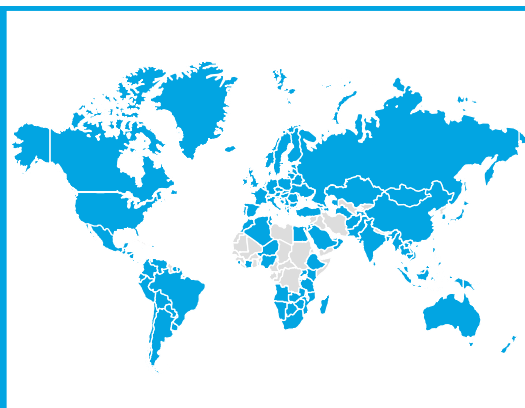


EXPATRIATES

Macedonia

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

Personal income tax shall be applied to any resident of the Republic of North Macedonia, on the income earned in the country and abroad. A resident, in terms of this Law, shall be any individual who has a permanent or temporary residence on the territory of the Republic of North Macedonia. The individual has a residence if he is resident in the country continuously, or with interruptions, for 183 or more days in any 12-month period on the territory of the Republic of North Macedonia.

If a double tax treaty (DTT) is in place, the 183-day residency principle is applicable in accordance with the provisions of the treaty.

A foreign tax resident is any individual who is not a Macedonian tax resident.

A private individual, not resident of the Republic of North Macedonia, is obligated to pay personal income tax for the income earned on the territory of the Republic of North Macedonia.

Withholding Tax

A non-resident shall be able to apply the provisions of the valid agreement for avoidance of double taxation between Macedonia and the other country, if the individual proves the status of a tax residence in the other country with which North Macedonia has concluded the agreement.

If the recipient of the income subject to a withholding tax is a tax resident of a foreign state with which North Macedonia has concluded an agreement on avoidance of double taxation, the tax rate applied must not be higher than the amount of the tax rate prescribed for that type of income under the agreement.

Tax exemption or tax relief prescribed in the agreement with the foreign country can be applied to the taxable income, if the taxpayer provides appropriate forms verified by the Public Revenue Office and the appropriate Tax office in the foreign country, or by approval for tax exemption/relief issued from the Public Revenue Office in North Macedonia.

The Public Revenue Office will issue a declaration on the tax paid in the Republic of North Macedonia on request of the non-resident within a period of 30 days as of the day of submission of the request.

BREAKING RESIDENCY - EXIT PROCEDURES

There are no specific tax exit procedures in North Macedonia, since the generated income along with the personal income tax must be paid through EPDD application of Public Revenue Office.

A temporary residence permit is issued with a validity period of up to one year, that is until the expiration of the validity period of the foreign travel document, if that period is shorter than one year. The same permit may be extended on a request of the foreign tax resident.

The foreigner's permanent or temporary residence permit ends in following cases:

- the validity of the temporary residence permit expires, and the foreigner has not submitted a request for the extension of the permit;
- the foreigner who has a permanent residence permit moves out or stays abroad continuously for longer than one year, and has not notified the Ministry of interior affairs;
- security measure of expulsion, protective measure of removal or his stay in the Republic of North Macedonia is canceled and
- will acquire the citizenship of the Republic of North Macedonia.

A foreigner who has been granted a temporary residence permit, is issued an ID card for a foreigner with a term of validity stipulated in the temporary residence permit, but not more than one year.

The foreigner is obliged to return the issued ID card for a foreigner to the Ministry of the Interior affairs upon his leave the country.

INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

INCOME TAX RATES

Tax rate	Types of income	Notes
10%	Personal income (salary, pension, and other reimbursements arising from employment)	flat tax rate is applicable until 31 December 2022
10%	Income from rent and other property rights	flat tax rate is applicable until 31 December 2022
10%	Income from royalties (copyrights) and industrial property rights	flat tax rate is applicable until 31 December 2022
10%	income from sale of own agricultural products	flat tax rate is applicable until 31 December 2022
10%	Income from earned capital (dividends, interest etc.)	flat tax rate is applicable until 31 December 2022
15%	Income from gains from games of chance	flat tax rate is applicable until 31 December 2022
10%	Income from insurance	flat tax rate is applicable until 31 December 2022
10%	Other incomes (sponsorship, donation etc.)	flat tax rate is applicable until 31 December 2022

SOCIAL SECURITY CONTRIBUTION

Employers are obligated to calculate and withhold from employees' gross salary and pay into the accounts of respective funds the compulsory social security contributions and personal income tax (PIT). The current level of the compulsory social security contributions is as follows:

- Pension and disability insurance: 18.8%
- Health insurance: 7.5%
- Employment insurance: 1.2%
- Additional health insurance: 0.5%
- Personal income tax: 10%

The legislation prescribes the minimum and the maximum base for calculation of the social security contributions.

Minimum salary on which social contributions are calculated and paid is 50% of the average salary paid in North Macedonia. For 2022 is MKD 21.755 gross.

Maximum salary on which social contributions are calculated and paid is 16 average salaries paid in North Macedonia. For 2022 is MKD 696.144 gross, above the limit only personal income tax is paid.

Average salary for 2022 is MKD 43.509 gross.

The Public Revenue Office is the authorised body to control the calculation and the payment of compulsory social contributions and PIT on salaries. All employers send their calculations to the PRO that controls them and, if correct, issues a declaration of acceptance that is afterwards presented to the respective depository bank, in order to perform the payment of mandatory social security contributions, PIT, and net salaries.

For further information and to register for future updates contact expat@bdo.global

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