

Table of contents

- I. Basics of taxation and non-tax charges 5**
 - 1. Introduction 5
 - 2. Taxation and economic growth 6
 - 3. Notion of taxes, charges and contributions 8
 - 4. Tax structural elements 9
 - 4.1 Tax subject 9
 - 4.2 Object of taxation 10
 - 4.3 Tax base 10
 - 4.4 Tax tariff 11
 - 4.5 Tax period 11
 - 4.6 Tax evidence 12
 - 4.7 Tax declaration 12
 - 5. Classification of taxes 12
 - 6. Basic rules governing the arising and termination of tax liabilities 13
- II. Personal Income Tax (PIT) 15**
 - 1. Unlimited and limited tax liability 15
 - 2. Sources of revenues 15
 - 3. Lump-sum taxation of business activity 16
 - 3.1 Tax card 16
 - 3.2 Lump-sum tax on registered revenues 20
 - 4. General personal income taxation of business activity 23
 - 4.1 Tax revenues 24
 - 4.2 Income-generation expenses 26
 - 4.3 Tax evidence 27
 - 4.4 Tax scale and tax reliefs 28
 - 5. Taxation of employment 30
 - 5.1 Employer's income-generation expenses 31
 - 5.2 Employee's revenues 31
 - 5.3 Employee's income-generation expenses 32
- III. Corporate Income Tax (CIT). 35**
 - 1. Tax subject 35
 - 2. Object of taxation 36
 - 2.1 Tax revenues 36
 - 2.2 Income-generation expenses 39
 - 2.3 Tax evidence 41

2.4 Object exemptions	42
2.5 Tax losses	42
2.6 Deductions from the income	43
2.7 Tax declaration	43
2.8 Schedule of determining CIT due	43
IV. Special issues of income taxation	45
1. Special Economic Zones	45
2. Transfer pricing	47
3. Depreciation and Leasing	53
4. Employee stock options	54
5. International Tax Issues	58
V. Turnover Taxes	61
1. Value Added Tax (VAT)	61
1.1 General Principles of the VAT System	61
1.2 Taxable transactions	62
1.3 Neutrality of VAT	65
1.4 Tax base, tariff and settlement	66
2. Excise Tax	69
2. Civil Law Activities Tax	69
VI. Property Taxes	71
1. Real Estate Tax	71
2. Vehicle Tax	74
3. Agricultural Tax	76
4. Forest Tax	78
5. Inheritance and Gift Tax	79
VII. Obligatory Social Insurance Contributions	81
1. Social insurance	82
2. Health insurance	84
3. Labor Fund	85
4. Fund of the Guaranteed Employee Benefits	86
5. Determining of net remuneration of employees	86
VIII. Tariffs and import fees	89
IX. Other fiscal charges	91
1. Product charges and environmental charges	91
2. Betterment levies	92