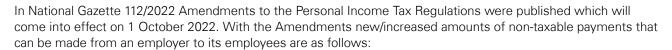


Amendments on Personal income tax Regulation

increase of non-taxable employment related receipt amounts from 1st October 2022

Tax Newsflash september 2022



Non-taxable payment	Amount until 30 September	Amount from 1 October 2022
Christmas bonus, holiday allowance	Up to HRK 3,000 per annum	Up to HRK 5,000 per annum
Rewards for working results, bonuses and similar	Up to HRK 5,000 per annum	Up to HRK 7,500 per annum
Gift to employee's child up to 15 years of age	Up to HRK 600 per annum	Up to HRK 1,000 per annum
Gift in kind	Up to HRK 600 per annum	Up to HRK 1,000 per annum
Cash lump-sum payment covering the costs of an employee's nutrition	Up to HRK 5,000 per annum	Up to HRK 6,000 per annum
Reimbursement for using private car for business purposes	HRK 2 per km	HRK 3 per km
Severance pay for retirement	Up to HRK 8,000 one-off	Up to HRK 10,000 one-off

This means that on the annual level, the employer can make the above listed payments as non-taxable up to prescribed new amounts. If some payments from the above list were already made during 2022, the difference between the amount already paid and new non-taxable amount can be paid by the end of 2022 as non-taxable.

From 1 January 2023 it is allowed to combine the cash lump-sum payment covering the costs of an employee's nutrition and the payment of employee's nutrition costs based on supporting documents on an annual basis, but on a monthly basis one excludes the other.

Action point:

Employers should consider payments in this calendar year to utilize the increased non-taxable amounts. These payments are at the employer's discretion.

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