How is profit before depreciation calculated

Profit before depreciation is calculated by adding the amounts adjusted for taxation purposes to the taxable amount of the excess borrowing costs of taxable income and the adjusted depreciation and amortization amounts for taxation purposes. If there are no amounts adjusted for tax purposes, the accounting amounts shall be based on.

Pre-depreciation profit is excluding:

1. income exempt from income tax, including income on account of which the distributed profit is not taxed;
2. all the proceeds from the loan used to finance the entire long-term infrastructure project of public sector. (**Subsection 7 of § 54^2 of the Income Tax Act**)

Last updated on 08.01.2025