



## Temporary tax due 31 December 2016

**15 December 2016 – The deadline for the settlement of the second installment of the 2016 temporary tax is 31 December 2016.**

The deadline refers to the second and final installment of the temporary tax for the current year, which all Cyprus tax resident companies and individuals having income subject to income tax other than salary income are required to pay based on expected profits.

It is noted that the respective temporary tax can be settled by 31 January 2017 without any interest and penalties.

The 2016 temporary tax assessment may be revised by a taxpayer at any time before the deadline of 31 December 2016.

Downward revision of the temporary income can be done only up to an amount that would create a temporary income tax liability equal to the sum of payment already made up to the date of revision. This in effect would create a zero payable second installment. The revised temporary tax assessment should however be submitted by 31 December 2016.

Upwards revision of the temporary income creates an increased temporary income tax liability. This in effect results in an underpayment relating to the installment previously paid, up to the date of revision. The underpayment needs to be settled by the following due date and it will carry a 4% interest per annum.

Please note that if the temporary income declared is lower than 75% of the final taxable income, the taxpayer must pay an additional tax equal to 10% of the difference between the final and temporary tax.

As always, the Taxation Department of Costas Tsielepis & Co Ltd is at your disposal should you require any further information or clarifications.