Agricultural incentives - Corporate Income Tax (CIT) Reduction

General info

Economy name
Albania

ID
A23

Incentive name
Agricultural incentives - Corporate Income Tax (CIT) Reduction

Brief description
A reduced profit tax of 5 percent is applied to taxpayers certified as agritourism subject and cooperative societies

Legal reference

Legal reference name
Law No. 29/2023 “Income Tax” (“the new law”) dated 30 March 2023 was published in Albania’s Official Gazette 02/2023

Legal reference (Law section / article)
Article 69
Transitional Provision

The tax reliefs and exemptions provided for in Law No. 8438, dated 28.12.1998, "On Income Tax," as amended, continue to apply as follows:
a) For individuals engaged in certified "agritourism" activities according to the current tourism legislation, the 5% income tax rate will apply until December 31, 2029;
b) For entities operating in accommodation structures "Hotel/Resort with four and five stars, special status" as defined by tourism legislation and holding a registered and internationally recognized brand name, the exemption from corporate income tax will continue to apply according to the provisions of letter "g" of Article 18 of Law No. 8438, dated 28.12.1998, "On Income Tax," as amended;
c) For entities engaged in economic activities according to Law No. 38/2012 "On Agricultural Cooperative Societies," the 5% income tax rate will apply until December 31, 2029;
ç) For legal entities registered before the entry into force of this law, which are engaged in economic activities for the production or development of software, the 5% profit tax rate will apply until December 31, 2025;
d) For entities engaged in economic activities in the automotive industry, the 5% income tax rate will apply until December 31, 2029;
dh) For:
i. individual traders;
ii. the self-employed, and;
iii. entities:
with gross income up to 14 million ALL per year, the 0% income tax rate will apply until December 31, 2029. The 0% tax rate does not apply to taxpayers specified in subdivisions "ii" and "iii" of this letter who provide professional services. The detailed list of professional services is determined by a decision of the Council of Ministers in accordance with the current legislation regulating these professional services.

Incentive design

Incentive group
Financial

Incentive category
Corporate Income tax (CIT)

Economy-wide/Sector-specific
Sector-specific

Sector (Simplified)
Agriculture

Sector (NACE)
A AGRICULTURE, FORESTRY AND FISHING

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
Green transition

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

Access to information

Contact Info
Street "Dëshmorët e Kombit" Nr.3, Tirana 1001

Weblink to Incentive information in English
https://aida.gov.al/en/

Weblink to Incentive information in local language
https://gosnishti.com/wp-content/uploads/2023/05/Ligj-nr.-29-date-30.03.2023-Per-tatimin-mbi-te-ardhurat.pdf

Eligibility criteria

Eligibility criteria (description)

All registered agricultural producers are entitled to a reduced CIT rate

Eligibility criteria (weblink)

https://gosnishti.com/wp-content/uploads/2023/05/Ligj-nr.-29-date-30.03.2023-Per-tatimin-mbi-te-ardhurat.pdf

Incentive administration

Awarding Authority (Name)

Ministry of Finance, Ministry of Economy and General Directorate of Taxes

Application procedure + Weblink (where available)

The procedures are defined by the legislation and upon the agreement signed with the investor

Implementing Authority (Name)

Ministry of Finance, Ministry of Economy and General Directorate of Taxes