

# Value Added Tax (VAT) Reimbursement

## General info

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### Economy name

Albania

### ID

A34

### Incentive name

Value Added Tax (VAT) Reimbursement

### Brief description

In addition to the previous VAT incentives, the Law on VAT in Albania (92/2014) allows VAT reimbursement

## Legal reference

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### Legal reference name

Law No. 92/2014 dated 24.07.2014 "On VAT in Albania"

### Legal reference (Law section / article)

Article 77 Reimbursement of VAT

1. A taxable person requests a refund of the excess of the VAT tax credit if:

a) the taxable person has carried the excess of the deductible VAT for 3 consecutive months, according to points 2 and 3, of article 76, of this law; AND

b) The VAT requested to be refunded exceeds the amount of 400,000 (four hundred thousand) lek.

2. For cases where in the financial agreements ratified by the Assembly or in grant agreements approved by the Council of Ministers provide for the non-use of foreign financial resources to pay taxes and duties, including or not tax on value added, the value added tax paid is refunded to foreign financiers by the system of the treasury, within 30 days, according to the rules set by the Minister of Finance. Tax on Law no. 92/2014, dated 24.07.2014, "On VAT"

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added value for the import of military materials for the Armed Forces, donated by member countries of the NATO Alliance or partners, is paid as a local cost by the Ministry of Protection.

3. Exporters have the right to request a refund when their surplus exceeds the amount 400,000 (four hundred thousand) ALL. The Council of Ministers determines the category of exporters, according to of this article.

4. Within 60 days from the date of submission of the taxpayer's request and within 30 days from the date of submission of the request of exporting taxpayers, the regional directorate e of taxes verifies the tax situation of the taxpayer, exercises control based on the risk analysis and approves the credit balance as refundable. Payment of the credit balance of refundable is carried out within 5 days of approval, through the treasury system. The director of General of Taxes, for reasonable reasons, at the request of the director of the regional directorate tax, has the right to postpone the deadline for checking and approving the credit balance for one taxpayer up to 60 days. The tax administration, before processing a request for

refund of VAT to a taxable person, has the right to compel that person to prove that the purpose of the economic activity is the realization of taxable transactions, which give it the right to deduct VAT.

5. The Minister of Finance determines with an instruction the manner of implementation of the provisions of this

## **Incentive design**

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### **Incentive group**

Financial

### **Incentive category**

Value Added Tax (VAT)

### **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 %)**

## **Access to information**

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### **Contact Info**

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

### **Weblink to Incentive information in English**

### **Weblink to Incentive information in local language**

[https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji\\_nr.92-2014\\_date\\_24.07.2014\\_Per\\_T\\_VSH-ne\\_\(i\\_indeksuar\\_nga\\_Deloitte\).pdf](https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_T_VSH-ne_(i_indeksuar_nga_Deloitte).pdf)

## **Eligibility criteria**

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### **Eligibility criteria (description)**

Exporters have the right to request a refund when their surplus exceeds the amount 400,000 (four hundred thousand) ALL. The Council of Ministers determines the category of exporters, according to of the respective article of the Law.

### **Eligibility criteria (weblink)**

[https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji\\_nr.92-2014\\_date\\_24.07.2014\\_Per\\_TVSH-ne\\_\(i\\_indeksuar nga\\_Deloitte\).pdf](https://www2.deloitte.com/content/dam/Deloitte/al/Documents/tax/Ligji_nr.92-2014_date_24.07.2014_Per_TVSH-ne_(i_indeksuar nga_Deloitte).pdf)

## **Incentive administration**

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### **Awarding Authority (Name)**

Ministry of Finance, General Directorate of Taxes and Council of Ministers

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

The official requests must be submitted to the General Directorate of Taxes with all additional documents.

### **Implementing Authority (Name)**

Ministry of Finance, General Directorate of Taxes and Council of Ministers