

PLANNED AMENDMENTS TO PIT ACT

This is to keep you up to date on the current work to amend the Personal Income Tax Act.

The planned amendments are as follows:

- 1) To provide support to employers who set up workplace crèches and nursery schools and employees whose children attend those facilities, such support to involve:
 - PIT exemption of employee benefits which the employer finances from:
 - the Company Social Fund (“CSF”), where the benefit involves attendance of the employee’s child at a nursery school (uncapped amount);
 - some other source than CSF, where the benefit involves attendance of the employee’s child at a crèche, a children’s club or a nursery school or where it involves a child care provided by a day care provider (up to amounts capped in the draft law).
 - Tax deductibility for the employer (with similar amendments planned for the CIT Act) of expenses incurred from a source other than CSF on:
 - establishment of a workplace facility;
 - operation of a workplace facility or co-financing of employee’s expenses involved in the child’s attendance at a care facility (including a workplace facility) – up to the amounts capped in the draft law.
- 2) To make provision for the disclosure by payers of information about interest payments made to or secured for their beneficial owners.
- 3) To make changes to the obligation to prepare transfer pricing documentation (for details, please see our Newsletter 32/2015).
- 4) To treat income earned by farmers from direct sales as income from other sources for the PIT Act purposes, and provide for its taxation with a single-rate tax on qualified income (*ryczałt od przychodów ewidencjonowanych*).

The law introducing amendments under point 4 above has been signed by the Polish President.

Draft law introducing amendments under point 1 was discussed by the Council of Ministers on 26 May 2015, whereas draft law to introduce amendments shown in points 2 and 3 has been published by the Government Legislation Centre in its Public Information Bulletin and is currently under review.

The planned effective date for the amendments is:

- 1 January 2016 for amendments shown in point 1, 3 and 4; and
- 31 December 2014 for amendments shown in point 2.

If this issue pertains to your business and you are interested in our assistance, please contact your account manager or our secretary’s office.

Doradztwo Podatkowe WTS&SAJA Sp. z o.o.

Delta Building, 4th floor
ul. Towarowa 35

61-896 Poznań

tel. (+48) 61 643 45 50

fax. (+48) 61 643 45 51

Warsaw Office

CENTRAL Tower, 22nd floor

Al. Jerozolimskie 81

02-001 Warszawa

This Newsletter provides general information and is designed to keep you up-to-date with changes in tax law, tax rulings and interpretations, case law development and interesting commentaries.

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