



Amendments to Serbian Tax Legislation

Introduction

The National Assembly of the Republic of Serbia adopted, on 31 August 2026, a package of tax and other regulations introducing significant changes in the areas of VAT, electronic invoicing, direct taxation, tax procedure and tax administration, fiscalization, excise duties, as well as certain environmental taxes.

The laws were published in the Official Gazette of the Republic of Serbia, No. 80/2026, dated 31 August 2026. While most of the amendments entered into force on the eighth day following their publication, the commencement of their application varies depending on the particular legislative solution. Certain changes will apply as early as September 2026, while a portion of the amendments will begin to apply from 1 January 2027.

Below, we outline the most significant changes introduced by the adopted legislation.

Law on Amendments to the Value Added Tax (VAT) Law

The amendments to the Value Added Tax Law represent one of the most extensive components of the adopted package of tax legislation. Most of the changes are aimed at aligning the VAT system with the new information technology solutions of the Tax Administration and the new VAT reporting model, which is scheduled to be introduced as of 2027.

Amendments Related to VAT Registration and Deregistration

The amendments introduce changes to the period during which taxpayers are required to remain within the VAT system following registration.

Under the rules applicable to date, small taxpayers and farmers that voluntarily registered for VAT purposes were required to remain within the VAT system for a minimum period of two years. Under the new rules, the mandatory VAT registration period is linked to the current and the following calendar year.

At the same time, the same rule is introduced for persons that become subject to VAT registration by operation of law due to exceeding the turnover threshold of RSD 8 million. Consequently, these categories of taxpayers will be required to remain within the VAT system and account for VAT at least until the end of the calendar year following the year of registration, except in cases where they cease carrying out their business activity.

Significant changes have also been introduced to the VAT deregistration procedure. A uniform five-day deadline has been prescribed for submitting a request for deregistration from the VAT register or for notifying the Tax Administration of an implemented status change. A deregistration request must be submitted within five days from the date of cessation of VAT activities, while notification of a status change must be submitted within five days from the date on which such status change is implemented. In addition, a taxpayer meeting the conditions for deregistration will independently determine the date of cessation of VAT activities, while the tax authorities will issue a confirmation of deregistration from the VAT register. These amendments will apply as of 1 January 2027.

Change of Tax Period at the Taxpayer's Request

The amendments further regulate the mechanism allowing taxpayers to voluntarily change their tax period from a quarterly to a monthly basis.

Under the new rules, an approved change of the tax period will remain in effect until the taxpayer submits a request for its termination. Following the submission of such a request, the monthly tax period will continue to apply until the end of the calendar year following the year in which the request was submitted.

From a practical perspective, taxpayers will no longer be required to periodically submit new requests in order to continue applying a monthly tax period. These amendments will apply as of 15 December 2026.

Ex Officio Filing of VAT Returns

Starting with the January 2027 tax period (January-March 2027 for quarterly taxpayers), if a taxpayer fails to file a VAT return within the statutory deadline, the tax authorities will be entitled to submit a VAT return ex officio on the basis of a preliminary VAT return.

A VAT return submitted in this manner will contain only information on output VAT. The taxpayer will subsequently be entitled to file an amended VAT return in order to report input VAT and exercise the right to deduct input VAT, in accordance with the rules governing amended tax returns.

Filing of Tax Returns upon VAT Registration

The Law also regulates situations in which a person registers for VAT during a tax period in which it simultaneously has an obligation to account for VAT as a tax debtor that is not registered for VAT purposes. In such cases, two VAT returns must be filed for the same tax period:

- one return in the capacity of a tax debtor for the period preceding VAT registration; and
- another return in the capacity of a VAT taxpayer for the period following VAT registration.

At the same time, a specific rule has been introduced for persons that failed to register for VAT within the prescribed deadline. Such taxpayers will be allowed to adjust VAT relating to previous tax periods in their first VAT return filed following registration. In such case, the error relating to the tax liability will be deemed remedied. This solution remains an exception to the general rule that errors are corrected through the filing of an amended tax return.

Correction of Errors from Previous Tax Periods

The adopted amendments abandon the approach that was intended to allow errors from previous tax periods to be corrected through the VAT return for the current tax period. Accordingly, even after 1 January 2027, errors relating to previous tax periods will, as a general rule, continue to be corrected through the filing of an amended tax return, in accordance with the provisions of the Tax Procedure and Tax Administration Law.

Deadlines for Filing VAT Returns and Payment of VAT

The general deadlines for filing VAT returns remain unchanged. However, the deadlines applicable to taxpayers deregistering from the VAT system have been amended. Instead of filing the VAT return on the date of submitting the deregistration request, taxpayers will be required to file the VAT return within 15 days from the date of cessation of VAT activities.

At the same time, the deadline for the payment of VAT has been simplified. Under the new rules, a VAT taxpayer deregistering from the VAT system will be required to settle its VAT liability within the same deadline applicable to all other VAT taxpayers, i.e. within the deadline prescribed for filing the VAT return.

Other Amendments

The VAT exemption applicable to postal services has been clarified so that, instead of applying to supplies performed by a public enterprise, it will apply to the supply of postal services and related supplies of goods performed by a public postal operator, irrespective of its organizational form.

In addition, certain provisions relating to the reporting of transactions involving secondary raw materials, agricultural products and forestry products have been further clarified. Corresponding adjustments have also been made to align the VAT framework with the new VAT reporting model that will apply as of 2027.

Law on Amendments to the Law on Electronic Invoicing

The amendments to the Law on Electronic Invoicing are not extensive; however, they represent an important step in the further development of the Electronic Invoicing System (SEF) and its integration with the new VAT reporting model, which will apply as of 2027.

The most significant changes relate to the introduction of electronic recording of purchases of agricultural and forestry products, as well as agricultural services, from farmers that are not registered for VAT purposes, the expansion of cross-border transaction data that will be available within the SEF, and the further regulation of the preliminary VAT return framework.

Electronic Recording of Purchases from Farmers

The amendments introduce an obligation to electronically record purchases of agricultural and forestry products, as well as agricultural services, acquired from farmers that are not registered for VAT purposes.

The obligation applies to VAT taxpayers that receive supplies of such goods and services from farmers who are not registered for VAT purposes. The recording will be performed on an aggregated basis for each tax period after the end of the relevant tax period, and no later than the 12th day of the calendar month following the tax period for which the recording is made.

At the same time, the Law provides for the possibility of subsequent corrections to the electronic records. The method, procedure and rules governing such corrections will be further regulated by secondary legislation to be issued by the Minister of Finance. These provisions will apply as of 1 July 2027.

New Export and Dispatch of Goods Data Available in the SEF

The amendments expand the concept of cross-border transactions so that, in addition to data on imports and the inward movement of goods, it will also include data on exports and the outward movement of goods.

SEF users will be granted access to export and dispatch data based on information obtained from the Customs Administration's information system. For this purpose, lists of customs declarations relating to the export and

dispatch of goods will be made available, prepared on the basis of customs declarations and supporting documentation in accordance with customs regulations.

The detailed content of such data and the manner of its use will be regulated by a separate bylaw to be issued by the Minister of Finance. These provisions will also apply as of 1 July 2027.

Preliminary VAT Return

The amendments further regulate the legal framework governing the operation of the preliminary VAT return within the Electronic Invoicing System (SEF).

The Minister of Finance is authorized to prescribe in greater detail the manner of preparation of, and procedures relating to, the preliminary VAT return, thereby aligning the Law on Electronic Invoicing with the new VAT reporting rules that will become applicable as of 2027. These provisions will apply to tax periods commencing after 31 December 2026..

Other Amendments

The penalty provisions of the Law have also been aligned with the new rules governing electronic VAT records and the electronic recording of purchases from farmers.

Law on Amendments to the Corporate Income Tax Law

The amendments to the Corporate Income Tax Law are primarily aimed at further aligning domestic legislation with the European Union acquis and state aid rules.

While a significant number of the newly introduced concepts will become applicable only upon the Republic of Serbia's accession to the European Union, certain amendments of immediate relevance to taxpayers will apply as of 1 January 2027 and 1 January 2028, respectively.

Further Alignment with European Union Regulations

The Law introduces a number of new concepts derived from European Union directives, including rules governing cross-border corporate reorganizations and business restructurings, the taxation of interest and royalties between associated companies, interest limitation rules, controlled foreign company (CFC) rules, exit taxation, hybrid mismatch arrangements, and a general anti-abuse rule. These provisions will become applicable as of the date of the Republic of Serbia's accession to the European Union.

Removal of Certain Tax Exemptions and Incentives

For alignment with state aid regulations, certain tax exemptions related to the implementation of concession agreements are being removed. These amendments will apply as of 1 January 2027.

Removal of Withholding Tax on Secondary Raw Materials and Waste

The Law removes the 1% withholding tax that was levied on payments made for the purchase of secondary raw materials and waste. As of 1 January 2027, income derived on this basis by both resident and non-resident legal entities will no longer be subject to withholding tax, and there will no longer be an obligation to calculate and pay such tax.

Amendments to the Tax Exemption for the Employment of Persons with Disabilities

The rules governing the tax exemption available to enterprises engaged in vocational training, professional rehabilitation and the employment of persons with disabilities have been amended. Going forward, eligibility for the corporate income tax exemption will be determined in proportion to the share of persons with disabilities in the taxpayer's total workforce, subject to the application of state aid rules. Additional conditions and detailed implementation rules will be prescribed by a bylaw to be issued by the Minister of Finance. These amendments will apply as of 1 January 2027.

Removal of the ten-year tax holiday

The Law removes the tax incentive for large-scale investments provided for under Article 50a of the Law, which granted a ten-year corporate income tax exemption to taxpayers meeting the prescribed investment value and employment thresholds.

The removal of this incentive will take effect as of 1 January 2028.

At the same time, transitional rules have been introduced under which taxpayers that satisfy the requirements for claiming this incentive by 31 December 2027 will retain the right to use it under the conditions prescribed by the legislation in force at the time such requirements are met.

Removal of the Tax Incentive for Investments in Innovative Start-ups

As of 1 January 2027, the tax incentive for investments in the equity of newly established companies engaged in innovative activities will also be removed. However, taxpayers that satisfy the statutory conditions for claiming this tax incentive by the end of 2026 will retain the right to utilize it in accordance with the rules that were in force at the time the entitlement was obtained.

Laws on Amendments to the Personal Income Tax Law and the Law on Mandatory Social Security Contributions

The amendments to the Personal Income Tax Law and the Law on Mandatory Social Security Contributions are primarily aimed at aligning the existing employment incentives with state aid control and competition protection rules. At the same time, the period of application of the existing employment incentives has been extended, while certain conditions for their utilization have been revised.

Extension of Employment Incentives

The existing incentives for the employment of newly hired individuals, as well as the incentives available to employers that hire at least two new employees, are extended until 31 December 2028.

At the same time, new rules for claiming these incentives are being introduced, including the determination of the increase in headcount based on the average number of employees during the preceding 12-month period, limiting the duration of the incentive to a maximum of 12 months from the date of employment, reducing the relevant age threshold from 30 to 24 years, removing the specific condition applicable to trainees, and introducing restrictions stemming from state aid regulations.

Although the Laws generally apply as of 1 January 2027, the new, more restrictive rules governing these incentives will apply as of 1 January 2028. During 2027, the incentives will continue to be available under the existing rules.

Incentives for the Employment of Persons with Disabilities

The amendments also affect the tax and social security contribution incentives available for the employment of persons with disabilities. The existing exemption from salary tax and mandatory social security contributions is retained. However, certain limitations are being introduced in order to align these incentives with state aid control rules.

Non-Taxable Salary Amount

A monthly non-taxable salary amount of RSD 37,369 for full-time employment has been prescribed and will apply as of 1 January 2027.

Entrepreneur's Personal Salary

A significant practical change has been introduced for entrepreneurs who lose their eligibility for lump-sum taxation. Such entrepreneurs will be allowed, upon transitioning to bookkeeping and accounting records, to opt for the personal salary regime within 15 days from the date on which their entitlement to lump-sum taxation ceases.

Law on Amendments to the Tax Procedure and Tax Administration Law

The amendments to the Tax Procedure and Tax Administration Law are primarily aimed at adapting tax procedures to the new information system of the Tax Administration, further enhancing the digitalization of tax procedures, and clarifying certain procedural rules. At the same time, additional measures are being introduced to combat abuses in the area of fiscalization.

Digitalization of Tax Procedures and the New Tax Administration Information System

Most of the amendments are aimed at establishing the legal framework necessary for the operation of the new information system of the Tax Administration. To that end, the Law introduces the possibility for the Tax Administration to file tax returns ex officio in certain circumstances, including cases where a taxpayer fails to submit an annual personal income tax return or a VAT return. In the latter case, the Tax Administration will rely on data contained in the preliminary VAT return generated on the basis of the Electronic Invoicing System (SEF).

Amended Tax Returns

One of the more significant changes relates to the filing of amended tax returns. The existing limitation that allowed taxpayers to file no more than two amended tax returns has been removed. Going forward, amended tax returns may be filed without any restriction on their number, subject to the applicable statute of limitations and other legal requirements governing amendments to tax returns. The new rule will also apply to tax returns submitted before the Law enters into force.

Temporary Tax Assessments

The status of temporary tax assessments has also been further clarified. Where the Tax Administration fails to issue a final assessment replacing a temporary tax assessment within three years from the date on which the temporary assessment was issued, the tax liability determined by the temporary assessment will be deemed final.

Other amendments

The amendments also address certain procedural and organizational matters, including rules governing the refund of overpaid social security contributions, the calculation of interest, the statute of limitations applicable to tax claims, and the organization of the Tax Administration. The Law enters into force on the eighth day following its publication. However, certain provisions relating to the settlement of excise duty liabilities will apply as of 1 February 2027.

Law on Amendments to the Fiscalization Law

The amendments to the Fiscalization Law are aimed at combating abuses within the electronic fiscalization system and enabling more effective sanctioning of unlawful transaction recording.

The most significant change concerns the issuance of invoices containing QR codes that have not been generated through the Tax Administration's electronic fiscalization system, do not lead to the Tax Administration's portal, or refer to a fiscal receipt that is not linked to the relevant transaction. In such cases, a taxpayer may be prohibited from carrying out its business activity for a period of one year, with the measure being imposed immediately upon the identification of the irregularity. Special rules have also been introduced for taxpayers conducting business at venues where events are held, such as fairs, festivals, exhibitions and similar events. Where the prescribed irregularities are identified during an inspection, the prohibition on carrying out business activities will be imposed for the duration of the event itself.

These amendments enter into force on the eighth day following their publication in the Official Gazette of the Republic of Serbia.

Other amendments

Excise Duty Law

The amendments to the Excise Duty Law expand the powers of the Government of the Republic of Serbia with respect to the temporary reduction of excise duties on certain petroleum products.

Under the previous rules, the temporary reduction of excise duties on leaded petrol, unleaded petrol and gas oils could not exceed 20% of the latest published adjusted excise duty amounts. The adopted amendments remove this limitation, allowing the Government, in the event of significant disruptions in the oil market and where necessary to preserve macroeconomic stability, to apply a greater reduction in excise duties.

At the same time, the rules governing the future adjustment of excise duties on the above energy products have been further clarified.

Greenhouse Gas Emissions Tax Law

The amendments to this Law primarily relate to the tax credit available to taxpayers whose principal activity is the generation of electricity and who invest in measures aimed at reducing greenhouse gas emissions.

The Law further clarifies that the relevant tax credit constitutes a form of state aid and introduces rules governing the cumulation of aid and the maximum permissible aid intensity. In addition, the tax credit will not be available to taxpayers that are subject to a recovery order for unlawful state aid, nor to taxpayers that qualify as undertakings in difficulty under state aid control regulations.

Furthermore, special deadlines have been prescribed for the filing of tax returns relating to the initial tax periods during which this legislation is applied.

Law on the Tax on Imports of Carbon-Intensive Products

The amendments to the Law on the Tax on Imports of Carbon-Intensive Products are limited to regulating the deadlines for filing tax returns during the initial period of application of this legislation.

It is prescribed that tax returns relating to tax periods ending on or before 31 December 2026, as well as, in certain cases, where a taxpayer ceases to carry out its activities during the first quarter of 2027, must be filed during the period from 1 April to 31 May 2027.

This solution has been introduced in order to allow for the establishment and full functionality of the information system required for the electronic filing of tax returns.

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