

DIVISION XII. ENTERPRISE PROPERTY TAX

Chapter 39. Enterprise Property Tax

Article 253. Taxpayers

1. Taxpayers of the enterprise property tax include:
 - a. resident enterprises;
 - b. foreign enterprises, conducting entrepreneurial activity in the Republic of Taxastan through their permanent establishments.
2. Taxpayers specified in this Article are referred to as "enterprises" in this Chapter.

Article 254. Object of Taxation

1. The object of taxation is the property of the enterprise in value terms, including intangible assets and inventories, that is recorded on its balance sheet.
2. For taxpayers specified in Article 254(1)(c) the object of taxation includes only property connected with the permanent establishment.

Article 255. The Determination of the Value of Taxable Property

The taxable value is the average annual residual balance value of the property specified in Article 255, calculated as the arithmetic mean of the residual balance value of such property at the start and end of the reporting year.

Article 256. Tax Concessions

The enterprise property tax is not levied on:

- a. property of budget organizations and government authorities, including the National Bank of the Republic of Taxastan;
- b. property used exclusively for public education and culture;
- c. property of religious institutions and organizations, national-cultural societies, with the exception of that used in their entrepreneurial activity;
- d. property of housing, utility, and other public city, region and village enterprises;

- e. property mothballed under the procedures established by the Government of the Republic of Taxastan;
- f. 50 percent of taxable property value of hydro and thermal energy facilities.

Article 257. Tax Rates and their Calculation Procedure

1. The taxation period for the enterprise property tax is the calendar year.
2. The property of enterprises, appraised in accordance with Article 256, is subject to taxation at a rate of two percent.
3. Taxpayers pay the tax in the form of current payments of 25 percent of the tax amount of the previous year before the 15th day of the second month of the quarter.
4. Amounts transferred to the budget in the form of current payments are considered paid upon final payment of the tax for the reporting year.

Article 258. Report on Property Tax

Calculation accounts for the enterprise property tax for the reporting year are submitted to the tax authorities by 1 April of the next year.

Article 259. Profits Tax Records

A credit of the amount of profit tax, assessed for the tax year, against the amount of the enterprise property tax for the same period is allowed.

DIVISION XIII. TAX ON OWNERS OF VEHICLES

Chapter 40. Tax on Owners of Vehicles

Article 260. Taxpayers

A taxpayer is any person who owns a vehicle that is required to be registered in the Republic of Taxastan.

Article 261. Object of Taxation

An object of taxation is any vehicle specified in Chapter 87 (codes 8702-8704) of the harmonized system.

Article 262. Exemptions

Buses and trolley buses used by public transport enterprises for transporting passengers in cities are exempt from the tax on vehicles:

Article 263. Tax Rates

The annual tax rates vary according to the type of vehicle and are set as follows (depending on the number of horsepower of the engine):

Object of Taxation	Tax amount in percent of nontaxable minimum income
Passenger Automobiles	2.0 percent
Buses (with up to a 12-person capacity)	2.5 percent
Buses (with a capacity of 13-30 persons)	3.0 percent
Buses (with a capacity of over 30 persons)	3.5 percent
Trucks and similar vehicles with a load capacity up to 10 tons	4.0 percent
Trucks (with a load capacity of 10-20 tons)	4.5 percent
Trucks (with a load capacity of 20-40 tons)	5.0 percent
Trucks (with a load capacity higher than 40 tons)	5.5 percent

Article 264. Procedures for Payment and Collection of the Tax

1. The tax is subject to payment by the deadlines specified for the registration, reregistration or yearly inspection of the vehicle. Violation of the deadline is grounds for the imposition of fines in the amounts and according to the procedures specified in this Code. Tax is not imposed upon reregistration of a vehicle if the former owner of the vehicle paid the tax for the given year.
2. Without proof of payment of the tax, registration, reregistration or inspection may not be conducted.

3. The State Automobile Inspection of the Interior Ministry of the Republic of Taxastan shall demand payment of the tax on vehicles if proof of such payment cannot be furnished by the owner of the vehicle.

DIVISION XIV. SIMPLIFIED VERSION OF THE TAX ON SMALL BUSINESS

Article 265. Taxpayers

1. Taxpayers of the simplified version of the tax on small business include enterprises and individual entrepreneurs that are not subject to VAT, with the exception of enterprises and individual entrepreneurs engaged in the production of excisable products, credit organizations, insurance agencies, investment funds, and professionals in the securities market.

2. Individual entrepreneurs are subject to the simplified version of the tax on small business if:

- a. they petitioned to pay the tax under the simplified version; and
- b. they conduct business activity for which they may obtain a patent in accordance with Article 267.

Article 266. Object of Taxation

1. The object of taxation for enterprises is gross earnings for the reporting period. The gross earnings are calculated on a cash basis as the sum of earnings received from the sale of goods (works, services), the sale price of property sold during the reporting period, and income received from entrepreneurial activity other than sales.

2. The object of taxation for individual entrepreneurs under the simplified version is the estimated earnings from activity for which a patent may be obtained. The types of entrepreneurial activity for which a patent may be obtained are determined by the Government of the Republic of Taxastan.

Article 267. Tax Rate

1. The tax rate for enterprises is established as 10 percent of gross earnings.
2. The amount of patent fee for individual entrepreneurs is determined by the Government of the Republic of Taxastan.

Article 268. Procedure for Applying the Simplified Version of the Tax

1. The tax period for the simplified version of the tax on small business is a quarter.
2. An enterprise shall submit a declaration to the tax authorities before the tenth day of the month following the reporting tax period stating the amount of tax due, and pays the calculated tax at that time.
3. Individual entrepreneurs may obtain a patent for a period of not less than one quarter.

DIVISION XV. LOCAL TAXES

Article 269. General Provisions

1. Local councils of peoples' deputies have the right to establish local taxes for their territories as stipulated in ?, based on the provisions of this Division.
2. Acts of tax legislation that are passed by the local councils of peoples' deputies must determine the procedure of payment and collection of local taxes. Unless otherwise stipulated in acts of tax legislation by the local councils of peoples' deputies, taxation is effected using the procedures outlined in Divisions II and III of this Code.
3. Local councils of peoples' deputies have the right, regardless of the provisions established in this division:
 - a. to exempt certain categories from paying taxes or apply lower local tax rates to them;
 - b. to exclude certain elements from the taxation base or apply lower rates to them;
 - c. to establish lower local tax rates.
4. Instructions for the application of local taxes are published by the respective local tax authorities in conjunction with local financial organs upon agreement with the Ministry of Finance and the Tax Committee of the Republic of Taxastan.

Article 270. Retail Sales Tax

1. Taxpayers of retail sales tax include enterprises and individual entrepreneurs.
2. The object of taxation is retail sales of goods on the territory of the city (region).

3. The tax base is determined as the value of goods sold by the taxpayer, as calculated based on free (market) prices excluding the retail sales tax. In determining the free (market) prices of the goods in question, the value added tax as well as the excise tax for excisable goods is taken into account (included in the price).
4. Tax rates shall not exceed five percent.

Article 271. Tax on Immovable Property of Physical Persons

1. Taxpayers are physical persons-proprietors of immovable property or persons using such property considered to be an object of taxation in accordance with point 2 of this Article and located in the given region (city).
2. The following types of property are included in objects of taxation: dwellings, apartments, vacation homes, garages and other buildings, structures, premises and facilities (hereinafter "immovable property").
3. The tax base for the given tax may include: the market price of the object, the inventory value of the object, the insurance value of the object or the value of the object as calculated on the basis of the cost of one unit of space adjusted for the location factor. The local councils of peoples' deputies may on their own territory employ one of the above mechanisms of determining the tax base.
4. The tax rate for the immovable property of physical persons may not exceed one percent of the tax base.

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