

Tourism incentives - VAT Reduction

General info

Economy name

Albania

ID

A28

Incentive name

Tourism incentives - VAT Reduction

Brief description

Supplies of services in the accommodation facilities "Five stars hotels/resorts, with special status", the holders of internationally recognized and registered trademark (brand name) are exempted from VAT, while accommodation services are subject to a reduced VAT rate of 6 percent

Legal reference

Legal reference name

Law No.71/2017 "On an addition to Law nr.92/2014 "On the Value Added Tax in Albania", amended

Legal reference (Law section / article)

Article 7

In Article 27, point 6, point 7 the following content is added:

"7. Investments made for the construction of accommodation structures such as "Hotel/Resort with five stars, special status," as defined by tourism legislation and holding a registered and internationally recognized brand name, are exempted from paying this tax.

Incentive design

Incentive group

Financial

Incentive category

Value Added Tax (VAT)

Economy-wide/Sector-specific

Sector-specific

Sector (Simplified)

Tourism

Sector (NACE)

I ACCOMMODATION AND FOOD SERVICE ACTIVITIES

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

Tourism Promotion

In case of grant, share of grant in investment (in %)**Access to information**

Contact Info

Address "Skanderbeg Square" 6, 1001 Tirana

Weblink to Incentive information in English

<https://aida.gov.al/>

Weblink to Incentive information in local language

<https://aida.gov.al/en/>

Eligibility criteria

Eligibility criteria (description)

Supplies of services in the accommodation facilities "Five stars hotels/resorts, with special status", the holders of internationally recognized and registered trademark (brand name) are exempted from VAT, while accommodation services are subject to a reduced VAT rate of 6 percent

Eligibility criteria (weblink)

<https://qbz.gov.al/eli/ligj/2022/11/24/81/a0c311e9-5b98-4eee-ad16-9e142f72b26d;q=82%2F2022>

Incentive administration

Awarding Authority (Name)

Ministry of Tourism and Ministry of Commerce in Albania

Application procedure + Weblink (where available)

The procedures are defined by the legislation and applications must be submitted in a paper form

Implementing Authority (Name)

Ministry of Tourism and Ministry fo Commerce in Albania