

Cross-border commuters

Information about any specific rules that apply to cross-border commuters, working as employees or self-employed persons

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Taxation of income in Poland

You will pay a tax on income from employment in Poland if:

- you are a Polish tax resident,
- you are a non-resident and work in Poland for a Polish employer,
- you are a non-resident and work in Poland for a foreign employer who has a permanent establishment or a fixed place of business in Poland and bears the costs of your remuneration,
- you are a non-resident and work in Poland for a foreign employer who does not have a permanent establishment or a fixed place of business in Poland and you have spent more than 183 days in total in Poland.

Please note: If you work in Poland and reside in another country, check where you should pay taxes. To that end, read the double taxation agreement concluded between Poland and the country where you reside. This will allow you to avoid double taxation (in two different countries).

Work in Poland for a Polish employer

If you reside in another country but work in Poland for a Polish employer, then you declare your income for tax purposes in Poland. As a withholding agent, your employer withholds income tax and pays the amounts withheld to the revenue office every month. After the end of the fiscal year, the withholding agent submits information on revenues from other sources and on income and income tax withheld (PIT-11) to the revenue office. The employer is required to send such information to you as well.

The PIT-11 form contains the information you will need to correctly declare your income to the revenue office for tax purposes. On its basis, you will fill in a tax return for income earned during the fiscal year.

Work in Poland for a foreign employer who has a permanent establishment or a fixed place of business in Poland

If you reside in another country but work in Poland for a foreign employer who has a permanent establishment or a fixed place of business in Poland, then you declare your income for tax purposes in Poland. As a withholding agent, your employer withholds income tax and pays the amounts withheld to the revenue office every month. After the end of the fiscal year, the withholding agent submits information on revenues from other sources and on income and income tax withheld (PIT-11) to the revenue office. The employer is required to send such information to you as well.

The PIT-11 form contains the information you will need to correctly declare your income to the revenue office for tax purposes. On its basis, you will fill in a tax return for income earned during the fiscal year.

Work in Poland for a foreign employer who does not have a permanent establishment or a fixed place of business in Poland

If you reside in another country but work in Poland for a foreign employer who does not have a permanent establishment or a fixed place of business in Poland and you have spent more than 183 days in Poland in total*, then you declare your income for tax purposes in Poland. In such a case, you are required to pay the income tax to the revenue office by yourself.

Please note: You pay the first amount withheld when your stay in Poland exceeds 183 days.

When determining the amount of tax, you take into account the income earned since the beginning of the fiscal year, less the social insurance contributions paid, which are tax deductible in Poland. The amount of tax is calculated at the rate of 12% or 32%.

Important: monthly income is the revenue earned in one month, less monthly tax deductible expenses.

You pay the income tax to the revenue office monthly, to an individual tax micro-account. You should do this by the 20th day of the month following the month to which the amount withheld relates, and before the deadline for submitting the annual tax return for December.

Please note: You can check your tax micro-account online by using a generator or receive a generator at any revenue office.

Relief for young people

Your revenues from employment and contracts of mandate, the graduate and the student internship are exempt from tax if:

- you have not reached the age of 26, and
- they do not exceed PLN 85 528.

*during a fiscal year or each twelve-month period beginning or ending in the fiscal year concerned (in accordance with some double taxation agreements)

Earning income or revenues from economic activity carried out in Poland, including through a permanent establishment located in Poland

If you earn income or revenues from economic activity carried out in Poland, through a permanent establishment located in Poland, then you pay taxes in Poland.

The economic activity may be:

1. taxed according to the tax scale

In this case, you pay the tax at the rate of 12% and 32%.

The 12% rate is used if the tax base does not exceed PLN 120 000. The 32% rate is used if the tax base exceeds this amount. The tax 12% is additionally reduced by a degressive tax-reducing amount 3600 zł.

During the fiscal year, you pay the income tax to the revenue office. You should do this by the 20th day of the month following the month to which the income tax relates, e.g. you pay the income tax for May by 20 June.

After the end of the year, you submit the PIT-36 (or PIT-36S) tax return together with Annex PIT/B to the revenue office. You should do this between 15 February and 30 April.

2. subject to a uniform tax rate

In this case, you pay the tax at a single tax rate of 19%.

During the fiscal year, you pay the income tax withheld to the revenue office. You should do this by the 20th day of the month following the month to which the income tax relates, e.g. you pay the income tax for May by 20 June.

After the end of the year, you submit the PIT-36L (or PIT-36LS) tax return together with Annex PIT/B to the revenue office. You should do this between 15 February and 30 April.

If you wish to be taxed in this manner, you have to submit a written declaration to the revenue office or inform the revenue office accordingly under the Act on the Central Registration and Information on Business.

3. subject to a lump-sum tax

In this case, you pay the tax at the following rates: 17%, 15%, 8.5%, 12.5%, 12%, 10%, 5.5%, 3% or 2%. The rate depends on the type of your economic activity.

Please note: Not all types of activity may be subject to the lump-sum tax.

During the fiscal year, you pay the tax to the revenue office. You should do this by the 20th day of the month following the month to which the income tax withheld relates, e.g. you pay the income tax for May by 20 June. The lump-sum tax for December is paid before the deadline for submitting the annual tax return.

After the end of the year, you submit the PIT-28 (or PIT-28S) tax return together with Annex PIT-28/B to the revenue office. You should do this between 15 February and the end of February.

If you wish to be taxed in this manner, you have to submit a written declaration to the revenue office or inform the revenue office accordingly under the Act on the Central Registration and Information on Business.

4. subject to a fixed-amount tax

In this case, you pay the amount of tax determined in a decision issued by the revenue office.

If you wish to be taxed in this manner, you cannot carry out economic activity outside Poland. The list of activities subject to the fixed-amount tax is determined by statute.

Please note: Not all economic activities may be subject to the fixed-amount tax.

The rates of the fixed-amount tax are determined as fixed amounts and depend on, inter alia, the type and scope of economic activity, the number of employees and the number of inhabitants of the locality where the economic activity is carried out.

If you wish to be taxed in this manner, apply to the revenue office on the PIT-16/PIT-16S form.

The tax is paid by the 7th day of each month following the month to which the tax relates, and by 28 December of the fiscal year for December.

You do not have to submit a tax return after the end of the year.

However, if you paid a health insurance contribution which is tax deductible in Poland, you submit information on the amount of that contribution to the revenue office by 31 January of the following year. Use the PIT-16A form for this purpose.

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