

## Tax Santa: What Awaits Us from 1 January 2026?

In the Official Gazette of the Republic of Serbia No. 109/2025, amendments to several tax regulations were published, effective **from 1 January 2026**. Below, we present the most important updates.

### Amendments to the Law on Personal Income Tax

As every year, **the non-taxable portion of income** has been increased, so that from 1 January it amounts to **RSD 34,221**. The first adjustment of this amount, using the annual consumer price index, will be made in 2027.

The amendments also include **incentives for newly employed persons**, in the form of a right to a partial refund of paid income tax.

The possibility of exercising these incentives has, first, been **extended until the end of 2026**, and it is additionally stipulated that the condition regarding the minimum duration of registration with the National Employment Service prior to employment **does not apply** to unemployed persons **under 30 years of age** who are registered in the [Youth Guarantee Program](#).

Regarding the right to a **tax credit** on the annual personal income tax for investments in an alternative investment fund, i.e., for the purchase of an investment unit of an alternative investment fund, the period during which the taxpayer was not allowed to dispose of shares or units in the fund has been reduced from three to **two years**.

The deadline for submitting tax returns for **seafarers' income** has also been amended and will be submitted within **30 days from the end of the third quarter of the current year** for income earned in the previous year.

### Amendments to the Law on Mandatory Social Security Contributions

Following the amendments to the Law on Personal Income Tax, the changes also relate to **incentives for newly employed persons**, in the form of a right to a partial refund of mandatory social security contributions.

The possibility of exercising these incentives has also been **extended until the end of 2026**, and it is further stipulated that the condition regarding the minimum duration of registration with the National Employment Service prior to employment **does not apply** to unemployed persons **under 30 years of age** who are registered in the [Youth Guarantee Program](#).

### Amendments to the Law on Tax Procedure and Tax Administration

It has been clarified which powers local self-government authorities do not have when applying the Law on Tax Procedure and Tax Administration. These powers primarily relate to administrative and technical tasks, such as tax risk analysis and tax gap assessment, development and maintenance of the tax information system, and other tasks, as well as management and tax police duties.

Additionally, provisions regarding **the sale of real estate in compulsory collection procedures** conducted by the Tax Administration and local self-government authorities have been clarified.

It is also specified that, if during a tax inspection it is found that an employer does not meet the conditions for using tax incentives, the Tax Administration will, **by decision, order** the employer to pay the tax as well as the mandatory social security contributions originally paid from the Republic's budget, **without requiring the submission of an amended tax return to correct the identified irregularities**.

Provisions on the **write-off** of owed tax and ancillary tax liabilities for which absolute statute of limitations has occurred, as well as overpayments for which the right to a refund, rebate, or repayment has ceased, and settlement of due obligations through rebooking, have also been amended. The write-off will be carried out in the tax accounting records based on a decision of the Tax Administration, **no later than 31 December 2026**.

Exceptionally, if the collection costs exceed the value of the item to be collected, for write-off amounts **below RSD 100**, no decision will be issued, and the write-off will be carried out based on **minutes** of the Tax Administration's working group.

It is also foreseen that, *inter alia*, the article governing **off-balance-sheet tax accounting** will be deleted from 1 January 2026, with transitional rules established. Unsettled liabilities recorded in off-balance-sheet tax accounting from submitted claims in bankruptcy proceedings until 31 December 2026 will be **transferred to tax accounting** as doubtful and disputed claims **starting 1 January 2027**.

Regarding the possibility for **non-residents** to make payments to the Tax Administration **from abroad, in foreign currency**, this will be implemented **from 1 January 2027**.

#### **Amendments to the Excise Law**

Amendments to this law were expected and primarily relate to the alignment of the tax calendar, i.e., the excise amounts for the period **January 2026 – January 2030**.

This concerns excise duties on imported cigarettes and cigarettes produced domestically, excise on non-combustible tobacco, e-cigarette refill liquids, herbal smoking or heating products, and water pipe products (shisha flavors).

The first subsequent adjustment of excise amounts for cigarettes will take place from January 2027, and at the end of the calendar year in which, according to the data of the Republic's statistical authority, the consumer price index exceeds 2%.

Similarly, the first subsequent adjustment of excise amounts for e-cigarette refill liquids will take place from January 2027, using the 2026 consumer price index.

*This article is to be considered as exclusively informative, with no intention to provide legal advice. If you should need additional information, please contact us directly.*

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