

DIVISION IX. SOCIAL FEES

Chapter 33. Social Fees

Article 215. Definition and Role of Social Fees

1. Social fees are mandatory payments to the Social Security Fund and the Employment Fund of the Republic of Taxastan which shall be paid by all insurance payers with the

purpose of providing social security, in accordance with the rates established under this Code with respect to salary or another tax base stipulated in this Chapter.

2. Social fees are considered a tax for the purposes of this Code.

Article 216. Taxpayers

1. Taxpayers of social fees include:

- a. legal and physical persons-employers who pay salaries to physical resident persons employed in the Republic of Taxastan;
- b. legal and physical persons who in the course of their entrepreneurial activity pay for the services of physical resident persons who reside on the territory of the Republic of Taxastan on the basis of contracts of a lawful nature or without contracts;
- c. those physical persons stipulated in subpoints a and b who are receiving payment;
- d. physical persons conducting entrepreneurial activity on the territory of the Republic of Taxastan.

2. Taxpayers stipulated in subpoints a and b of point 1 of this Article are hereinafter referred to as insurers, and those taxpayers stipulated in subpoint c of point 1 of this Article are hereinafter referred to as insured.

Article 217. Object of Taxation

1. The object of taxation in cases stipulated in subpoint a of point 1 of Article 217 is the wage as determined in accordance with ?. The object of taxation in cases stipulated in subpoint b of point 1 of Article 217 is the payment amount to physical persons as determined in accordance with ?, where such physical persons are employees.

2. For taxpayers stipulated in subpoint d of point 1 of Article 217, the object of taxation is the taxable income from entrepreneurial activity as determined in accordance with Division IV of this Code.

Article 218. Exemptions

The following are tax-exempt:

- a. the income of persons working in diplomatic and consular establishments who are not citizens of the Republic of Taxastan;

- b. payment for temporary workman's disability from the Social Security Fund of the Republic of Taxastan.

Article 219. Tax Rate

1. For fees payable to the Social Security Fund of the Republic of Taxastan, a tax rate of 30 percent for insurers and 1 percent for insured is applied.
2. For fees payable to the Employment Fund of the Republic of Taxastan, a tax rate of 1 percent for insured is applied.
3. For physical persons stipulated in subpoint d of point 1 of Article 217, the tax rate is equal to 20 percent.

Article 220. Procedures for the Determination and Payment of Taxes

1. Social fees in cases stipulated in subpoints a, b and c of point 1 of Article 217 are calculated and are withheld by procedures established in ? relating to a worker's wages.
2. Physical persons stipulated in subpoint d of point 1 of Article 217 pay fees simultaneously with income tax. These physical persons receiving a taxable income from entrepreneurial activity are required to submit a social fees return simultaneously with an income tax return. The current social fees payments are remitted in accordance with procedures established under ?.