

## THE LAW OF THE KYRGYZ REPUBLIC

### On amendments to the tax Law of the Kyrgyz Republic

#### Article 1.

Enter the following additions to the Tax Code of the Kyrgyz Republic (The Gazette of the Jogorku Kenesh of the Kyrgyz Republic, 1996, # 7, Art. 92):

1. Supplement Article 9 "Definitions used in the Tax Code" with parts 18 and 19 with the following content:

"18. "Local taxes" - a part of tax system collected from legal and natural persons to the local budget income;

19. "Local dues" - payments from individuals, enterprises and organizations established by local governments for partial reimbursement of expenses for rendered services or granted rights to exercise specific activities of non-recurrent character".

The parts 18-49 should be considered, respectively, as parts 20-51.

2. Exclude the word "casino" from the title and text of the Article 111 "Some peculiarities of taxation of gambling business (casino)."

3. Supplement Section VIII with the following content:

#### "SECTION VIII LOCAL TAXES AND DUES

#### Chapter 32 Types of local taxes and dues

#### Article 182. Health resort tax

1. Health resort tax payers are natural persons - health resort visitors. A list of health resort places is defined by the Government of the Kyrgyz Republic.

2. The Oblast Kenesh in which territory health resort places are situated defines tax rate which cannot exceed 5% of the minimal wage established by Law.

3. Following categories of persons are granted an exemption:

1) Children up to 18 years old;

2) Disabled persons of I and II group and accompanying persons, and retired persons;

3) Persons arrived in accordance with referrals to treatment or certificates of payments for health resort and rest home services;

4) Persons working with budgeted organizations and arrived in health resort places on business tours, training courses or permanent residence;

5) Children arrived to parents of declining years.

4. Health resort tax is to be paid by tax payers at the place of their temporary residence no later, than three days after arrival. In case of place of residence changing in the same locality the tax should be paid once more.

5. The health resort tax is collected by:

1) hotel or the like institution administrations on registration of newcomers;

2) lodging intermediary organizations when giving order for staying at houses or apartments of individuals.

6. Persons lodging in houses (apartments) of individuals without orders of lodging intermediaries, as well as persons staying in tents, cars, etc., should pay taxes in banking institutions or settlement or village Keneshes.

7. Health resort tax payments should be certified by receipts of a prescribed format. In housing books or registration cards there should be made an entry certifying payment of the health resort, receipt No., and date of payment; if the tax payer is released from paying tax, then the appropriate entry should be done in the housing book or registration cards with reference to the document certifying the right to benefits.

8. Health resort tax amounts are transferred to appropriate local budget till 20th day of the month next to the reporting one, and should be spend on health resort and ecological activities.

#### Article 183. Advertising tax

1. Tax payers are enterprises and organizations irrespective of forms of property; residents and non-residents, their subsidiary companies, representations, branches and other isolated units by the area of advertising, as well as natural persons advertising their products.

Advertising is any form of public presentation of goods, services, works, including all kinds of ads, notifications, messages containing commercial information, distributed through mass media (press, TV and Radio), catalogues, price lists, reference books, posters, booklets, billboards, calendars, illuminated advertising, as well as information placards on all types of transport.

2. Liable to taxation is the cost of labor and services, except VAT for manufacturing and distribution of advertising, including cost-accounting works.

3. Tax rate is established in amount not exceeding 3% of cost of advertising services.

4. Proceeds from advertising taxes are transferred to local budget of the territory where the source of payment is the situated.

5. Not taxable are advertising services for non-commercial purposes:

1) informational signboards on schedules and customers servicing rules;

2) ads, notification on changing place of situation of organizations, telephones and other information about organizations;

3) ads of governmental organs including information related to accomplishment of their functions;

4) plates or tables warning on peculiarities of activities in the given territory;

5) other information, ads not including presentation of goods and services.

6. Collection and transfer of proceeds from advertising taxes to an appropriate budget should be done by the organization, which rendered advertising services, every month till 20th day of the month next the reporting one.

#### Article 184. Dues from owners of dogs

1. Tax payers are natural persons who keep dogs in public housing.

2. Individuals, who keep dogs are obliged to register them in places defined by local governments.

3. Reasons of granting tax benefits for an owner of a guard (patrol) dog may be a document confirming the necessity of keeping this dog.

4. Annual tax rate is defined in amount not exceeded two minimal monthly wages per a head and should be paid once a year till April 1st of the current year.

#### Article 185. Dues for the right of conduction of local auctions and lotteries, competitions and exhibitions for commercial purposes

1. Dues are to be paid by organizers (goods sellers) of local auctions and lotteries in amount not exceeded 10% of the cost of goods declared to the auction, or the amount of lottery tickets issued.

2. Local auctions are those, which were organized by decisions of local governments in the territory under its jurisdiction, and participants of which are both legal and natural persons. Dues payment is to be accomplished till the 20th day of the month next to reporting one, in which auctions, competitions and exhibitions had been held for commercial purposes.

3. Local lotteries may be held by enterprises, organizations, institutions by decisions of state oblast and Bishkek administrations. Dues payment to appropriate budget is accomplished till 20th day of the month next to the reporting one, in which the lottery had been held.

#### Article 186. Dues for car parking

1. Dues are to be paid by legal and natural persons, who park their cars in places specially equipped for this purposes. Dues collected for rendering services are confirmed by receipts given to drivers.

2. Amount of dues is defined by decisions of rayon or city Kenesh depending on place improvement and period of parking time, but no more than 3% of monthly minimal wage.

3. Dues are to be paid in appropriate budget till 20th day of the month next to the reporting one.

#### Article 187. Tax for using local symbols

1. Payers can be both legal and natural persons - manufacturers of goods, on which local symbols are used approved by an appropriate local Kenesh (symbols, views of cities or localities, historical monuments).

2. Tax rates are defined in amount not exceeding 0.1% of the realized goods value. The tax should be paid to appropriate budget no later, than 20th day of the month next to the reporting one.

3. A permission on the use of local symbols give local state administrations.

4. A tax rate for the use of local symbols may be defined separately for a business or natural person for each type of goods.

#### Article 188. Dues on commodity exchange transactions

1. Payers of dues are legal persons situated in the territory under jurisdiction of the local government made a decision on the dues introduction, as well as natural persons participating in transactions on goods (services) realization through commodity exchanges (irrespective of the territory in which the commodity exchange is situated).

2. Dues rate is defined in amount not exceeding 0.1% of the amount of a transaction. Dues payments to an appropriate should be accomplished no later, than 20th day of the month next to the reporting one.

3. Dues payment procedures by transaction participants are defined by decisions of local governments.

#### Article 189. Dues for rubbish removal

1. Payers of dues are legal and natural persons (owners of premises).

2. Dues rate is defined by cities and districts by local Keneshes, in towns and villages by meetings of citizens, depending upon territories occupied and numbers of employees (for legal persons), size of premises, number of people living in a building (for natural persons), but no more, than 25% of the minimal monthly wage, and paid to appropriate budgets once a year no later, than April 1 of the current year.

#### Article 190. Tax on individuals growing flowers for sale in their own green-houses

1. Payers are natural persons growing flowers for sale in their own green-houses.

2. Sales return is taxable. Local Keneshes define tax rates, and local state administrations are responsible to establish terms and procedure of tax payments defined. Taxes are to be credited to local budget of the territory where the payer resided.

#### Article 191. Hotel tax

1. Payers are natural persons staying at hotels. Hotel tax is to be paid in the territories where no health resort tax is established.

2. Local Kenesh defines tax rates, which cannot exceed 3% of the month minimal wage.

#### Article 192. Hunting and fishing tax

1. Payers are natural persons going for hunting and fishing.

2. Local Keneshes define tax rates, which cannot exceed 30% of the established month minimal wage.

3. Taxes are to be paid simultaneously with hunting and fishing society membership installments. The taxes are credited to appropriated budgets till 20th day of the month next to the reporting one.

#### Article 193. Tax on tourists leaving for foreign countries

1. Payers are natural persons leaving for foreign countries as tourists.

2. Tax rate established by local Keneshes should no exceed 20% of the month minimal wage.

3. Taxes are to be paid as soon as all necessary leaving documents are received by a tourist.

4. Taxes are to be transferred by the organ, that is authorized to prepare leaving documents, to an appropriate budget till 20th day of the month next to the accounting one.

#### Article 194. Casino taxes

1. Tax payers are casinos.

2. Tax rates are defined by local Keneshes depended on the number of tables, gambling machines, etc.

3. Amount of collected taxes are credited to an appropriate budget till 20th day of the month next to the reporting one.

#### Article 195. Paid services and retail sales taxes

1. Tax payers are legal and natural persons.
2. Tax rates defined by local Keneshes basing on cost of services rendered to citizens or retail sales turnover in amount not exceeding 2%.
3. Amount of collected taxes are transferred to an appropriate budget till 20th day of the month next to the reporting one.

Article 196. Taxes for unused production and trading areas

1. Tax payers are legal and natural persons.
2. Tax rates are defined by local Keneshes and may be differentiated depending upon the property location, improvement and size, and should not exceed 0.4% of average cost of unused production and trading areas or any parts of them.
3. Tax payment procedure is defined by the Government of the Kyrgyz Republic.
4. Amount of tax collected should be transferred monthly to appropriate budget till 20th day of the month next to the reporting one.

Chapter 33  
Taxes on transport facilities owners

Article 197. Tax payers

Tax payers are citizens of the Republic, foreign citizens and persons without citizenship having in their possession transport facilities (cars, motorcycles) and other automobiles and mechanisms.

Article 198. Taxable objects and tax rates

Taxes on transport facilities and other automobile vehicles and mechanisms in the territory of the Republic as follows:

Objects	Tax rates (soms, tyiyns)
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Depending on engine power and per each horse	
power:	
- cars	60 tyiyns
- motor cycles and scooters	36 tyiyns
- trucks and other vehicles	1 som
- motor sleighs and motor boats (cutters and	30 tyiyns
yachts)	
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Article 199. Accounting, calculation and payment of taxes

1. Citizens records - tax payers for transport facilities is accomplished basing on data annually presented by State Automobile Inspection before tax payment date.
2. Tax payment date is defined by local Keneshes, but no later, than on June 1 of the current year.
3. On registration, re-registration and technical inspections the State Automobile Inspections should request for confirmation, that transport facilities owners have paid appropriate taxes. If no confirming document is presented, then no registration, reregistration and technical inspection should be done.

If registration, re-registration or technical inspection is done though no tax payment had been made State Automobile Inspection officials will be called to account administratively in accordance with the Tax Code of the Kyrgyz Republic.

Disrepair, as well as nonuse of vehicles can not be the reasons of tax non-repayment before cancellation of their registration in the State Automobile Inspection.

- Citizens, who have not paid taxes in time, should pay the tax only no more than for two preceding years.  
Revision of incorrectly paid tax should be accomplished for no more than for two preceding years.

Article 200. Tax benefits for transport facilities owners

1. Following categories of transport facilities owners have the right to enjoy tax benefit:

- 1) Heroes of the Kyrgyz Republic, Heroes of the USSR, Heroes of the Socialist Labor, Mother-Heroines, persons decorated with Orders of Glory and Labor Glory of all three degrees. Invalids of the Great Patriotic War or wounded when defending USSR or executing military duties, or any decease due to participation in military actions during the war, as well as other invalids equaled by pension benefits to the above categories of military;
- 2) Invalids having motorized wheel-chair and automobiles with manual control;
- 3) Tax benefits for the current year are in force if the right for it appeared before the tax payment date. If tax benefit right comes in force after the tax payment date in the current year the benefit cannot be enjoyed.

Chapter 34  
Procedures for implementation, calculation,  
payment and accounting of local taxes and dues

Article 201. Procedure for introduction of local taxes and dues

1. Taxes stated in Article 182 may be introduced in accordance with decisions made by rayon and city governments - local Keneshes - in the resort territories under jurisdiction. Payments are credited to local and city budgets. Payments are credited in equal installments to budgets of villages, settlements, towns and cities, rayons and oblasts of the resort territories.
2. Taxes and dues stated in Articles 183-198 are introduced by decisions of rayon and city governments - local Keneshes.

Article 202. Procedure for taxes and dues calculation and payment

1. Procedure for local taxes and dues calculation and payment is defined by local state administrations.
2. Amounts of these payments are calculated according to rates for each type of taxes, dues and objects of taxation.
3. Terms of local taxes and dues payments are defined by local governments depending upon the type and size of payments and the object of taxation.
4. Legal persons pay local taxes and dues through banking institutions, and natural persons pay cash in savings banks or other banking institutions, which are authorized to accept payments from population. Acceptance of payments by tax bodies is prohibited.
5. Amounts of local taxes and dues are credited to rayon budgets, city budgets or by decisions of rayon and city governments - to district budgets (in cities), and settlement budgets.

Article 203. Accounting and reporting

1. Accounting of accrued and paid local taxes and dues is to be accomplished by institutions authorized by the organs of state power to accept payments.
2. Institutions authorized to collect taxes and dues submit reports on accrued and paid amounts to state tax inspections by their place of residence by dates defined to submit accounting reports and balance sheets, or on dates defined by local governments.

Article 204. Tax payers' duties, rights and responsibilities, and  
tax bodies control

1. Duties, rights and responsibilities of tax payers and taxation bodies defined by the Tax Code of the Kyrgyz Republic and other legislative deeds of the Kyrgyz Republic, as well as the decisions of local governments are extended in full to execution of local taxes and dues defined by local governments.
2. Payers of honest taxes and dues bear responsibility for completeness and timeliness of tax payment. For abuse of local tax legislation deeds they are to be fined, and officials and individuals found guilty in violation of the local tax legislation are to be brought to court in accordance with the Tax Code of the Kyrgyz Republic. For untimely tax payments the payers should pay fines in amount defined by the legislation.
3. Officials and individuals found guilty in violation of decisions adopted by local related to collection procedure of local taxes and dues may be fined in accordance with the Misdemeanor Code of the Kyrgyz Republic.
4. Control over the completeness and timeliness of local tax and dues payments, as well as their allotment to budget is accomplished by tax bodies in accordance with the current regulations on tax services.

Article 205. Introduction of local taxes and fees

Introduction of local taxes and fees not envisaged by the given Law is prohibited.

#### Article 206. Local tax benefits

1. Local tax benefits may be granted by decisions of local Keneshes.

2. Some categories of tax payers may enjoy tax benefits (Heroes of the Kyrgyz Republic, invalids, pensioners, large families, families of persons killed in the Great Patriotic War and other military actions, while exercising official duties, persons suffered from exposure to radiation, enterprises and organizations 50% of which employees are invalids, training enterprises, physical culture and sport institutions, public invalid associations, and others in accordance with the current tax legislation).

3. Local Keneshes may grant other benefits, as well as release from some types of taxes or dues by taking into account the financial position of individuals, enterprises and organizations.

It is prohibited to grant local tax benefits as regards to Article 183 "Advertising tax"; Article 185 "Dues for the right of conduction of local auctions and lotteries, competitions and exhibitions for commercial purposes"; Article 194 "Casino taxes"; Article 195 "Paid services and retail sales taxes" and Article 196 "Taxes for unused production and trading areas."

#### Article 207. Procedure for use of funds received as taxes and dues

Funds received as taxes and dues should be use to finance protected and purpose oriented items".

#### Article 2. On putting in force the Law

1. This Law comes in force immediately as it is published.

2. Following should be considered inept:

- The Law of the Kyrgyz Republic "On local taxes and dues" (Journal of the Jogorku Kenesh of the Kyrgyz Republic, 1994, # 5, p.155);

- Article 14 of the Law of the Kyrgyz Republic "On outlines of Tax System in the Kyrgyz Republic" (Journal of the Jogorku Kenesh of the Kyrgyz Republic, 1994, # 5, p.151).

President of the Kyrgyz Republic A.Akaev

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