



Cyprus Tax News

Payment of 1st provisional tax instalment for 2020

Deloitte would like to remind you that the payment deadline for the **1st** provisional tax instalment for tax year 2020 is the **31st of July 2020**.

Provisional tax payment obligation

The following persons should consider whether a provisional tax payment would arise based on their expected annual taxable income for tax year 2020:

- Individuals with taxable income other than salaries, pensions, dividends and interest, and
- Companies with taxable income.

Persons with no taxable income, do not have an obligation to pay provisional tax.

Payment of provisional tax

The provisional tax is calculated by applying the relevant tax rates (depending whether the taxpayer is an individual or a company) on the expected taxable income for the year, after taking into account any overseas tax credits.

The provisional tax is payable in two equal instalments, as follows:

| Provisional tax instalments | Statutory deadline | Effective deadline (No interest/penalty) |
|-----------------------------|--------------------|---|
| 1 st instalment | 31 July 2020 | 31 August 2020 |
| 2 nd instalment | 31 December 2020 | 31 January 2021 |

Late payments (made after the effective deadline) are subject to a 5% penalty as well as interest (at 1.75% per annum for 2020). An additional 5% penalty may be imposed if the tax remains unpaid, two months after the statutory deadlines.

The timely payment of provisional tax can be made through jccsmart.com (JCC), the card payment processing system that facilitates the electronic settlement of taxes through debit/credit cards. Taxpayers should click on [SELF ASSESSMENTS -> TEMPORARY ASSESSMENT](#) and proceed with the payment of the 1st instalment (TAX CODE: 0200).

Overdue payments cannot be settled via JCC and can only be processed at the District Offices of the Tax Department.

10% additional tax in case of underestimation

Following the calculation of the final taxable income for tax year 2020, if the provisional taxable income declared is less than 75% of the final taxable income for the year, then the taxpayer is required to pay an additional tax equal to 10% of the difference between the final tax due and the provisional tax paid.

Revised provisional tax calculation

Taxpayers can revise their provisional tax calculation (upwards/downwards) until **31 December 2020**.

How can we help?

We are at your disposal to assist you with the calculation of the provisional tax and the administration of the provisional tax payments.



Get in touch

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