



## POLAND - April 2018

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### **POLAND TO AMEND MINIMUM TAX ON COMMERCIAL PROPERTY ..... 1**

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#### **Poland To Amend Minimum Tax On Commercial Property**

Poland has announced amendments to the minimum tax on commercial property, which are designed to align the measure with European Union state aid rules and reduce opportunities for tax avoidance.

Introduced on January 1, 2018, the minimum tax applies to income from ownership of certain high-value fixed assets at a rate of 0.035 percent per month of the initial value of the asset that exceeds PLN10m (USD2.95m).

Under amendments to the corporate and personal income tax laws announced by the Ministry of Finance earlier this month, the tax will apply only to parts of a property that are subject to a lease or tenancy agreement, with vacant parts of properties to be removed from the scope of the tax.

However, the base of the minimum tax will be widened to include all buildings with the exception of those included in the Government's social housing program.

An additional change will mean that the PLN10m threshold would apply singly to the value of a property owner's portfolio, rather than on a per-building basis.

The amendment also includes measures allowing taxpayers to claim refunds for overpaid minimum tax, provided that the tax authority agrees with the owner's valuations.

Property transfers made with the sole intention of avoiding tax will be disregarded by the tax authority under a new anti-abuse rule.

According to the ministry, the amendment was drafted following consultations with European Commission officials.

"The aim of the proposed solutions is to tighten up legislation, which in consequence will lead to the efficient elimination of aggressive tax planning, while maintaining the rules on equal competition and in accordance with the state aid law," the ministry said.