

Retail Tax Act in Poland

August 2016

Summary

On 1 September 2016 the Retail Tax Act of 6 July 2016 enters into force. The Act is aimed to tax the retailers in Poland. According to the provisions of this Act, a progressive scale with two tax rates has been introduced.

Overview

Based on the Retail Tax Act, the retailers are to be taxed on the revenues achieved on retail sales, which should be understood as sales of goods to consumers for remuneration, in case an agreement is concluded on the business premises or away from business premises of the given taxpayer (in the meaning of Consumers' Rights Act). Thus, e-commerce sales should not be subject to this tax.

In this context, the services associated with retail sales should also be subject to taxation, unless they are recorded separately than the sale of goods.

The retail tax should be imposed on the excess of the above mentioned revenues over

the amount of PLN 17m (ca. EUR 3.9m), calculated in principal based on the turnover registered by the cash registers.

The amount of revenues subject to taxation shall not include the value added tax.

Tax rates and terms of payment

The retailers shall be obliged to submit tax returns, calculate and pay retail tax in the monthly settlement periods.

However, no tax return must be submitted in case the revenues in the given month do not exceed the value of PLN 17m.

The Act introduces two tax rates: 0.8% of the tax base for the given month, in the part not exceeding the amount of PLN 170m and 1.4% of the excess of the tax base, in the part

exceeding the amount of PLN 170m.

Exemptions

The Retail Tax Act includes certain exemptions from taxation, among others in respect of:

- energy, water, natural gas, heat supply to consumers made by network utilities
- supply of some fuels designated for heating fuel purposes
- supply of medicines, special purpose nutrition, reimbursed or partially-refunded medical products.

Effectiveness date

The Retail Tax Act enters into force on 1 September 2016. The first tax returns for September 2016 shall be submitted by the taxpayers till 25 October 2016.

Let's talk:

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