
Total	15.15%	19.9%

## 1.3 Submission of Tax Returns

The deadline for the submission and payment of tax returns varies depending on the income type and the income payer.

The deadline for submission of annual personal income tax returns for income generated in 2024 is 15 May 2025.

Tax return is submitted electronically on the Tax Authority's portal and the instruction for payment is automatically generated.

## II. Corporate Taxation

### 2.1 Corporate Income Tax

Resident companies are subject to profit tax on a fixed rate of 15%. Capital gains, dividends, interests, and royalties are included in the income of companies and are taxed as part of corporate tax. Tax returns should be submitted no

later than 30 June of the year for the previous year.

### 2.1.1 Residency

Tax residency is established when a company has a registered business or permanent establishment, or the management and control are exercised in Serbia.

### 2.1.2 Tax Rates

The rate of corporate income tax in Serbia is flat at 15%.

### 2.1.3 Taxable Income

Under Serbian laws, the following types of income are subject to taxation:

Income type	Taxable amount
Income derived from the ordinary course of business activity or closely connected to the ordinary course of business activity	100%
Income from the transfer of immovable properties	100%
Any rent, royalties, remuneration, or other profits arising from the property	100%
Income from dividends or from other types of profit distribution from non-resident subsidiaries	100%
Interest income	100%
Royalties	100%
Other incomes which are not identified in any of the forms as above	100%

### 2.1.4 Exempt Income

The following incomes are exempt from corporate income tax:

1. Income up to RSD 400,000 derived by non-profitable organizations.
2. Dividend income from shares in resident companies as well as capital gains arising from the sale of state-issued bonds or bonds issued by the National Bank, provinces, or local municipalities; and
3. Interest income arising from the abovementioned securities.

### 2.1.5 Deductible Expenses

All expenses incurred wholly and exclusively for business purposes are allowed for tax purposes if supported by relevant documents such as invoices, foreign invoices, receipts issued by state entities, or other documents compiled and issued according to the Ministry of Finance Directives.

Deductible expenses include:

Expense type	Deductible amount
Salaries and social security contributions	100%
Interest and royalty payments	100%
Expenses for health, educational, scientific, humanitarian, environmental protection, religious, and sports purposes given to entities registered/established for that purpose	In aggregate amounts up to 5% of the total revenue
Advertising/promotion expenses	100% based on bills presented
Entertainment expenses	Up to 0.5% of total income
Bad debts only after the company has undertaken all legal steps to cash in the debt	100%
Expenses for investments in culture, including the cinema industry	up to 5% of the total revenue
Voluntary membership fees for chambers, unions and associations	up to 0.1% of total revenues

### 2.16 Non-deductible Expenses

Expenses that were not incurred wholly and exclusively for business purposes or have not been documented properly are not deductible for tax purposes.

Non-deductible expenses include:

Expense type	Non-deductible amount
Expenses not related to business activity	100%
Expenses that cannot be documented	100%
Interest due to untimely payment of taxes, contributions, and other public duties; costs of enforced collection or other proceedings; fines imposed by the competent authority	100%
Gifts and contributions given to political organizations	100%
Gifts whose recipient of a related party same as default interest between related parties (direct or indirect holding of at least 25% of the shares and/or the possibility of control or significant influence on business decisions.)	100%

## 2.2 Withholding Taxes

WHT at the rate of 20% applies to dividends, royalties, interest, lease payments for real estate and other assets on the territory of Serbia, and service fees paid by Serbian tax resident to a non-resident. In addition, WHT is payable on income of non-residents from staging entertainment, artistic, sport or similar programs, which is not taxed as income of individuals (e.g. performers, musicians, athletes).

As of 1 April 2018, solely remunerations payable to non-resident legal entities, for market research services, accounting and auditing services, as well as other services in the field of legal and business consulting (regardless of the place where the service is provided or used) are subject to 20% WHT.

WHT at the rate of 25% applies on royalties, interest, rental income and service fees (irrespective to the place where they are provided or used) paid by resident to a non-resident from a jurisdiction with a preferential tax system, as well as to a permanent establishment of a non-resident entity from a jurisdiction with a preferential tax system.

Capital gains realized by a non-resident entity on the territory of Serbia from a resident legal entity, a non-resident legal entity, a non-resident or resident private individual or an open investment fund are subject to capital gains tax at the rate of 20%. Capital gains tax is payable on the basis of the tax authorities' assessment.

## III. Indirect taxation

### 3.1 Value Added Tax (VAT)

#### 3.1.1 VAT Registration Threshold

The VAT registration threshold is determined by the Ministry of Finance, according to economic and administration factors. The current threshold is RSD 8 million (EUR 68k).

**Voluntary registration:** Every physical person or legal entity that is not obliged to be registered for VAT but offers taxable supplies of goods or services in Serbia, has the right of voluntary VAT registration at the respective Tax Office.

### 3.1.2 VAT Rates

Standard VAT Rate	The general rate is applied on domestic transactions and on imports of goods	20%
Reduced VAT Rate	Basic food supplies (bread, milk, meat, fat, oil, sugar), medical drugs, prosthetic devices, surgically implants and material for dialysis; books and daily newspaper; water supplies; hotel accommodation; firewood, briquettes and pellet; natural gas and thermal energy for heating; transport of passengers and their accompanying luggage etc.	10%
Reduced VAT Rate	Products purchased from farmers	8%
Zero VAT Rate	Exports of goods out of Serbia and international transport of goods and passengers	0%

### 3.1.3 Exempt supplies of goods and services:

Financial services and banks
Postage stamps supply
Supply provided by a non-profit organization
Educational services
Private insurance
International air and sea transport
Supply of services performed outside the territory of Serbia by a taxpayer whose place of business is in Serbia

## 3.2 Custom Duty

Customs duty in the Republic of Serbia is applied on the import of goods by the custom authorities. The liability to pay excise duty is always on the importer of goods, but it is added to the cost of goods and in this way, it is finally passed on to the consumers.

Customs duty is based generally on the value of goods or upon the weight, dimensions, or some other criteria of the item. The rate of Customs duty in Serbia is different for each product, and it is also different for every country or group of countries. The customs authorities have the obligation to publish and to update the list of the rates for each product and each country.

## 3.3 Excise Duty

Excise duty in the Republic of Serbia is an indirect tax applied on certain goods, such as tobacco products, alcoholic drinks, coffee, petroleum (and petroleum by-products) etc. The liability to pay excise duty is always on the manufacturer or importer of goods. Nevertheless, it is normally added to the cost of goods and is collected by the manufacturer from the buyer of goods.

For the excise duty there are no standard rates as the level for every product that is subject of such tax is different and it is normally calculated on kg, liter or pieces basis.

## IV. Local and Other Taxes, Fees

Real estate tax on buildings (Land tax)– calculated on the surface (square meters) of the buildings – its amount depends on the region where the building is located but is typically levied with a maximum rate of 0.4%
Real estate tax on agricultural land – calculated on the surface (hectares) of the agricultural land – its amount depends on the region where the land is located.

## V. Tax Calendar

Activity	Deadline
Individual tax return to be submitted and tax to be paid by the income payer	15 May for the previous year
Annual personal income tax if exceeding the threshold determined by the Ministry of Finance	15th May for the previous year
Declaration and payment of annual corporate income tax return	180 days from the year-end
Declaration and payment of VAT	15th of the month for the previous period and for all VAT taxpayers, both monthly and quarterly
Declaration and payment of social and health insurance contribution	The last day of the current month for the previous month or with the income payment
Corporate income tax advance payments if the entity had an obligation for CIT in the year	up to 15th of the month for previous month the until next submission of CIT return
Immovable property declaration	31st March for previous year
Submission of financial statements via special application at web portal of Register of Financial Statements	31st March -Final FS

## VI. Administrative Penalties

Description of the misconduct	Penalty
Unjustified request for tax refund or tax credit of more than RSD 500,000 (approx. EUR 4,100)	Imprisonment from 3 months to 10 years + monetary fine assessed by the court
Jeopardizing tax collection	Imprisonment up to one year + monetary fine assessed by the court
Failure to submit tax returns or untimely submission of tax returns, failure to calculate and pay tax and untimely payment of tax	10%- 100% unpaid tax, but not less than RSD 100,000
False reporting and reporting of lower amounts of tax due	30% of the difference between actual due and reported tax, but not less than RSD 200,000
Failure to submit documentation and other information with the tax return	RSD 100,000- RSD 2,000,000
Other misconducts (various types)	RSD 100,000- RSD 2,000,000



# Eurofast

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