

# Reduced Corporate Income Tax (CIT) of 8% on Dividends

## General info

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**Economy name**

Albania

**ID**

A45

**Incentive name**

Reduced Corporate Income Tax (CIT) of 8% on Dividends

**Brief description**

Dividends are subject to a reduced CIT rate of 8%. This applies to dividends paid to both resident and non-resident individuals, as well as local and foreign entities

## Legal reference

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**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)**

Not available

## 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 %)****Access to information**

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**Contact Info**

Street "Skerdilajd Llagami", Nd. 1, H.6, Kodi postar 1019, Njësia administrative 2, Tirana

**Weblink to Incentive information in English**

<https://www.taxathand.com/article/29948/Albania/2023/New-law-on-income-tax-significantly-amends-corporate-individual-and-withholding-tax>

**Weblink to Incentive information in local language**

<https://altax.al/>

**Eligibility criteria**

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**Eligibility criteria (description)**

The new law provides an exemption from CIT for dividend income if:

The recipient holds at least 10% of the shares or voting rights of the payer company; and  
The minimum shareholding/participation has been held for an uninterrupted period of at least 24 months.  
Where the minimum 24-month holding period is not met, an exemption may still be available for dividend income by providing a guarantee issued by a second-tier bank to the tax authorities for the amount of tax otherwise due, until the condition is fulfilled.

Under the current law, dividends and profit distributions are exempt from CIT if the payer company is subject to CIT, regardless of the percentage shareholding or the period of time for which the shareholding is held.

**Eligibility criteria (weblink)**

<https://altax.al/>

**Incentive administration**

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**Awarding Authority (Name)**

Ministry of Finance, General Directorate of Taxation

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

The application needs to be submitted to the General Directorate of Taxation in a paper form

**Implementing Authority (Name)**

Ministry of Finance, General Directorate of Taxation