

Serbia Amends Carbon Tax Laws: New State Aid Rules and Extended Filing Deadlines

The National Assembly of the Republic of Serbia recently amended two tax laws as part of broader public finance and tax reforms: the Greenhouse Gas Emissions Tax Act ("GHG Emissions Tax Act"); and the Carbon-Intensive Products Import Tax Act.



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The amendments entered into force on September 8, 2026.

The amendments to the GHG Emissions Tax Act primarily reflect recommendations from the Serbian State Aid Control Authority. In its Opinion of August 4, 2026, the Authority identified potential state aid implications in the existing tax credit provisions. It proposed changes to align those provisions with state aid control rules.

The amendments incorporate these recommendations. They expressly classify the tax credit as state aid and clarify the rules on eligible costs, cumulation and maximum aid intensity. They also introduce further eligibility restrictions and compliance obligations.

Meanwhile, amendments to both Acts postpone certain tax return filing deadlines. This gives the Tax Administration additional time to establish the technical and organizational arrangements for electronic filing.

Key Amendments

The GHG Emissions Tax Act has applied since January 2026. It aims to incorporate emissions costs into business operations and encourage investment in the green transition. The legislation also reflects the broader regulatory approach underpinning the EU Carbon Border Adjustment Mechanism (CBAM). CBAM entered its definitive phase on January 1, 2026.

The amendments align the tax credit framework with state aid control legislation. Although limited in scope, these changes have significant implications for taxpayers seeking to claim the credit. Taxpayers must now also comply with applicable state aid rules.

The four key changes to the GHG Emissions Tax Act are as follows:

1. Tax credit calculation base — The tax credit no longer depends on total investment expenditure. Instead, taxpayers must calculate it using eligible investment costs under state aid rules. Qualifying taxpayers may claim a credit equal to 20% of those

costs, subject to applicable state aid limits. The credit remains subject to a statutory ceiling of 80% of the calculated emissions tax liability.

Existing eligibility conditions also continue to apply. Taxpayers must have electricity generation as their registered principal activity. They must also have derived at least 80% of their total revenue from that activity in the preceding tax period.

Taxpayers must maintain records and supporting evidence of investments underlying their tax credit claims. They must retain this documentation until the applicable limitation period for assessing and collecting the relevant tax liability expires.

2. The tax credit constitutes state aid — The Act now expressly confirms that the tax credit constitutes state aid. Before claiming it, taxpayers must check whether they have already received other state aid or de minimis aid for the same investment. The aggregate support must not exceed the maximum permitted aid intensity.

Consequently, state aid limits may reduce the available credit below 20% of eligible costs, even where taxpayers have properly documented them.

Taxpayers must also submit a declaration with their tax return. The declaration must state whether they have previously received state aid or de minimis aid for the same investment.

3. Restrictions applicable to certain taxpayers — Under the amendments, the following taxpayers cannot claim the tax credit:

- a) Taxpayers subject to an order to repay state aid or de minimis aid; and
- b) Taxpayers that qualify as undertakings in difficulty under state aid rules, unless those rules expressly permit such aid.

4. Broader powers of the Government — The Government will specify the types, conditions and criteria for implementing emissions-reduction measures. It will also establish reporting requirements for completed measures.

The ministries responsible for environmental protection and mining and energy will propose these rules. Separately, the Minister of Finance will regulate the procedure for claiming the tax credit. This will include the form, content and maintenance of the required records.

Postponed Tax Return Filing Deadline

Both Acts also postpone certain tax return filing deadlines.

The postponement applies to tax periods ending on or before December 31, 2026, under both Acts. It also covers returns required when taxpayers cease the relevant activity by March 31, 2027.

In both cases, taxpayers must file their returns between April 1 and May 31, 2027. The changes address technical and organizational requirements for tax filing. They do not alter the substantive rules for determining tax liability.

Looking Ahead

Taxpayers and tax authorities will need to address practical questions concerning the new rules. These include substantiating eligible costs and applying the limits on cumulating different forms of state aid. Secondary legislation and the first tax returns should provide greater clarity. The State Aid Control Authority has also highlighted an additional requirement. The Government must notify the Authority of the implementing regulation under state aid control rules. Together with the statutory provisions, this regulation will form part of the applicable state aid scheme.