

10 Facts about Taxation in Poland

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1 Standard Corporate Income Tax (CIT): **19%**



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Withholding Tax Rate



- **19%** is levied on income from participation certificates, certain debentures, vouchers and investment coupons; and interest from bank deposits and current accounts in general

3 Standard VAT in Poland: **23%**



Reduced VAT

- reduced rate **8%**
- extra-reduced rate **5%**
- export of goods and services is zero rated
- Intra-Community supplies of goods are zero rated under certain conditions

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5 Personal Income Tax in Poland: **18%, 32%**



Social and Health contributions owed by Polish Employees: **22.71%**

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7 Social contributions owed by the Company: **19.21% - 22.41%**

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Tax losses



- when generated from business and other independent professional activities may only be set off against income derived from those types of activity
- losses that cannot be set off may be carried forward for max. 5 years (the loss can not be utilized more than 50% in a given year)
- losses of foreign permanent establishment (calculated based on Polish tax rules) may be offset against domestic profits unless, on the basis of an applicable double tax treaty, the exemption method applies for double tax relief

Transaction Tax (PCC)

Certain civil law transactions are subject to this tax in Poland, such as (but not limited to):

- sale of things or rights
- exchange of things or rights
- loan
- mortgage
- Articles of Association



The tax refers to non-professional transactions - when they fall under VAT the tax does not apply

Typically the tax is levied as percentage of the transaction's value - e.g. sale of real property or loan are taxed at 2%.

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Real estate tax



- general land tax: **PLN 0.62 / m²**
- building tax (business space): **PLN 17.31 / m²**
- tax for apartment space: **PLN 0.51 / m²**

These rates may be modified according to local conditions.

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www.accace.com

poland@accace.com