

Appendix 2007

to October tax return

NEWS,
ADVICE
AND TIPS!

Three-month VAT reporting period

The Swedish Government has suggested that most companies should be allowed to report and pay VAT for periods that are 3 months in duration. It is suggested that this change shall be implemented as of 1 January 2008 for all companies that currently report monthly on a tax base estimated at a maximum of SEK 40 million per year.

Will I be able to report on three-month basis?

If approved by the Swedish Parliament, the Swedish Tax Agency will then change your return period to three calendar months as of 1 January 2008. This applies if you report and pay VAT no later than the 12th of the second month after the return period. In other words, the Swedish Tax Agency assumes that you will continue to report VAT on a monthly basis if you have voluntarily chosen to report VAT no later than the 26th of the month after the return period.

This change means that the return period will be 3 months for those who currently report VAT each month no later than the 12th of the second month after the return period. In March 2008, you will receive the tax return for VAT for the period January – March. The deadline for submitting the return and payment of VAT is May 12th. You will be sent return forms thereafter in June, September and December. Deadlines for VAT payment are August 17th, November 12th and February 12th.

You may request monthly reporting

You may continue to report VAT on a monthly basis by submitting a request to the Tax Agency. Under ordinary circumstances, a decision to allow monthly VAT reporting shall be valid for at least 24 months. You may request one of the following two methods for reporting VAT on a monthly basis.

Electronically

If your company is a sole proprietorship or if you are authorized to sign for a corporation, then you may request monthly VAT reporting at www.foretagsregistrering.se. You must also have e-legitimation. Choose “Ändra och avregistrera företagsuppgifter hos Skatteverket/Change and deregister company information at the Tax Agency”. It is suggested that VAT reporting on a three-month basis will be the general rule as of January 1st. Therefore, you should choose whether to report VAT either 26 or 42 days after the return period under the heading “Ange när moms ska redovisas/Specify when you will report VAT”. You must also state that the change will be valid as of 1 January 2008.

Send in the change request

You may also complete and submit the attached change request. “Ändringsanmälan/Change request form” (SKV 4639) is also available at www.skatteverket.se as a PDF document that can be filled out and submitted electronically. You will also find this form on the back of your certificate of incorporation (SKV 4621).

In order to continue reporting VAT on a monthly basis, you must fill in and submit the change request as illustrated in the picture below.

Send the completed change request form to:

Skatteverkets inläsningscentral
Enhet 4600
839 86 Östersund

Don't forget to provide your personal/corporate identity number.

Ansökan/Anmälan om ändrade momsuppgifter		Fr.o.m.	Momspliktig årsomsättning
Ny redovisningsperiod	<input checked="" type="checkbox"/> Varje månad <input type="checkbox"/> En gång om året	2008-01-01	

What is the deadline for submitting the change request form?

It is anticipated that the Parliament will not have a final decision regarding the three-month VAT reporting period before December. No changes will be made in the tax register until such rules come into

effect. However, the Tax Agency must nevertheless receive any requests for monthly VAT reporting no later than January 15th in order to provide you with the VAT return form for January 2008 on time. The deadline applies regardless of whether you submit the change request form electronically or via regular mail.

You may request VAT reporting on a three-month basis

Those who currently report VAT no later than the 26th of the month after the return period will not automatically be converted to reporting on a three-month basis. If your tax base is estimated at a maximum of SEK 40 million per year then you may request VAT reporting on a three-month basis. In order to convert to a three-month reporting period before the end of

the year, we must receive your request no later than December 10th. At present, the form does not contain a box that can be checked for a three-month reporting period. Therefore, you should write, "Request for VAT reporting on three-month basis" in the section "Övrig information/Other information" on this form. This may be handled in a similar fashion when submitting the request electronically at www.foretagsregistrering.se.

Summary

- The Government has suggested a three-month VAT reporting period as of January 2008.
- The Parliament is expected to decide on the issue in December.
- Once the new rules come into effect, the Tax Agency will automatically convert your reporting period to a three-month basis if you currently submit your return no later than the 12th of the second month after the return period.
- You may submit a request to continue reporting VAT on a monthly basis.
- You may submit a request for monthly VAT reporting electronically.
- You can check the box "Monthly VAT reporting" and send in the change request form.
- You must submit the request for monthly VAT reporting no later than January 15th.
- If you currently report VAT no later than the 26th of the month after the return period then you must submit a request no later than December 10th in order to report on a three-month basis.
- If your tax base is estimated at more than SEK 40 million per year then you are required to continue reporting VAT on a monthly basis.

Other suggested changes to rules on VAT reporting

Besides the three-month VAT reporting period, the Government has suggested a number of other changes to VAT reporting that would come into effect as of 1 January 2008. The Government hopes that such changes will bring about greater concordance with EC legislation. Furthermore, it is hoped that the changes will deter tax evasion and clarify rules thereby making them easier to apply.

The following list summarizes some of the suggested changes to the VAT law:

- Any VAT that is stated on an invoice, even though it is not considered to be VAT as per the VAT law, should be paid to the Government.
- VAT for “payments on account” and advance payments for building/construction services shall, according to VAT legislation, be reported as soon as the seller issues an invoice or no later than the time when payment is made. Therefore, those who provide such services may no longer issue advance invoices or “payments on account” without including VAT.
- VAT on anything other than advances or “payments on account” regarding building/construction services shall be invoiced and reported no later than the end of the second month following the month in which the services were provided. Goods that are sold by those who provide building/construction service shall be invoiced and reported in the same manner as services.
- The VAT law will make invoicing mandatory for those who sell building/construction services to private citizens.
- The VAT law concerning rules on providing certain propertyrelated services will be broadened to include services on rental apartments and condominiums (tenant-owned).
- The rules on what is considered to be a taxable event according to the VAT law will be adapted to achieve greater concordance with EC regulations. For example, the transfer of goods or acceptance of services would be a taxable event only when there is no compensation involved.
- The tax base for certain transactions between closely-related parties shall, under certain circumstances, be valued at the going market rate rather than being based on the actual compensation. The aim is to deter tax evasion via price setting of goods and services.
- The VAT law will provide a definition of the term “market value”.
- Those who purchase a good or service with reciprocal tax liability must be able to provide supporting documentation in the form of an invoice for any deductions that are made.
- A specific definition will be introduced regarding certain collector items that are not included as being tax-exempt. This applies to currency (bills and coins) that is also considered to be a valid means of payment. Such collector items include gold, silver or other metal coins or bills that are not typically used as a valid means of payment as well as coins of numismatic interest.
- A foreign company that is the buyer of a “cash-and-carry” item will no longer be required to pick up such item in Sweden in order to consider the sale as having been made abroad. If all of the other requirements regarding export sales are met then the buyer may pick up the good in a different EC country. This change has been suggested in order to achieve greater concordance between the Swedish VAT law and the EC directives regarding VAT.
- Deduction limitations related to concerts and other performances that receive public support and that have a 6% tax rate will be abolished.
- Certain changes will be made related to regulations on the export of goods. This includes, for example, the export of privately owned cars and motorcycles.
- Retailers may not apply profit margin taxation on the sale of any new means of transportation that the retailer purchased VAT-exempt from a different EC country.
- Private persons and others who are not VAT-registered shall pay VAT in Sweden whenever they purchase a new means of transportation (e.g., automobile, motorcycle, airplane or boat) in a different EC country. The requirement that the means of transportation shall be intended for regular use in Sweden will be abolished.

Please note that the items mentioned above are proposed changes that may still be revised. Some of the changes may not be implemented at all. You may read more about these proposals and any new revisions at www.skatteverket.se (Skatter/Mervärdesskatt).

Self-service round the clock

Website: skatteverket.se

Customer Service Line: **020-567 000**

Personal service

Tax-related information (local calls): **0771-567 567**

Calling from abroad: **+46 270 734 98**

Opening hours for tax information:
Monday–Thursday 8 AM to 7 PM, Friday 8 AM to 4 PM