

## Current Tax System

Serial Number	Taxes	Taxpayers	Objects of Taxation ( Base of Taxation )	Tax Rates
1	Corporate Income Tax (CIT)	Enterprises within Georgia, including resident and non - resident enterprises	From 1 January 2017, Georgia has switched to a new CIT system, and retained profits are no longer taxable until they are distributed. Non-resident enterprises are only subject to CIT with respect to its Georgian-source income	15%
2	Individual Income Tax	Resident taxpayers: individuals having located in Georgia for 183 days or more in any continuous 12-month period ending in a taxable year	Income derived from Georgia is subject to tax. Taxable income includes dividends and interest, payments under insurance and pension contracts, royalties, rental income, income from the alienation of property, employment income and income from independent activities, including business income, inheritances and gifts	20%
		Non-resident taxpayers: individuals having located in Georgia for less than 183 days in any continuous 12-month period ending in a taxable year	Income derived from inside Georgia. Taxable income includes salaries for work and fees for services (including director's fees), dividends, interest and royalties, rental income from the letting out property in Georgia, income derived from immovable property located in Georgia	From 5% to 20% according to different income items, for example, 20% (salary income), 5% (dividends, interest and royalties), and 10% ( other types of Georgia-source income )

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3	VAT	Entities and individuals that sell or import goods, or provide services for consideration on the territory of Georgia	1. Domestic supply of goods and services undertaken in the course of economic activities and on the import of goods; 2. Certain services provided by a foreign company to a Georgian company or a fixed establishment located in Georgia are deemed to be provided in Georgia and are taxed by way of reverse charge. Such services include consulting, legal, accounting, engineering and data processing services.	18%
4	Excise Tax	Entities and individuals producing or importing taxable consumer goods in the territory of Georgia	Alcoholic drinks; Condensed natural gas, except for pipeline; Oil distillates; Goods produced from crude oil; Tobacco products; Automobiles	Excise tax rate varies from GEL 0.15 to GEL 400 for one unit
5	Tax on Import	Entities and individuals who import taxable goods in accordance with the provisions of the Tax Law	Goods with customs duty value that cross the economical borders of Georgia	0%, 5%, and 12%
6	Property tax on Land	Entities and individuals that own or have the right to use State-owned land	Agricultural land and non-agricultural land	1. Agricultural land: ranging from GEL 5 to GEL 100 per hectare and adjusted by a territorial coefficient of up to 150%, depending on the location; 2. Non-agricultural land: GEL 0.24 per square metre, which is further adjusted by a territorial coefficient not exceeding 150%

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7	Property Tax	Corporate Property Tax: resident and non-resident enterprises with taxable property located in Georgia; owners of land in Georgia and users of state-owned land in Georgia	Taxable property such as fixed assets (except for land) and investment property on the balance sheet, etc.	Not exceed 1%, and determined by the local government
		Individual Property Tax: resident and non-resident individuals who own taxable property located in Georgia	Taxable property such as immovable property, yachts, motor boats, airplanes, and helicopters, etc.	1. Taxpayers are subject to exemptions, or tax rates ranging from 0.05 % to 1 %, depending on the household's total annual taxable income; 2. Individual property used for business purposes is subject to a property tax of 1%, regardless of annual household income.
8	Resource Tax (Fee)	Individuals and entities (including branches of foreign companies) engaged in any activity requiring a licence for the use of State-owned natural resources other than land, and in the development of the forestry industry	Natural resources (such as minerals and timber) exploited by the taxpayer	The tax rate shall be determined according to the quantity of resources exploited.
9	Taxation of Gambling Businesses	Entities and individuals that conduct game of chance activities, betting activities, and other gambling businesses licensed or permitted under the laws of Georgia	Game of chance activities: the difference between the amount of total bets received from participants and the profits paid out to participants by such operator	15%
			Betting activities: the sum of all bets accepted	7%