



Addition No. 1, the 7th of March 2007

EC law analysis of the reference in the Swedish VAT act to the concept *näringsverksamhet* (business activity) in the Swedish income tax act for the purpose of determining the concept *yrkesmässig verksamhet* (taxable person) in the Swedish VAT act

On page 163 it's stated that the previous amount limit for applying a cash-basis-method ('binder-method') instead of continuous book-keeping was raised on the 1st of January 2007 from twenty 'basic amount' (Sw., '*prisbasbelopp*' – SEK 794,000 for 2006) to SEK 3,000,000, by *SFS 2006:874*. There's also noted that he who's allowed to use the 'binder-method' may, if the person in question apply for it in his 'general notice for registration of taxes and contributions', account VAT according to the modified cash-basis-method called 'the annual accounts-method' (Sw., '*bokslutsmetoden*'). It was stated in *SFS 2006:905* that he who accounts for output tax according to that method instead of the 'invoicing-method', which is the main rule, shall also account input tax for the accounting period during which payment has been made or at the latest for the accounting period during which the fiscal year ends. However, in the rules on entry into force it was stated that the new amount limit for 'the annual accounts-method' would come into force first on the day decided by the Government, where the input tax was concerned. Now the Government has decided, by *SFS 2007:42*, the day of entry into force in that respect to the 1st of March 2007.

07.03.2007 Björn Forssén

Best regards,

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