

# Exemption of Value Added Tax (VAT) for the Supply of Agricultural Machinery

## General info

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### Economy name

Albania

### ID

A46

### Incentive name

Exemption of Value Added Tax (VAT) for the Supply of Agricultural Machinery

### Brief description

The VAT exemption for agricultural machinery is part of the broader fiscal measures implemented to reduce the financial burden on farmers and agricultural producer in order to modernize the sector and enable technological advancement

## 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 56, paragraph 38 Import of machinery and equipment:

- a) for the realization of investment contracts with a value equal to or greater than 50 million lekë;
- b) for the realization of investment contracts in the active processing and agribusiness sector, regardless of the value of the investment; and
- c) import of production machinery by entities subject to simplified profit tax.

The list of machinery and equipment directly related to the investment, the exemption procedure, the relevant criteria, and the categories of economic operators included in the active processing and agribusiness sector, are determined by a decision of the Council of Ministers.

## Incentive design

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### Incentive group

Financial

### Incentive category

Value Added Tax (VAT)

### 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**

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**

[https://www.pwc.com/al/en/Tax\\_Alert\\_May\\_June\\_2023.pdf](https://www.pwc.com/al/en/Tax_Alert_May_June_2023.pdf)

**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)**

Businesses importing such machinery must declare that the purpose of the import is not for resale but for use in agricultural production. The exemption is designed to support the modernization and efficiency of agricultural practices in Albania. The exemption applies to the import and supply of agricultural machinery and equipment directly used in agricultural production, such as tractors, plows, harvesters, and other essential equipment.

**Eligibility criteria (weblink)**

[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)

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

**Implementing Authority (Name)**

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