

Finance Law 2023

Decree n°79 of 22 December 2022



right people
right size
right solutions

1/- In terms of corporation tax and personal income**4-5**

[1.1– Support from social funds in order to honor its commitments \(Article 22\)](#)

[1.2 – Adaptation of tax legislation to the accounting system of companies with regard to the revaluation of assets \(Art 31\)](#)

[1.3– Unification of corporate tax rates \(Art 40\)](#)

[1.4– Revision of the tax regime for the capital gain on the sale of securities \(Art 42\)](#)

[1.5– Rationalization of tax benefits for real estate capital gains \(Art 43\)](#)

[1.6- Reinforcement of tax compliance and fight against evasion \(Art 58\)](#)

[1.7– Introduction of an advance on the sale of alcohol \(Art 62\)](#)

[1.8 – Revision of the income tax rate in the flat tax regime \(Art 55\)](#)

[1.9– Encouragement of funding for research and sustainable development expenditure \(Art 27\)](#)

[1.10- Encouragement of the financing of business transfer and financial restructuring operations \(Art 32\)](#)

[1.11– Adaptation of the tax regime for internet betting gaming companies with tax legislation \(Art 41\)](#)

2/- In terms of VAT, Customs duties and other taxes on turnover**6**

[2.1– Improvement of the deadlines for refunding the VAT credit \(Art 34\)](#)

[2.2– Revision of the VAT rate applied to services rendered by certain non-commercial professions \(Art 44\)](#)

[2.3– Facilitation of the tax obligations of lump sums attached to the real regime \(Art 57\)](#)

[2.4– Encouragement of the use of new energies \(Art 24\)](#)

[2.5– Improvement of VAT recovery on sales of telephone and top-up cards \(Art 61\)](#)

[2.6– Revision of the taxation of vehicles imported by Tunisians residing abroad as part of the implementation of projects \(Art 70\)](#)

1/- In terms of Registration tax and stamp duty

7

3.1- Updating of the tax stamp tariff on invoice and submission of administrative documents to the registration fee (Art 69)

3.2- Institution of property wealth tax (Art 23)

3.3- Submission of powers of attorney to the registration obligation (Art 65)

4/- Other dispositions

8-9

4.1- Improvement of the use of cash (Art 60)

4.2- Improved monitoring of the turnover tax suspension regime (Art 45, 46 and 48)

4.3 – Provisions for adjusting penalties with the cost of borrowing (Art 59)

4.4- Support for small farmers (Art 15)

4.5- Rationalization of the increase in the retirement age (Art 12)

4.6 – Improvement of the granting of tax benefits for the recruitment of foreigners by totally exporting companies (Art 50)

4.7- Authorization for totally exporting industrial companies to increase the percentage of sales on the local market (Art 37)

4.8- Support for Tunisian press companies (Art 20)

4.9- Facilitate the transfer of projects of national importance (Art 33)

4.10- Encouragement of activists in the informal economy to register in the tax and social security system (Art 52, 53 and 54)

1/- In terms of corporation tax and personal income

1.1– Support from social funds in order to honor its commitments (Article 22)

The solidarity social contribution rates applicable to companies are revised for declarations due in 2023, 2024 and 2025 as follows:

- 4% for companies subject to Income tax at the rate of 35%,
- 3% for companies subject to corporate tax at a rate lower than 35%.

Also the minimum CSS is revised as follows:

- 500 DT instead of 300 DT for companies subject to IT at the rate of 35%,
- 400 DT instead of 200 DT for companies subject to IT at the rate of 15% or 20% and exempt companies,
- 200 DT instead of 100 DT for companies subject to IT at the rate of 10%.

For natural persons the rate is reduced from 1 to 0.5% for natural persons under IRPP with a minimum of 200 tnd (instead of 100 tnd).

1.2 – Adaptation of tax legislation to the accounting system of companies with regard to the revaluation of assets (Art 31)

Following the provisions of article 20 of the 2022 finance law authorizing companies to revalue built and unbuilt properties at the level of their assets at their real values and which was renewed for the balance sheets of companies closed on December 31, 2022 and later under the same conditions, the 2023 finance law allows industrial companies to revalue tangible assets according to the company accounting system under the following conditions:

- The actual values and depreciation after revaluation must not exceed the values resulting from the revaluation of the acquisition or production prices according to indices fixed by decree,
- Non-taxation of the capital gain resulting from the revaluation provided that the capital gain is reported to a special revaluation account that cannot be used or distributed,
- Amortization of the revaluation surplus over a period of at least 5 years
- Exemption from the capital gain on the sale of the property up to the revaluation capital gain provided that the sale takes place after 5 years from the date of the end of the year of revaluation exercise.

This provision concerns company balance sheets closed on 31 December 2022 and later.

1.3– Unification of corporate tax rates (Art 40)

The finance law provided for the gradual unification of corporate tax rates by eliminating the 10% rate and maintaining the IT rates of 15% and 35% with the application of withholding taxes of 1 and 1.5%.

From 2023, the following activities will be subject to the rate of 15% instead of 10%:

- Private health and hospital establishments,
- Educational establishments and private schools,
- Vocational training and scientific research establishments, and
- Private university accommodation projects.

Individuals engaged in these activities no longer benefit from a deduction of 2/3 of their income in this respect.

1.4– Revision of the tax regime for the capital gain on the sale of securities (Art 42)

The Finance Act revised the taxation of capital gains on the sale by individuals of securities not attached to financial statements as follows:

1. For securities not listed on a stock exchange according to the date of their sale:
 - If the transfer occurs after the expiry of the year following that of their acquisition or subscription: 10%
 - If the sale takes place before the expiry of the year following that of their acquisition or subscription: 15%

2. Maintenance of the tax rate of 10% for capital gains on the sale of listed shares sold before the expiry of the year following that of their acquisition or subscription.
3. Maintenance of the exemption of capital gains from the sale of shares listed on the stock exchange acquired or subscribed before 01/01/2011 or during the initial public offering or sold after the expiry of the year following that of their acquisition or subscription.
4. Abolition of the ceiling of 10,000 TND for exemption of capital gains from the transfer of listed shares transferred before the expiry of the year following that of their acquisition or subscription.
5. Maintenance of the 10% tax rate for capital gains on the sale of securities made by non-residents.

1.5– Rationalization of tax benefits for real estate capital gains (Art 43)

The finance law eliminated the exemption of capital gains realized by natural persons under the sale of agricultural land and limited the exemption to the first operation of sale of premises intended for housing not exceeding 1000m² and 500000 dinars .

1.6- Reinforcement of tax compliance and fight against evasion (Art 58)

The rate of the 10% advance on the import of consumer products is raised to 15% for companies in total or partial default, and companies which declare reduced income or profits.

The 15% advance is therefore transferable and non-refundable.

This provision will be applied from January 1, 2024 according to the classification of the companies concerned.

1.7– Introduction of an advance on the sale of alcohol (Art 62)

The finance law introduced an advance (in the form of withholding tax) on income tax at the rate of 5% on the amounts of invoices including tax made to distributors of alcoholic beverages, wines and beers from manufacturers.

1.8 – Revision of the income tax rate in the flat tax regime (Art 55)

The minimum tax on turnover not exceeding 10,000 dinars provided for in the flat-rate regime is raised from 200 to 400 dinars for companies within the municipal agglomerations according to the territorial limits in force before January 1, 2015 and from 100 to 200 dinars for other regions applicable on declarations due in 2023 and subsequent years.

1.9– Encouragement of funding for research and sustainable development expenditure (Art 27)

The ceiling of 200,000 dinars is increased to 400,000 dinars annually for research and development expenses in the green economy and circular and sustainable development.

The company also benefits from an additional deduction of 50% of its renewal expenses, without exceeding a maximum additional deduction of 400 thousand dinars per year.

The terms of application of this measure will be set by decree.

1.10- Encouragement of the financing of business transfer and financial restructuring operations (Art 32)

Is extended to December 31, 2024 the deadline of December 31, 2022 provided for by the last paragraph of article 15 of law n ° 47 of May 29, 2019 on the improvement of the investment climate and relating to the use of paid-up capital and funds made available to them by investment companies and risk mutual fund management companies provided for by the code of collective investment undertakings promulgated by law no. 2001-83 of 24 July 2001 which benefit from the deduction of income and profits subscribed.

1.11– Adaptation of the tax regime for internet betting gaming companies with tax legislation (Art 41)

Is canceled the tax on betting and chance games by internet established by article 24 of the finance law 2021 which is liquidated at the rate of 15% on the basis of the difference between the value of the bets and the value of the winnings returning to the bettors.

2/- In terms of VAT, Customs duties and other taxes on turnover

2.1– Improvement of the deadlines for refunding the VAT credit (Art 34)

The finance law provides for the reduction of VAT credit reimbursement deadlines:

- From 30 to 21 days for credits from direct investment and upgrading operations,
- From 120 to 90 days for credits from operations.

2.2– Revision of the VAT rate applied to services rendered by certain non-commercial professions (Art 44)

The finance law provides for an increase in the VAT rate from 13 to 19% applied to services rendered by the following non-commercial professions;

- Architects and consulting engineers,
- Draftsmen, surveyors and topographers excluding services relating to the land registration of agricultural land,
- Lawyers, notaries, bailiffs and interpreters,
- Tax advice,
- Bookkeeping contractors,
- Experts and advisers regardless of their specialization.

In addition, are now taxed at a VAT of 19% instead of 7% medical services and cosmetic surgery and maintenance of the right of 1% on the monthly turnover realized excluding taxes for the benefit of support for public health .

2.3– Facilitation of the tax obligations of lump sums attached to the real regime (Art 57)

Lump sums not exceeding 150,000 dinars of turnover reconverted to the real regime are required to declare the various taxes due including VAT, withholding taxes, FOPROLOS, TFP, tax stamp and other taxes on turnover within 15 days following the quarter.

2.4– Encouragement of the use of new energies (Art 24)

The finance law provides for the reduction of customs duties to 10% and VAT to 7% on the import of electric car charging devices until December 31, 2023.

2.5– Improvement of VAT recovery on sales of telephone and top-up cards (Art 61)

The finance law provides for exemption from commissions and fees for distributors of electronic top-ups, sales of telephone cards and top-up cards

2.6– Revision of the taxation of vehicles imported by Tunisians residing abroad as part of the implementation of projects (Art 70)

Tunisians residing abroad benefit from a total or partial exemption for the import or acquisition of equipment, material and a truck which falls under NGP 8704 and this for the realization of projects or the contribution to projects as follows:

* Exemption from the payment of duties and taxes payable on imports and suspension of value added taxes and turnover taxes, if necessary, when purchasing supplies and equipment on the local market.

* Payment of 10% of the amount of duties and taxes due on the truck.

3/- In terms of Registration tax and stamp duty

3.1- Updating of the tax stamp tariff on invoice and submission of administrative documents to the registration fee (Art 69)

The finance law provides for an increase in stamp duty on invoices from 0.6 to 1 dinar.

Also, the following administrative documents are subject to stamp duties as follows:

- Aimed purchase order: 10 dinars
- Certificate of tax benefit in terms of value added tax or consumption tax or other taxes on turnover: 100 dinars
- General certificate of tax advantage in terms of value added tax or consumption tax or other taxes on turnover: 100 dinars
- Circumstantial certificate in tax advantage relating to the article of value added tax or consumption tax or other taxes on turnover: 50 dinars

3.2- Institution of property wealth tax (Art 23)

On January 1 of each year, a tax is applied to real estate held by individuals whose value is equal to or greater than 3 million dinars at the rate of 0.5% to be declared at the end of June.

These land assets can be located in Tunisia or abroad whose net value is greater than or equal to 3 MTD after deduction of the credits attached to these assets with the exception of:

- The main residential property
- Goods used for the exercise of a professional activity and not intended for rental for third parties.

3.3- Submission of powers of attorney to the registration obligation (Art 65)

Contractual proxies are now compulsorily subject to registration from January 1, 2023.

4/- Other dispositions

4.1– Improvement of the use of the cash (Art 60)

The finance law introduced a fine of 20% of the amount paid in cash equal to or greater than 5000 dinars with a minimum fine of 2000 dinars and canceled the non-deduction of VAT or charges and depreciation relating to the acquisitions concerned. Also, this fine is generalized to all taxpayers without distinction and is recorded from January 1, 2023 notwithstanding the deduction of VAT, or the corresponding charge or depreciation.

Companies collecting cash in excess of 5,000 dinars and refusing to reveal the identity of their customers remain liable to a fine of 8%.

4.2- Improved monitoring of the turnover tax suspension regime (Art 45, 46 and 48)

The finance law has extended the application of an administrative penalty of 50% of the amount of VAT to the buyer who makes purchases under suspension of VAT without presenting the purchase orders referred to (in the same way as the seller). Certificates of suspension of VAT and other taxes on turnover must be liquidated or returned within 30 days of the due date under penalty of an administrative fine of 5000 dinars per certificate.

The tax control services can rectify or cancel the right to tax advantages as well as the financial advantages granted.

4.3 – Provisions for adjusting penalties with the cost of borrowing (Art 59)

The finance law revised the amount of penalties due from April 1, 2023 as follows:

- From 0.75% to 1.25% of the amount declared before the intervention of the tax control services.
- From 1.25% to 3% if the delay does not exceed sixty days
- From 2.5% to 5% if the delays exceed sixty days,
- From 1.25% to 2.25% in case the delay is noticed by the tax control services.
- From 10% to 20% as a fixed fine up to the amount due. This fine concerns penalties on VAT and other duties applied to turnover and not declared, taxes applicable during automatic taxation, taxes applicable in the event of reduction of the tax base or fraud tax.

-Reduction of the rate from 2.25% to 1.5% provided for in paragraph one of article 82 of the code of tax procedures and 50% of the fixed fines when:

- The payment takes place in the month following the recognition of the tax debt.
- If there is recognition of the tax debt before the automatic taxation.

In addition, the minimum monthly, quarterly or half-yearly declaration is revised as follows:

- *10 dinars for lump sums
- *15 dinars for individuals subject to the real regime.
- *30 dinars for legal persons

4.4– Support for small farmers (Art 15)

The finance law provided for the State to cover the difference between the interest rate applied to the credits of field crops granted to small farmers and the TMM within the limit of 3 points without the margins of the banks exceeds 3.5%.

4.5– Rationalization of the increase in the retirement age (Art 12)

The Finance Act gives higher education professors and lecturers in higher education at universities and civil and military scientific research establishments, hospital-university professors and hospital-approved lecturers the possibility of academics to raise the retirement age by one year, or two years, or three years or four years or five years up to a maximum of seventy (70). Agents exercising exacting duties are retired after completing thirty-five (35) years of service and reaching at least the age of fifty-seven (57). one-year, two-year or three-year retirement could be added for these agents.

4.6 – Improvement of the granting of tax benefits for the recruitment of foreigners by totally exporting companies (Art 50)

The benefit of the exemption from duties and taxes due on the importation of a passenger car by foreign executives recruited by totally exporting companies, investors or their foreign agents in charge of the management of these companies must be exercised in 183 days from the date of entry into Tunisian territory.

4.7– Authorization for totally exporting industrial companies to increase the percentage of sales on the local market (Art 37)

Totally exporting industrial companies can make local sales at 50% of their turnover achieved in 2019, subject to paying the taxes and duties payable on these sales while maintaining the status of totally exporter.

4.8– Support for Tunisian press companies (Art 20)

The finance law provides for the payment by the State of the employer's social security contributions relating to the salaries of the staff of print media companies who decide not to separate from their employees and this for the last four quarters. This privilege is granted for 2 years from January 1, 2022 and the conditions of benefit will be fixed by decree.

4.9– Facilitate the transfer of projects of national importance (Art 33)

Notwithstanding the provisions of the second paragraph of chapter 72 of the personal income tax and corporation tax code, the projects of national importance provided for in article 20 of law n° 2016-71 of September 30, 2016 relating to the law on investment, may transfer a branch of activity or a group of integrated branches while continuing to benefit from the tax advantages granted in accordance with the legislation in force on the condition of presenting a certificate of deposit of declaration of investment under the transfer.

4.10– Encouragement of activists in the informal economy to register in the tax and social security system (Art 52, 53 and 54)

Under Decree No. 33.2020 activists in the parallel economy can register as self-employed entrepreneurs upon payment of;

- 200 dinars per year for operators within municipal agglomerations according to the territorial limits in force before January 1, 2015 and 100 dinars for other regions.
- Payment of the TCL for industrial, commercial or professional establishments at the rate of 20% of said tax, regardless of the minimums mentioned.

The social contribution calculated according to the nature of the activity as follows:

- According to the contributions due for joining the social security system provided for by Law No. 32 of 2002 of March 12, 2002, with regard to craft activities, as fixed by order of the ministers in charge of social affairs and tourism dated July 23, 2002.
- According to the contributions due for joining the independent regime in the agricultural and non-agricultural sectors corresponding to the first installment (182 dinars), for the rest of the activities. The auto-entrepreneur can also engage in a higher income bracket in accordance with the legislation in force.

