



## *Achievements of the Reforms on Paying Taxes*

### **Reforms:**

#### **1. Implementation of an electronic declaration system**

Currently, an electronic declaration system has been implemented, which allows payers to facilitate the tax returns process and fully automate the process of submitting tax returns to the tax authorities, eliminating the need to visit the tax inspectorate for this purpose.

A tax declaration submitted in an electronic document form is equal to a hard copy tax declaration and has the same legal force. Electronic submission of the tax declaration is initiated by the payer and subject to the availability of appropriate software and technology.

The introduction of the principle of «electronic declaration» makes it possible to reduce the time spent by the payer in preparing tax declarations, to simplify the interaction of payers with tax authorities, and to reduce the paper circulation.

The number of taxpayers who submit their declarations in the form of an electronic document has been increased within 8 months of 2020, and currently the number of business entities is more than 160.0 thousand.

#### **2. Introduction of Internet-Acquiring by using Visa, Master and National Cards for tax paying**

On 1 May 2018, Internet Acquiring was introduced via the website of the Tax Committee [www.andoz.tj](http://www.andoz.tj) using Visa, Master and National Cards. The legal entities are able to pay local taxes by using Internet Acquiring (vehicle tax and real estate tax).

In order to strengthen non-cash payments and save time for paying taxes on May 1, 2018 the Internet acquiring system has been introduced via the Tax Committee official website ([www.andoz.tj](http://www.andoz.tj)) by using Visa, Master card and national bank payment cards. This service allows citizens and tax payers to pay taxes on real estate, land tax and vehicle tax without visiting Amonatbank service points. Also, business entities have the opportunity to pay taxes in non-cash form.

### ***3. Abolishment of the 1% profit tax rate***

The 1% profit tax rate was abolished with a view to reducing the tax burden on business entities by introducing amendments and additions to the Tax Code, by Government Decree No. 1676 of 02.01.2020.

According to the methodology of the "Doing Business" report, this will help to reduce the overall tax burden by 17.68%, i.e. from 67.3% to 49.62%.

### ***4. Individual entrepreneurs engaged their activities at home are exempt from paying taxes***

According to amendments and additions "Rules of Taxation of Individual Entrepreneurs" dated 30 November 2019 (No. 605) individual entrepreneurs engaged their activities at home, since 1 January 2020 register free of charge with the tax authorities, are granted a patent and are exempt from paying taxes. This enables artisans and other home-based entrepreneurs to determine their legal status and gain access to other broad opportunities to develop and expand their activities, such as access to soft loans, grants and other forms of support.

### ***5. Renting accommodation to tourists is now carried out on the basis of a patent***

According to the amendments and additions to the Decree of the Government of the Republic of Tajikistan dated 30 November 2019, No. 695, renting accommodation to tourists and related services in a locality (city, town and village) that does not have a hotel is carried out on the basis of a patent. This reform contributes to the development of tourism infrastructure in the regions, the creation of additional jobs, and the development of the sector and business activities in general.

## **6. Submitting a VAT refund application online**

In order to simplify the process of refunding the value added tax, a new model has been designed and implemented for the provision of services, according to which the application of the taxpayer and the conclusion of the tax authority on the recovery of the value added tax are made electronically. This form of providing services contributes to timely refund of value added tax sums, saving of taxpayers' time(s), as well as increasing the position of the Republic of Tajikistan in «Doing business» report of the World Bank.

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