



Comparison of tax systems in Poland, Northern Ireland and the Republic of Ireland



A stylized globe with latitude and longitude lines, surrounded by five stars of varying sizes, positioned in the upper left quadrant of the background.

*The Republic
of Ireland*

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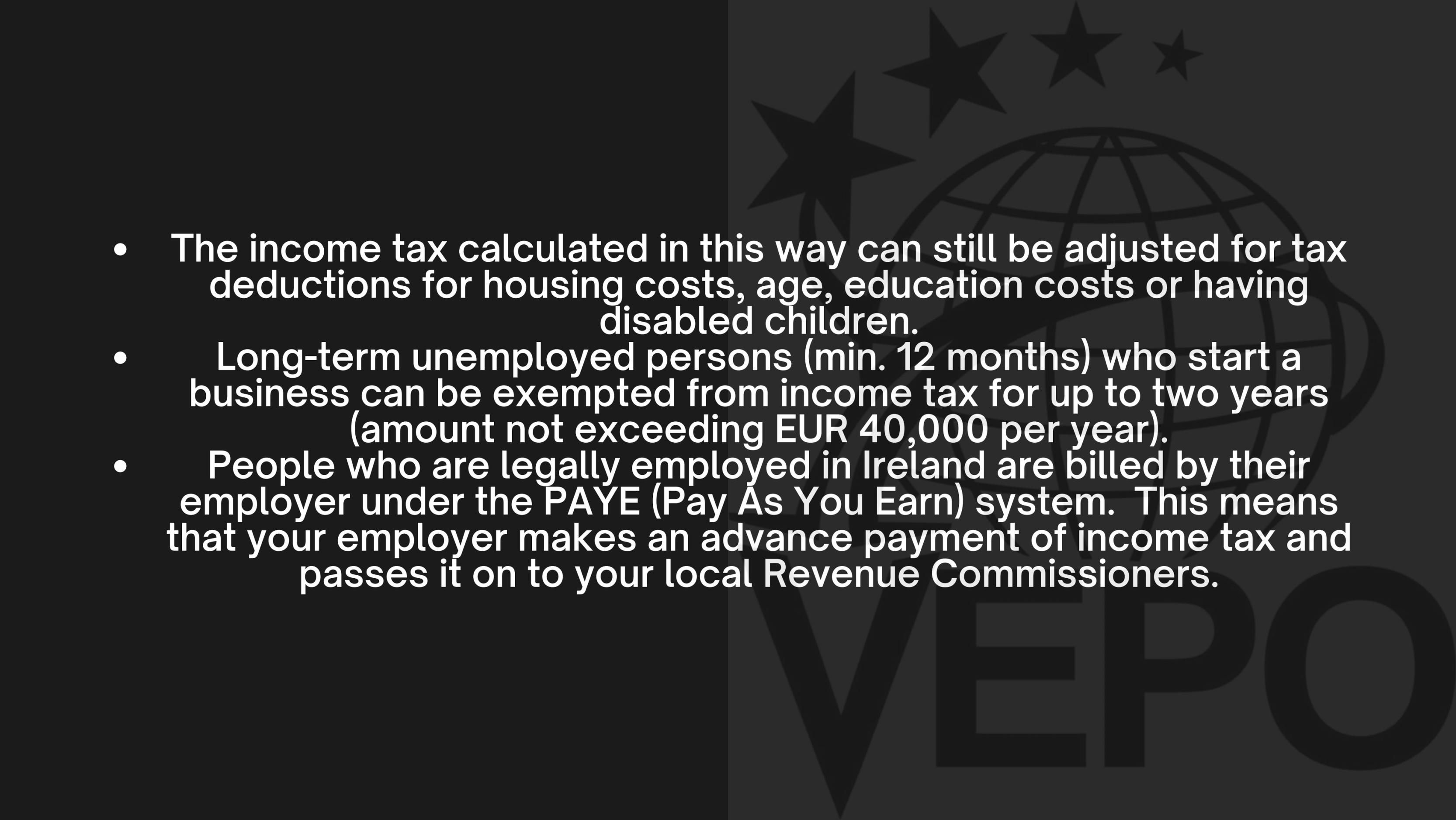
Types of tax in Ireland

- ***PIT*** - Personal Income Tax - the amount of which depends on the income earned by a taxpayer
- ***CIT*** - Corporate Income Tax - a tax on income from legal persons
- ***Capital Acquisitions Tax*** - inheritance and gift tax in Ireland
- ***Capital Gains Tax***
- ***VAT***- Value Added Tax
- ***Excise Duty***
- ***Dividend Withholding Tax***
- ***RCT*** – Relevant Contract Tax
- ***DIRT*** – Deposit Interest Retention Tax
- ***Stamp Duty***
- ***Universal Social Charge***

Personal Income Tax

Personal Income Tax (PIT) - there are 2 rates of PIT in Ireland 20% and 40%. Depending on the taxpayer's family situation, the following tax thresholds apply:

- Single person with no other dependents, has a free amount of 16.500 EUR, pays 20% tax on income between 16.500 and 33.800 EUR and 40% on the excess;
- Single person has free amount of 24.750 EUR, pays 20% tax on income between 24.750 and 37.800 EUR and 40% on the excess;
- Married couple in which 1 person earns an income has a free amount of 24.750 EUR, pays 20% tax on the income between 24.750 and 42.800 EUR and 40% on the excess;
- Married couple that both have an income with a free amount of 33.800 EUR, pay 20% tax on the income between 33.800 and 67.600 EUR and 40% on the excess

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- The income tax calculated in this way can still be adjusted for tax deductions for housing costs, age, education costs or having disabled children.
 - Long-term unemployed persons (min. 12 months) who start a business can be exempted from income tax for up to two years (amount not exceeding EUR 40,000 per year).
 - People who are legally employed in Ireland are billed by their employer under the PAYE (Pay As You Earn) system. This means that your employer makes an advance payment of income tax and passes it on to your local Revenue Commissioners.

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Corporate Income Tax - (CIT)

Corporate Income Tax (CIT) - the basic rate is 12.5%. The CIT rate increased to 25% applies to income generated from financial operations, e.g. profits from investments. Newly established companies may be exempted from the obligation to pay income tax for the period of 3 years, provided that their tax liabilities do not exceed EUR 40 thousand per year. The exemptions do not apply to service and resource extraction companies.

Value Added Tax

23% Standard rate

13.5% Reduced rate

9% Reduced rate

4.8% Super-reduced rate





Poland

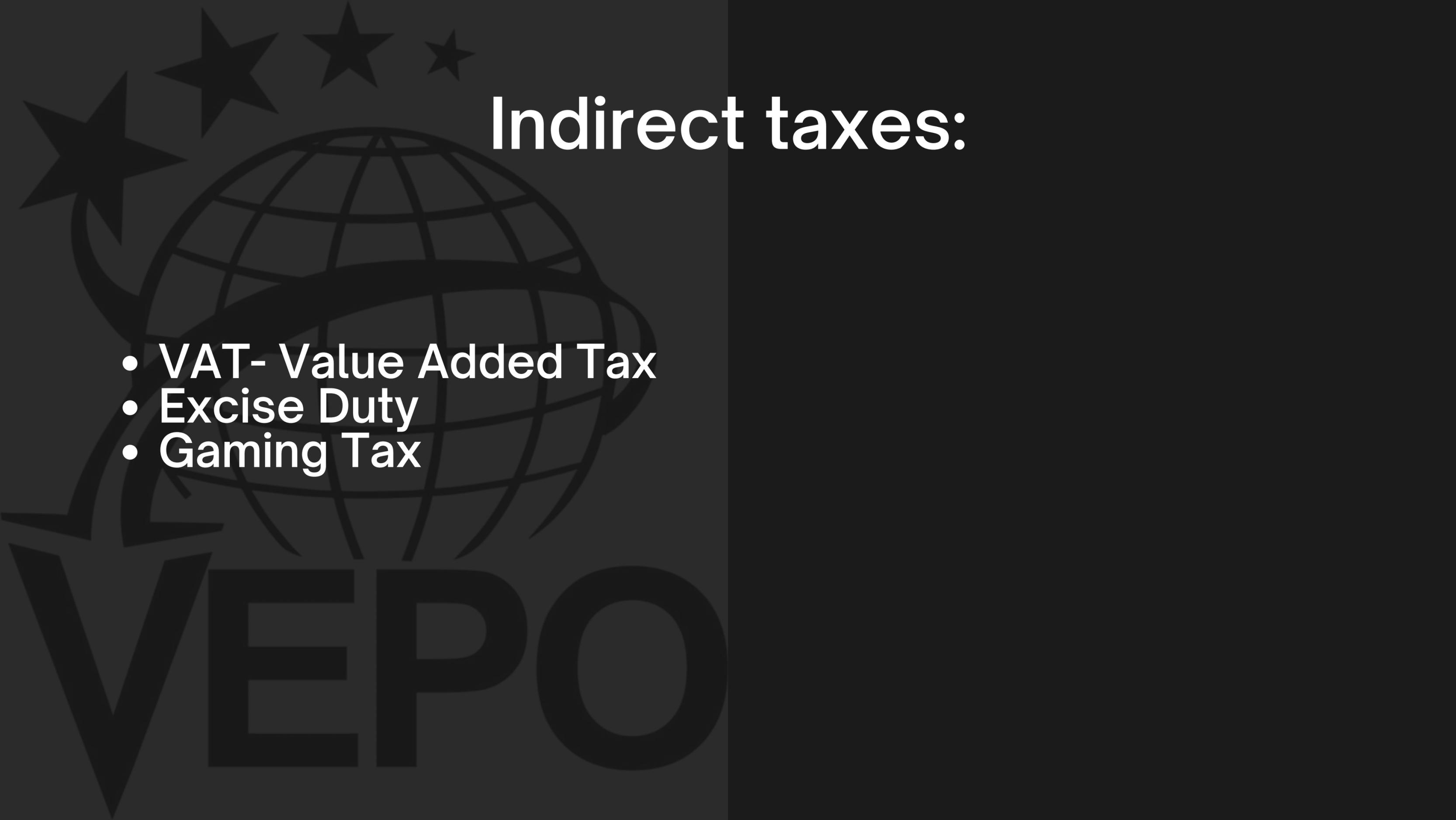
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Types of tax in Poland

Direct Taxes:

- PIT- Personal Income Tax
- CIT- Corporate Income Tax
- Inheritance and Donation Tax
- Tax on Civil Law Transactions
- Agricultural Tax
- Forestry Tax
- Property Tax
- Tax on Means of Transport
- Tonnage Tax
- Tax on the Extraction of Certain Minerals
- Flat-Rate Tax on the Value of Production Sold
- Tax on Certain Financial Institutions
- Retail Sales Tax
- Capital Gains Tax



Indirect taxes:

- VAT- Value Added Tax
- Excise Duty
- Gaming Tax

Personal Income Tax

This tax is classified as a direct tax because the subject of taxation is the natural person obtaining income and not the economic activity.

PIT based on the general rules, according to the tax scale, has rates of 17% up to the base amount of PLN 85,528 and 32% above that amount or 19% throughout the year.

Entities taxed with solidarity tax on income above PLN 1 million pay additional 4% tax.

The flat tax rate is 19% regardless of the value of income.

The flat tax on registered income has many different rates: 2%, 3%, 5%, 5%, 8.5%, 10%, 17%, 20%.

Taxation of profits from the sale of real estate: the tax rate is 19%.

For income from monetary capital the rate is also 19%.

Corporate Income Tax

Type of direct tax on income earned by legal persons.

The basic corporate income tax is 19%. There is also a preferential rate - 9% for small taxpayers and entities that have started business in a given year.

VAT- Value Added Tax

- 23% - this is the basic rate of VAT,
- 8% - reduced rate, e. g. construction and assembly works, repairs and maintenance works related to housing construction and accompanying infrastructure, residential buildings or parts thereof, excluding commercial premises, some catering services,
- 5% - reduced rate, e. g. agricultural products, livestock, books and specialist magazines,
- 0% - the rate for intra-Community supply of goods and export of goods.



Northern Ireland

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Personal Incomes Taxes Rates

0-12 570 GBP	0%
<50 270 GBP	20%
<150 000 GBP	40%
>150 000 GBP	45%

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Corporation Tax Rates

Corporation Tax - the equivalent of Polish CIT, paid in the UK by every legal entity running an active business.

19%

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