

Military duty tax base expanded

Changes to the Tax Code of Ukraine, which were introduced on 2 March 2015, became effective on 13 March 2015. Tax base of the military duty was expanded.

As of now, in addition to the previously defined incomes of individuals, the following is subject to the military duty:

- dividends accumulated for a taxpayer in the form of shares (ownership interests, stocks) issued by a resident legal entity, provided that such accumulation does not alter in any way the proportions (ownership interests) of participation of all shareholders (owners) in the charter capital of the issuer, and as a result of which the charter capital of the issuer is increased for the overall nominal value of the accumulated dividends;
- income received by a taxpayer as interest accrued on the securities issued by the Ministry of Finance of Ukraine, and on debt obligations of the National Bank of Ukraine;
- income received by a taxpayer for submitted (sold) recycled materials, household waste, ferrous scrap metals, including used electric lead acid accumulators (code 8548 10 21 00 in accordance with the Ukrainian Classification of Foreign Economic Activity Products), remains and scrap of electric accumulators containing lead (code 8548 10 91 00), and scrap of precious metals sold to the National Bank of Ukraine;
- income received from transactions with currency valuables (except for securities), connected with transfer of ownership on such currency valuables, apart from incomes, taxation of which is directly specified by other norms;
- investment income received from transactions with debt obligations of the National Bank of Ukraine and treasury obligations of Ukraine issued by the Ministry of Finance of Ukraine.

We remind that the rate of the military duty is set at 1.5% of the taxation object. This temporary duty is introduced until the decision of the Verkhovna Rada on completion of the reform of the Armed Forces of Ukraine.