



## Contents

- Requesting Information by the Tax Authority
- Exemption from Personal Income Taxation
- Determination of excise tax rates.

## Amendment to the Law

### Requesting Information by the Tax Authority

On 6 April 2026, Law №1456-V86-XI83 on amendments to the Tax Code of Georgia was published. As a result, the scope of information requested by the tax authority within the framework of a tax audit was updated.

According to the implemented amendment, a new paragraph 3<sup>7</sup> has been added to Article 70 of GTC, under which, during a tax audit of taxpayer or on the basis of a request from a competent (authorized) body of another state in accordance with an international agreement of Georgia, the tax authority is authorized to request from a factoring company and a factoring platform confidential information about a person as specified by Article 52<sup>8</sup> of the Organic Law of Georgia “On the National Bank of Georgia” (including information on the sources of capital of the factoring company or factoring platform as well as the direct owners and beneficial owners of significant shares thereof, including the origin of property and/or funds).

In turn, according to the Law of Georgia “On Factoring,” a factoring company and a factoring platform are legal entities established in the form of a limited liability company or a joint-stock company and registered by the National Bank of Georgia, which carry out activities defined by this law (with the exception of commercial banks and microbanks licensed by the National Bank of Georgia and registered microfinance organizations, which are authorized to conduct factoring activities in accordance with legislation of Georgia).

**The amendment came into force from 1 January 2027**

### Exemption from Personal Income Taxation

On April 1, 2026, Law №1475-V86-XI83 on Amendments to the Tax Code of Georgia was published. As a result, the types of income received by a natural person that are exempt from personal income taxation have been updated.

According to the amendment, a new subparagraph J<sup>1</sup> was added to the 1<sup>st</sup> part of Article 82 of GTC, under which, until April 1, 2030, monetary compensation received by an individual (donor) for donating blood or a blood component is exempt from personal income taxation.

**The amendment came into force from April 2, 2026**

### Determination of excise tax rates

On April 1, 2026, Law №1477-V86-XI83 on Amendments to the Tax Code of Georgia was published. As a result, the rule for determining the amount subject to excise tax for passenger vehicles was updated.

According to the amendment, new paragraphs 12-18 were added to Article 188 of GTC, under which passenger vehicles specified in code 8703 of the National Commodity Nomenclature of Foreign Economic Activities shall be subject to excise tax at the following rates:

- The excise tax rate for passenger vehicles aged from 0 to 6 years is GEL 1.50 per 1 cm<sup>3</sup> of engine capacity, while before the change, the excise tax rate for cars of this age ranged from 0.8 GEL to 1.5 GEL per 1 cm<sup>3</sup> of engine capacity.
- The excise tax rate for passenger vehicles older than 6 years, the excise rate is GEL 4.50 per 1 cm<sup>3</sup> of engine capacity, while under the existing norms before the change, the excise tax rate for cars over 6 years old ranged from 0.8 GEL to 2.4 GEL per 1 cm<sup>3</sup> of engine capacity, depending on the specific age.

For electric passenger cars with right-hand drive or with the steering wheel relocated, the excise rate has been set at a fixed 3,000 GEL.

The amendment also defines the rule for calculating the age of a passenger vehicle, specifically, in the case of import of a passenger car (except for sports-purpose vehicles), the age shall be calculated as the difference between the year of registration of the customs declaration and the year the passenger car was manufactured.

It should be emphasized that cases have also been defined where, upon the import of passenger cars specified under the code 8703 of the National Commodity Nomenclature of Foreign Economic Activities, the excise tax payable shall be calculated based on the excise rates in force prior to the enactment of this amendment, specifically if:

- The vehicle was registered/recorded in the automated database of the Ministry of Internal Affairs of Georgia, or the certificate of registration of goods and the transport vehicle / railway electronic registration certificate was issued before April 2, 2026;
- The transportation of the vehicle started before April 2, 2026, as confirmed by a bill of lading indicating the date the vehicle was received on board by the sea carrier, or by a document issued by the sea carrier confirming that the vehicle was loaded into into a sea container before April 2, 2026 and/or receipt at the seaport of departure before April 2, 2026, and indicating, among other data, the container number and the vehicle identification number (VIN);
- The transportation of the vehicle by road or rail began before April 2, 2026, as evidenced by the relevant transport document (in the case of road transport - the consignment note (CMR) confirming the conclusion of an international road transport contract) or another document issued by the carrier confirming that the vehicle/cargo was received/loaded for transportation before April 2, 2026, which indicates the vehicle identification number (VIN/chassis number) and/or other identifying data; provided that the vehicle was registered/recorded in the automated database of the Ministry of Internal Affairs of Georgia or the goods and vehicle registration certificate/railway electronic registration certificate was issued for the transporting vehicle before July 1, 2026.
- The transportation of the vehicle under its own power began before April 2, 2026, as confirmed by a transaction/invoice/vehicle registration certificate or an extract therefrom issued before April 2, 2026, indicating identifying data of the vehicle and its owner (purchaser); provided that the vehicle was registered/recorded in the automated database of the Ministry of Internal Affairs of Georgia or the goods and vehicle registration certificate/railway electronic registration certificate was issued for the transporting vehicle before July 1, 2026.

**The amendment came into force from April 2, 2026**

## AUTHOR'S COLUMN

This publication covers important new tax changes that business should take into consideration for their daily operations and governance.

The publication covers matters related to tax authority information requests, personal income tax exemptions, and the determination of excise rates.

Please contact BDO to discuss these matters in the context of your particular circumstances.

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