

Guide to Bulgarian Tax Law Research

Constitution

The official translation of the Constitution of the Republic of Bulgaria may be found at the official site of the National Assembly of the Republic of Bulgaria (the Parliament) <http://www.parliament.bg/en/constitution.php?id=1>

Art. 60 of the Constitution reads that citizens shall pay taxes and duties established by law proportionately to their income and property and any tax concession or surtax shall be established by law. Furthermore, the National Assembly is the authority that has the power to pass, amend, and repeal the laws and to establish the taxes and their size.

Laws

Indirect taxation laws include the following:

- Value Added Tax Act
(*Prom. SG. 153/23 Dec 1998, corr. SG. 1/5 Jan 1999, suppl. SG. 44/12 May 1999, amend. SG. 62/9 Jul 1999, suppl. SG. 64/16 Jul 1999, amend. SG. 103/30 Nov 1999, amend. SG. 111/21 Dec 1999, suppl. SG. 63/1 Aug 2000, suppl. SG. 78/26 Sep 2000, amend. SG. 102/15 Dec 2000, amend. SG. 109/18 Dec 2001, amend. SG. 28/19 Mar 2002, amend. SG. 45/30 Apr 2002*)
- Excise Act
(*Prom. SG. 19/2 Mar 1994, amend. SG. 58/27 Jun 1995, amend. SG. 70/8 Aug 1995, amend. SG. 21/12 Mar 1996, amend. SG. 56/2 Jul 1996, suppl. SG. 107/17 Dec 1996, amend. SG. 51/27 Jun 1997, amend. SG. 15/6 Feb 1998, amend. SG. 153/23 Dec 1998, amend. SG. 103/30 Nov 1999, amend. SG. 102/15 Dec 2000, amend. SG. 110/21 Dec 2001, amend. SG. 45/30 Apr 2002*)
- Customs Act
(*Prom. SG. 15/6 Feb 1998, amend. SG. 89/3 Aug 1998, amend. SG. 153/23 Dec 1998, amend. SG. 30/2 Apr 1999, amend. SG. 83/21 Sep 1999, amend. SG. 63/1 Aug 2000, amend. SG. 110/21 Dec 2001, suppl. SG. 76/6 Aug 2002*)

A new act concerning excise duty warehouses is to come in force by the end of the second quarter of 2003.

Direct taxation laws include the following:

- Corporate Income Tax Act
(*Prom. SG. 115/5 Dec 1997, corr. SG. 19/17 Feb 1998, suppl. SG. 21/20 Feb 1998, amend. SG. 153/23 Dec 1998, amend. SG. 12/12 Feb 1999, suppl. SG. 50/1 Jun 1999, amend. SG. 51/4 Jun 1999, suppl. SG. 64/16 Jul 1999, amend. SG. 81/14 Sep 1999, amend. SG. 103/30 Nov 1999, suppl. SG. 110/17 Dec 1999, amend. SG. 111/21 Dec 1999, amend. SG. 105/19 Dec 2000, suppl. SG. 108/29 Dec 2000, amend. SG. 34/6 Apr 2001, amend. SG. 110/21 Dec 2001, amend. SG. 45/30 Apr 2002, suppl. SG. 62/25 Jun 2002*)

- Personal Income Tax Act
(Prom. SG. 118/10 Dec 1997, amend. SG. 35/27 Mar 1998, amend. SG. 71/23 Jun 1998, amend. SG. 153/23 Dec 1998, suppl. SG. 50/1 Jun 1999, amend. SG. 103/30 Nov 1999, amend. SG. 111/21 Dec 1999, amend. SG. 105/19 Dec 2000, amend. SG. 110/21 Dec 2001, suppl. SG. 40/19 Apr 2002, amend. SG. 45/30 Apr 2002, suppl. SG. 61/21 Jun 2002)
- Local Taxes and Fees Act
(Prom. SG. 117/10 Dec 1997, amend. SG. 71/23 Jun 1998, amend. SG. 83/21 Jul 1998, amend. SG. 105/8 Sep 1998, amend. SG. 153/23 Dec 1998, amend. SG. 103/30 Nov 1999, amend. SG. 34/25 Apr 2000, amend. SG. 102/15 Dec 2000, amend. SG. 109/18 Dec 2001, amend. SG. 28/19 Mar 2002, amend. SG. 45/30 Apr 2002, amend. SG. 56/7 Jun 2002)

Procedure regulations are gathered in the Tax Procedure Code (Prom. SG. 103/30 Nov 1999, amend. SG. 29/7 Apr 2000, amend. SG. 63/1 Aug 2000, amend. SG. 109/18 Dec 2001, amend. SG. 45/30 Apr 2002).

A number of amendments to Bulgarian tax legislation have been and will be made by the end of 2006 due to EU harmonization. By the date of accession of Bulgaria to the EU Bulgarian tax legislation should be in conformity with the provisions of the Community.

The tax legislation including the latest amendments to the legislation are summarized each year in a manual named "Taxation (Year – e.g. 2002)" – (in Bulgarian) published by "Ciela" Publishing House. There is also a software database package named "Ciela Law" (the current version is 3.0), that comprizes applicable law in both Bulgarian and English language. For further information see <http://www.ciela.net>.

Another software database package is "APIS". It also includes the legislation in force as well as repealed acts, and also additional explanations on a number of legal issues, including taxation. Additional information can be found at <http://www.apis.bg>.

A list of tax acts together with relevant regulations is published at the General Tax Directorate's site in Bulgarian http://www.taxadmin.government.bg/norm_baza/norm.htm and in English http://www.taxadmin.government.bg/English/legal_base/legal.htm
The legal base in English has not recently been updated.

The new web site of the Ministry of Finance of Bulgaria is currently under construction and is intended to include the updated versions of all legal acts that concern taxation. Those are currently listed in English at <http://www.minfin.government.bg/en/legislation/> and in Bulgarian at <http://www.minfin.government.bg/bg/legislation/>.

The old site of the Ministry of Finance of Bulgaria also includes the great part of tax legislation in force, however it has not been recently updated.

The version in English is at <http://www2.minfin.government.bg/en/Laws/index.html> and the version in Bulgarian is at <http://www2.minfin.government.bg/bg/Laws/index.html>.

The web site of the Customs agency contains the Customs act and the Regulation for the Implementation of the Customs Act

in English <http://www.customs.government.bg/english/norma/index.html>

and in Bulgarian <http://www.customs.government.bg/norma/index.html>.

A paid service “De jure+” is located at <http://www.digsys.bg/dejure>, however this does not include any translated legal acts in English.

There are a number of other free services in the web, but some of them are rather outdated and do not provide any versions of the acts in English:

<http://www.paragraf22.com>

<http://www.paragraf22.com/menu.php?dir=/eng/LAWS>

<http://www.bild.net>

<http://www.bild.net/bglegal.htm>

<http://accinfo.persof.com>

<http://www.im.ttm.bg/default.htm>

Treaties

Article 5 of the Constitution of the Republic of Bulgaria clearly states that any international instruments which have been ratified by the constitutionally established procedure, promulgated and having come into force with respect to the Republic of Bulgaria, shall be considered part of the domestic legislation of the country. They shall supersede any domestic legislation stipulating otherwise. Tax treaties for avoidance of double taxation as such international instruments are also superseding domestic tax legislation. This is also laid down in:

- Corporate Income Tax Act – Art. 17 Par. 1 “Whenever in a tax treaty for avoidance of double taxation or in another effective international instrument, ratified by the Republic of Bulgaria and promulgated in the State Gazette, there are provisions differing from the provisions of this Law, the provisions of the respective international treaty or instrument shall apply.”
- Personal Income Tax Act – Art. 16 Par. 1 “When a tax agreement or another international contract, ratified by the Republic of Bulgaria, promulgated and enacted, contains provisions different from the provisions of this law shall apply the provisions of the respective tax agreement or contract.”

The VAT Act also contains provisions for exemptions on international agreements etc.

- Art. 92 – “When in international agreements, conventions etc. where the republic of Bulgaria is a party, ratified and promulgated by the established order, it is envisaged exemption of taxable supplies from value added tax, tributes or taking with effect

equivalent to indirect tax, the exemption from tax or the restoration of paid tax on the occasion of the acquisition of goods in connection with such provision shall be implemented by an order determined in the regulation for the implementation of this law.”

The site of the General Tax Directorate contains a list of tax treaties for avoidance of double taxation

in English http://www.taxadmin.government.bg/norm_baza/siddo.htm

in Bulgarian http://www.taxadmin.government.bg/English/legal_base/list.htm

By-law

A number of by-law regulations and ordinances include provisions that go into more detail:

- Ordinance № 1 of March 28, 2001 for Reimbursement of Value Added Tax Paid by Foreign Legal Persons
- Ordinance № 2 of February 11, 1999 for Reimbursement of Value Added Tax Paid by Foreign Natural Persons
- Ordinance № 5 of July 10, 2000 for Reimbursement of Value Added Tax and Excise Duties Paid by Diplomatic Missions, Consulates, Missions of International Organizations and Members of Their Staff
- Ordinance № 14 of September 15, 1999 for Customs Registration of Goods Imported or Exported by Diplomatic Missions, Consulates, Missions of International Organizations and Members of Their Staff
- Regulation for Implementation of the Excise Act
- Regulation for Implementation of the Value Added Tax Act
- Regulation for Implementation of the Customs Act

The General Tax Directorate also issues instructions on a number of detailed issues. Those are listed in the “APIS” legislation database under a specific number for each of the instructions. The site of the General Tax Directorate also has a “Q&A” section that functions only in Bulgarian at <http://www.taxadmin.government.bg/quest/>.

Case Law

A special Chapter 11 of the Tax Procedure Code regulates the Appeal. Section 1 of this chapter regulates administrative appeal and Section two regulates appeal at Court. In Bulgarian legislation precedent has no legal power.

Treatises and Other Books (in Bulgarian)

Each year a number of treatises are published, dealing mainly with amendments to tax legislation. Those include:

Name	Publisher
Taxes on Consumption (Year – eg. 2002)	“Daga” Ltd Publishing house
Annual Financial Settling	“APIS – Kolev”
Manual for the Economist	“Pluton 1” Training Centre
New Tax Legislation in (Year)	“Labor and Law” Publishing House
Tax Procedure Code – Comments	“APIS – Kolev”

There are also some other books that are rather more theoretical, but provide the essentials of tax legislation in Bulgaria. Yet, some of them are rather outdated.

Name	Publisher
Taxation	National University Centre
Theory and Practice of Taxation	“Loren” Publishing House

Periodicals (in Bulgarian)

There are some periodicals that discuss tax legislation and how it should be applied in practice.

Name	Publisher
Taxation in practice	“ASKANA” Publishing House
Tax Expert	Inter Intellect
Finance and Law	
Accounting (newspaper)	
Accounting + (magazine)	
Business Week	