

Taxation change for salaries from 12 to 20 thousand UAH

On 19 May 2015, the Verkhovna Rada of Ukraine adopted the Law "On introduction of Amendments into the Budget Code of Ukraine in Respect of Fair Taxation of Personal Income in the Range from 10 to 17 Minimal Salaries". The Law came into force 1 June 2015.

The Law provides for an increase in the taxable base on personal income, income from 10 to 17 minimal salaries, established on 1 January of the fiscal year (currently the minimal salary is 1,218 UAH). For such categories of natural persons, the tax rate will be 15%. If the income of a natural person exceeds 17 minimal salaries, the tax rate will be 20%.

Now the maximal amount of unified tax base is determined by the minimal salary, established on 1 January of the calendar year, rather than by the subsistence level for able-bodied persons, established by the law.

In addition, the downward factor 0.4 will still be applied to determine the amount of unified tax after 1 January 2016.