

Order No. 470
of December 30, 2015

St. Tbilisi

In accordance with Article 20, Clause 4 of the Law of Georgia "On Normative Acts" of December 31, 2010 No. 996 of the Minister of Finance of Georgia "On Administration of Taxes" , I order:

Part III of the Declaration:

a) Box 15 indicates - joint income limited by the norms established by Article 100 of the Tax Code of Georgia, which is received in any form and/or activity during the reporting period (except for dividends issued by a Georgian enterprise and taxed at the source of payment, Article 130 of the Tax Code of Georgia dividends received in accordance with parts 4 and 5 and interest received in accordance with parts 5 and 6 of Article 131), including income exempted from income tax according to the tax legislation of Georgia. In addition, when a non-resident natural person fills out a declaration with a request for the return of seized funds, only the income received from sources in Georgia in accordance with subsections "c", "d", "d1" and "e" of the first part of Article 134 of the Tax Code of Georgia shall be entered in the 15th box of the declaration. ;

b) in box 16 – joint income subject to taxation under the special regime of micro and small businesses;

c) in box 17 - income received by a resident natural person outside Georgia;

d) the 18th box reflects the data received from the total income shown in the 15th box minus the person arranging the totalizer in system-electronic form

Total income (box 20) - the sum of the incomes specified in lines 2 and 4 of the form for accounting of incomes subject to the special regime of taxation of individuals with the status of micro and small businesses (Appendix "A"), incomes/profits received from non-entrepreneurial/non-economic activities and The sum of columns 3 and 4 of the personal income tax calculation form (Appendix "B"), the sum of salaries received by an individual from an international organization with diplomatic status in Georgia and/or a free industrial zone enterprise (Appendix "C") and Georgian tax benefits established by the first part of Article 82 of the Code;

e) in the 19th box - income received by an individual from the lease of property within the framework of entrepreneurial activity, which is subject to the accrual of current payments;

f) in the 20th box - the joint income determined by the person setting up the totalizer in system-electronic form according to this activity, which is taxed at the rate of 5% in accordance with Article 309, Part 16 of the Tax Code of Georgia;

g) in boxes 21 and 22 - the value of goods and material assets in accordance with Article 145, Part 2 of the Tax Code of Georgia, for the beginning of the reporting period and the end of the reporting period, respectively;

h) in box 23 – expenses related to the receipt of joint income and subject to deduction and/or recovery shown in box 18 (sum of boxes 24-32), including:

TA) in the 24th line - all commodity-material values received during the tax year, regardless of the restrictions established by the Tax Code of Georgia for deduction from joint income, including: capitalized, received free of charge (as a gift), received as a result of liquidation of fixed assets, surplus revealed as a result of inventory etc;

t.b) in the 25th box - the cost of electricity, natural gas, and water consumed during the reporting period;

T.C) in the 26th box - expenditure incurred on actual taxes (benefits) in the form of salary in accordance with Article 101 of the Tax Code of Georgia;

T.d) in box 27 - interest paid or payable for credit (loan), no more than within the annual interest set by the Minister of Finance of Georgia, in proportion to the relevant period (Article 107 of the Tax Code of Georgia), regardless of Article 142 of the Tax Code of Georgia - of the limitations established by part 4;

T.e) in box 28 - depreciation charges according to fixed assets and intangible assets, which is calculated in accordance with Articles 111, 113 and 119 of the Tax Code of Georgia;

T.f) in box 29 - the value of fixed assets subject to depreciation of up to 1000 GEL during the reporting year, which is subject to deduction from joint income when put into operation according to Article 111, Part 2 of the Tax Code of Georgia;

T.g) in the 30th box - the value of fixed assets subject to depreciation and put into operation, fully deducted by charging 100 percent depreciation during the tax year according to Article 112 of the Tax Code of Georgia. In addition, the right to full deduction does not apply to leased and fixed assets that are not subject to depreciation;

T.T) in box 31 - each item of Article 111, Part 3 of the Tax Code of Georgia

The costs of repair of fixed assets included in the group, used for economic activity, the amount of which should not exceed 5 percent of the value balance of the relevant group at the end of the previous tax year. In addition, if the taxpayer uses the norm of Article 112 of the Tax Code of Georgia when deducting fixed assets, then the 5 percent limitation rule is not applied to the mentioned part of fixed assets in relation to repair costs;

T.i) The amount to be entered in box 32 is determined by the following rule:

T.I.A.) indicate all other expenses related to the receipt of income (except for lines 24-31 and funds given to charitable organizations), regardless of whether the taxpayer has the right to deduct them or not, it is not reflected In other boxes such as:

T.I.A.a) Insurance contribution costs, in accordance with Article 118 of the Tax Code of Georgia;

T.I.A.B) representative expenses, which are determined according to Article 8, Part 33 of the Tax Code of Georgia. Moreover, in accordance with Article 116 of the Tax Code of Georgia, its amount should not exceed 1 percent of the total income received during the tax year;

T.I.A.g) costs of scientific-research, design and trial-construction services, according to Article 110 of the Tax Code of Georgia;

TIAD) bad debts related to sold goods or services, taking into account the limitations of Article 108 of the Tax Code of Georgia;

T.I.A.e.) actual expenditure on the biological asset;

T.I.A.F) other expenses subject to deduction;

T.I.b) the expenses of the previous accounting periods, the right of deduction of which has been obtained in the accounting period, are determined.

T.I.C) determines the amount, which the taxpayer does not have the right to deduct, although it is reflected in subsection "T.I.A" and in lines 24-31 of the declaration. between them:

- Expenditure incurred on income exempted from income tax;
- Capitalized commodity values during the reporting year;
- Expenses incurred on purchases, for which a person does not have the right to deduct in full or in part (eg: expenses incurred on goods/services purchased from an individual with micro-business status);
- the amount of VAT to be considered for the day of registration as a VAT payer, which was attributed to commodity values;
- Expenditure taking into account the limitations established by Article 142, Part 4 of the Tax Code of Georgia;
- other expenses, which do not belong to the expense deductible from the joint income;

TID) The sum of amounts determined in accordance with subsections "TIA" and "TIB" is reduced by the amount determined under subsection "TIG", the difference is entered in line 32 of the declaration.

Note: The value of row 32 and hence of box 23 is possible

The final result shall be a negative value;

i) in box 33 - the sum of the data shown in boxes 21 and 23;

j) in the 34th box - the sum of the data shown in the 18th and 22nd boxes;

k) in box 35 - incomes received from sources in Georgia entered in box 18 and taxed at the source of payment in accordance with the first part of Article 154 of the Tax Code of Georgia. In addition, the mentioned box does not include income received outside Georgia, income taxed at the source of payment, which is received by leasing property within the framework of non-business activities. and also the income received from the source in Georgia and taxed at the source of payment of those persons who fill out the declaration with the request for refund of withheld tax;

m) in the 36th box - the income received in the form of a salary from a source in Georgia and taxed at the source of payment, reflected in the 35th box of the declaration;

n) in box 37 - taxable income exempted from income tax according to Article 82, Part 2 of the Civil Code;

n) in box 38 - uncompensated losses of previous years, which are subject to deduction, but not more than the losses of the previous 5 tax years, when filling the box, take into account the norms established by Article 121 of the Tax Code of Georgia;

p) In box 39 - income that is subject to taxation (at the rate of 20% established by the Tax Code of Georgia) is obtained: the data shown in box 34 minus the data shown in box 33, minus the data shown in box 35, minus the tax-exempt taxable income (box 37) and deducted losses of previous reporting years (box 38);

p) Box 40 - indicates the 5% taxable income of the person setting up the totalizer in system-electronic form, in the calculation of which the data shown in box 20 is subtracted from the data shown in box 37 (in full or in part) in the event that box 39 The figure shown in the box is equal to zero, and the allowance specified in column 37 was not fully used in the calculation of column 39;

r) in box 41 – income tax, which is received by the sum of the product of the corresponding rates of the data shown in boxes 39 and 40.

s) in box 42 - according to the first part of Article 154 of the Tax Code of Georgia, the amount of tax withheld from the source of payment in Georgia and paid to the budget, or in other cases, the amount of income tax paid to the budget by this person, if the declaration is filled in according to Article 153 of the Tax Code of Georgia 4, as well as in accordance with Article 132, Article 3 and Article 134, with a request for tax recalculation or refund. In addition, it should be taken into account that the 42nd box of the declaration reflects the taxes withheld from the source of payment, for which there is a proof of payment;

t) in the 43rd box - the personal income tax, which is obtained by the positive difference of the data of the 41st and 42nd boxes;

u) In boxes 44, the income tax payable in the budgets of the local self-governing unit(s) is reflected in accordance with the Budget Code of Georgia, indicating each local self-governing unit;

f) in box 45 - in accordance with the first part of Article 154, Article 153, Part 4, Article 132, and Article 134, part 3 of the tax of Georgia, withheld tax

With the refund request, the amount of the refundable tax determined by the declaration submitted by the natural person (including the entrepreneurial natural person), which is obtained by the difference of the data shown in boxes 42 and 41 of the declaration, provided that the tax withheld at the source of payment in Georgia shown in box 42 The amount exceeds the amount of income tax calculated in box 41 of the declaration;

k) in the 46th box - capitalized costs.";

b) after paragraph 5, paragraphs 6 - 8 of the following content shall be added:

"6. Annex "A" of the declaration is filled by individuals with the status of micro and small business, regarding the income subject to taxation under a special regime.

a) In the first box of Annex "A" - enter the income tax rate, 5% or 3% in the case of an entrepreneur individual with the status of a small business, and 0% in the case of a micro business.

b) in the 2nd box - joint income subject to taxation under the special regime of micro and small businesses. between them:

B.a) in the 3rd box - the taxable income exempted from income tax in accordance with Article 82, Part 2 of the Tax Code of Georgia is reflected, moreover, if the mentioned benefit is fully used in Part III of the declaration, it is not subject to being reflected in the mentioned column, and the established benefit In case of partial use, the remaining amount of the benefit is indicated in Part III of the declaration;

bb) box 4 - is filled only by a natural person with the status of a micro-business, if he has the income stipulated by Article 84, Part 2 of the Tax Code of Georgia, to which the 30,000 GEL limitation of joint income does not apply;

c) in the 5th box - expenses related to receiving income subject to taxation under a special regime. Among them, in the 6th box - amounts paid to hired workers as wages;

d) in box 7 – income tax on taxable income, which is obtained by multiplying the amount of the difference between box 2 and box 3 by the rate of income tax specified in box 1. Among them, the 8th boxes reflect the income tax payable in the budgets of the local self-governing unit(s) in accordance with the "Budget Code of Georgia", indicating each local self-governing unit.

7. The data in the boxes of Annex "B" of the declaration are reflected in accordance with the names (contents) of the boxes, in addition:

a) in the 2nd column - the type of received income is reflected:

A.a) income obtained by leasing/renting property within the scope of non-entrepreneurial activities, which is subject to taxation at the rate of 20% in accordance with the first part of Article 81 of the Tax Code of Georgia, and/or in accordance with the second part of the same article is taxed at the rate of 5% . In addition, the expenses incurred are not taken into account when taxing the said income;

A.b) the surplus received from the sale of an asset within the framework of non-entrepreneurial activity, which in accordance with the first part of Article 81 of the Tax Code of Georgia is subject to taxation at the rate of 20% and/or in accordance with the third part of the same article is taxed at the rate of 5%;

A.C) benefits received from non-economic activities;

b) in the 3rd column - the received income is reflected, which is taxed at the source of payment in accordance with Article 154 of the Tax Code of Georgia;

c) in the 4th column - the received income is reflected, which is subject to taxation in the manner established by the tax legislation;

d) in the 5th column - the amount of the taxable income exempted from taxation by income tax and exempted from taxation according to the tax legislation of Georgia, in addition, if the benefit established by part 2 of Article 82 of the Tax Code of Georgia in Part III of the declaration and/or in Appendix "A" of the declaration If fully used, the established allowance is not subject to reflection in the mentioned column, and in case of partial use, the remaining amount of the allowance is indicated;

e) in the 6th column – the corresponding rate of income tax is reflected (20%, 5%);

f) in the 7th column - the amount of income tax charged in accordance with Annex "B" (amount);

g) column 8 reflects the name of the local self-governing unit(s), according to the taxable objects;

8. Annex "C" of the declaration is filled by natural persons who are citizens of Georgia, who received salary from the organization(s) with diplomatic status in Georgia and/or from the enterprise(s) of the free industrial zone, and this was not taxed at the source of payment. The data in the boxes of Annex "C" of the declaration are reflected in accordance with the names (contents) of the boxes, in addition:

a) in the first column – the month of salary payment is reflected;

b) in the 2nd column - the amount of salary received by a Georgian citizen from international organizations with diplomatic status in Georgia and/or free industrial zone enterprise(s);

c) in the 3rd column - the amount of the allowance established by Article 82, Part 2 of the Tax Code of Georgia, and if the allowance is fully used in Part III of the declaration and/or Annex "A" and Annex "B", the established allowance is not is subject to reflection in the mentioned column, and in the case of partial use, the unutilized amount of the benefit is indicated;

d) in the 4th column – the income tax rate is reflected;

e) in the 5th column - the amount of income tax charged in accordance with Appendix "C" (amount);

f) In the 6th and 7th column - the income tax payable in the republican budget of the Autonomous Republic of Adjara and Abkhazia in accordance with the "Budget Code of Georgia".

This order shall come into effect on January 1, 2016.

Minister of Finance

Nodar Khaduri