

TAX DEDUCTIONS AS AN INCENTIVE FOR GRADUATES TO SET UP THEIR OWN BUSINESS IN 2019 AND 2020

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Tax deductions given through the provisions of the Law on Individual Income Tax and the Law on Compulsory Social Insurance Contributions represent one of the stimulus for young people to start their own business, rather than waiting for `the perfect job` to appear. This paper looks at the tax deductions that will be applied in Serbia in the next two-year period, with emphasis on the types of businesses started in the previous year, and how advantageous tax deductions will be for newly established businesses in the future. The aim of the paper is to show how tax incentives (in accordance with the Serbian regulations) can be a `trigger` for venturing on the entrepreneurial path. Based on the method of analysis of the legislation, the synthesis of the obtained results, and the application of the analogy, the best industries in which to start a business and the benefits of tax deductions for a newly established business, are defined. The comparison between the businesses taking / not taking the advantages of tax deductions, provides the graduates with the opportunity to decide whether to start their own business or seek employment with another employer.

Key words: tax deductions, tax incentives, individual income tax, students, starting a business