

In accordance with Article 88 Item 2 of the Constitution of the Republic of Montenegro I hereby pass the

**ENACTMENT ON PROCLAMATION OF
THE LAW ON TAX ON TURNOVER OF USED PASSENGER MOTOR VEHICLES,
VESSELS, AIRPLANES AND AIRCRAFTS
(“Official Gazette of RoM”, no. number 55/03 as of 1st October 2003)**

This is a proclamation of the Law on Tax on Turnover of Used Passenger Motor Vehicles, Vessels, Airplanes and Aircrafts, adopted by the Parliament of the Republic of Montenegro at the meeting of the fifth extraordinary session in the year 2003, on 24th September 2003.

Number: 01-876/2
Podgorica, 25th September 2003
President of the Republic of Montenegro
Filip Vujanović, signed

**THE LAW ON TAX ON TURNOVER OF USED PASSENGER MOTOR VEHICLES,
VESSELS, AIRPLANES AND AIRCRAFTS**

General Provisions

Article 1

This Law shall govern the payment of tax on turnover of passenger and other used motor vehicles, vessels, airplanes and aircrafts purchased or acquired by a legal or physical person, if such turnover or acquisition is not subject to value added tax.

The tax referred to in paragraph 1 of this Law shall be the revenue of the Budget of the Republic of Montenegro.

Subject of Taxation

Article 2

The turnover or other form of acquisition of used passenger and other motor vehicles, vessels, airplanes and aircrafts from Article 1 of this Law is subject to taxation.

Taxpayer

Article 3

The taxpayer of the tax referred to in Article 1 of this Law shall be the buyer, or acquirer of used passenger and other motor vehicles, vessels, airplanes and aircrafts.

Tax Base

Article 4

Tax base of the tax on turnover of used passenger and other motor vehicles, vessels, airplanes and aircrafts shall be the market value at the moment when the tax liability arises.

The market value from paragraph 1 of this Article shall be determined based on the documents related to acquisition.

The competent tax authority shall verify the market value indicated in the documents on acquisition; if the results of the verification are that the value is not realistic, the tax base shall be determined based on assessment.

Tax Rate

Article 5

The tax on turnover referred to in Article 1 of this Law shall be paid at the rate of 5%.

Tax Exemptions

Article 6

The tax on turnover referred to in Article 1 of this Law shall not be paid by a person receiving a gift who has the first-degree legacy relationship with the person giving the gift, and an heir, who has the first-degree legacy relationship with the testator.

Occurrence of Tax Liability

Article 7

The tax liability for tax referred to in Article 1 of this Law shall occur at the moment of purchase or acquisition of used passenger motor vehicles, vessels, airplanes and aircrafts.

The taxpayer referred to in Article 3 of this Law shall report the occurrence of the tax liability to the competent tax authority according to their headquarters or residence within 15 days from the day of purchase or acquisition.

Payment of Tax

Article 8

Tax on turnover referred to in Article 1 of this Law shall be paid within 15 days from the day of occurrence of the tax liability.

The tax referred to in paragraph 1 of this Article shall be calculated and collected by the competent tax authority according to the headquarters or residence of the taxpayer.

The used passenger motor vehicles, vessels, airplanes and aircrafts shall not be registered, unless the evidence that the tax from paragraph 1 of this Article is provided.

Application of Other Regulations

Article 9

With regard to complaints, renewal of the procedure, statute of limitations and other matters that are not specifically regulated by this Law, the provisions of the Law on Tax Administration (Official Gazette of the RoM, no. 65/01) shall be applied accordingly.

Authorizations

Article 10

The Minister of Finance may adopt more detailed regulations for application of this Law.

Penalty Provisions

Article 11

A pecuniary fine in the amount of ten-fold to two-hundred-fold of the minimum wage in the Republic of Montenegro shall be imposed on a taxpayer - legal entity, or an entrepreneur for the offence, if they fail to report the occurrence of the tax liability referred to in Article 1 of this Law (Article 7).

A pecuniary fine in the amount of one-fold to ten-fold of the minimum wage in the Republic shall also be imposed on the responsible person in the legal entity, tax intermediary and physical person for the offence referred to in paragraph 1 of this Article.

Article 12

A pecuniary fine in the amount of one-fold to ten-fold of the unpaid tax liability shall be imposed on a taxpayer - legal entity, or an entrepreneur for the offence, if they fail to pay the tax from Article 1 of this Law within the prescribed period (Article 8).

A pecuniary fine in the amount of one-fold to ten-fold of the minimum wage in the Republic shall also be imposed on the responsible person in the legal entity, tax intermediary and physical person for the offence referred to in paragraph 1 of this Article.

Final Provision
Article 13

This Law shall enter into force on the eighth day after its publication in the Official Gazette of the Republic of Montenegro.