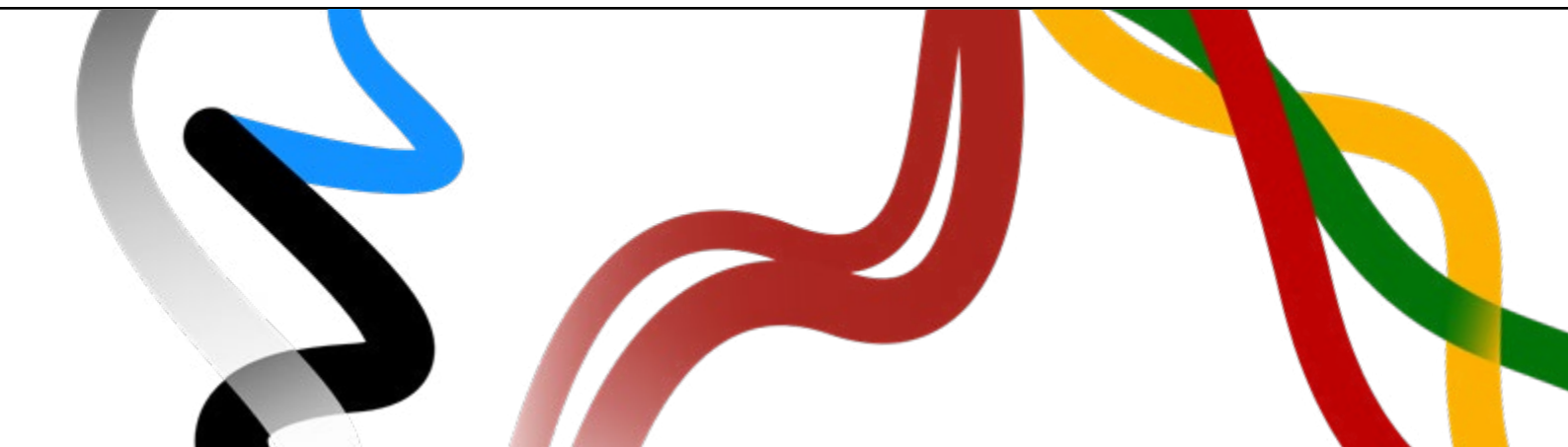


## DISCOVERING POTENTIAL

### 2022 | TAX TABLE – ESTONIA, LATVIA, LITHUANIA



	<i>ESTONIA</i>	<i>LATVIA</i>	<i>LITHUANIA</i>
PERSONAL INCOME TAX	20% for employment income and other type of income (including dividends, interest and capital gain)	<p>Progressive PIT system:</p> <ul style="list-style-type: none"> <li>- 20% up to annual income of 20,004 euro (gross)</li> <li>- 23% to annual income from 20,004 euro to 78,100 euro (gross)</li> <li>- 31% to annual income more than 78,100 euro (gross)</li> </ul> <p>20% on capital income (e.g., interest, capital gains, dividends)</p> <p>0% on dividends (if CIT or PIT applied abroad, or dividends distributed in Latvia from profit earned after 2018)</p> <p>10% on rent of real estate</p> <p>Royalties:</p> <ul style="list-style-type: none"> <li>- 25% to royalties that do not exceed 25,000 euro per annum</li> <li>- 40% to royalties that exceed 25,000 euro per annum (tax includes PIT and Social Security Contributions)</li> </ul>	<p>Employment income:</p> <ul style="list-style-type: none"> <li>- 20% up to annual income of 90,246 euro (gross)</li> <li>- 32% to annual income more than 90,246 euro (gross)</li> </ul> <p>Income from individual business activities – from 5% up to 15%</p> <p>Dividends – 15%</p> <p>Other income:</p> <ul style="list-style-type: none"> <li>- 15% up to annual income of 180,492 euro (gross)</li> <li>- 20% for annual income more than 180,492 euro (gross)</li> </ul>
CORPORATE INCOME TAX	The tax is levied at profit distribution at a rate of 20 / 80 of the net amount (20% of the gross amount). Retained earnings are not taxed until profit distributions are made	The tax is levied at profit distribution at a rate of 20 / 80 of the net amount (20% of the gross amount). Retained earnings are not taxed until profit distributions are made	<p>15%</p> <p>0% for the first year and 5% for the following periods for enterprises with fewer than 10 employees or less than 300,000 euro in gross annual revenues (if the certain conditions are met)</p>

	<i>ESTONIA</i>	<i>LATVIA</i>	<i>LITHUANIA</i>
CORPORATE INCOME TAX	Rate of 14 / 86 (14% of the gross amount) is levied on regular profit distribution. Dividends paid to natural persons are subject to additional 7% income tax (if dividends were taxed at the rate of 14%)		0% for the first 10 years from establishment and 7,5% for the 6 subsequent years for companies established in free economic zones when the capital investment has reached: <ul style="list-style-type: none"> <li>- 1 million euro; or</li> <li>- 100.000 and the average number of employees is no less than 20 and at least 75% of the annual income is received from the provision of services</li> </ul> 20% for profits of banks, exceeding the threshold of 2 million euro
VALUE ADDED TAX	20%  9% for: <ul style="list-style-type: none"> <li>- Books and workbooks used as learning materials</li> <li>- Medical products, medical devices for personal use of disabled persons, technical aid for the purpose of the Medical Devices Act</li> <li>- Periodic publications</li> <li>- Accommodation services</li> </ul>	21%  12% for: <ul style="list-style-type: none"> <li>- Particular pharmaceuticals and medical devices for disabled persons</li> <li>- Infant food</li> <li>- Domestic public transportation services</li> <li>- Supply of heating and gas to inhabitants</li> <li>- Accommodation services</li> </ul> 5% for supplies of certain fresh fruit, berries and vegetables typical to Latvia  5% for supply of books and publications in printed or electronic format, including online supplies or downloading , as well as for supplies and subscription fee of newspapers, magazines and other periodic publications (including online)	21%  9% for: <ul style="list-style-type: none"> <li>- Passenger transport services on regular routes</li> <li>- Books and non-periodic information publications</li> <li>- Specific accommodation services (until 31 December 2022)</li> <li>- Heating and hot water for residential premises</li> <li>- Firewood and wood products for heating supplied to household energy consumers</li> <li>- Catering services provided by restaurants, cafés and similar catering establishments and takeaway food (excluding alcoholic beverages) (until 31 December 2022)</li> <li>- The supply of all types of arts and cultural establishments, arts and cultural events, sporting events (until 31 December 2022)</li> <li>- Performance services supplied by performers (until 31 December 2022)</li> </ul> 5% for: <ul style="list-style-type: none"> <li>- Pharmaceuticals and medical aid under certain circumstances</li> <li>- Equipment for disabled persons' technical assistance and their repairs</li> <li>- Periodical publications (with some exceptions)</li> </ul>
SOCIAL SECURITY CONTRIBUTIONS	33% employers contribution  The rate of unemployment insurance premium for insured persons is 1,6% (employee's contribution)  The rate of unemployment insurance premium for employers is 0,8% (employer's contribution)  Payments of social insurance and payments in pension funds are applied also to self-employed persons	34,09% (23,59% the employer's contribution and 10,5% the employee's contribution)  31,07% for self-employed  Additional 10% for pension insurance by self-employed  Various other rates are applied to individuals with different statuses	19,50% employee's contribution (social insurance contributions of 12,52% and health insurance contributions of 6,98%)  1,79% employer's contribution (including 0,32% for the Guarantee Fund and the Long-Term Unemployment Fund)  19,50% rate of tax is also imposed on 90% of income earned by self-employed persons  Special rules and rates are applied for sportsmen, performers, persons working under authorship agreements, farmers, owners of individual enterprises, members of micro companies and partners of partnerships

	<i>ESTONIA</i>	<i>LATVIA</i>	<i>LITHUANIA</i>
SOLIDARITY TAX		25% to annual income exceeding 78,100 euro	
IMMOVABLE PROPERTY TAX	Does not apply	0.2% – 3% of cadastral value depending on the regulations of the municipality  If the municipality has not stipulated the tax rates, then depending on the cadastral value the tax is: 1,5% for land, certain buildings and engineering structures, 0,2% – 0,6% for dwellings	0.5% – 3% of the taxable value  For individuals – 0.5% – 2% of the taxable value; the real estate up to 150,000 euro is tax exempt
LAND TAX	0.1% - 2.5% of the assessed land value	0.2% - 3% of cadastral value or 1.5% if the municipality has not stipulated the tax rates  Additional 1.5% for unused agricultural land	0.1% – 4% of the taxable value  Lessors of the state land pay the land lease tax equal to 0.1% – 4% of its taxable value
WITHHOLDING TAX	Dividends: do not apply (profit distribution tax apply)	Dividends: do not apply (profit distribution tax applies);  20% for recipients in offshores	Dividends: 0% if the parent company holds at least 10% of shares for at least 12 months  15% in other cases
	Interest: 0% (except excessive amounts of interest)	20% for recipients in offshores	Interest: 0% if paid to the EEA residents and companies of countries with a Tax Treaty in force  0% on interest for securities issued by the Government on international financial markets, accrued and paid on deposits and on subordinated loans meeting the criteria set by the Bank of Lithuania  10% in other cases
	Royalties: 10% (unless a lower rate applies under a Tax Treaty or exemption applies for entities qualifying under Interest and Royalties Directive)	Royalties: 0% for companies  20% for recipients in offshores	Royalties: 0% if paid to entities qualifying under the Interest and Royalties Directive  10% in other cases (unless it is reduced by a Tax Treaty)
	Technical service fees: 10% if services rendered in Estonia and there is no Tax Treaty with the recipient country	Consultancy and management services: 20% (unless a lower rate applies based on Tax Treaty)	

	<i>ESTONIA</i>	<i>LATVIA</i>	<i>LITHUANIA</i>
WITHHOLDING TAX		Remuneration paid to non-residents for the alienation of immovable property in Latvia: 3% from the transaction value (later a tax adjustment can be performed by applying a 20% tax on profit)	Remuneration paid to non-residents for transfer or lease of immovable property located in Lithuania: 15%
		Income received by non-residents (legal persons) from renting out an immovable property in Latvia: 5% from the transaction value	Remuneration paid to non-residents for performing or sports activities performed in Lithuania: 15%
		Payments to recipients in offshores are subject to 20% withholding tax	Annual payments paid to non-residents as members of supervisory boards of the Lithuanian companies: 15%

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