

Provisional Tax 2021

Obligation for provisional tax payment

As per the Assessment and Collection of Taxes Law, every company or individual (whose income includes other than remuneration) must file before 31 July 2021 a declaration of provisional tax assessment form to the tax authorities. This should indicate an estimate of the taxable profit for income tax purposes and the resulting tax liability for current tax year.

Payment deadlines

- Provisional tax is payable in two equal instalments, 31st July 2021 and 31st December 2021.
- Any final resulting tax for the year 2021 should be settled by 01 August 2022.
- It is noted that the final tax for the year 2020 should be settled by 01 August 2021.

Interest/penalties regarding provisional tax payments

Payment of the taxes after the due dates are subject to a 5% penalty which is actually imposed if payments are not made within a month of the due dates (31st August 2021 and 31st January 2022).

The provisional tax assessment can be revised prior to payment of the 2nd instalment (31st December 2021) via submission of a revised form to the authorities. In the case of an upward estimation of tax payable, a 1.75% annual interest is payable (pro rata) on the difference between the revised amount payable and the amount initially declared for the 1st instalment.

Payments of less than 75% of the annual tax liability as provisional tax (cumulative in both installments) will be subject to a 10% surcharge on the resulting tax liability.

In the case that no taxable income for 2021 is expected, there is no requirement to submit a declaration of provisional tax assessment form and pay any temporary tax to the Tax authorities.

ITH assistance

ITH can assist you in estimating the provisional tax assessment of 2021 as well as provide any further information on provisional tax payments.

If we do not hear from you by 24/07/2021 for assistance in calculating temporary tax, we will assume that your company will not have any taxable profit for the year 2021 and thus, no provisional tax will be paid.

For any further clarifications you may require, please do not hesitate to contact:

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