

NEW DRAFT OF RETAIL SALES TAX BILL

Last week the Finance Ministry ("FM") published a new draft of the Retail Sales Tax Bill. Below are the most important points of the new draft:

- The tax will be levied on revenue from retail sale of goods, i.e. sale of movables or parts thereof to consumers (natural persons not in business or VAT-exempt farmers).
- The tax will be payable by retail sellers, being entities which engage in retail sale as part of their business activities (the Bill is silent on joint taxation of retail chains, such as franchise chains).
- Net retail sales of up to PLN 17 million monthly will be free from the tax, and the tax will be payable on any amount by which monthly revenue exceeds that threshold (taxable base).
- The retail tax will be progressive with two rates:
 - 0.8% where the taxable base is between PLN 17 million and PLN 170 million,
 - 1.4% where the taxable base is above PLN 170 million.
- The retail sales tax will not be derecognised from deductible costs for income tax purposes.
- The tax will not apply to distance sales (e.g. via the internet).
- The tax will not be levied on sales of certain socially sensitive goods, such as water supplied by water companies, hard coal and other solid fuels, heating oils, reimbursable drugs.
- The persons liable to pay retail tax will have the following duties, which they must comply with by the 25th day of the month following that in which the tax became chargeable:
 - to file returns stating the amount of tax (the relevant form will be developed by the Finance Minister by way of a statutory instrument), except that this reporting duty will not apply to retail sellers whose monthly retail sales revenue is up to PLN 17 million;
 - to calculate the tax and pay it to the account of the relevant tax office.

The Bill provides that, once it is enacted into a law, it will enter into force 30 days after publication.

We will keep you up-to-date on any important developments in this legislation.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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