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## 2007 2009 Program On Development Of RA Tax System Approved.

Noyan Tapan

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YEREVAN, MAY 24, NOYAN TAPAN. At the May 24 sitting, the Armenian government approved the three-year program on development of the tax system of the RA in 2007-2009. The document was developed in line with Armenia's economic development and the reforms being implemented by the government in the tax system.

The program contains measures that ensure the fulfilment of obligations assumed by the state tax service (under various programs and towards international organizations) and have been developed taking into account the best international experience of recent years. These measures are aimed at improving the tax payer - tax body relations through introduction of a comprehensive self-assessment system in the tax field, updating information technologies, improving the legislation on tax administration, insuring a growth of taxes/GDP ratio.

Deputy head of the State Tax Service Armen Alaverdian told reporters after the sitting that the purpose of adopting this program is to have a medium-term strategical program for developing the tax system in line with the economic development of the country.

The program consists of five sections, the first one of which is related to the strategy of developing the self-assessment system of tax liabilities. Its objective is to introduce a comprehensive system of self-assessment in the tax field, as well as to update and later to automate the system of report development and presentation.

A. Alaverdian noted that the measures included in the section on ensuring taxes/GDP ratio growth are aimed at improving the mechanisms of taxation of profitable sectors, carrying out efficient work with big tax payers, reducing the shadow sector, as well as at development and introduction of mechanisms for VAT taxation of non-taxed sectors, including agriculture, starting from 2009.

He said that agricultural companies with a turnover of less than 8 mln drams (22.9 thousand USD) will not have to pay taxes. Besides, a differentiated approach will be shown to profitable branches, including production of eggs, poultry and fish, which will be taxed first of all. Only after this, in the words of A. Alaverdian, one can speak about taxation of big farms.

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