

# Reinvested Profit

## General info

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**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

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**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

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**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**

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**Contact Info**

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**Weblink to Incentive information in English**

**Weblink to Incentive information in local language**

**Eligibility criteria**

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**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**

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**Awarding Authority (Name)**

Public Revenue Office

**Application procedure + Weblink (where available)**

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**Implementing Authority (Name)**

Public Revenue Office