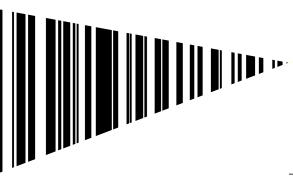
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Newsletter



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## **Human Capital News**

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 State Tax Service of Ukraine pronounced its position regarding taxation of income in the form of housing rented by employer and provided to its employees

A new clarification regarding taxation of income in the form of housing rented by an employer and provided to its employees became available in the Single Tax Knowledge Database. The tax authorities clarified that in case a legal entity rents accommodation for its employee and pays rental costs to the landlord; such income is considered as additional benefit for such employees and is subject to personal income tax.

Predictably, the tax authorities stick to a fiscal approach in this current ambiguous situation, though their treatment of the Tax Code's rules provisions remains not completely clear. Given this, as of now there is an open question regarding taxation of an accommodation owned by the employer and provided for employee's usage free of charge under condition, that such provision is related to the taxpayer's fulfillment of his/her labor functions, is prescribed by the employment agreement (contract) and/or a collective bargaining agreement or is required by the law with the establish limits.

We will continue monitoring changes in legislation and official clarifications from the tax authorities regarding personal income tax issues and will keep you updated accordingly.



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