

Vibrant tax life

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In mid April 2009 the state tax administration of Ukraine (STAU) clarified that the industrial entities eligible for the accelerated tax depreciation of fixed assets (25% per annum) can report increased tax depreciation charges only in the annual 2009 profit tax return (STAU letter # 8167/7/15-0217 of April 17). It means that during the year of 2009 (i.e. in the tax returns for the first quarter, half year and for the three quarters) the taxpayers will have to apply to qualified assets lower tax depreciation rates.

Tax benefits for inward processing of agricultural products have been restricted

On March 13 2009, the president of Ukraine signed the law no. 922-VI (effective from March 17 2009), which has restricted application of the tax benefits to inward processing of the goods from groups 1 – 24 of the Ukrainian commodity classification.

The operations with these goods therefore became subject to applicable taxes (in particular, customs duty and VAT).

An attempt to restrict tax losses carry forward to 2009 failed

In late April 2009 the government of Ukraine passed a resolution prohibiting utilisation in 2009 of the tax losses accumulated through 2008. Although the authority of the government to issue such resolution was questionable and regardless of the fact that the mentioned resolution has not been duly enacted, the STAU by its telegram in early May instructed the regional tax offices not to accept tax returns showing losses brought forward from 2008. Notably, the telegram was sent before the deadline for filing of profit tax return (May 12). Vehement protests of the business community against the unlawful attempt have caused a cancellation of the unlawful resolution of the government; STAU has also revoked its telegram prohibiting tax losses carry forward.