

## Value added tax legislative changes

### Introduction

On 25 March 2022, the Croatian Parliament unanimously voted to amend the Value Added Tax Act. The Act was published in the Official Gazette on 30 March 2022, and it entered into force on **1 April 2022**.

### Value Added Tax Act

The amendments prescribe a reduction of the VAT rate for certain goods and services.

The VAT rate for the following goods and services has been decreased from 25% to 5%:

- ▶ **sports and cultural events,**
- ▶ **butter and margarine.**

A reduced rate of 5% is applicable for the following goods and services (previously subject to a reduced rate of 13%):

- ▶ **baby food,**
- ▶ **edible oils and fats,**
- ▶ **live animals, fresh or chilled meat and edible slaughter products, fresh or chilled sausages, and similar meat products,**
- ▶ **live fish and fresh or chilled fish, crustaceans, molluscs, and other aquatic invertebrates,**

- ▶ **fresh or chilled vegetables, roots and tubers, fresh and dried fruits and nuts, fresh poultry eggs (in shell), seedlings and seeds, fertilizers and pesticides, animal feed,**
- ▶ **concert tickets.**

The VAT rate for the following goods and services is reduced from 25% to 13% for:

- ▶ **menstrual period products,**
- ▶ **supply of natural gas and heating from heating plants, including fees related thereto,**
- ▶ **firewood, pellets, briquettes, and wood chips.**

Exceptionally, the supply of natural gas, including fees related thereto, made in the period from **1 April 2022 to 31 March 2023**, is subject to a reduced rate of 5%.

### Amendments to the Bylaw on Value Added Tax

In addition to the amendments to the Value Added Tax Act, amendments were made to the Bylaw on Value Added Tax by the Ministry of Finance.

The amendments to the Bylaw are for the purpose of aligning with the amendments to the VAT Act with respect to reduced VAT rates.

The new amendments to the Bylaw are applied from **2 April 2022**.

