

The law on residential tax

The law has been published in the “Official gazette of Republic of Montenegro” No. 11/2004 and 13/2004.

Article 1

With this law basic elements for payment of residential tax are being organized. Residential tax with its regulation implements the municipality, the main town, and the capital city (in the further text: municipality).

Article 2

Residential tax is an approximate amount which is being paid by the person that out of its place of residence is using the services of accommodation in an accommodation facility in which tourist or hotelier activity is taking place (in the further text: accommodation facility). In the sense of the particle one of this article accommodation facilities are considered to be: hotel, motel, inn, tourist apartment, rest home, camp, mountain home, room for rent, and all other facilities which provide the services of accommodation.

Foreign citizens pay residential tax under the same conditions.

Article 3

Residential tax is not paid by:

1. Children up to 12 years of age;
2. Persons with severe hearing and body disorders (blind, deaf, dystrophic people etc.);
3. Persons directed to spa or climate curing, that is to specialized rehabilitation by the authority doctors' commission;
4. Persons which are doing season works with a reported place of residence in the tourist place;
5. Persons who are staying without cessation in an accommodation facility longer than 30 days;
6. Participants of school excursions, that is, pupils and students whose staying is organized by schools or faculties as a part of regular programs, holding of sports and cultural manifestations;
7. Foreign citizens who according to international conventions and agreements should not pay taxes;
8. Foreign citizens who in organized way, through official humanitarian organizations, are coming in order to provide humanitarian help;

People from the particle 1 of this article are not paying residential tax if they submit the evidence about fulfillment of the conditions that are declared in the same particle (membership card, certificate of a school, of a doctor, doctor's reference etc.).

Residential taxed 50% reduced pay persons that are 12 to 18 years old.

The municipality with its regulation can determine other persons that are exempted from payment of residential tax.

Article 4

A juristic or physical person that is providing the services of accommodation is charging the residential tax (in the further text: accommodation provider).

The accommodation provider is charging the residential tax at the same time when he/she is charging the services of accommodation.

If the accommodation provider does not charge the residential tax he is obliged to pay on his own expense the amount of the non – charged residential tax.

Article 5

The accommodation provider is obliged to separately show the amount of the residential tax in the bill for the service of accommodation, and in the cases from the article 3 of this law to state the reason for exemption of payment of residential tax.

The accommodation provider is keeping the evidence about the paid residential tax in the book, that is in some other suitable evidence book.

The Ministry, which is in authority for the affairs of tourism, issues the content of the evidence from the particle 2 of this article.

The accommodation provider is obliged to submit the report about the number of users of the services of accommodation and about the amount of the charged residential tax to the authority fiscal organ until the 15th of each month.

Article 6

The assets from the charged residential tax the accommodation provider is paying in, in five days period after the expiration of every 15 days in the month, that is after the end of the month.

Article 7

Residential tax is constituted between 0,10 and 0,80 €

The municipality with their regulation determines the amount of the residential tax.

During the determination of the amount of the residential tax the municipality takes into consideration especially: the kind of the accommodation facility and the scope of opportunities and services which are being offered to the persons who are using the services of the accommodation.

Article 8

Residential tax is the income of the tourist organization

The collected assets from the residential tax are being used:

-80% for financing of the activities of the local tourist organizations;

-20% for financing of the program of the National tourist organization.

Article 9

The supervision over the collecting and payment of residential tax and keeping of the suitable evidence performs the juristic fiscal organ of the municipality.

Ministry which is juristic for the affairs of the finances does the supervising of the legitimacy of the work of the organs of local administration in administering of this law.

Article 10

On the relations that are not specifically determined by this law (such as forceful charging, appeal process, interest rate etc.) the regulations of the law with which the fiscal procedure is being determined is applied.

Article 11

In the Republic of Montenegro the juristic person and the entrepreneur who is providing the services of accommodation will be fined with a money fee from 10 times to 100 times amount of the minimal earning if:

1. He/She does not charge the residential tax at the same time when he/she is charging the services of accommodation (article 4 particle 2);
2. He/ She does not display separately the amount of the residential tax or if he does not list the reasons of exemption from its payment (article 5 particle 1);
3. He/She does not keep or keeps incorrectly the evidence of the users of the services of accommodation (article 5 particle 2);
4. He/She does not submit in the determined dead line to the fiscal organ in charge the report about the number of users of the services of accommodation and the amount of the charged residential tax (article 5 particle 4);

5. He/She does not pay in the assets from the charged residential tax in the determined dead line (article 6).

For the violation of the particle 1 from this article the responsible person in the juristic person will be fined with a money fee from 2 times to 10 times amount of the minimal earning in the Republic.

Article 12

The accommodation provider – physical person will be fined with a money fee in the amount of 2 times to 20 times amount of the minimal earning in the Republic if:

1. He/She does not charge the residential tax at the same time when he/she is charging the services of accommodation (article 4 particle 2);
2. He/She does not keep or keeps incorrectly the evidence of the users of the services of accommodation (article 5 particle 2);
3. He/She does not submit in the determined dead line to the fiscal organ in charge the report about the number of users of the services of accommodation and the amount of the charged residential tax (article 5 particle 4);
4. He/She does not pay in the assets from the charged residential tax in the determined dead line (article 6).

Article 13

With coming into effect of this law the Law on communal taxes and compensations (“Official gazette of Republic of Montenegro, No. 38/92, 30/93, 3/94, 27/94, and 45.98) ceases to be applied, in the part which refers to payment of residential tax.

Article 14

This law takes effect on the eight day from its issuing in “Official gazette of Republic of Montenegro”.