

TAX DEPARTMENT – INCOME TAX

COMPUTATION OF INDIVIDUALS TEMPORARY INCOME TAX AND TEMPORARY CONTRIBUTIONS OF GHS OF SELF-EMPLOYED INDIVIDUALS

YEAR OF ASSESSMENT 2020

T.I.C.

 AS AGENT OF

Office and Date:

- The computation of your chargeable income, your income as self-employed (which exceeds your insurable for the purposes of Social Insurance (SI) earnings) that are subject to contributions for the General Healthcare System (GHS) and the resulting income tax and GHS contributions respectively, must be submitted **before the 31st of July of the aforementioned year.**
- This return must be submitted by persons who have income from profits or other benefits from any business, annuities, leases, royalties, rents and goodwill. THIS RETURN MUST BE SUBMITTED IRRESPECTIVE OF WHETHER YOU HAVE INCOME FROM EMPLOYMENT.
- The tax and / or contribution is payable in two equal instalments, which you must compute, on the date shown below.
- BEFORE COMPLETING THIS FORM READ THE NOTES ON PAGE 2.
- The information from this return is submitted electronically via <https://www.JCCSmart.com> or via the Tax Portal of the Tax Department by choosing codes 0200 for income tax and 0213 for GHS purposes (enter Taxable Income, rows 5, and Temporary Tax Payable, row 8, below. For revised computations see note 4.
- It is strongly recommended that you keep a copy of this return for your own records.

I the undersigned belonging to professional category, as stipulated by the Department of Social Security (DSS), estimate my Chargeable Income, my Income subject to GHS, my temporary tax and/or GHS contributions for the year as follows:

- Net income (loss) from business, trade, goodwill and/or rents (notes 6). For GHS purposes include only profits as self-employed (**note 5**)
- Income from employment and/or pensions
- TOTAL NET INCOME
Less Allowances and deduction (note 7) :
- For Income Tax purposes Life Assurance Premium, Social Insurance Fund and Provident Fund / for GHS the amount of income for which you pay contributions to the DSS which is included in the above income (line 1)
- TAXABLE INCOME / (LOSS)**
- TAX / GHS CONTRIBUTION ON INCOME

Income Tax €	GHS €
.....
.....
.....
.....
.....
.....
Income Tax € / ¢	Special Contribution € / ¢
...../...../.....
...../...../.....
...../...../.....

Computation of Tax / Contribution based on the following rates

- LESS ANNUAL TAX WITHHELD AT SOURCE AND OVERSEAS TAX** (note 8)
- TEMPORARY TAX PAYABLE 0200 / CONTRIBUTION 0213**

Income Tax Rates - annual

0% from	€ 0	to	€19.500
20% from	€19.501	to	€ 28.000
25% from	€ 28.001	to	€ 36.300
30% from	€ 36.301	to	€ 60.000
35% from	€ 60.001	and over	

GHS Rates (notes. 5)

From:	1.3.2019	1.3.2020	1.4.2020	1.7.2020
To:	28.2.2020	31.3.2020	30.6.2020	
Self Employed:	2,55%	4%	2,55%	4

Temporary tax is due in two instalments on or before the following dates:

1st Instalment, payable 31/7/2020

2nd Instalment, payable 31/12/2020

0200			
0213			
To be completed in the case of a Revised Declaration			
Temporary Tax Paid	Temporary Tax Paid		
0200			
0213			
Balance of Temporary Tax due	Balance of Temporary Tax due		
0200			
0213			
Date	Signature	Tax identification Code	Tel.No
...../...../2020

NOTES

1. OBLIGATION TO SUBMIT ESTIMATION OF CHARGEABLE INCOME

In accordance with article 24 of the Assessment and Collection of Taxes Law No.4 of 1978, as amended, you are obliged to estimate (temporary) your chargeable income and your income subject to GHS contributions (note 5), and to pay the resulting temporary tax and/or GHS contributions for the year before the 31st of July of the current year.

2. PENALTIES FOR NON-SUBMISSION OR LATE SUBMISSION

In accordance with article 50A(e) of the Assessment and Collection of Taxes Law No.4 of 1978, as amended, persons who pay their tax and / or contribution after the dates stipulated in the law, are subject to a 5% fine.

3. EFFECTS OF LOW ESTIMATION OF CHARGEABLE INCOME

Section 26 of the Assessment and Collection of Taxes Law No.4 of 1978, as amended, stipulates the imposition of a surcharge amounting to one-tenth (1/10) of the difference between the final tax and the temporary tax if the temporary chargeable income assessed is less than three-fourths (3/4) of the final chargeable income. For the purpose of this provision "chargeable income" means the chargeable income before the deduction of personal allowances. This section also applies for the purposes of under provision of income subject to GHS contributions.

4. REVISED COMPUTATION

Revised computations must be submitted by the 31st December of the tax year. If a revised computation is submitted, the amount of tax (line 8) must be divided into two equal instalments and interest is chargeable on the difference of each instalment.

- Revisions that increase the debt are made ONLY via the Tax Portal of the Tax Department
- Revisions with reduced amounts of tax ARE NOT made via the Tax Portal but must be mailed to the following addresses:

Tax Department – Lefkosia Tax Collection Office - CY 1442

Tax Department - Lemesos Tax Collection Office P.O.Box. - 56655 – CY 3309

Tax Department - Larnaka Tax Collection Office P.O.Box.- 42010– CY 6530

Tax Department - Pafos Tax Collection Office P.O.Box.- 60042- CY 8100

Tax Department - Famagusta Tax Collection Office - Ippokratous 2, CY 5380 Dherinia.

5. THE GENERAL HEALTHCASE SYSTEM

Every *Self-employed person*, as defined by the Social Insurance Law (L59(I)/2010), submits a temporary declaration for his/her profits from any *insurable activities*, which exceeds the insurable earnings for which he/she pays GHS to the DSS. That is GHS is payable for each *insurable activity* in Cyprus even if no Social Security is paid for the said activity.

«**Self - employed**» means a person which any *insurable activity* defined in Part I of *Second Schedule*, except if it is an exempt activity in accordance with Part II of the said Schedule;

«**Insurable activity**» means, subject to the provisions of Regulation (EC) 1408/71, any of the activities stipulated ... in Part I of *Second Schedule*, unless it is one of the exempted activities defined ... in Part II of the *Second Schedule*;

First Schedule - Article 3 (2)(a) - «EMPLOYEES – INSURABLE AND EXEMPT ACTIVITIES» ...

Second Schedule – Article 3 (2)(b) – «SELF-EMPLOYED – INSURABLE AND EXEMPT ACTIVITIES»

Part I – INSURABLE ACTIVITIES - Occupation **in Cyprus** of a person working for profit, if such occupation is not insurable under Part I of the *First Schedule*.

Part II – EXEMPT ACTIVITIES – Farming activities, when the person is under the age of sixteen (16)

6. COMPUTATION OF NET INCOME

For Income Tax purposes you must include both your income arising from sources within and sources outside the Republic. In the case of a Net Loss the amount should not be carried forward to page 1.

	€	€ for Income Tax
Profit from business		
Rents Received (gross)		
Less: 20% on gross rents		
3% in cost of buildings		
Interest in respect of the immovable property		
Chargeable Income from rents		→
Other Income (other than salary and pension)		
TOTAL NET INCOME / (LOSS)		

7. RESTRICTIONS IN DEDUCTIONS AND ALLOWANCES

Contributions to GHS, the Social Insurance and Provident Funds and the annual payments for Life Insurance Policies must be restricted to 1/5 of net income. Medical fund contributions are restricted to 1.5% of gross income.

8. ANNUAL TAX WITHHELD AT SOURCE

The estimated annual tax to be deducted from employment (salary) and/or pensions and any tax which is paid on income from abroad that you have included in your computation.

9. PAYMENT OF TAX

Payment made:

- Within the deadline set in the law are made:
 - either via the webpage <https://www.JCCSmart.com>
 - or via your internet bank using the Payment Reference Number that you can obtain when you create the liability using the Tax Portal of the Tax Department (<https://taxportal.mof.gov.cy>).
- Outside the period set in the law ONLY via the Tax Portal of the Tax Department (<https://taxportal.mof.gov.cy>), once you have created the liability.