

## 12 COUNTRIES. 12 TAX SYSTEMS.

The year 2024 brings changes in the areas of taxes, duties and social contributions in all CEE and SEE countries. This special newsletter covers essential changes effective as of 2024.

TPA offers an overview of the most important tax innovations of 2024.



Albania  
Austria  
Bulgaria  
Croatia  
Czech Republic  
Hungary

Montenegro  
Poland  
Romania  
Slovakia  
Serbia  
Slovenia

## Croatia

### Local Taxes Act

- The income tax surtax is abolished.
- Tax on holiday homes is in the range from 0.60 to 5.00 euro/m<sup>2</sup>.
- Local self-government units stipulate the income tax rates for annual taxes, within the limits prescribed by law.

### Value Added Tax

- If the entrepreneur cannot collect part or all of the receivable for more than one year, they would be entitled to a refund.
- The threshold for registration in the VAT taxable person registry is increased to EUR 40,000.00.
- The taxpayers who realize the value of supplies of goods and services with VAT in the amount lower than EUR 110,000.00 in 2023 can decide until 15th January 2024 to submit an application for the taxation period from the first to the last day of the quarter.

### Personal Income Tax

- The amount of personal allowance is EUR 560.00.
- The amount of personal deduction for dependents and disability is increased by applying the coefficient to the basic personal deduction.
- The threshold for applying a higher rate of income tax over EUR 50,400.00 (EUR 4,200.00 per month).
- Surtax is abolished.
- Currently prescribed tax rates that are applied in the taxation of final income are increased from 10% to 12%, from 20% to 24% and from 30% to 36%.
- No income tax is paid for tips up to the prescribed amount; tips above the prescribed amount are taxed as final other income at the rate of 20% (tax calculation without contributions).

### Contributions

- Monthly basis for calculating contributions for the first pillar of pension insurance (MIO I) is reduced (for a gross salary up to 700.00 euros, the fixed allowance is 300.00 euros, and for salaries from 700.01 to 1,300.00 euros, the allowance is gradually reduced).
- The due date of the contribution obligation based on other activity is changed (from the date of submission of the tax return to the date of the last day of the deadline for submission of the tax return).

### Corporate Income Tax

- Payment of withholding tax for market research services, tax and business advisory services and audit services is abolished.
- From 1 January 2024, the obligation to pay corporate income tax shall be no later than the deadline for submitting the tax return – four months after the end of the period for which the corporate income tax is determined.