

## Seminar 13

### Theme: Types of taxes paid by pharmacy organizations under the general taxation regime

Questions discussed on the topic of the lesson:

1. Taxation regimes provided for by the tax code
2. Characteristics of value added tax
3. Excises
4. Corporate property tax
5. Income tax

A pharmacy enterprise is both a retail trade enterprise and an enterprise providing services to the population (for example, rental services for medical devices), and a manufacturing enterprise (a production pharmacy that manufactures medicines according to doctor's prescriptions).

The Tax Code provides for a general tax regime and special tax regimes.

**The general regime** involves the payment of a combination of taxes and fees:

- value added tax;
- excises;
- property tax;
- income tax.

#### Value added tax

**As taxpayers :**

- organizations;
- individual entrepreneurs

**As the object of taxation :**

- sale of goods (works, services)
- import of goods into the territory of the Russian Federation

**Not subject to taxation**

- medical products
- services of pharmacy organizations for the manufacture of medicines for medical use, as well as for the manufacture or repair of spectacle optics (except for sun protection), for the repair of hearing aids and prosthetic and orthopedic products

**The tax base** for the sale of goods (works, services) by a taxpayer is determined as the cost of these goods (works, services), calculated taking into account excises (for excisable goods) and without including tax in them.

**The tax period** is set as a quarter.

**Tax rate:**

0%;

10 %

- baby and diabetic food products;
- medicines, including pharmaceutical substances;
- medical products;

20 %.

**An invoice** is a document that serves as the basis for the buyer to accept the goods (works, services), property rights presented by the seller (including a commission agent, an agent

who sells goods (works, services), property rights on their own behalf) tax amounts for deduction.

In accordance with part 2 of the Tax Code of the Russian Federation, the following taxes and fees are typical for pharmacy enterprises:

- value added tax (VAT);
- excises;
- unified social tax;
- corporate income tax;
- property tax;
- transport tax;
- land tax.

Pharmacy is a tax agent:

- for personal income tax of its employees;
- for value added tax in accordance with paragraph 3 of Article 161 of the Tax Code of the Russian Federation, if it leases federal or municipal property;
- for income tax when paying dividends to legal entities.

Pharmacy organizations, with the exception of organizations that are entitled to exemption from taxpayer obligations in accordance with Article 145 of the Tax Code of the Russian Federation or have switched to a simplified taxation system, are payers of value added tax.

The object of taxation for industrial pharmacies operating under sales contracts are operations for the sale of goods - medicines, medical devices and other goods allowed for sale through pharmacy chains.

For pharmacies providing services (commission trade services, medical device rental services) - operations for the sale of services.

The moment of determining the tax base is fixed in the accounting policy of the enterprise (Article 167 of the Tax Code of the Russian Federation). In pharmacies, as for retailers, the moment of shipment coincides with the moment of payment, therefore, most often in the accounting policy, pharmacy enterprises approve for the purposes of taxation of personal income tax the date of the obligation to pay tax as the goods (services) are shipped.

Tax rates:

At a rate of 10%, in accordance with subparagraph 4 of paragraph 2 of Article 164 of the Tax Code of the Russian Federation, the following is subject to:

- sale of medicinal products, including medicinal substances, including in-pharmacy production;

- sale of medical products;
- sale of children's and dietary food products, goods for children, such as toys, diapers.

Some groups of goods and services that are sold through the pharmacy chain are exempt from tax in accordance with Article 149 of the Tax Code of the Russian Federation, these are:

- the most important and vital medical equipment
- prosthetic and orthopedic products, raw materials and materials for their manufacture and semi-finished products for them;
- technical means, including motor vehicles, materials that can be used exclusively for the prevention of disability or the rehabilitation of people with disabilities
- glasses (excluding sunglasses), lenses and spectacle frames (excluding sunglasses);
- services of pharmaceutical organizations for the manufacture of medicines.

In accordance with Article 156 of the Tax Code of the Russian Federation, services for the sale of the above goods under a commission agreement are also not subject to taxation. A commission agreement is an agreement on intermediary activities, in which the commission

agent must, for a fee, complete one or more transactions on behalf of the committent. Transactions can be aimed at both the sale of goods (works, services) and their acquisition.

Operations for the sale of goods and services listed above are not subject to taxation if the taxpayers carrying out these operations have appropriate licenses to carry out activities licensed in accordance with the legislation of the Russian Federation (clause 6 of Article 149 of the Tax Code of the Russian Federation).

A pharmacy may have problems with the tax authorities when applying for a value-added tax exemption on prosthetic and orthopedic products in the absence of a license to provide prosthetic and orthopedic care. In order to avoid such a conflict with an ambiguous outcome, it is necessary either to obtain a license for prosthetic and orthopedic activities, or not to apply the exemption from value added tax when selling prosthetic and orthopedic products.

The services of pharmacies for the manufacture of medicines for medical use, as well as the manufacture or repair of spectacle optics (except for sun protection), the repair of hearing aids and prosthetic and orthopedic products, services for the provision of prosthetic and orthopedic care are not subject to value added tax .

Organizations (pharmacies) must have a license and an agreement with legal entities (in particular, with hospitals) for the manufacture (intra-pharmacy manufacture) of medicines from the customer's raw materials.

When calculating value added tax to be paid to the budget, tax deductions should be taken into account.

Tax amounts presented to the taxpayer in respect of goods (works, services) are subject to deductions subject to the following 4 conditions:

- Goods must be credited, services rendered.
- Goods (services) must be paid for, and in settlement documents, value added tax must be highlighted as a separate line.
- Goods (services) are purchased to carry out transactions recognized as objects of taxation in accordance with Chapter 21 of the Tax Code of the Russian Federation.
- It is necessary to have correctly executed invoices issued by sellers of goods (services) with the allocation of the amount of value added tax in them.

If the purchased goods or services are used to sell goods that are not subject to taxation (for example, orthopedic items), then the tax amounts presented to the buyer when purchasing goods (services) are taken into account in the cost of such goods (services), incl. fixed assets and intangible assets (clause 2 of article 170 of the tax code of the Russian Federation).

Since pharmacies sell goods (services) both taxable and exempt from it, in accordance with paragraph 4 of Article 170 of the Tax Code of the Russian Federation, the amounts of tax presented by sellers of goods (services) are accepted for deduction or are taken into account in their cost in that proportion in which they are used for the sale of goods (services) subject to taxation and exempted from it.

The specified proportion is determined on the basis of the value of shipped goods (services), transactions for the sale of which are subject to taxation (exempted from taxation), in the total cost of goods (services) shipped during the tax period.

## **Excises**

### **Taxpayers**

- organizations;
- individual entrepreneurs.

### **The following are recognized as excisable goods:**

- ethyl alcohol produced from food or non-food raw materials ;
- alcohol-containing products (solutions, emulsions, suspensions and other products in liquid form) with a volume fraction of ethyl alcohol of more than 9 percent;
- medicines that have passed state registration;
- medicines (including homeopathic medicines) manufactured by pharmacies

according to prescriptions for medicines and the requirements of medical organizations;

- alcohol-containing perfumery and cosmetic products in metal aerosol packaging;
- alcohol-containing household chemicals in metal aerosol packaging;
- alcohol-containing perfumery and cosmetic products in a small capacity;
- veterinary drugs that have passed state registration, poured into containers of no

more than 100 ml .

**The object of taxation** is the sale on the territory of the Russian Federation by persons of excisable goods produced by them .

**The tax base** is determined separately for each type of excisable goods. The tax base for sale is determined as the volume of sold (transferred) excisable goods in physical terms.

**The tax period** is a calendar month.

**Tax rates** from January 1 to December 31, 2021 inclusive - 566 rubles per 1 liter of anhydrous ethyl alcohol contained in excisable goods.

### **Corporate property tax**

**Taxpayers** of the tax are Russian organizations, as well as foreign organizations that carry out activities and own real estate in the territory of the Russian Federation.

**The object of taxation** for Russian organizations is **movable and immovable property** accounted for on the balance sheet as **fixed assets** in accordance with the accounting procedure.

**The tax base** is determined by taxpayers independently as the average annual residual value of property recognized as an object of taxation.

The amount of tax is calculated as the product of **the tax rate of 2.2%**. and the average annual value of the property.

**The tax period** is a calendar year.

**Reporting periods** are the first quarter, six months and nine months of the calendar year.

### **Income tax**

**As taxpayers :**

- Russian organizations;
- foreign organizations operating in the Russian Federation and receiving income

**The object of taxation** is the profit received by the taxpayer.

**The tax base** is the monetary expression of profit.

**The tax rate** is set at 20 percent.

• the amount of tax calculated at a tax rate of 2 percent is credited to the federal budget;

- the amount of tax calculated at the tax rate of 18 percent.

**The tax period** for tax is a calendar year.

The first quarter, six months and nine months of a calendar year are recognized as **tax reporting periods** .