



Adopted amendments to the Personal Income Tax Law

TAX ALERT
January 2016



On 28 December 2015 the Montenegrin Parliament adopted the Law on Amendments to the Personal Income Tax Law, as published in the Official Gazette of Montenegro number 79, dated on 31 December 2015.

Application of adopted amendments

The adopted amendments are effective as of 1 January 2016.

The amendments are as follows:

Tax rate

The amount of the higher tax rate has been reduced from 13% to 11%, such that tax rates are as follows:

Gross personal income up to 720 euro per month is taxable at a rate of 9%, while gross personal income above 720 euro per month is taxable at a personal income tax rate of 11% (on the amount in excess of 720 euro).

The higher tax rate shall be effective until 31 December 2016.

The Rulebook on Reconciliation of the Amount of the Highest Annual Base for Payment of Contributions in 2015 has been adopted

The Rulebook on Reconciliation of the Amount of the Highest Annual Base for Payment of Contributions in 2015 was published on 14 December 2015 in the Official Gazette of Montenegro number 69, and shall be effective as of 22 December 2015.

The highest annual base for payment of contributions in 2015 amounts to 50,350.00 €.

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