



TAX ON TRANSFER OF ABSOLUTE RIGHTS



Price: _____ **On request** **Publ. (upd.):** _____ **04.06.2018 (21.09.2018)**

Location: _____

Description:

When buying an apartment, one of the following taxes is paid: value-added tax (porez na dodatnu vrednost, PDV) - if the seller is a legal entity or tax transfer of ownership (porez na prenos apsolutnih prava), if the seller is an individual. More about the latter:

The general rule establishes that the payer for this tax is the seller of real estate, however, in most cases, the actual costs are borne by the buyer. In the contract of sale (or another document that transfers ownership of the apartment) is determined formally, who is responsible for paying this tax.

The package of documents must be submitted to the tax office at the location of the property within 10 days after the transaction. The date of the transaction is the date the contract is certified by the notary. In the case of an object in the process of construction, tax liabilities occur at the time of acceptance and transfer of the object to the buyer.

The package of documents includes:

- The completed form PPI-4 - Poreska prijava za utvrđivanje poreza na prenos apsolutnih prava
- Contract or another document on the transfer of ownership, certified in the appropriate manner at the notary
- Proof of property rights of the owner (seller)
- Extract from the real estate cadaster
- A copy of the personal cards of the seller and the buyer
- Other documents upon request of the tax authorities.

Registration can be done through the tax office's [portal](#), if you have an electronic signature.

The tax is calculated at a rate of 2.5% of the value specified in the transfer of ownership documents (ex. sale agreement), in case if that value is not lower than the market value. If happens that in the opinion of the tax office, the indicated value is below the market value, within 60 days a new basis for calculating the tax is determined. For these purposes, the tax can use its base of average market prices for similar real estate or send an on-site committee to the facility to assess its real value.

Within 15 days after receiving from the tax office verified or updated tax on the transfer of ownership, it must be paid according to the payment details specified by that document.

There is a right of exemption from payment of this tax that can be used by adult citizens of Serbia with a permanent place of residence in Serbia, who buy their first apartment, up to 40 square meters. In case if the buyer will live in an apartment with his family (whose members are not owners of the residential real estate since July 1, 2006), the area of housing exempted from paying taxes increases by 15 sqm. for each member of



the family. When buying an apartment larger area tax is paid on the difference.

Infrastructure
