



**TAX
ADMINISTRATION**
REPUBLIC OF SRPSKA

2018 REPORT

Banja Luka, January 2019

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GENERAL REMARKS

During the previous period, the Tax Administration initiated many activities in order to improve performance through enhancement of business processes and appropriate resource reallocation, and which, at the end, resulted in more efficient public revenue collection in its jurisdiction.

As the most important work results in 2018, we would like to emphasise the following:

- **Record collection of public revenues.** In 2018 the Tax Administration of the Republic of Srpska collected **the total amount of BAM 2,44 billion** on public revenue account of the Republic of Srpska.
- **Integrated Information System.** One of the significant activities in 2018 was implementation of the Integrated Information System. We expect that by completing the remaining functionalities of the IIS, the full effect of this Project will be achieved in terms of increasing the tax compliance, as well as the changes in the behavior of employees within the RSTA.
- **Strengthening of electronic services.** Noting that one of the objectives of the Tax Administration of the Republic of Srpska is to raise the level of services to taxpayers, in 2018 we expanded the portal for electronic services with additional functionalities.
- **Rising the awareness of citizens.** In 2018 the Tax Administration directed a great part of its activities towards inspection of sales recording via fiscal cash registers within the launched campaigns **„Make a step, take the bill“** and **„Pay the tax, strengthen the Srpska“**.
- **Education of secondary school students.** In 2018 the Tax Administration of the RS continued to educate secondary school students throughout the Republic of Srpska in order to present the importance of paying taxes, as well as the significance of tax system and the benefits that arise from it.
- **Modernization of the Tax Administration.** Four tax administrations in Bosnia and Herzegovina signed the Agreement of project realization” Improvement of the Tax Administrations capacities in BiH” with The Swedish Tax Agency, with the main aim to improve the tax administrations capacities and contribute to a transformation for more modern, trustworthy and helpful tax administrations in the BiH.

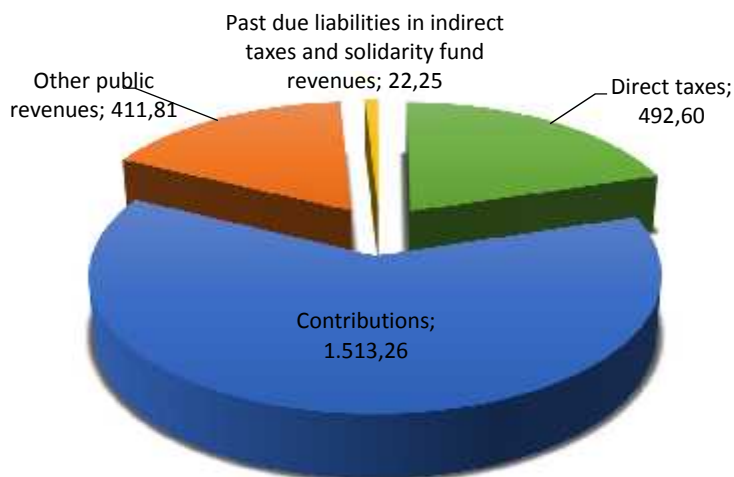
I TAX COLLECTION MANAGEMENT

In 2018 the Tax Administration of the Republic of Srpska kept the positive trend in collection of public revenues that may be attributed to everyday activities, which the Tax Administration performs within its jurisdiction, primarily directed to regular collection and field controls but also in further strengthen of taxpayers services and modernization of its business. Also, we may point out that implementation of new Integrated Information System has had positive effect in collection of public revenues, which are in The Tax Administration of the Republic of Srpska jurisdiction.

1.1. Collection of Public Revenues

The Tax Administration of the Republic of Srpska collected **public revenues in total amount of BAM 2,440 billion** between Januar 01, 2018 and December 31, 2018. In addition to collection via public revenue accounts, the total amount above includes BAM 22,39 million based on the system of multilateral compensation and according to the Law on the Unified System of Multilateral Compensation and Cession. Beside that, additional **BAM 2,59 million collected by the bonds of internal debt of the Republic of Srpska.**

Collected public revenues in jurisdiction of RSTA in 2018 (BAM million)



Collection plan of public revenues for period between January 01, 2018 and December 31, 2018 is realized 102% while regarding to the same period of the last year BAM 87,33 million collected or 4% of public revenues more.

Direct Taxes

Collected amount on the basic of **the direct taxes** for period between January 01, 2018 and December 31, 2018 is more for 6% related to the same period of the previous year and **BAM 492,60 million** collected or BAM 25,97 million more on which significantly affected rising the collection of corporate income tax in relation to the previous year.

Corporate income tax is collected in amount of **BAM 220,82 million** that is more for BAM 27,94 million or 14% more relative to the last year. In regards of increasing of corporate income tax collection we can say that it is result of positive activity of business entities and regular registration and paying of all these liabilities as well as timely taken measures of the collection by the Tax Administration. The plan of corporate income tax collection is 110% realized.

On the basis of the **personal income tax**, **BAM 229,19 million** collected and that is BAM 5,14 million less i.e. 2% less relative to the same period of the last year. The lower revenue collection is affected by the decision of the Government of the Republic of Srpska to increase the non-taxable part of the wage to BAM 500, foregoing portion of revenues to the advantage of employees in the RS. The plan of tax revenue collection related to personal income tax is 95% realized.

Tax on use, possession and carrying of goods is collected in **BAM 14,97 million**, which is 4% more relative to the same period of the last year.

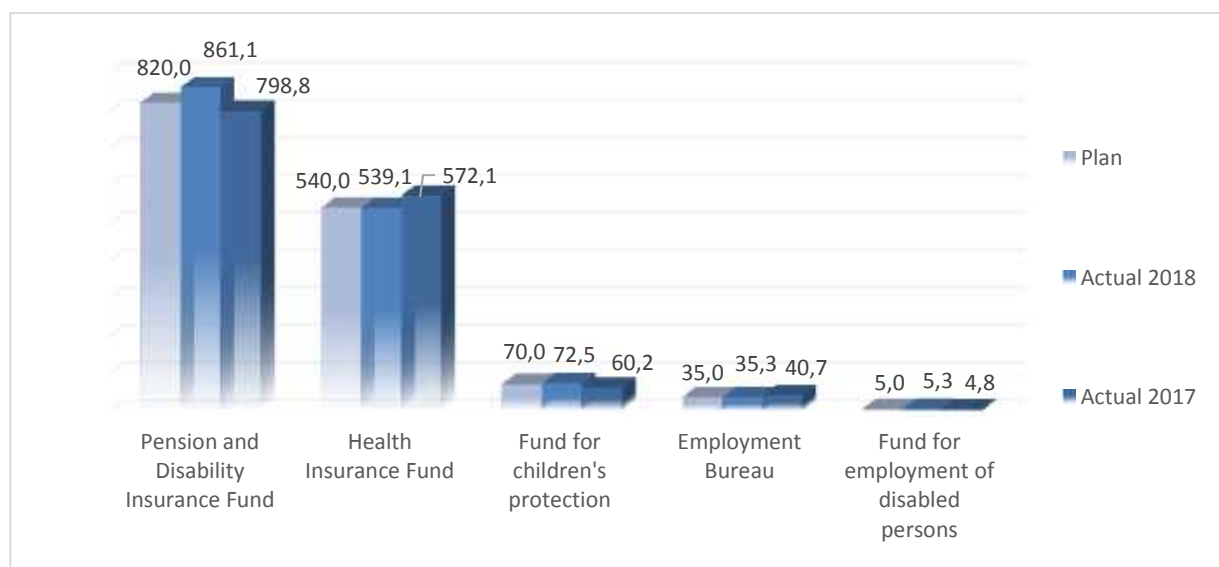
Revenues collection on the basis of **real estate tax** is **BAM 27,62 million** that is BAM 2,54 million more i.e. 10% more relative to the same period of the last year.

Contributions

Total collected **revenues from social insurance funds** for period between January 01, 2018 and December 31, 2018 are **BAM 1,513 billion** that is more for BAM 36,62 million i.e. 2% more related to the same period in 2017, while 3% is more collected related to the planned amount which is BAM 43,26 million contributions more.

Namely, increased collection has been noted pertaining pension and disability funds (collected BAM 62,23 million more relative to the previous year) and child protection (collected BAM 12,30 million more relative to the previous year).

Social Insurance Funds' Revenues in 2018 (in BAM million)



The reason for this result lies also in the comprehensive activities and measures undertaken by the RSTA.

Other Public Revenues

In regards to the **other public revenues** category, the collection has been **BAM 411,81 million**, which, compared to the last year, is higher by 4% or BAM 16,06 million.

Revenues based on the **fees and charges** in 2018 are BAM 237,5 million, which is 3% less related to the last year i.e. BAM 8,55 million. The revenue collection plan on the ground of fees and charges is realized 96%.

Revenues collection regarding to the **charges for organization of games of chance** is **BAM 27,9 million** that is 11% more or BAM 2,76 million more related to the same period of the last year.

Collected revenues regarding to **the fines** are **BAM 19,09 million** that is 9% less related to the last year and the plan.

Collection regarded to **the other revenues** for the period between January 01 and December 31, 2018 is **BAM 72,9 million** that is BAM 4,37 million more or 6% more related to the last year. The higher collection of these revenues was mainly influenced by higher revenue collection based on income from dividends and share in profits of public companies and financial institutions. The collection plan related to the other revenues is 104% realized.

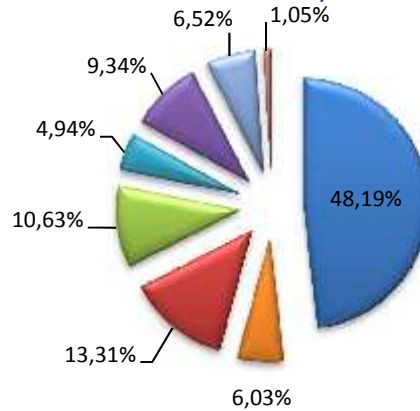
In regards to **the concession fees collection revenues** is **BAM 54,42 million** collected which is more for BAM 19,27 million i.e. 55% related to the last year. The collection plan regarding to the concession fees is 136% realized.

In regards to **the past due indirect tax liabilities and solidarity fund revenues** in 2018, BAM 22,25 million is collected, which is more for BAM 8,67 million related to the same period of the last year.

Collection by Regional Centers

Regarding to the public revenues collection by RSTA Regional centers it may be seen that all centers achieved better results of the public revenues collection related to the last year except RC Zvornik, which is on the border of accomplishment, while realization ratio of the plan of public revenues collection in regional centers is from 94% (RC Zvornik) to 115% (RC Dobož).

The share of the RSTA Regional Centers in collected public revenues for period between January 01, 2018 and December 31,2018

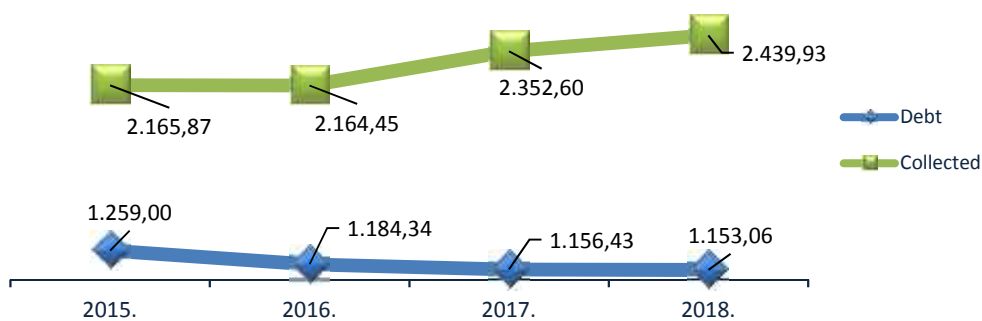


Moreover, the amount of BAM 25,7 million of contributions for pension and disability insurance has been collected for those contribution payers who are employed in the Brcko District and whose place of residence is in Brcko District and they are registered in the Unified System for Registration, Control and Collection of Contributions of Republic of Srpska.

1.2. Debt Balance

According to official records of the Tax Administration of the Republic of Srpska, debt due balance and outstanding debt on December 31,2018 was BAM 1,153 billion. In comparison, debt balance on December 31, 2017 was BAM 1,156 billion which means that the same debt in 2018 is decreased for BAM 3,38 million.

Collected public revenues and debts for the period 2015-2018



Debt Reconciliation against Bonds

Pursuant to the Decree on payment of tax liabilities with Republic of Srpska bonds (“Official Gazette of RS“, no. 58/09), which regulates the terms and procedure for payment of due tax liabilities incurred until

31.12.2007, by means of Republic of Srpska internal debt bonds, **the RS Ministry of Finance issued 40 decision documents in 2018 for payment of debt by bonds, for the total amount of BAM 2,59 million.** The decision documents have been forwarded to RSTA regional centers for further action.

1.3. Decision Documents/Notices on Payment Liabilities

In reporting period, **98.199 notices have been issued in regards of payment of due liabilities** for the amount of liabilities of BAM 333,61 million. Taxpayers paid BAM 89,77 million within 8 days i.e. 27% of the total amount of due liabilities included by issued notices.

Related to the same period of the last year 39% less notices have been issued, while **BAM 50,16 million less collected within voluntary period.** Plan of notice issue for payment is 82% realized.

	Plan 2018	Actual 2018	Actual 2017	Actual vs. Plan	Index 18/17
Number of notices	120.175	98.199	161.736	82%	61
Collected within period	173.343.980	89.774.546	139.932.889	52%	64

1.4. Enforced Collection Procedure

116.651 enforced collection procedures were initiated in 2018 pertaining to debt amount of BAM 216,5 million whereas BAM 55,81 million were collected in relation to decision documents from the preceding period. Additionally, according to enforced collection resolution from the previous period, BAM 21,35 million more collected in the reporting period. In enforced collection procedure in relation to all decision documents **the total amount of BAM 77,16 million were collected.**

	Plan 2018	Actual 2018	Actual 2017	Actual vs. Plan	Index 18/17
Number of procedures	73.666	116.651	81.113	158%	144
Debt, as per EC decision documents (BAM)	120.096.488	216.498.319	160.613.809	180%	239
Collected (BAM)	44.068.405	55.812.744	53.982.780	127%	103

Relative to the same period of the previous year 35.538 of enforced collection procedures were initiated more and the total amount of collected liabilities by the decisions of enforced collection that has been initiated in the reporting period is higher for BAM 1,83 million then in the same period in 2017.

Relative to the planned number, 42.985 more procedures have been initiated, i.e. 58% more than planned number, and 27% more collected than in the enforced collection plan.

In the reporting period, **BAM 77,16 million** were collected in relation to all initiated procedures, which is BAM 7,44 million more relative to 2017 (BAM 55,81 million were collected by initiated procedures in the reporting period, whereas BAM 21,35 million were collected by previously initiated procedures).

In the structure of initiated enforced collection procedures in the reporting period the most immanent are **notices for paying of reported liabilities with the participation of 48% in structure of all enforced collections procedures in the reporting period**, and decisions of enforced collection related to the tax bills for real estate tax which are 42% of all decisions of enforced collection initiated in the reporting period.

Also, minor offense reports and decisions are immanently present and delivered by the courts and make 8% of all enforced collection procedures initiated in the reporting period.

In the reporting period, 232 proposals were submitted to the Court/The Republic Administration for Geodetic and Property-Legal Affairs for registration of mortgage on taxpayers' real estate on the amount of BAM 10,99 million in liabilities, and 101 requests for discharge of mortgage on the liability amount of BAM 3,62 million.

In the reporting period, on the proposal of RSTA, 198 decisions for registration of legal mortgage have been issued on behalf of RSTA on the liability amount of BAM 10,4 million, 55 decisions on discharge of registered legal mortgage of BAM 3,06 million, and 11 decisions of rejecting the registration of the mortgage.

On the level of the RSTA, 46 proposals have been submitted to the court for initiating the executive procedure on the taxpayer property for the amount of BAM 2,52 million.

Total amount of **uninitiated enforced collection procedures** on December 31, 2018 was **94.588 for the debt amount of BAM 13,62 million**. Debt participation related to uninitiated enforced collection procedures in total payable, and outstandable debt was 1,18% on December 31, 2018.

It should be noted that in the structure of uninitiated enforced collection procedures, 88% of issues are related to the other bodies' acts (minor offence reports and decisions delivered by the Courts etc.).

1.5. Agreements/Decision Documents on Extended Payment of Tax Liabilities

RS Ministry of Finance Decision Documents on Deferred Payment

Accordingly, to the Law on Deferred Payment of Tax Debt (Official Gazette of the Republic of Srpska, No 94/15) **the Ministry of Finance of the Republic of Srpska issued 72 decision documents on deferred payment of tax debt namely of the amount of BAM 40,31 million**.

In the reporting period, BAM 38,6 million have been collected in connection with the above said decision documents, including the decision documents in the previous period **with BAM 70,4 million remaining in past due liabilities**.

In addition, Ministry of Finance of the Republic of Srpska issued and the RSTA received 56 decision documents abolishing the previously issued deferred payment decision documents pertaining to the amount of debt of BAM 9,74 million (remaining debt under terminated reschedules BAM 8,73 million) due to taxpayer's

failure to adhere to the given terms and deadlines. Moreover, the bankruptcy procedure has been initiated for one taxpayer.

Relative to the previous year, and to Ministry of Finance of the Republic of Srpska decision documents on deferred payments of tax liabilities, 45% more liabilities were collected, and the collection plan is 230% realized by these decisions. The reason for such a good plan realization derives from the early repayment of outstanding rescheduled debt of taxpayer „Željeznice RS“ a.d. Doboj (RS Railways) in amount of BAM 28,6 million.

Agreements on Debt Resheduling in Line with RS Government Decisions

In 2018, apart from the decision of Ministry of Finance of the Republic of Srpska on deffered payment, **BAM 22,58 million were paid in rescheduled liabilities according to the Decision of the Government of the Republic of Srpska** from the previous years.

Due, and unpaid rescheduled liabilities amounted to BAM 15,16 million, whereas outstanding debt for all reschedules signed accordingly to decisions of the Government of the Republic of Srpska from the previous years was BAM 38,35 million.

The collection plan of rescheduled liabilities for annual report is 82% realized while related to the same period of the previous year 53% less rescheduled liabilities were collected.

RSTA Agreements/Decision Documents on Deferred Payment

Accordingly, to the Law on Deferred Payment of Tax Debt (Official Gazette of the Republic of Srpska, No.94/15) **the Tax Administration of the Republic of Srpska issued 41 decision documents on deferred payment of tax liabilities, namely for the amount of BAM 539,72 thousand.**

During 2018, RSTA issued 56 decision documents for abolishing the decision on deferred payment of tax liabilities for the amount of debt of BAM 767,67 thousand.

In addition, 68 conclusions/decision documents were brought, dismissing/denying taxpayers' applications for deferred payment in connection with BAM 682,17 thousand and 5 conclusions suspending the procedure for extension of payment period in connection with BAM 66,36 thousand in debt (in case of 3 conclusions/decision documents amount of liability was not indicated).

In pursuance to 308 agreements/decision documents on deferred payment of liabilities (including the one from the preceding period) BAM 800.279 have been collected in the same period. Due and outstanding liabilities by these agreements/decision documents are in total of BAM 250.460.

The remaining debt in connection with all signed agreements/decision documents on deferred payment is BAM 1,28 million. The amount pertains to all active agreements/decision documents, including the ones for which interest has not yet been calculated, or it has been calculated but not paid.

Relative to the last year, collection is 17% lower, whereas actual against plan ratio, for all agreements/decision documents, is 109%.

1.6. Specific procedures

Bankruptcy and Liquidation

Bankruptcy procedure has been initiated for 94 taxpayers, for the period between January 01 and December 31, 2018. The RSTA registered receivables amount to BAM 15 million, out of which BAM 10,1 million were endorsed. In the reporting period, BAM 949.530 were collected by all initiated bankruptcy procedures.

In 2018, liquidation procedure has been initiated for 472 taxpayers. The amount of registered receivables was BAM 35,95 million, out of which BAM 1,54 million were endorsed. The amount of BAM 51.425 was collected in regard of initiated liquidation procedures.

Out of 1.768 bankruptcy procedures from 2002 until December 31, 2018, 1.532 have been completed, and 29 have been suspended. Out of all initiated bankruptcy procedures involving the RSTA as a creditor, 207 procedures have been still in process pertaining to debt amount of BAM 173,11 million.

Out of 3.642 initiated liquidations, 2.873 have been completed, 632 have been suspended, while 137 have been still in process pertaining to debt amount of BAM 8,64 million.

In period between January 01, 2018 and December 31, 2018, for determination of conditions to initiate bankruptcy procedures with debt amount of BAM 6,13 million, 72 preceding procedures have been initiated. Out of that number of procedures, 41 bankruptcy procedures have been initiated and one has been rejected, while the process of determination of conditions for initiating bankruptcy procedures is still ongoing with 30 taxpayers. On December 31, 2018, 43 preceding procedures were in process.

Write-off of Receivables on the Grounds of Bankruptcy and Statute on Limitation

Following completion of bankruptcy related court procedure, The Tax Administration issues a decision document on irrecoverable tax arrears from the respective taxpayer, i.e. debtor. Based upon that, 496 decision documents on irrecoverable tax liabilities were issued in 2018 in debt amount of BAM 60,51 million.

In the reporting period, 3.826 decision documents on irrecoverable tax liability have been issued based on statute on limitation, for the debt amount of BAM 2,6 million, accordingly to the Law on Tax Procedure (Official Gazette of the Republic of Srpska, No. 102/11, 108/11, 67/13, 31/14, 44/16).

II AUDIT, INVESTIGATION AND MINOR OFFENCE PROCEDURES

Apart from rising the awareness among the citizens that tax compliance gives more benefits to all citizens than non-compliance, the practice has shown that the existence of a law does not mean that it is fully applied. For that reason, the audits exist as well as sanctions for non-compliance of the law, which at the same time represent an assurance for compliance of the same.

2.1. Field and Desk Audits

There were **3.916 audits in 2018**, out of which 3.454 pertain to regular field and desk audits, 351 bankruptcy and liquidation audits and 111 repeated audits. Out of all conducted audits, 175 pertain to large taxpayers.

Relative to the previous year, there was almost the same number of audits, whereas the actual against plan ratio for 2018 is 118%.

Type of Audit	Number of Audits			Actual vs. Plan	Index 18/17
	Plan 2018	Actual 2018	Actual 2017		
Field Audits	1.437	1.676	1.567	117%	107
Desk Audits	1.891	2.240	2.355	118%	95
TOTAL	3.328	3.916	3.922	118%	100

In 2.609 audit cases, i.e. 67% of all cases, irregularities were identified pertaining to taxpayers' operations, whereas for 2.536 audits new liabilities were assessed.

The RSTA inspectors assessed new liabilities with interest in amount of BAM 40,89 million while auditing 2.536 taxpayers.

For unpaid portion of liabilities, following audits inspectors have issued decision documents on payment of liabilities for the total amount of BAM 37,7 million (principal debt + interest). 166 appeals have been filed to the said decision documents, including the appeals to the inspectors' decisions made in previous period. This difference between new liabilities and issued decision documents on payment liabilities is related to the overpayments and liabilities for which taxpayers did not file tax returns but made a payment.

BAM 7,34 million, i.e. 19,5% of total liabilities were paid within the voluntary period stated in the decision documents on payment. Additional BAM 2,08 million was collected within the voluntary period as a result of completed audits.

Following audits, Tax Administration's auditors have filed 341 minor offence reports for the total amount of BAM 724.086 due to irregularities identified in operations of audited taxpayers. In addition, 39 requests have been filed for initiation of minor offence procedure.

2.2. Special and Other Audits

By means of the Law on Amendments to the Law on Tax Procedure (Official Gazette of the Republic of Srpska, No. 44/16) two new audits have been established: special audit and unregistered entity audit. Special audits represent the verification of the legality and regularity of the implementation of tax regulations, except for checking the legality and regularity of reporting, fulfilling and determining tax liabilities, while the unregistered entity audit is carried out in accordance with the regulations governing the work of inspections in the RS.

In 2018, 3.679 special audits were conducted i.e. **3.625 inspections in reference to recording of sales via fiscal cash registers and 54 controls related to registration of contribution payers.**

Following audits related to registration of contribution payers, Tax Administration's auditors have filed 41 minor offence reports for the total amount of BAM 165.000, out of which BAM 51.000 was paid for 27 orders. In reference to inspection of recording of sales via fiscal cash registers, 1.549 minor offence reports were issued for the amount of BAM 1.12 million, out of which BAM 213.350 have been collected in pursuance of 688 reports. 19 requests were filed to initiate minor offence proceedings, and **517 taxpayers were temporarily banned to conduct business.**

While conducting special audits, Tax Administration's auditors detected **35 unregistered contribution payers.**

In regard to other audits, inspectors of the Tax Administration of the Republic of Srpska have conducted **9.858 fiscalization of fiscal cash registers.**

This figure also pertains to other activities in connection with fiscalization, such as module replacement, de-fiscalization, terminal replacement, change of address of sales outlets, and such like.

735 initial fiscalization applications were filed in 2018 and the Tax Administration of the Republic of Srpska issued 733 decision documents on fiscalization (one part of decision documents on fiscalization pertain to requests filed during the previous year). Since the start of implementation of the Law on Fiscal Cash Registers i.e. from 2008 until 31 December 2018, the RSTA issued **51.469 decision documents on taxpayer fiscalization**, whereas 51.476 initial fiscalization applications were filed.

Plan realization of special and other audits for 2018

Type of Audit	Number of Audits			Actual vs. Plan	Index 2018/2017
	Plan 2018	Actual 2018	Actual 2017		
OTHER AUDITS					
Unregistered entity audit	100	0	5	0%	0
Cash register fiscalization	10.101	9.858	10.028	98%	98
TOTAL	10.201	9.858	10.033	97%	98
Inspections of recording of sales via fiscal cash registers	3.736	3.625	3.370	97%	108
Control related to registration of contribution payers	100	54	150	54%	36
TOTAL	3.836	3.679	3.520	96%	105

2.3. Investigations and Intelligence

Throughout 2018, inspectors-investigators forwarded **27 reports to the competent Prosecutor's Office:**

- 2 reports were filed due to reasonable doubt of criminal offense being perpetrated in regards to forging of documents (Article 377 of the Criminal Code of the Republic of Srpska),
- 13 reports in connection to reasonable doubt of criminal offense being perpetrated in regards to tax and contributions evasion (Article 287 of the Criminal Code of the Republic of Srpska),
- 5 reports were filed due to reasonable doubt of criminal offense being perpetrated in regards to abuse of authority in business dealings (Article 263 of the Criminal Code of the Republic of Srpska),
- 1 report in connection to reasonable doubt of criminal offense being perpetrated in regards to violation of the rights of another (Article 242 of the Criminal Code of the Republic of Srpska),
- 2 reports in connection to reasonable doubt of criminal offense being perpetrated in regards abuse of false bankruptcy (Articles 252 and 258 of the Criminal Code of the Republic of Srpska),
- 1 report in connection to reasonable doubt of criminal offense being perpetrated in regards to violation of basic workers rights(Article 266 of the Criminal Code of the Republic of Srpska), and
- 1 report was filed due to reasonable doubt of criminal offense being perpetrated in regards to damages or privileges of creditors (Article 262 of the Criminal Code of the Republic of Srpska)

with total damage inflicted to the RS Budget in the amount of BAM 3,17 million.

133 consultation meetings were held with competent Prosecutor's Offices where instructions have been provided in regards to further actions in connection with the requests of the Prosecutors.

244 depositions related to audit findings were taken from suspects and witnesses in the process of audit in companies and in line with the order of the Prosecutor's Office; namely 148 depositions pursuant to the provisions of the Administrative Proceedings Law and 96 depositions pursuant to the Criminal Proceedings Code. Moreover, 977 checks were conducted within the RSTA records upon the requests from Intelligence-Security Agency of Bosnia and Herzegovina as well as 445 checks in audits and within RSTA official records at the request of other state authorities and organizations.

2.4. Minor Offence Procedure

2.714 minor offense reports were issued in 2018 in reference to all procedures arising from the RS Law on Tax Procedure and other laws regulating minor offense sanctions enforced by the RSTA, **with penalties stated in the amount of BAM 2,53 million.** Out of that number 981 reports were approved, with BAM 437.916 collected respectively. 62 requests have been filed for initiating minor offence procedure. Moreover, 519 measures on prohibition of performance of activities have been issued.

The most of minor offence reports i.e. 1.550 were issued in regards to breach of regulations on fiscal cash registers, whereas 927 minor offence reports were issued due to non-filing of tax liabilities.

Relative to the previous year, the number of minor offence reports was higher by 335, with increase in collection by BAM 19.422. Out of the total number of issued reports, 1.356 are still in process (for the amount of fines of BAM 1,31 million), i.e. voluntary payment period extends beyond 31 December, 2018.

III TAXPAYER TREATMENT

3.1. Taxpayer Information and Media Activities

The Tax Administration of the Republic of Srpska, as a taxpayer service, has the obligation to consistently, efficiently, and impartially supports taxpayers with appliance of regulations of its competence as well as to provide quality services to the taxpayers. The Tax Administration continuously work in the area of improving services to taxpayers in order to reduce costs, stimulate voluntarily tax compliances and thereby increase the collection of public revenues. Building of well-known and positive picture of the Tax Administration in the public represents one of the RSTA priority assessment, that has been achieved through proactive and partner relations with all targets (taxpayers, media, etc.).

Going in that direction, the Tax Administration has started the activities pertaining the **introduction of the e-Services** in order to create a new quality in communication with taxpayers.

Tax Administration's **e-Services** meet high security standards in order to keep data transfer in electronic transactions continuously secure, without the risk of theft and compromising. It should also be noted that electronic services, which are currently available to taxpayers and citizens, are completely free of charge.

In 2018, the portal for electronic services was expanded with additional functionalities. Namely, **new functionality** was introduced - **an electronic tax card**, which allowed taxpayers to view the tax card.

Moreover, **the status check on correctness of tax returns** sent to the RSTA server has been enabled to taxpayers.

The Tax Administration of the Republic of Srpska has launched the **electronic archive and e-Box** within the FAR Project's component "*Improvement of the business environment through the introduction of electronic documents, electronic issuance of tax certificates and electronically providing services to taxpayers*".

Concerning **the electronic archive**, the process of transferring PFRN forms has been successfully completed, a total of 3,4 million documents from the period 2009-2017 have been archived and all controls have been completed. Establishing of the electronic archive in the Tax Administration of the Republic of Srpska will solve the problem of 10 million paper documents that have been stored in the existing archive, out of which more than 70% must be permanently stored, which means that we have over 700.000 new permanent storage documents each year as well as the problem of high costs of manipulation of paper documents and adequate space for storing such number of documents.

The development of the **e-Box** is completed, which is also being realized within this Project, and it will serve as a safe two-way communication tool (taxpayers/Tax Administration), which we expect to be put into operation in the first half of 2019.

During 2018, work is done on creation of the e-Service application for mobile phones, which will contain the major part of functionalities as well as applications for workstations.

Moreover, in the context of cooperation with the Swedish Tax Agency pertaining pre-filling tax returns area, and based upon the third party information on pre-filling tax returns, the Tax Administration of the

Republic of Srpska has decided to implement a pilot project on tax declarations for registered weapons using the PP-RO form. Our goal is to reduce the taxpayers' costs for fulfilling tax obligations, as well as our operating costs in order to make the Tax Administration of the Republic of Srpska as efficient as possible.

A total of 14.023 users were registered for electronic services, out of which 12.256 legal entities and entrepreneurs and 1.767 natural persons. Our plans for the future involve further work on promotion of the RSTA electronic services, as well as the increase in the number of taxpayers.

In cooperation with the Chamber of Commerce of the Republic of Srpska, Ministry of Finance of the Republic of Srpska, Ministry of Labor, War Veterans and Disabled Persons' Protection of the Republic of Srpska, the Tax Administration of the Republic of Srpska participated to the organization of **"Info Day"**. The aim of this activity is to inform taxpayers about the changes in the legislative framework within the area of labor, personal income tax, and the definition and calculation of salaries.

Heading in that direction, we published audio and video clips on how to fill in the Annual Tax Return for Corporate Income Tax (1101 form), which has been reviewed 4.040 times to date and we will continue with this practice in the upcoming period.

In 2018, the Tax Administration of the Republic of Srpska continued with the campaign **"Make a step, take the bill"**, when we pointed out the importance of issuing fiscal bills via printed and electronic media, and the campaign **"Pay the tax, strengthen the Srpska"** with the aim of rising awareness of citizens about importance of payment of tax liabilities and benefits that come from that. The final goal is, that all citizens, from the youngest to the eldest, should be informed of all advantages of tax payment, and encourage individuals to comply with regulations and imply them that compliance of regulations brings more benefits to all citizens than it would its disobedience.

Also, for the first time we organized a professional training, that is, the **education of journalists** on the tax system of the Republic of Srpska, as well as the work, competencies and plans of the Tax Administration of the Republic of Srpska, where we presented and clarified tax terms, and answered all the questions of journalists during discussions. For this purpose a brochure **"Tax Administration of the Republic of Srpska, a Modern Administration at the Service of Taxpayers"** was prepared.

When it comes to the promotion of the importance of the tax system and the payment of taxes, and the benefits that result therefrom both for the individuals and the society as a whole, the Tax Administration of the Republic of Srpska continued education for secondary school students throughout the Republic of Srpska this year, with the aim to present them the importance of taxes paying, the significance of the tax system, as well as benefits that arise therefrom. Consequently, under the Project jointly implemented with the Swedish Tax Agency, the Tax Administration of the Republic of Srpska drafted a **Handbook for secondary school students** with purpose to introduce them, in an interesting way, to taxation and the way in which it has an impact on their lives. The Handbook release date is planned for the beginning of 2019.

Also, within the education of young people throughout the Republic of Srpska, the Tax Administration of the Republic of Srpska held a **"Tax Hour"** for students of the Faculty of Law in Banja Luka. On that occasion, students were introduced to tax regulations, creation and ways of work of the Tax Administration of the Republic of Srpska, tax system of the Republic of Srpska i.e. existing taxes, procedures, conditions and ways of

tax liability payments, and rights and taxpayer's liabilities. Also, the students were presented the way of work of the Unified System for Registration, Control and Collection of Revenues and the fiscalization process.

In 2018, the Taxpayer Service Sector had the following number of contacts with taxpayers:

Type of contact	Plan 2018	Actual 2018	Actual 2017	Actual vs. Plan	Index 18/17
Personal contact in RSTA premises	560	756	520	135%	145
Telephone	14.000	25.598	15.957	183%	160
e-mail	940	1.313	999	140%	131
Correspondence	300	297	222	99%	134
Designated topic meetings	40	4	5	10%	80
Public information in cooperation with RSTA spokesperson	2	8	21	400%	38
Public notification for submission of tax returns	1	0	1	0%	0
2018 tax calendars	3	3	3	100%	100
Web page information	120	57	133	48%	43
Taxpayer seminars, training courses, etc.	28	19	68	68%	28
Opinion polls	1	1	1	100%	100

In the reporting period, there were **633.241 hits on our web page**. The highest number of hits was in February and March due to the fact that most tax returns are due by the end of the first quarter. Relative to the same period of the previous year, there was 10% more hits on the RSTA official web page.

Concerning Public relations in 2018, the following have been done:

- The Tax Administration appeared in the public **379** times, 283 times from RSTA central office and 96 media appearances from regional centers;
- **43 announcements** were published, with the most common topic of uncollected public revenues related to the campaign of enhanced controls of fiscal bills issue, deadlines for tax return submission, education for students and journalists organized by the RSTA, etc.;
- **141 answers to the journalist questions** were drafted, mostly related to the new payroll accounting, control of "cash in hand" payment, the highest individually paid out personal income in the Republic of Srpska, the taxpayers debt and controls, results on inspection of fiscal cash register receipts, undeclared work, bankruptcy and liquidation, real estate, newly assessed liabilities etc.;
- **53 statements** are given to electronic media;
- **11 self-initiative actions**, related to RSTA work results promotion, were noted. The topics were importance of taking the fiscal bill, importance of regular tax payment, reports submitted to the Prosecutor's Office, advantage of tax card, etc.;
- **4** radio show interviews;
- **5** interviews.

Beside above mentioned, in 2018 the Tax Administration participated **7 times on TV talk shows** with topics related to the inspection of fiscal cash register receipts, public revenue collection, tax culture, expiry of the time-limits for submission of tax returns, debt of health institutions, grey economy, tax cards, etc.

3.2. Registered and De-registered Taxpayers

The Tax Administration of the Republic of Srpska registered 30.805 new taxpayers in 2018, whereas 2.146 taxpayers were de-registered.

Taxpayers	Legal persons	Physical persons (entrepreneurs)	Citizens	Other*
Registered	1.246	2.872	20.987	5.700
De-registered	434	994	291	427

*Ex-officio (de)registration of branch offices of legal persons from FB&H and Brcko District, foreign diplomatic missions, aliens, and non-residents.

3.3. Certificates Issued to Taxpayer

Certificates Issued

The Tax Administration issued **96.951 tax certificates for the period Januar 01, 2018 and December 31, 2018**, out of which 16.252 were issued to legal persons, 4.796 to entrepreneurs and 75.903 to citizens. **Total amount of tax arrears received in the process of issuing of tax certificate was BAM 22,09 million.**

Plan of issuing of certificates for the period January 01 and December 31, 2018 is 94%, and relative to the previous year, the amount of issued certificates was lower by 18%.

Certificates issued in 2018

No.		Number of Tax Certificates			Actual vs. Plan	Index 18/17
		Plan 2018	Actual 2018	Actual 2017		
1.	Legal persons	15.238	16.252	14.943	107%	109
2.	Entrepreneurs	4.965	4.796	4.069	97%	118
3.	Citizens	83.328	75.903	99.450	91%	76
TOTAL (1+2+3)		103.531	96.951	118.462	94%	82

Certificates Issued in Reference to TIN De-registration

2.474 requests were filed in the reporting period pertaining to de-registration of TIN (including 16.069 open cases from the previous period). Respectively **1.304 certificates have been issued**. Therefore, **17.239 open cases pertaining to de-registration of TIN have been assigned to the next period**.

In 2017, the Tax Administration initiated change of the Law on Tax Procedure of the Republic of Srpska for the purpose of simpler taxpayers' de-registration, in a way to delete provision of mandatory tax control

during de-registration of taxpayer by which the number of unsolved requests for TIN de-registration would be lower and the taxpayer de-registration procedure might be easier.

The lower number of issued certificates of TIN de-registration by comparison with the number of submitted returns is the result of fact that issue of this certificate is conditioned by settlement of tax liabilities, but by provisions of the Law on Tax Procedure of the Republic of Srpska which requires control before de-registration of the taxpayer.

In 2018, BAM 70.791 were collected regularly pertaining the procedure of TIN de-registration.

Certificates Issued to Taxpayers

By means of the Law on Amendments to the Law on Tax Procedure (Official Gazette of the Republic of Srpska, No. 102/11, 108/11, 67/13, 31/14 and 44/16) Tax Administration, as a control body, is authorized to deny and take away TIN from legal persons and entrepreneurs if their founders and related parties have due and unpaid tax liabilities.

All anticipated instances of denial of TIN are cases in which tax evasion is possible by individuals and legal persons who are the founders of a taxpayer who has outstanding tax liabilities by means of establishing new entities, without settling their liabilities or liabilities of the entities whose founders they were. Therefore, in cases of avoidance of paying taxes, the Tax Administration will not assign a tax identification number.

In the reporting period, RSTA issued 44 TIN certificate denial decision documents, while 4.571 certificates have been issued for the purpose of TIN assignment, of which 4.412 certificates are outstanding liabilities and 109 are arrears, and 50 certificates are in the case when the amount of debt is up to BAM 1.500 and which is settled within 8 days from the date of return submission for TIN assesment or if there is irrevocable bank guarantee or bank guaranteed bill of exchange.

3.4. Refunds, Transfers and Corrections

Central Tax Documentation Processing Sector enters data into the System for Financial Information Management (SUFI), creates forms, in line with the Instruction on the format, contents, and method of completion of forms used in treasury operations of the budgetary beneficiaries (Official Gazette of the Republic of Srpska, No. 86/02, 5/03, 109/03, and 117/05), and creates entry notifications.

3.489 enforceable decision documents have been entered into the SUFI in 2018. In addition to this, SUFI is also used to record tax refunds approved and paid on the basis of Form 1004-Annual Personal Income Tax Return. The amount of the respective refund processed via SUFI was BAM 4.248,69.

Local offices within the RSTA received **9.345 requests for transfer and refund of more and/or incorrectly paid public revenues**, whilst 3.950 unsolved requests were transferred from the previous period, out of which 4.830 or 36% submitted requests were not made.

3.5. Receiving and Processing Tax Returns

The Tax Administration of the Republic of Srpska received **1.863.823 tax declarations** in 2018, including the registration forms for the Fiscal Real Estate and declarations pertaining to the Unified System for Registration, Control, and Collection of Contributions.

The majority of filed declarations pertain to the Monthly Withholding Tax Form 1002, totaling to 837.137 i.e. 45%.

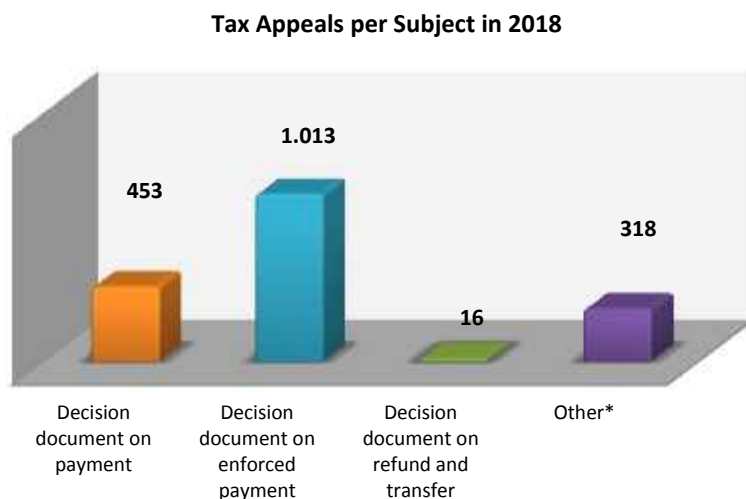
Note that, from January 01, 2017, with the entry into force of Regulation on Procedure and Submission of Tax Returns (Official Gazette of the Republic of Srpska, No. 81/16) regulated that all payers of income or contributors have to submit monthly withholding tax (Form 1002) only electronically signed by the electronic signature. These changes are very important for the future work of the RSTA because it reduces skanning and archiving.

We would like to emphasize that we have planned to enable electronic submission of other tax returns within the Project pertaining implementation of the integrated information system. This would improve the business climate by reducing paperwork costs as well as the scope of entry-related jobs, controlling and archiving paper documents, and finally, saving time for taxpayers.

Actual against planned index for 2018, when it comes to filing, is 121%.

3.6. Tax Appeals – First Level of Appeal

RSTA Regional Centers received 1.663 appeals in 2018 pertaining to all procedures in connection with the Law on Tax Procedure of the Republic of Srpska, whereas 137 appeals from the previous period were resolved



* Decision documents on statute of limitation, registration of mortgage, ban of activity, denial of de-registration request, tax bill appeals, etc.

Of the total number of appeals in 2018, 56% appeals have been stated against decision document on enforced collection for which appeal doesn't delay enforcement.

IV OTHER ACTIVITIES

4.1. Implementation of the Integrated Information System (IIS)

During 2018, it has been worked on stabilisation of business processes which have been released in production and the further implementation of the integrated information system project has been continued in RSTA with a new implementer.

Namely, implementation has been completed in regard to: tax returns for corporate income tax, notification for filing tax returns, tax certificates on database of the Unified Records on Reported and Paid Taxes, recording of annual income distribution, correspondence with taxpayer, remaining functionalities in office operations, lodgement of claims in bankruptcy and liquidation proceedings, modification of the decision documents in the procedure of enforced collection according to procedures initiated in IIS, continuation of the enforced collection procedure according to the migrated and manually case processing, replacement of the solution, annulment and revocation of the decision documents on enforced collection by migrated and manually entered cases, the final calculation of interest in the enforced collection procedure, and the eliminated production errors for the processes that were implemented under the previous implementation agreement.

In 2018, the activities has been initiated concerning implementation of the following processes: electronic filing of tax returns in IIS, communication center with taxpayers (Interaction Center), implementation of tax returns for personal income tax, other fees and weapon, implementation of registration of taxpayers and contribution payers, records on earned income - tax card, remaining processes related to human resources, implementation of the general ledger for the enforced collection account, procedures related to refund and reclassified taxes as well as write-off tax liabilities, the completion of the deferred payment procedure, initiation of procedure related to enforced collection for terminated rescheduling arrangements and creation of reports within the BI module.

The RSTA has initiated implementation of all processes that are of strategic importance to the Tax Administration and whose completion is expected in the upcoming period.

4.2. Information Technologies

In 2018, the activities primarily related to the activities for preparation of implementation continuance and the continuance of Implementation of Integrated Information System (IIS), we may say that the main activities were concentrated to:

- Maintenance of existing applications,
- Issuing tax bills for real estates,
- Project eBox,
- Preparation of reports from Unified records of reported and paid taxes,
- Maintenance of reporting systems.

In the reporting period, the system for reporting of the RSTA was working at full capacity. The total number of starts was 941.423. When it comes to the exterior users, servicing of fiscal cash registers is the most active (95.009 starts), and the most active in public authorities and funds are, the RS Ministry of Internal Affairs (49.715 starts), RS Employment Service (28.259 starts), Republic Administration for Inspection Affairs (3.766 starts) and the RS Ministry of Finance (3.137 starts). In total, 65 existing reports were modified and 35 new reports were created.

Addition to the above, the numerous activities have been done in development and maintenance of system communication infrastructure.

Continuous activity of IT Sector is provision of technical support to taxpayers, budgetary funds, as well as regional units and the RSTA functional sectors.

Special significance within IT Sector is attached to activities related to information security and security of IKT system.

4.3. Unified System for Registration, Control and Collection of Contributions

In regard to the **Unified System for Registration, Control and Collection of Contributions**, regular dynamic of holding the meetings is imposed with extrabudgetary funds with the aim that in the often direct communication resolve all open questions in relation with functioning of Unified System for Registration, Control and Collection of Contributions.

In 2018, six coordinated meetings were held with extrabudgetary funds.

Moreover, the employees of RSTA contact the fund officials on a daily basis if there are any problems in exercising the rights of the insured persons or the contribution debtors.

V INTERNATIONAL COOPERATION

2018 was marked by regular and planned activities in terms of international cooperation. This primarily entails cooperation with the the Intra-European Organization of Tax Administrations (IOTA) as well as continuation of cooperation with other international organizations.

IOTA

In the reporting period, representatives of RSTA were present at the following IOTA meetings/workshops in accordance with agreed cooperation plan for 2018:

- 25th Forum of IOTA Principal Contact Persons,
- 22nd General IOTA Assembly,
- ISORA training related to joint questionnaire of IOTA members,
- Workshop on “The Newest Possibilities and Future Trends of Taxpayer Services”,
- Workshop on “Tools for Monitoring e-Commerce”,
- Workshop on “Use of Techniques and Modern Tools for Big Data Processing”,
- Forum on Human Resources Development and Smart Management of Staff and
- Annual International Conference (joint CIAT-IOTA event).

All materials related to the mentioned events are available to registered users on the IOTA website www.iota-tax.org, as well as on the internal website of the RSTA.

Cooperation with Swedish International Tax Agency (STA)

In the context of the Project, which the Swedish Tax Agency implements along with the tax administrations of BiH, by the end of March four Tax Administrations in Bosnia and Herzegovina signed the Agreement of project realization “Improvement of the Tax Administrations capacities in BiH” with The Swedish Tax Agency, with the main aim to improve the Tax Administrations capacities and contribute to a transformation for more modern, trustworthy and helpful tax administrations in the BiH. The Agreement was signed by the directors of tax administrations of the Republic of Srpska, BiH Federation, District Brcko and Indirect Taxation Authority of Bosnia and Herzegovina with the presence of the Swedish Tax Agency representative, and all event was held in the Tax Administration of Republic of Srpska in Banja Luka.

In 2018, 11 workshops were held for all four areas within the Project, and study visits were organized to the Swedish Tax Agency for the areas "Compliance Risk Management" and "Taxpayer Service", where representatives of tax administrations of the BiH were introduced with the work of the Swedish Tax Agency, where they got a clearer insight into these areas through various presentations and lectures of the STA experts.

Moreover, two BEPS workshops were held to discuss the tax base erosion and profit shifting.

Furthermore, a panel discussion was held where, besides the teams for all four areas of the Project, directors of tax administrations in BiH and deputy director of Swedish Tax Agency as well as Swedish ambassador in BiH were present. Within the panel, several presentations took place in which Swedish Tax

Agency representatives presented the ways of how they did transformation from fully repressive into service oriented Tax Administration toward taxpayers. Also, team representatives from tax administrations in BiH presented the implemented activities so far, as well as plans for the next period.

Within the framework of the STA Project , in cooperation with the Government of Sweden and the Swedish International Development Cooperation Agency, a tax conference was held with topic "Tax Capacity Building", where the RSTA representative participated.

Fiscalis 2020

The Fiscalis 2020 Programme aims to improve the proper functioning of the taxation systems in the internal market of the European Union by enhancing cooperation between participating countries, their tax authorities and their officials, and to support the fight against tax fraud, tax evasion and aggressive tax planning, as well as to provide the exchange of information.

In 2018, the RSTA representatives participated in working visits to tax administrations of Estonia and Italy, with topics: "*e-Services Focused on Tax Return Electronic Filing*" and "*Tax Administration Transformation and Change Management*".

Moreover, in June 2018, the RSTA representative participated the training course "*Undeclared Work-Underreported Remuneration (Envelope Wages)*" that was held in Varna, Bulgaria.

Center of Excellence in Finance (CEF)

In the reporting period, the following activities in cooperation with CEF were carried out:

- Learning event „Leading Change in Modern Tax Administration“,
- Learning event „Training-of-Trainers for Tax Administrations“ and
- Annual Coordination Meeting of Programme for Technical Support, supported by the European Commission and IMF – Strengthen the Economic Management and Management of the Public Finances in South-East Europe.

International Monetary Fund (IMF)

Project for giving support to Revenue Administrations of Bosnia and Herzegovina has been carried out within technical support of International Monetary Fund, Fiscal Affairs Department (FAD), financed by the Government of the Netherlands. The planned period of duration of the Project is from 1st May, 2017 to 30th April, 2020.

In 2018, training for employees at the RSTA premises was organized concerning " Assistance to improvements in auditing taxpayers who operate on cash basis" - a training course on "Summary Risk Profiling (SRP)".

Moreover, the training for employees has been arranged for 2019 in relation to "Providing assistance in the area of the current risk rules assessment, development of additional risk rules and segmentation of taxpayers, as well as the establishment of reference indicators for different sectors (branches of industry)".

Within the framework of the Project, a technical assistance in the area of tax collection management has also been agreed concerning: assistance in the preparation of the Methodological Instructions for the Collection Procedure, strengthening the analytical and statistical competencies of the employees at the Tax Collection Management Sector and identifying proposals of legal solutions for write off the old debts.

FAR Project

At the end of 2015, Action plan about enforcing **Memorandum of understanding between the RS Government and USAID Mission of fiscal sector improvement** was signed in order to precisely regulate activities that would be realized within fiscal sector reform project (FAR).

Within the fourth component "Improvement of the business environment through the introduction of electronic documents, electronic issuance of tax certificates and electronically providing services to taxpayers" that was implemented in RSTA in 2018, the following activities were completed:

- The process of transferring PFRN forms to the electronic archive was completed, 3,4 million documents in total from the period 2009-2017 were archived and all controls were conducted, and
- Development of e-Box,

while activities pertaining the extraction of destroyed documentary material PFRN in physical support have been in progress as well as activities on conversion of PD forms of the Unified System into digital forms.

Other events

In the period from 17th to 20th June 2018, the RSTA representative participated in a study visit to Ljubljana, Slovenia, within the Project "*Attracting Investments and Improving the Business Environment at the Local Level*", organized by the International Finance Corporation (IFC), member of the Group World Bank, in cooperation with the British Embassy through its Good Governance Fund (GGF).

On 15 and 16 June 2018, the RSTA Director participated at the Regional Summit of Governors, Finance Ministers, and Tax Administration Directors in Becici, Montenegro. The summit topic was "Region's Financial and Monetary Stability Ten Years since the Crisis Outbreak". Also, the summit was in debate and open form with three panels for discussion, including introductory and key presentations on topics in the area of fiscal and monetary policy, collection of public revenues and the fight against gray economy.

In 2018, the RSTA representatives also attended a seminar within the Project "Support to the Government of the Republic of Srpska and the Government of FBiH in the Fight Against Corruption" organized by the Center for Judicial and Prosecutorial Training in the Republic of Srpska, in cooperation with Lucid Linx d.o.o. Banja Luka.

Moreover, the RSTA appointed its representative who, together with the Public Relations Office of the Government of the Republic of Srpska, has been participating since June 2018 in a pilot project "Support to Governments in BiH in Strategic Communication on Key Reform Measures within the Reform Agenda", implemented by the Government of the United Kingdom and the Good Governance Fund, and upon the

approval of the Prime Minister of the Republic of Srpska. The RSTA representative attended the following workshops: "Strategic Communication and Campaign Planning", "Internal Communication and Strategy for Digital Media" and "Relations with the Media and Communication Management".

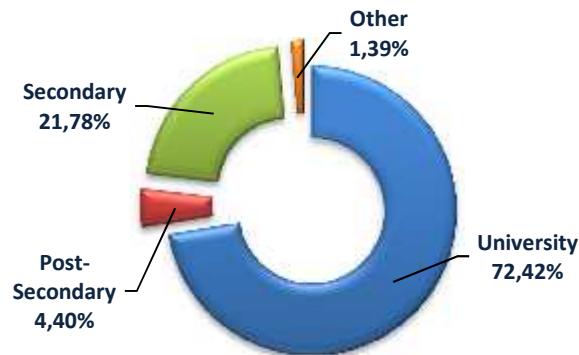
VI HUMAN RESOURCES

The number of employees in RSTA as of December 31, 2018 was 863 of which there were:

- 791 permanent employees or 91,7%,
- 57 fixed-term contract employees or 6,6%, and
- 15 apprentices or 1,7% of the total number of employees.

Also, 11 persons were hired on the basis of contract for voluntarily work/professional work and 4 persons were hired on the basis of contract for work.

RSTA Staff Educational Structure as of 31/12/2018



The important chain in process of human resource management represents professional improvement of employees that should represent permanent, systematic, and planned organized process during which the knowledges update and skills and capabilities develop through study and practical work. The Tax Administration recognized the importance of this step that is particularly important during the reform process, whereas it is adopted a great number of new regulations and practices for which realization is necessary to improve understanding of its content. Beside that, constant training increases efficiency in every day work. In that regard, the employees in RSTA are given possibilities, that through different seminars, educations, workshops and similar, expand their knowledge and exchange experiences with tax administrations from different areas of tax policy.

CONCLUSION

The Tax Administration of the Republic of Srpska collected BAM 2,440 billion at the account of public revenues in 2018, which is BAM 57,93 million or 4% more than in 2017.

The positive trend on the collection of public revenues was thus maintained, which can be attributed to daily activities that the Tax Administration undertakes within its remit. These activities focus on regular collection, field audits and taxpayer services, but the greatest positive effect on the collection of public revenues was brought about by business process automatisation.

Also, activities related to control of regular transaction presentation through fiscal cash registers and registration of employees are intensified which affected on improvement of tax discipline at all taxpayers and developing of proper relationship toward taxpayers.

One of important activities in 2018 is implementation of the Integrated Information System. We expect that ending of remaining functionalities of the Integrated Information System will reach full effect in the form of increasment of taxpayers' tax discipline but the changes in behavior of the RSTA employees.

In the reporting period, **the campaign "Make a step, take the bill"** with the aim of raising awareness of citizens about importance of taking fiscal bill, is continued, as well as the **campaign "Pay the tax, strengthen the Srpska"** with the aim of rising awareness of citizens about importance of payment of tax liabilities and benefits that come from that. The final goal is, that all citizens, from the youngest to the eldest, should be informed of all advantages of tax payment, and encourage individuals to comply with regulations and imply them that compliance of regulations brings more benefits to all citizens then it would its disobedience.

Also, there are still **strengthening of electronic services** of the Tax Administration of the Republic of Srpska. Namely, within the electronic service system, the Tax Administration added a new functionality - an electronic tax card, which enabled taxpayers to view thier tax cards.

The Tax Administration will continue to take all measures and activities from its jurisdiction in order to give its contribution in conduction both reform processes and tasks and aims ahead us with constant strengthening the trust of the public into tax system through complete transparent work of the Tax Administration.

Banja Luka, January, 2019
No: 06/1.01/0101-014.1-113/19

Director
of the Tax Administration of the Republic of Srpska

Goran Maricic