

Reinvested Profit

General info

Economy name

North Macedonia

ID

N44

Incentive name

Reinvested Profit

Brief description

The CIT Law introduces a possibility for decreasing the tax base for the year for the amount of profit reinvested for development purposes of the local taxpayer. The amounts from the reinvested profit that would be recognised for the purposes of the above tax relief cover investments both in tangible and intangible assets, except for some explicitly listed types of assets intended for administrative purposes.

Legal reference

Legal reference name

Law On Profit Tax Official Gazette of SerbiaM, No. 112/14, 129/15, 23/16, 190/16, 248/18, And Rsm Official Gazette, No. 232/19, 275/19, 290/20, 151/21 And 199/23 Of 09/25/2023

Legal reference (Law section / article)

Article 28

The tax base is for the amount of investments made from the previous year (reinvested profit). (2) Under reinvested profit from the percentage (1) of this article, investment investments from the profit for development as a whole, such investments in tangible assets (real estate, plants and equipment), and in intangible software (computer and patents) for the expansion of the activity of the taxpayer, except for investments in passenger cars, furniture, carpets, audio-visual equipment, white goods, works of art from the fine and applied arts and other investments that serve administrative purposes.

Incentive design

Incentive group

Financial

Incentive category

Corporate Income tax (CIT)

Economy-wide/Sector-specific

Economy-wide

Sector (Simplified)

All sectors

Sector (NACE)

N/A

Size of firm that can use incentive

All sizes of firms

Level at which incentive is available

Economy-wide

Ownership of firm that can use incentive

Any

Incentive location

General

Main objective of the incentive

Increase competitiveness

In case of grant, share of grant in investment (in %)

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Access to information

Contact Info

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Weblink to Incentive information in English

Weblink to Incentive information in local language

Eligibility criteria

Eligibility criteria (description)

In order to be able to utilise the above tax relief, the taxpayers must maintain ownership over the assets purchased with the reinvested profit for a period of five years as of the day of their purchase. If the taxpayer sells the assets before the expiration of the five-year period, the taxpayer owes the respective CIT.

Eligibility criteria (weblink)

Incentive administration

Awarding Authority (Name)

Public Revenue Office

Application procedure + Weblink (where available)

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Implementing Authority (Name)

Public Revenue Office