



Amendment to the order

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Using of warning instead of monetary sanction for failure to submit information about hired persons to the register

On August 9, 2023 the order №14559 of the head of Revenue Service was published making the amendment to the order №9021 "Regarding the approval of the methodical references on the implementation of separate measures by the tax authority" issued on April 11, 2022 by the head of Revenue Service.

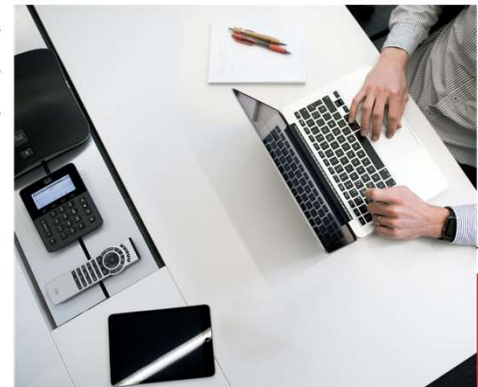
According to the amendment, the new paragraph and appendix were added to the above-mentioned methodical reference, that refers to the measures of using a warning instead of a monetary penalty for non-submission of information about hired persons to the register of hired persons (article 288⁵) provided by the Tax Code of Georgia (hereinafter "GTC").

As is known according to the article 288⁵ of GTC, failure to submit information about hired persons to the register shall entail the imposition of a fine in amount of 200 GEL for each hired person.

As a result of the amendment, a new appendix №5 was approved in the mentioned order, according to which, instead of the mentioned sanction for non-submission of information about hired persons in the register of hired persons, the Tax Monitoring Department use a warning, if the following conditions are met at the same time:

- As of the day before the date of detection of the fact of non-submission of information about hired persons to the register, the person has not had the responsibility for the same act within 12 calendar months
- For the hired person whose information is not submitted to the register, but the amounts of paid as remuneration and the withheld tax are reflected in the tax return of the last two reporting periods of the tax withheld from the source of payment submitted by the person to the tax authority.

The amendment came into force on 1 July 2023.



The measures for issuing the certificate "On the right to use tax relief on the income received from the payment source"

On August 11, 2023 the order №19617 of the head of Revenue Service was published making the amendment to the order №9021 "Regarding the approval of the methodical references on the implementation of separate measures by the tax authority" issued on April 11, 2022 by the head of Revenue Service.

As a result of the change, a new appendix №6 was approved in the mentioned order, which refers to the measures for issuing a certificate by the tax authority "About the right to apply tax privileges to the income received from a payment source according" in order to apply tax privileges defined by Article 82, Paragraph 2 of GTC.

We would like to remind you that, the income tax shall not be levied on the taxable income earned by a veteran of War, a single parent, a person with a disability from childhood and other specified persons during a calendar year up to 3,000 and/or 6,000 GEL.

According to the amendment, if a natural person (employee) changes their workplace or wishes to use the above-mentioned tax privileges with another employer, and the previous employer has not submitted a certificate to the tax authority about the termination of the right to use the tax privileges to the income received from the source of payment, the service department will issue a new certificate if the following conditions are simultaneously met:

- According to the data of the tax administration information system of the Revenue Service, during the last 12 months, the person has not submitted a tax return/tax calculation to the tax authority and issued a tax document
- A document was sent to the previous employer at least twice, in the written form, on the termination of the right to use the tax privileges to the income received from the source of payment, on the submission of a certificate to the tax authority and failed to deliver to the addressee.

AUTHOR'S COLUMN

This publication covers important new tax changes that business should take into consideration for their daily operations and governance.

This issue provides information On Amendment to the order "About Administration of Taxes", Amendments into the monetary sanction for failure to submit information about hired persons in the register

Please contact BDO to discuss these matters in the context of your particular circumstances.

MARIAM KHUSKIVADZE
MKhuskivadze@bdo.ge

MIKHEIL ENUKIDZE
MEnukidze@bdo.ge

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As soon as a new certificate “About the right to apply tax privileges to the income received from a payment source” is issued, the certificate of the same content submitted to the previous employer is declared invalid.

The amendment came into force on 10 August 2023.

The taxable amount within the scope of an exchange (barter) transaction of goods/service

On August 15, 2023 the order №300 of Minister of Finance of Georgia was published that made the amendment to the order №996 “About Administration of Taxes” issued on December 31, 2010 by the Minister of Finance of Georgia.

According to the amendment, a new article 48³ was added to the mentioned order, according to which it was determined that, within the scope of an exchange (barter) transaction, VAT taxable amount for each parties is the market value of the receivable goods/services excluding VAT. Also, a new illustrative example is attached to the mentioned article under the condition of exchange of land and building.

The amendment came into force on 16 August 2023.

