

News Flash

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Asset used also for personal needs

As of 1.1.2015 the Amendment to the Income Tax Act we already informed you about will become effective.

We would like to draw your attention to the one of the most important changes introduced by the amendment in the area of assets used also for personal needs.

Starting from 1.1.2015 the conditions for applying of tax deductible costs concerning acquisition, technical improvement, operation and repair costs regarding assets will be more complicated.

A tax deductible cost in amount of **100 %** will be applicable only in case of those assets, if the taxpayer is able to prove, that the assets are used solely for **business purposes** (for generating of taxable incomes). Otherwise it will be possible to apply the tax deductible cost only in amount of **80 % of the cost**. It will be possible to apply also **different percentage** of the tax deductible cost, in case it is possible to prove that the other percentage corresponds better to the real usage of the asset for business purposes.

This new provision concerns long term assets, as well as small assets and inventories.

It does not concern assets used solely for private purposes, immovable property and vehicles, which are used for private purposes of employees, if this private usage of vehicles is subject of personal income tax of the employees (generally 1 % of the acquisition price of the vehicle).

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