

Follow up on the tax reform expected to apply as of 1 January 2024

Below you can find a short reminder of the proposed changes in the tax legislation. Namely, on 14 July 2023, the first reading of the proposals of laws that are part of the 6th tax reform for 2024 was completed in the Croatian Parliament.

The final acts are yet to be voted. Below we present you a summary of the expected amendments.



Draft amendments to the Personal Income Tax Act and Contributions Act

- ▶ Increase of the personal allowance
- ▶ Determination of personal income tax rates by local self-government units
- ▶ Termination of the city surtax
- ▶ New tax treatment of tips
- ▶ Increase of the non-taxable amount of donations
- ▶ Equalizing of optional allocation of shares in a limited liability company with optional allocation of shares in a joint-stock company



Draft amendments to the Corporate Income Tax Act

- ▶ Increase in value for tax deductible depreciation
- ▶ Increase of the non-taxable amount of donations
- ▶ Introduction of a fixed date for the payment of Corporate Income Tax
- ▶ Termination of withholding tax on tax and business consulting and market research services



Draft amendments to the VAT Act

- ▶ Possibility of output VAT adjustments for bad debts



Draft amendments do other regulations:

- ▶ Fiscalization Act
- ▶ Financing of Local and Regional Self-government Units Act
- ▶ Local Tax Act
- ▶ Act of Administrative Cooperation in the Field of Taxation
- ▶ Act of Tax Consulting





Contact us

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Ernst & Young Advisory LLC
Radnička cesta 50, 10 000 Zagreb, Croatia
Tel: + 385 1 5800 800 | Fax: +385 1 5800 888
ey.com/hr_hr