



**- 2019 PROVISIONAL TAX
- 2018 FINAL PAYMENT OF TAX &
DEADLINES OF SUBMISSIONS**

➤ **2019 Provisional Tax**

Provisional Tax obligation

As per the Assessment and Collection of Taxes Law, every company and individuals (with taxable income other than salaries, pensions, dividends and interest) must declare before 31 July 2019 an estimate of the taxable profit for (corporate) income tax purposes and pay the resulting tax liability (in two instalments) for the year 2019.

Deadlines for Provisional Tax

The provisional tax on such income is payable in two equal instalments as follows:

- 31 July 2019;
- 31 December 2019.

If the tax is not paid before the end of the month following the month the instalment is due (i.e. 31 August 2019 and 31 January 2020, respectively), interest is payable at the rate in force which is currently 2% per annum. Interest is calculated on the basis of complete months. In addition, a monetary charge of 5% on the tax due per each instalment will be charged. It is important to note that an additional penalty of 5% is imposed if the tax remains unpaid 60 days after the above due dates.

Revised estimation of taxable profits

The estimate of chargeable income may be revised (upwards or downwards) at any time before 31 December 2019.

If the estimate is revised upwards, interest is payable on the difference between the revised amount payable for each instalment due and the amount initially declared and paid.

The interest is calculated for each complete month for the period the instalment was due (e.g. if a revised return is filed in September, the interest will be imposed for one complete month). No monetary charge (5%) is imposed on the revised estimates on the proviso that the incremental tax liability is paid on the date the provisional tax is revised (i.e. the relevant tax form be submitted).

If the estimate is revised downwards, the lowest amount that can be declared as temporary tax should equal the amount of the previous payments made.

Threshold of 75%

If the estimated chargeable income (as finally revised) is less than 75% of the actual chargeable income as this will be declared on the submitted tax return for the year, then there will be an additional tax of 10% on the difference between actual tax payable and the temporary tax paid (i.e. the 75% of tax liability results from the actual taxable profits should be settled via Provisional Tax instalments in order to avoid the penalty of 10% on the remaining tax due balance).

Any amount of tax remain due after the payments of Provisional Tax is payable by 1 August 2020 in order to avoid additional interest and penalties.

➤ 2018 Final payment of Tax

Individuals

- *Employee*

Employee individuals must pay their 2018 final tax balance (i.e. any amount remaining due after the monthly PAYE deductions) by 30 June 2019.

If the tax is not paid before the end of the month following the month the liability is due (i.e. 31 July 2019), interest is payable at the rate in force which is currently 2% per annum. Interest is calculated on the basis of complete months.

In addition, a monetary charge of 5% on the tax due will be charged. It is important to note that an additional penalty of 5% is imposed if the tax remains unpaid 60 days after the above due date (i.e. 30 August 2019).

The 2018 Personal Income Tax return (Form T.D.1E) should be submitted by 31 July 2019. Late submission results in imposition of a penalty equal to €100.

- *Self-employee without audited accounts*

Self-employee individuals without audited accounts (i.e. turnover <€70.000) must pay their 2018 final tax balance (i.e. any amount remaining due after the provisional tax payments) by 30 June 2019.

If the tax is not paid before the end of the month following the month the liability is due (i.e. 31 July 2019), interest is payable at the rate in force which is currently 2% per annum. Interest is calculated on the basis of complete months.

In addition, a monetary charge of 5% on the tax due will be charged. It is important to note that an additional penalty of 5% is imposed if the tax remains unpaid 60 days after the above due date (i.e. 30 August 2019).

The 2018 Personal Income Tax return (Form T.D.1SE) should be submitted by 30 September 2019. Late submission results in imposition of a penalty equal to €100.

- Self-employee with audited accounts

Self-employee individuals with audited accounts (i.e. turnover >€70.000) must pay their 2018 final tax balance (i.e. any amount remaining due after the provisional tax payments) by 1 August 2019.

If the tax is not paid before the end of the month of the deadline date (i.e. 31 August 2019), interest is payable at the rate in force which is currently 2% per annum. Interest is calculated on the basis of complete months.

In addition, a monetary charge of 5% on the tax due will be charged. It is important to note that an additional penalty of 5% is imposed if the tax remains unpaid 60 days after the above due date (i.e. 1 October 2019).

The 2018 Personal Income Tax return (Form T.D.1SE) should be submitted by 31 March 2020. Late submission results in imposition of a penalty equal to €100.

Companies

Companies must pay their 2018 final tax balance (i.e. any amount remaining due after the provisional tax payments) by 1 August 2019.

If the tax is not paid before the end of the month of the deadline date (i.e. 31 August 2019), interest is payable at the rate in force which is currently 2% per annum. Interest is calculated on the basis of complete months.

In addition, a monetary charge of 5% on the tax due will be charged. It is important to note that an additional penalty of 5% is imposed if the tax remains unpaid 60 days after the above due date (i.e. 1 October 2019).

The 2018 Corporate Income Tax return (Form T.D.4) should be submitted by 31 March 2020. Late submission results in imposition of a penalty equal to €100.

Payment of taxes via JCC smart

The Tax Department announced that the payment of Income Tax (code 300) and Provisional tax (Code 200) can only be settled via JCCsmart (www.jccsmart.com). However, any payments that are subject to interest and penalties or relating to revised provisional tax, can only be settled at any District Income Tax Office.



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