

The non-taxable amount of per diems for business trips abroad, which applies to employers and employees in private and public sectors, is decreased to 15 euro.

TAX ALERT
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The Resolution on Amendments to the Resolution on Compensation of Expenses and Benefits of Government Employees and Civil Servants (hereinafter: Resolution) was published in the Official Gazette of the Republic of Serbia no. 84/2015 on 6 October 2015, and goes into effect on 14 October 2015.

The Resolution specifies a decrease in per diems for government employees and civil servants for business trips at home to 150 dinars, and for business trips abroad to 15 euro.

The decrease in per diems for business trips abroad also has a direct effect on employees and employers in the private sector, because this decreases the non-taxable amount of per diems for business trips abroad.

Namely, in accordance with article 18 paragraph 1 point 2) of the Personal Income Tax Law (Official Gazette of the Republic of Serbia no. 24/2001...5/2015), salary tax is not paid on the amount of per diems for business trips abroad, up to the amount prescribed by the competent government authority (according to the practice of the competent ministries and the Tax Authority, the per diem amount for business trips abroad is prescribed by the Resolution). This practically means that every employer who pays out per diems to an employee for a business trip abroad above the amount of 15 euro would be required to calculate salary tax at a rate of 10% on the amount of per diem in excess of 15 euro.

The decrease in the per diem amount for business trips at home for government employees and civil servants to 150 dinars does not affect the change in the non-taxable amount. In other words, the non-taxable amount remains at 2,168 dinars in accordance with article 18 paragraph 1 point 2) of the Personal Income Tax Law.

Compensation of costs of lodging on business trips, based on the provided receipt, will continue not to be subject to salary tax.

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