



Armenian Tax & Legal Brief

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Amendments and Additions to the Tax legislation

- **Supplements and amendments to the RA Law "On Compulsory Social Security Payments"**

According to the RA Law "On Supplements and Amendments to the RA Law "On Compulsory Social Security Payments" #161-N dated 27 October 2010 starting 1 December 2010 foreign national and stateless employees as well as employers (including foreign entities) using their work are required to make monthly social security payments in Armenia pursuant to the procedures established by the law.

(Published in Official Journal #60 (794), 01 December 2010)

- **Supplements and amendments to the RA Law "On Minimum Monthly Salary"**

According to the RA Law "On Supplements and Amendments to the RA Law "On Minimum Monthly Salary" #164-N dated 16 November 2010 starting 1 January 2011 the minimum monthly salary will comprise 32,500 AMD. The minimum amounts of hourly tariff rates have also been changed.

(Published in Official Journal #63 (797), 15 December 2010)

- **Amendment to the RA Law "On Income Tax"**

According to the RA Law "On Amendment to the RA Law "On Income Tax" #165-N dated 16 November 2010 starting 1 January 2011 the amount of personal deduction from gross income

will comprise 32,500 AMD for each month.

(Published in Official Journal #63 (797), 15 December 2010)

- **Amendment to the RA Law "On Income Tax"**

According to the RA Law "On Supplement to the RA Law "On Income Tax" #149-N dated 26 October 2010 amounts paid to the state budget for purchasing stamp labels, except the cases specified by the legislation, shall be deducted from taxpayer's gross income. The law becomes effective from 1 March 2011.

(Published in Official Journal #59 (793), 24 November 2010)

- **Supplement to the RA Law "On VAT"**

According to the RA Law "On Supplement to the RA Law "On VAT" #151-N dated 27 October 2010 the following transaction was added to the list of VAT exempt transactions: "Investment of property in the share capital of legal entities by individuals, who are not considered to be sole entrepreneurs".

(Published in Official Journal #59 (793), 24 November 2010)

- **Supplements to the RA Law "On Property Tax"**

According to the RA Law "On Supplements to the RA Law "On Property Tax" #172-N dated 15 November 2010 starting 25 December 2010 Snowmobiles and Quattro Cycles are considered to be taxable object for property tax.

(Published in Official Journal #63 (797), 15 December 2010)

- **New Law “On temporary disability benefits”**

A new RA Law “On temporary disability benefits” was adopted, which becomes effective from 1 December 2010. (Published in Official Journal #60 (794), 01 December 2010)

Government decree on tax invoices

In pursuance of requirements of article 20 of the RA Law “On Value Added Tax” the RA Government introduced decree #1504-N dated 11 November 2010 adopting (i) regulation on issuing tax invoices electronically, (ii) regulation on publishing of forms of tax invoices and acquiring those from tax body (iii) regulation on generating of codes and numbers of tax invoice. The regulations become effective from 1 January 2011. (Published in Official Journal #61 (795), 08 December 2010)

Official clarification of the State Revenue Committee

- **Profit tax advance payments**

The RA State Revenue Committee together with the RA Ministry of Finance introduced official clarification # 15 dated 28 October 2010 according to which:

- ✓ If a resident no later than the date of submission of profit tax calculation defined by the law submits a written statement to the territorial Tax Body on non-conducting business activities for a indefinite period, then starting

from the upcoming period of the advance payment the resident taxpayer does not make profit tax advance payments even not mentioning in the written statement about it.

- ✓ In case the resident performs business activities after submission of the above mentioned written statement, then fines are being calculated according to the requirements of the RA Law “On Profit Tax” starting from the upcoming period of the advance payments after submission of the statement.

(Published in Official Journal #27 (379), 15 November 2010)

- **VAT responsibility instead of non-residents**

In order to specify issues related to application of article 8 part 4 of the RA Law “On VAT” the RA State Revenue Committee together with the RA Ministry of Finance introduced the official clarification # 17 dated 29 October 2010. According to the clarification to consider tax obligations instead of an unregistered non-resident fulfilled in Armenia the following are considered to be necessary and sufficient:

- ✓ For VAT payers, inclusion of VAT amount in the VAT return;
- ✓ For persons who does not considered to be VAT payer, payment of VAT amount to the State budget if no VAT return was submitted to the Tax Body.

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