

ANNUAL PERSONAL INCOME TAX RETURN

Deadline: 30 April 2020



With the submission deadline of Annual Personal Income Tax Return fast approaching, we would like to remind you on the compliance obligations and on submission modalities with it related.

What is it?

The Annual Personal Income Tax Return is a form the individual submits to the Albanian tax authorities in order to report the income generated during the year and calculate and pay the related taxes.

The deadline for the submission of Annual Personal Income Tax Return for fiscal year 2019 is 30 April 2020.

Who is affected?

Based on Law No. 8438 no.8438 "On Income Tax", dated 28.12.1998, resident and non - resident individuals whose annual gross income exceeds the amount of ALL 2 million are obliged to prepare and submit the Annual Personal Income Tax return. For Albanian residents, the threshold is applicable to world wide income, whereas for Albanian non-residents the threshold is applicable only to the income generated in the Republic of Albania.

In line with article 8 of the aforementioned law, is considered as income: salary and related employment benefits, dividends, interests, royalties, rent income, gambling income, capital gains and other type of incomes not specifically mentioned by the article.

The Annual Personal Income Tax Return may be prepared and submitted in a voluntary way by individuals who do not fulfill the threshold condition, in case they would like to benefit from the tax deductibility applicable on some specific categories of income.

How do I comply?

The submission of the Annual Personal Income Tax Return is done electronically through the [e-tax](#) system.

For individuals that already have an active account, they should access it and complete the form for fiscal year 2019.

For individuals that do not have an active account, they should:

- **For Albanian citizens-** register in the e-tax system and create an account by inputting the personal data as required, and set a password.
- **For foreign citizens-** personally/ or by their representative, they should visit the Regional Tax Directorate and get equipped with a password which will give the possibility to access the e-tax system.

After activating the account, the individuals must complete the form for the fiscal year 2019.

What happens if I do not comply?

Failure of non-submitting the Annual Personal Income Tax Declaration is subject to a penalty of ALL 5,000.

Individuals that have submitted the Annual Personal Income Tax Declaration within the deadline, may amend it up two times within 3 months from the first submission. Amendments after the second time, will be subject to penalties should the amendment result in additional tax obligation.

For more details on the above or other issues in the fiscal area, please refer to:

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