

Details of the settlement of PIT-28 for 2023

You will find here detailed information on the settlement of PIT-28 for 2023 in the Your e-PIT service

 01.03.2024

Tax return correction

You should correct your tax return if:

- it includes accounting errors and obvious mistakes,
- you have completed it contrary to the requirements or it rises doubts whether the data it contains is correct.

The right to submit a corrected tax return:

- shall be suspended for the duration of a tax procedure or tax control – to the extent covered by this procedure or control,
- shall continue to appertain after the completion of:
 - tax control,
 - tax procedure – to the extent not covered by the decision specifying the tax liability amount.

If, in the course of the tax avoidance procedure, you are submitting a corrected tax return referred to in Article 81b(1a) and (1f) of the Tax Code, you should specify the reason for its submission.

Tax identifier

PESEL is entered by **natural persons** who **did not conduct** business activity or were not registered for VAT purposes.

Please remember!: If you are a foreign national and you are obliged to settle tax in Poland, you should, as a rule, enter your PESEL number.

NIP is entered by persons who conducted **business activity** or were registered for VAT purposes or were payers (of both social and health insurance premiums and tax, e.g. due to employing an employee).

Premiums

Social insurance premiums

Deduction from revenue is allowed for the following premiums referred to in the provisions of the Act of 13 October 1998 on the social insurance system:

- premiums deducted in the fiscal year by the tax remitter from the taxpayer's funds for old-age and disability insurance and sickness insurance, whereby in the case of taxpayers earning revenue from membership in an agricultural production cooperative or other cooperative engaged in agricultural production, only in the portion calculated on taxable revenue; the amount of premiums deducted by the tax remitter is shown in other tax returns,
- premiums paid in the fiscal year directly for the old-age, disability, sickness and accident insurance of the taxpayer and persons cooperating with the taxpayer, provided that these premiums were not previously recognized as tax-deductible expenses or deducted in other tax returns.

Premiums paid in the fiscal year from the taxpayer's funds for compulsory social insurance of the taxpayer or persons cooperating with the taxpayer are – in accordance with the provisions on compulsory social insurance in force in a Member State of the European Union or a country of the European Economic Area other than Poland or in the Swiss Confederation – deductible as well. For such premiums to be deducted, there must be legal grounds under the double taxation avoidance agreement or other ratified international agreements to which Poland is a party, for the tax authority to obtain tax information from the tax authority in the country where the taxpayer paid premiums for compulsory social insurance.

Social insurance premiums that are not deductible in PIT-28:

- premiums deducted from income taxed on the terms specified in Article 30c of the Personal Income Tax Act,
- premiums deducted from revenue under the provisions of the Personal Income Tax Act,
- premiums recognized as tax-deductible expenses,
- premiums refunded in any form to the taxpayer,
- premiums assessed based on revenue exempt from tax under the Personal Income Tax Act (including that exempt on account of return relief, relief for families 4+ and relief for working seniors) and premiums assessed based on income from which tax collection has been waived pursuant to the provisions of the Tax Code,
- premiums assessed based on income (revenue) exempt from tax under double taxation avoidance agreements to which Poland is a party.

The amount of expenses for social insurance premiums is determined based on documents confirming that they have been incurred.

The amounts of social insurance premiums denominated in foreign currencies are converted into PLN at the average exchange rate announced by the National Bank of Poland on the last business day preceding the day when the expense was made.

Note! No deduction is allowed in the case of premiums paid on revenue that is exempt from tax under Article 21(1)

- subparagraph 152 (return relief),
 - subparagraph 153 (relief for families 4+),
 - subparagraph 154 (relief for working seniors),
- of the Personal Income Tax Act.**

Health insurance premiums

Note: the deduction is available only to taxpayers conducting non-agricultural business activity. Since 2022, the health insurance premium has been settled according to the principle of source and form of taxation. This means that if you obtain revenue from business activity, you can settle in PIT-28 only premiums paid on business activity taxed in this form. If your revenue is taxed differently (e.g. a company subject to flat tax), you may not settle all health insurance premiums as you wish.

Entrepreneurs subject to lump-sum tax on recorded revenue may reduce their revenue from non-agricultural business activity for themselves and persons cooperating with them by 50% of health insurance premiums paid in the fiscal year, provided that these premiums have not been refunded to the taxpayer in any form.

Since 2022, the health insurance premium has been calculated based on the generated revenue, and the health insurance premium for the insured person has been 9% of the base for calculating the health insurance premium, i.e.:

1. an amount corresponding to 60% of the average monthly salary in the enterprise sector in the fourth quarter of the previous year, including distributions, if the revenue from business activity generated since the beginning of the calendar year did not exceed PLN 60,000;
2. the amount of the average monthly salary in the enterprise sector in the fourth quarter of the previous year, including distributions, if the revenue from business activity generated since the beginning of the calendar year exceeded PLN 60,000 and did not exceed PLN 300,000;
3. an amount corresponding to 180% of the average monthly salary in the enterprise sector in the fourth quarter of the previous year, including distributions, if the revenue from business activity generated since the beginning of the calendar year exceeded PLN 300,000.

Note! The information provided above does not reflect all the conditions for using the preferences discussed. Therefore, before taking advantage of the relief, read carefully the conditions that must be met in order for it to be used

Revenue earned in 2022 that is subject to lump-sum tax on recorded revenue

Revenue from business activity conducted in one's own name

In this section of the tax return, the taxpayer shows revenue and lump-sum tax due from their business activity for which taxation with lump-sum tax on recorded revenue has been chosen.

Lump-sum taxation of recorded revenue is available to natural persons who start their business activity in the fiscal year, do not pay fixed amount tax, and generate revenue from business activity, whose revenue in the previous fiscal year did not exceed the limit of EUR 2 million at the average EUR exchange rate announced by the National Bank of Poland on the first business day of October of the previous year.

If the business activity is conducted both as a sole proprietorship and in the form of a company, the limit of revenue for the previous year applies separately to each of these forms of activity. The fact that the limit of EUR 2 million was exceeded with respect to one form of business activity does not prevent the taxpayer from lump-sum taxation of recorded revenue generated as part of the other form of activity.

Certain types of activity have been excluded from lump-sum taxation of recorded revenue, thus lump-sum taxation **is not available to** individuals who:

- pay fixed amount tax in the same year;
- are temporarily exempt from income tax;
- generate all or part of their revenue from running a pharmacy;
- generate all or part of their revenue from the purchase and sale of foreign exchange;
- derive all or part of their revenue from trading in parts and accessories for motor vehicles;
- produce products subject to excise duty – except for the production of electricity from renewable energy sources.

Lump-sum taxation is not available to entrepreneurs who have carried out legal reorganization of their business and entrepreneurs providing services to a former employer.

You may reduce the revenue obtained by the reliefs and deductions you are entitled to.

Note! Revenue may not be reduced by tax-deductible expenses. As lump-sum tax applies to revenue, you may not reduce it by the expenses incurred to obtain this revenue.

The lump-sum tax rate depends on the type of revenue obtained and ranges from 2% to 17%.

The rate of lump-sum tax on recorded revenue is:

1. 17% in the case of revenue obtained as part of freelance professions.

Freelance activity is considered to be business activity conducted in person (i.e. without employing individuals performing activities related to the essence of a given profession under employment contracts, contracts of mandate, contracts for specific work and other contracts of a similar nature) by: translators, lawyers, notaries, legal advisors, statutory auditors, accountants, insurance agents, supplementary insurance agents, reinsurance brokers, insurance brokers, tax advisors, restructuring advisors, securities brokers, investment advisors, agents of investment companies, and patent attorneys.

2. 15% in the case of revenue obtained, among others, from the provision of the following services:

- reproduction of computer information media (PKWiU 18.20.30.0);
- intermediation in the sale of motorcycles as well as parts and accessories thereto (PKWiU 45.40.40.0);
- wholesale intermediation (PKWiU group 46.1);
- warehousing and storage of liquids and gases (PKWiU 52.10.12.0);
- warehousing and storage of goods in duty-free zones (PKWiU ex 52.10.19.0), parking zones (PKWiU 52.21.24.0), operation of the radio-taxi calling center (PKWiU ex 52.21.29.0), piloting in sea and coastal waters (PKWiU ex 52.22.13.0), piloting in inland waters (PKWiU ex 52.22.14.0);
- services related to the sale of advertising space in lists (e.g. address or telephone ones) (PKWiU 58.12.40.0);
- services related to sports, entertainment and recreation (PKWiU section 93);
- services related to culture and entertainment (PKWiU section 90);
- advertising services, market and public opinion research services (PKWiU section 73).

The above items are examples of services to which a 15% rate applies. The full list of services revenue from which is taxed at the 15% rate can be found in Article 12(1)(2) of the Act on flat-rate income tax.

3. 14% of revenue from the provision of the following services:

- services related to health care (PKWiU section 86);
- architectural and engineering services, technical research and analysis services (PKWiU section 71);
- services related to specialist design (PKWiU 74.1).

4. 12% of revenue from the provision of the following services:

- services related to the release of:
 - computer game packages (PKWiU ex 58.21.10.0), excluding the publishing of online computer games;
 - system software packages (PKWiU 58.29.1);
 - application software packages (PKWiU 58.29.2);
 - computer software downloaded from the Internet (PKWiU ex 58.29.3), excluding the downloading of online software;
- computer hardware consultancy services (PKWiU 62.02.10.0), software-related services (PKWiU ex 62.01.1), services included in the group "Computer software originals" (PKWiU 62.01.2), software consultancy services (PKWiU ex 62.02), software installation services (PKWiU ex 62.09.20.0), IT network and systems management services (PKWiU 62.03.1).

5. 10% of revenue from the provision of services in the field of purchase and sale of real estate on one's own account (PKWiU 68.10.1).

6. 8.5% of revenue up to PLN 100,000 and 12.5% of revenue from amounts exceeding PLN 100,000 on account of:

- revenue generated under ordinary lease, ordinary sublease, usufructuary sublease and similar contracts;

- provision of accommodation-related services (PKWiU section 55);
- provision of services related to the rental and handling of one's own or leased real estate (PKWiU 68.20.1);
- provision of research and development services (PKWiU section 72);
- rental and lease of passenger cars and vans without a driver (PKWiU 77.11.10.0), other motor vehicles (excluding motorcycles) without a driver (PKWiU 77.12.1), means of water transport without a crew (PKWiU 77.34.10.0), means of air transport without a crew (PKWiU 77.35.10.0), rail vehicles (without an operator) (PKWiU 77.39.11.0), containers (PKWiU 77.39.12.0), motorcycles, caravans and cars with living space without a driver (PKWiU 77.39.13.0), intellectual property and similar products, excluding works protected by copyright (PKWiU 77.40);
- provision of residential care services (PKWiU section 87).

The PLN 100,000 limit does not apply – exceptionally – to lease in 2023-2024 by spouses with tenancy by the entirety who have submitted a declaration on taxation of the total revenue by one of them. In this case, the limit for this spouse in PLN 200,000.

The above items are examples of activities to which the 8.5% rate applies; where the PLN 100,000 limit has been exceeded (in the case of ordinary lease agreements concluded by spouses – PLN 200,000) – the applicable rate is 12.5%. The full list of activities revenue from which is taxed at the rates of 8.5% and 12.5% can be found in Article 12(1)(4) of the Act on flat-rate income tax.

7. 8.5% for:

- revenue from the provision of services, including revenue from catering services consisting in the sale of beverages with an alcohol content over 1.5%, subject to points 1-4 and 6-8;
- revenue from the provision of services related to fire fighting and fire prevention (PKWiU 84.25.11.0);
- revenue from the provision of education services (PKWiU section 85);
- revenue from the provision of services related to the activities of libraries, archives and museums as well as other culture-related services (PKWiU section 91);
- revenue from the production of items (products) from material provided by the ordering party;
- commission obtained by the commission agent from sales under the commission contract;
- commission obtained by the press distributor under the press distribution contract.

Note! The above items are examples of activities to which the 8.5% rate applies. The full list of activities revenue from which is taxed at the 8.5% rate can be found in Article 12(1)(5) of the Act on flat-rate income tax.

8. 5.5% for:

- revenue from manufacturing activities, construction works or the transportation of cargo using road vehicles with a capacity of more than 2 tons;
- commission earned from commercial activities related to the sale of single public transport tickets, stamps for monthly tickets, postage stamps, tokens and magnetic cards for vending machines;
- revenue, among others, from the sale of certificates of origin received by entities producing electricity from renewable energy sources.

9. 3% for:

- catering services, except for revenue from the sale of beverages with an alcohol content over 1.5%;
- trade services, subject to services taxed at the rates of 17% and 15%;

- services related to animal production (PKWiU 01.62.10.0);
- the sale of assets used in business activity, even if they were withdrawn from this business activity before their sale – provided that the sale takes place within 6 years from the date of the asset's withdrawal from business activity.

The above items are examples of activities to which the 3% rate applies. The full list of activities revenue from which is taxed at the 3% rate can be found in Article 12(1)(7) of the Act on flat-rate income tax.

10. 2% for revenue from the sale of plant and animal products from one's own crops, breeding or rearing, processed otherwise than by using industrial methods.

If a taxpayer who is obliged to keep records of revenue conducts activity revenue from which is taxed at different rates, the lump-sum tax on recorded revenue is set at the rate appropriate for revenue from each type of activity, provided that the records of revenue are kept in a way that allows for determining the revenue from each type of activity.

Revenue from business activity conducted in the form of a company(-ies)

In this section of the tax return, the taxpayer shows revenue and lump-sum tax due from their business activity conducted in the form of a civil partnership/general partnership with natural persons being its sole partners.

Lump-sum taxation of recorded revenue is possible where revenue of the company (companies) in the previous fiscal year did not exceed the limit of EUR 2 million at the average EUR exchange rate announced by the National Bank of Poland on the first business day of October of the previous year.

If the business activity is conducted both as a sole proprietorship and in the form of a company, the limit of revenue for the previous year applies separately to each of these forms of activity. The fact that the limit of EUR 2 million was exceeded with respect to one form of business activity does not prevent the taxpayer from lump-sum taxation of recorded revenue generated as part of the other form of activity.

You may reduce the revenue obtained by the reliefs and deductions you are entitled to.

Note! Revenue may not be reduced by tax-deductible expenses. As lump-sum tax applies to revenue, you may not reduce it by the expenses incurred to obtain this revenue.

For lump-sum tax on recorded revenue to be applied to revenue obtained through a general or civil partnership, this form of taxation must be chosen by all partners thereof.

In the case of lump-sum tax on recorded revenue, the tax rate depends on the activity performed and ranges from 2% to 17%.

The rate of lump-sum tax on recorded revenue is:

1. 17% in the case of revenue obtained as part of freelance professions.
2. 15% in the case of revenue obtained, among others, from the provision of the following services:
 - reproduction of computer information media (PKWiU 18.20.30.0);
 - intermediation in the sale of motorcycles as well as parts and accessories thereto (PKWiU 45.40.40.0);

- wholesale intermediation (PKWiU group 46.1);
- warehousing and storage of liquids and gases (PKWiU 52.10.12.0);
- warehousing and storage of goods in duty-free zones (PKWiU ex 52.10.19.0), parking zones (PKWiU 52.21.24.0), operation of the radio-taxi calling center (PKWiU ex 52.21.29.0), piloting in sea and coastal waters (PKWiU ex 52.22.13.0), piloting in inland waters (PKWiU ex 52.22.14.0);
- services related to the sale of advertising space in lists (e.g. address or telephone ones) (PKWiU 58.12.40.0);
- services related to sports, entertainment and recreation (PKWiU section 93);
- services related to culture and entertainment (PKWiU section 90);
- advertising services, market and public opinion research services (PKWiU section 73).

The above items are examples of services to which the 15% rate applies. The full list of services revenue from which is taxed at the 15% rate can be found in Article 12(1)(2) of the Act on flat-rate income tax.

3. 14% of revenue from the provision of the following services:

- services related to health care (PKWiU section 86);
- architectural and engineering services, technical research and analysis services (PKWiU section 71);
- services related to specialist design (PKWiU 74.1).

4. 12% of revenue from the provision of the following services:

- services related to the release of:
 - computer game packages (PKWiU ex 58.21.10.0), excluding the publishing of online computer games;
 - system software packages (PKWiU 58.29.1);
 - application software packages (PKWiU 58.29.2);
 - computer software downloaded from the Internet (PKWiU ex 58.29.3), excluding the downloading of online software;
- computer hardware consultancy services (PKWiU 62.02.10.0), software-related services (PKWiU ex 62.01.1), services included in the group "Computer software originals" (PKWiU 62.01.2), software consultancy services (PKWiU ex 62.02), software installation services (PKWiU ex 62.09.20.0), IT network and systems management services (PKWiU 62.03.1).

5. 10% of revenue from the provision of services in the field of purchase and sale of real estate on one's own account (PKWiU 68.10.1).

6. 8.5% of revenue up to PLN 100,000 and 12.5% of revenue from amounts exceeding PLN 100,000 on account of:

- revenue generated under ordinary lease, ordinary sublease, usufructuary sublease and similar contracts;
- provision of accommodation-related services (PKWiU section 55);
- provision of services related to the rental and handling of one's own or leased real estate (PKWiU 68.20.1);
- provision of research and development services (PKWiU section 72);
- rental and lease of passenger cars and vans without a driver (PKWiU 77.11.10.0), other motor vehicles (excluding motorcycles) without a driver (PKWiU 77.12.1), means of water transport without a crew (PKWiU 77.34.10.0), means of air transport without a crew (PKWiU 77.35.10.0), rail vehicles (without an operator) (PKWiU 77.39.11.0), containers (PKWiU 77.39.12.0), motorcycles, caravans and cars with living space without a driver (PKWiU 77.39.13.0), intellectual property and similar products, excluding works protected by copyright (PKWiU 77.40);

- provision of residential care services (PKWiU section 87).

The above items are examples of activities to which the 8.5% rate applies; where the PLN 100,000 limit has been exceeded – the applicable rate is 12.5%. The full list of activities revenue from which is taxed at the rates of 8.5% and 12.5% can be found in Article 12(1)(4) of the Act on flat-rate income tax.

7. 8.5% for:

- revenue from the provision of services, including revenue from catering services consisting in the sale of beverages with an alcohol content over 1.5%, subject to points 1-4 and 6-8;
- revenue from the provision of services related to fire fighting and fire prevention (PKWiU 84.25.11.0);
- revenue from the provision of education services (PKWiU section 85);
- revenue from the provision of services related to the activities of libraries, archives and museums as well as other culture-related services (PKWiU section 91);
- revenue from the production of items (products) from material provided by the ordering party;
- commission obtained by the commission agent from sales under the commission contract;
- commission obtained by the press distributor under the press distribution contract.

Note! The above items are examples of activities to which the 8.5% rate applies. The full list of activities revenue from which is taxed at the 8.5% rate can be found in Article 12(1)(5) of the Act on flat-rate income tax.

8. 5.5% for:

- revenue from manufacturing activities, construction works or the transportation of cargo using road vehicles with a capacity of more than 2 tons;
- commission earned from commercial activities related to the sale of single public transport tickets, stamps for monthly tickets, postage stamps, tokens and magnetic cards for vending machines;
- revenue, among others, from the sale of certificates of origin received by entities producing electricity from renewable energy sources.

9. 3% for:

- catering services, except for revenue from the sale of beverages with an alcohol content over 1.5%;
- trade services, subject to services taxed at the rates of 17% and 15%;
- services related to animal production (PKWiU 01.62.10.0);
- the sale of assets used in business activity, even if they were withdrawn from this business activity before their sale – provided that the sale takes place within 6 years from the date of the asset's withdrawal from business activity.

The above items are examples of activities to which the 3% rate applies. The full list of activities revenue from which is taxed at the 3% rate can be found in Article 12(1)(7) of the Act on flat-rate income tax.

If you complete in the Your e-PIT service the fields regarding revenue from business activity conducted in the form of a company(s), appendix PIT-28/B will be automatically attached to your PIT-28 tax return.

Revenue from ordinary lease, usufructuary lease, usufructuary sublease or under other contracts of a similar nature

From 2023, revenue from ordinary lease and usufructuary lease obtained outside one's business activity may be subject only to lump-sum tax on recorded revenue.

In 2023, pursuant to Article 12(1)(4) of the Act on lump-sum tax, the rate of lump-sum tax on recorded revenue is 8.5% of revenue referred to in Article 6(1a), up to PLN 100,000. The lump-sum tax rate applicable to recorded revenue exceeding this amount is 12.5% of revenue.

The limit of PLN 100,000 applies to the entire calendar year and any real estate owned and let by the taxpayer, e.g. premises, land, apartments, buildings. It also covers all types of contracts – i.e. ordinary lease, ordinary sublease, usufructuary lease, usufructuary sublease and similar contracts.

The total revenue from all such contracts is taken into account.

For revenue obtained from 1 January 2023, a higher revenue limit – PLN 200,000 – at the 8.5% rate, applies only to spouses with tenancy by the entirety who have submitted a declaration on taxation of the total revenue by one of them.

Revenue from the sale of processed plant and animal products

Flat-rate income tax is also paid on revenue from the sale of plant and animal products processed otherwise than in industrial manner, with the exception of processed plant and animal products obtained as part of special branches of agricultural production and products subject to excise duty under other regulations, among others, if:

- the processing of plant and animal products and their sale does not involve employing individuals under employment contracts, contracts of mandate, contracts for specific work and other contracts of a similar nature, excluding the slaughter of slaughter animals and post-slaughter processing of these animals, including cutting, splitting and classification of meat, grain milling, oil or juice pressing as well as the sale thereof during exhibitions, festivals, fairs and shows,
- the quantity of plant or animal products from own farming, breeding or rearing, used for the production of a given product constitutes at least 50% of this product, excluding water,
- the taxpayer keeps a record of sales of plant and animal products, including at least: the number of the consecutive entry, date of revenue generation, revenue amount, cumulative revenue since the beginning of the year, and the quantity and type of processed products.

The limit of revenue from the sale of processed plant and animal products exempt from tax is PLN 100,000. This means that you will be obliged to tax such revenue only if your revenue from the sale of processed plant and animal products exceeds PLN 100,000 in a year. You may tax your revenue on general terms according to the tax scale or with 2% flat-rate income tax.

You have to communicate the choice of flat-rate tax to the competent head of the tax office, otherwise your revenue will have to be taxed on general terms.

Revenue determined by the tax authority

In this section of the tax return, revenue determined by the tax authority, i.e. the head of the tax office competent for the taxpayer's place of residence/business pursuant to Article 17 of the Act on flat-rate tax, is shown.

This provision stipulates that if the taxpayer fails to keep a record or keeps it contrary to the requirements for its recognition as evidence in tax procedures, as well as if the existence of the relations referred to in Article 23m(1)(5) of the Personal Income Tax Act is found, the tax authority will determine the value of non-recorded revenue, also in the form of an estimate, and will determine lump-sum tax on this amount at the rates that are five times the rates that would be applied to the revenue if it had been recorded. This lump-sum tax may not, however, be greater than 75% of the revenue.

Losses carried forward

A loss may reduce revenue obtained in the next five consecutive fiscal years, but the reduction amount in none of these years may exceed 50% of the loss amount.

The above rule for deducting losses is set out in Article 9(3) of the Personal Income Tax Act – with the wording in force until 31 December 2018 – and applies to losses incurred until the end of 2018.

Losses incurred after 31 December 2018 are deducted in accordance with different rules.

Pursuant to Article 9(3) of the Personal Income Tax Act – with the wording in force since 1 January 2019 – the taxpayer may use the amount of a loss from a source of revenue, incurred in the fiscal year, to:

- make a one-off reduction in the revenue obtained from this source in one of the next five consecutive fiscal years by an amount of up to PLN 5,000,000. The non-deducted amount is subject to settlement in the remaining years of this five-year period, but the reduction amount in none of these years may exceed 50% of this loss amount.

Your reliefs and deductions

Check what reliefs you are entitled to:

- return relief;
- relief for families 4+;
- relief for working seniors;
- relief for donations made;
- rehabilitation relief;
- Internet relief;
- thermal modernization relief;
- relief for refund of unduly received benefits;

- relief for payments to the individual pension security account (IKZE);
 - relief for trade unions;
 - relief for monuments; abolition relief;
 - relief for the purchase of a payment terminal; relief referred to in Article 21(6)-(13) of the Act;
 - relief for bad debts;
 - student relief;
 - relief for an employment support contract;
 - refund of unduly received benefits;
 - housing reliefs.
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Return relief

Return relief is a tax exemption effective from 1 January 2022, pursuant to Article 21(1)(152) of the Personal Income Tax Act. Its scope covers revenue from the following sources:

- public service relationship, employment relationship, outwork, cooperative employment relationship,
- contracts of mandate concluded "with the company",
- maternity allowance,
- non-agricultural business activity (taxed according to the tax scale, with flat tax or with lump-sum tax on revenue),

The exemption is available to taxpayers who have moved their place of residence to the territory of Poland, as a result of which they are subject to an unlimited tax obligation in Poland.

The amount of tax-exempt revenue under return relief is PLN 85,528 per annum. When determining the amount of revenue exempt from tax under the relief concerned, revenue subject to flat-rate income tax under the Personal Income Tax Act, revenue exempt from income tax, and revenue on which tax collection has been waived pursuant to the provisions of the Tax Code is not taken into account.

You may take advantage of this relief only if you meet all the following conditions:

- if you obtained revenue from specific sources (listed above),
- as a result of moving – after 31 December 2021 – your place of residence to the territory of Poland, you are subject to an unlimited tax obligation in Poland, and
- you did not have your place of residence in the territory of Poland during a period including:
 - three calendar years immediately preceding the year in which you moved your place of residence to the territory of Poland, and
 - time from the beginning of the year in which you moved your place of residence to the territory of Poland until the day preceding the day on which you moved your place of residence to the territory of Poland, and

- you have Polish citizenship, Pole's Card or citizenship of a Member State of the European Union or a country of the European Economic Area other than Poland or the Swiss Confederation, or
- you had your place of residence:
 - continuously for at least three years in a Member State of the European Union or a country belonging to the European Economic Area, the Swiss Confederation, Australia, the Republic of Chile, the State of Israel, Japan, Canada, the United Mexican States, New Zealand, the Republic of Korea, the United Kingdom of Great Britain and Northern Ireland or the United States of America, or
 - in the territory of Poland continuously for at least 5 calendar years preceding the three-year period, and
- you hold a residence certificate or other evidence documenting your place of residence for tax purposes during the period necessary to establish the right to this exemption, and
- you have not previously benefited, in whole or in part, from this exemption – if you move your place of residence to the territory of Poland for another time.

If you meet the conditions for taking advantage of this relief, remember that you may benefit from it for four consecutive fiscal years and it is up to you when you want to start taking advantage of the relief: from the year in which you moved your place of residence or from the beginning of the following year.

Relief for families 4+

Relief for families 4+ is a tax exemption effective from 1 January 2022, pursuant to Article 21(1)(153) of the Personal Income Tax Act.

Its scope covers revenue from the following sources:

- public service relationship, employment relationship, outwork, cooperative employment relationship,
- contracts of mandate concluded “with the company”,
- maternity allowance,
- **non-agricultural business activity** (taxed according to the tax scale or subject to flat tax or **lump-sum tax on recorded revenue**).

The amount of tax-exempt revenue under relief for families 4+ is PLN 85,528 per annum. When determining the amount of revenue exempt from tax under the relief concerned, revenue subject to flat-rate income tax under the Personal Income Tax Act, revenue exempt from income tax, and revenue on which tax collection has been waived pursuant to the provisions of the Tax Code is not taken into account.

The exemption applies if, in the fiscal year, you were responsible as a parent for at least 4 children, were a legal guardian of a child living with you or acted as a foster family under a court decision or an agreement concluded with the poviát governor, and in the case of grown-up learner children – you met the maintenance obligation incumbent on you or acted as a foster family.

Remember that when determining the right to the exemption, you may not take into account children who, under a court decision, have been placed in the fiscal year in an institution providing 24-hour maintenance within the meaning of the provisions on family benefits.

If you meet the conditions for taking advantage of this relief, you should communicate that in your tax return, indicating the number of children and their PESEL numbers in appendix PIT/O (in the absence of these numbers – the children's first names, surnames and dates of birth) and checking the boxes in the "Relief for families 4+" row.

If you do not submit a tax return (PIT-28, PIT-36, PIT-36L, PIT-37), you should communicate the application of relief for families 4+ in the prepared PIT-DZ.

You are entitled to this relief if you have children who are:

- minors,
- adults receiving an attendance allowance (benefit) or social pension,
- adults – studying at schools until they are 25 years old.

In the case of adult children, you are entitled to the relief concerned provided that the adult studying children:

- did not apply the provisions on 19% flat tax or the Act on flat-rate income tax, with the exception of the provisions on private lease, e.g.: in terms of revenue earned,
- were not subject to tonnage tax or the provisions of the Act on the activation of the shipbuilding industry and complementary industries,
- did not earn income taxable on general terms,
- did not earn income subject to 19% tax on capital gains pursuant to Article 30b of the Personal Income Tax Act, or revenue exempt from tax under youth relief or return relief, in the total amount exceeding PLN 19,061.28, with the exception of survivor's pension.

At the request of the tax authorities, you will be required to provide documents necessary to establish the right to the exemption, in particular:

1. a copy of the child's birth certificate;
2. a certificate of the family court on the appointment of the child's legal guardian;
3. a copy of the court decision on establishing a foster family or an agreement concluded between the foster family and the poviát governor;
4. a certificate confirming that an adult child attends school.

Relief for working seniors

Relief for working seniors is a tax exemption effective from 1 January 2022, pursuant to Article 21(1)(152) of the Personal Income Tax Act.

Its scope covers revenue from the following sources:

- public service relationship, employment relationship, outwork, cooperative employment relationship,

- contracts of mandate concluded “with the company”,
- maternity allowance,
- **non-agricultural business activity** (taxed according to the tax scale or subject to flat tax or **lump-sum tax on recorded revenue**).

The exemption is available to taxpayers who, despite reaching the common retirement age (60 years for women and 65 years for men), continue employment.

In order to take advantage of the relief concerned the taxpayer must be subject to social insurance on account of this revenue within the meaning of the Act of 13 October 1998 on the social insurance system and – despite the acquisition of this entitlement – they may not receive:

- old-age pension or survivor's pension referred to in the Act of 20 December 1990 on social insurance of farmers,
- old-age pension or survivor's pension referred to in the Act of 10 December 1993 on retirement benefits for professional soldiers and their families,
- old-age or survivor's pension referred to in the Act of 18 February 1994 on retirement benefits for officers of the Police, the Internal Security Agency, the Foreign Intelligence Agency, the Military Counterintelligence Service, the Military Intelligence Service, the Central Anti-Corruption Bureau, the Border Guard, the Marshal's Guard, the State Protection Service, the State Fire Service, the Customs and Tax Control Service and the Prison Service and their families,
- old-age pension or survivor's pension referred to in the Act of 17 December 1998 on old-age and disability pensions from the Social Insurance Fund,
- benefit referred to in Article 30(1)(4a), i.e. the cash benefit received by officers of uniformed services and soldiers in connection with having been released from permanent service under other regulations, for a period of one year on a monthly basis or for a period of one year once or on a monthly basis for a period of three months,
- retirement pay or family pay referred to in the Act of 27 July 2001 – Law on the System of Common Courts,
- cash benefit referred to in the Act of 8 February 2023 on cash benefits due to members of the families of officers or professional soldiers whose death occurred in connection with their service or taking action outside their service to save human life or health or property.

The amount of tax-exempt revenue under relief for working seniors is PLN 85,528 per annum. When determining the amount of revenue exempt from tax under the relief concerned, revenue subject to flat-rate income tax under the Personal Income Tax Act, revenue exempt from income tax, and revenue on which tax collection has been waived pursuant to the provisions of the Tax Code is not taken into account.

The taxable person may receive a foreign disability or old-age pension!

Note:

If you are entitled to several of the above-mentioned reliefs in one year, the sum of tax-exempt revenue may not exceed PLN 85,528 in a fiscal year.

None of the reliefs discussed above applies to revenue:

- subject to flat-rate income tax under the Personal Income Tax Act,

- exempt from income tax,
 - on which tax collection has been waived pursuant to the provisions of the Tax Code,
 - under cash benefits from social insurance (e.g. sick pay),
 - under contracts for specific work,
 - under copyright.
-

Rehabilitation relief

If you are a person with disabilities or a person sustaining dependent persons with disabilities, **you are entitled to deduct from your income expenses for rehabilitation and expenses for facilitating bodily functions** incurred in the fiscal year. Tax-deductible expenses include expenses for:

- adaptation and equipment of apartments and residential buildings to meet the needs resulting from disability,
- adaptation of motor vehicles to the needs resulting from disability,
- purchase, repair or rental of medical devices included in the list specified by the Minister of Health and equipment enabling their use as intended, with the exception of pull-up pants, anatomical diapers, absorbent panties, underlays and anatomical inserts,
- purchase, repair or rental of personal equipment, devices and tools necessary for rehabilitation and facilitating bodily functions, according to the needs resulting from disability, and equipment enabling their intended use, other than those included in the list of medical devices specified by the Minister of Health and household appliances,
- purchase of pull-up pants, anatomical diapers, absorbent panties, underlays and anatomical inserts for up to **PLN 2,280** in the fiscal year, provided that you have invoices confirming their purchase, the purchase of publications and training materials (aids), in accordance with the needs resulting from disability,
- payment for a stay at a rehabilitation camp,
- payment for a stay in a health resort treatment facility, medical rehabilitation facility, care and treatment facility, and nursing and care facility,
- payment for the stay of the carer of a person with disabilities qualified to disability group I or of children with disabilities up to 16 years of age, staying with a person with disabilities at a rehabilitation camp, in a health resort treatment facility or medical rehabilitation facility,
- payment for rehabilitation or therapeutic and rehabilitation treatment,
- payment for guides for the blind in the 1st or 2nd disability group and persons with motor disabilities in the 1st disability group, in an amount of up to **PLN 2,280** in the fiscal year,
- maintenance of an assistance dog referred to in the Act of 27 August 1997 on vocational and social rehabilitation and employment of people with disabilities, in an amount of up to **PLN 2,280** in the fiscal year,
- home nursing care for a disabled person in the period of a chronic disease that makes it impossible for them to move and care services provided to the disabled in the 1st disability group,
- payment for a sign language interpreter,
- camps for children and adolescents with disabilities and disabled persons' children under 25 years of age,

- medicines referred to in the Act – Pharmaceutical Law, in the amount being the difference between the expenses actually incurred in a given month and **PLN 100**, if a medical specialist determines that a person with disabilities should take certain medicines permanently or temporarily,
- chargeable transport:
 - a. of a person with disabilities – by a medical transport ambulance,
 - b. of a person with disabilities, included in the 1st or 2nd disability group, and of children with disabilities up to 16 years of age, also by means of transport other than a medical transport ambulance,
- use of a passenger car owned (jointly owned) by a person with disabilities or a taxpayer with a dependent disabled person or disabled child up to 16 years of age, in an amount of up to **PLN 2,280** in the fiscal year,
- chargeable travel by public transport related to a stay:
 1. at a rehabilitation camp,
 2. in a health resort treatment facility, medical rehabilitation facility, care and treatment facility, and nursing and care facility,
 3. at camps for children and adolescents with disabilities and disabled persons' children under 25 years of age,
 4. of the carer of a person with disabilities included in the 1st disability group or of children with disabilities up to 16 years of age, staying with a person with disabilities at a rehabilitation camp, in a health resort treatment facility or a medical rehabilitation facility.

The deduction does not apply to the aforementioned expenses that have been co-financed from a company fund for the rehabilitation of the disabled, a company activity fund, the State Fund for the Rehabilitation of the Disabled or the National Health Fund, a company social benefit fund, or have been refunded to you in any form. If the expenses were partially financed (co-financed) from these funds, the difference between the expenses incurred and the amount financed (co-financed) from these funds or refunded in any form may be deducted.

1. In order to be able to take advantage of the deduction of expenses under this relief, you must, as a rule, be in possession of documents confirming that they have been incurred as well as one of the following documents: a decision on the qualification by the evaluating bodies to one of the three degrees of disability, specified in other regulations,
2. a decision on granting disability pension due to total or partial inability to work, a training pension or a social pension,
3. a decision ascertaining the disability of a person who is under 16 years of age, issued under other provisions,
4. a disability certificate, issued by the competent authority under other provisions in force until 31 August 1997.

In the case of deductions limited to PLN 2,280 (for example, for the maintenance of an assistance dog, payment for a guide for a blind person included in the 1st or 2nd disability group), it is not required to have documents confirming their amount, however, at the request of the tax authorities, you have to provide evidence necessary to determine the entitlement to the deduction, in particular:

1. indicate the first name and surname of the persons paid for their assistance as a guide;
2. show a certificate confirming the assistance dog status.

You are entitled to rehabilitation relief also if you or your spouse sustain(s) persons with disabilities who in relation to you or your spouse are persons included in the 1st tax group within the meaning of the provisions of the Act on inheritance and donations (i.e. spouse, descendant, ascendant, stepchild, son-in-law, daughter-in-law, sibling, stepfather, stepmother, parents-in-law) or a child

fostered by you or your spouse, and the annual income of these persons with disabilities did not exceed PLN 19,061.28 in the fiscal year. The limit on the income of these persons does not include:

1. financial maintenance for children referred to in Article 6(4c) of the Personal Income Tax Act, having regard to Article 6(4e) of the PIT Act,
2. supplementary benefit referred to in Article 21(1)(100a) and the energy allowance referred to in Article 5c of the Energy Law Act,
3. inflation allowance referred to in Article 2(1) of the Act on inflation allowance,
4. coal allowance referred to in Article 2(1) of the Act on coal allowance,
5. allowance for households for the use of certain heat sources and an allowance for certain non-household entities for the use of certain heat sources referred to in Article 1(2) and (3) of the Act on special solutions regarding certain heat sources in connection with the situation on the fuel market,
6. electricity allowance referred to in Article 27 of the Act on special solutions to protect electricity consumers in 2023 in connection with the situation on the electricity market,
7. refund of the amount corresponding to VAT referred to in Article 18 of the Act of 15 December 2022 on special protection of certain consumers of gaseous fuels in 2023 in connection with the situation on the gas market,
8. attendance allowance granted under other regulations,
9. additional annual cash benefit for old-age and disability pensioners and another additional annual cash benefit for old-age and disability pensioners.

Internet relief

As part of this relief, you may deduct expenses for using the Internet incurred by you in the fiscal year, regardless of the place and form of its use e.g. at home (fixed connection, wireless connection, including via mobile devices) and in an internet cafe. You are entitled to the relief concerned if you have never taken advantage of this deduction or took advantage of this deduction for the first time in the previous year and are in possession of a document confirming that the expense on this account has been made (e.g. bank transfer, proof of payment, certificate). The deduction may be made in up to two consecutive fiscal years. The maximum deduction for the fiscal year may not exceed PLN 760.

Thermal modernization relief

This relief consists in deducting from revenue expenses incurred by you for the implementation of a thermal modernization project in a single-family residential building you are the owner or co-owner of.

A thermal modernization project may consist in:

- improvement that reduces the energy demand for heating domestic hot water and residential buildings;
- improvement resulting in a reduction in primary energy losses in local heating networks and local heat sources supplying these networks, if the residential buildings to which energy is supplied from these networks meet the energy saving requirements

specified in the provisions of the construction law, or measures have been taken to reduce the consumption of energy supplied to these buildings;

- making a technical connection to a centralized heat source in connection with the elimination of a local heat source, as a result of which the costs of generating heat supplied to residential buildings are reduced;
- complete or partial conversion of energy sources to renewable sources or the use of high-efficiency cogeneration.

Tax-deductible expenses include expenses that:

- are listed in the Appendix to the Regulation of the Minister of Investment and Development of 21 December 2018 on the list of types of building materials, devices and services related to the implementation of thermal modernization projects (Journal of Laws item 2489),
- relate to a thermal modernization project that will be completed within three consecutive years, counting from the end of the fiscal year in which you incurred the first expense,
- have been documented with an invoice issued by a VAT taxable person not exempt from this tax,
- have not been financed (co-financed) by the National Fund for Environmental Protection and Water Management or voivodeship funds for environmental protection and water management or refunded to you in any form,
- have not been recognized as tax-deductible expenses, deducted from revenue under the Act on flat-rate income tax on certain revenue earned by natural persons or you have not applied to them tax reliefs within the meaning of the Tax Code

If the expenses incurred were subject to VAT, the expense amount is understood as the expense plus this tax, provided that VAT has not been deducted pursuant to the Value Added Tax Act.

You should show the deduction in the tax return for the fiscal year in which the expense was incurred. The date of the invoice is considered the date of making the expense.

A deduction amount that was greater than your revenue for a given fiscal year is deductible in the next six years calculated from the end of the fiscal year in which you incurred the first expense.

A deduction amount may not exceed PLN 53,000 for all thermal modernization projects implemented in particular buildings you are the owner or co-owner of. If you fail to complete the project within the three-year period, you are obliged to return the relief. This means that you must add to your revenue for the fiscal year in which the three-year period expired the amounts previously deducted on this account.

If you are refunded the deducted expenses for the implementation of a thermal modernization project after the year in which you benefited from the relief, you must add the previously deducted amounts to the income in the tax return filed for the fiscal year in which you received the refund.

More information on thermal modernization relief can be found in the Explanations available at:

<https://www.gov.pl/web/finanse/objasnienia-podatkowe-z-30-marca-2023-r-dot-formy-wsparcia-przedsiwziecia-termomodernizacyjnego-w-podatku-dochodowym-od-osob-fizycznych>

Refund of unduly collected benefits

A refund of unduly collected benefits that previously increased taxable income (in amounts including tax), if these were not withheld by the tax remitter.

Taxpayers who in the years: 2018, 2019, 2020, 2021 or 2022 refunded unduly collected benefits and the amount of these refunds was not covered by their revenue for those years, have the right to deduct this amount from revenue earned in 2023. Refunds made in 2023 are deductible as well.

Payments to the individual pension security account (IKZE)

Payments made to the IKZE may not exceed the amount equivalent to 1.2 times (1.8 times in the case of persons conducting non-agricultural activity within the meaning of Article 8(6) of the Act of 13 October 1998 on the social insurance system) the forecast average monthly salary in the national economy for a given year specified in the Budget Act or the Provisional Budget Act or in drafts thereof, if the relevant acts have not been enacted. In 2023, this limit is PLN 8,322.

In the case of persons conducting business activity, the maximum limit of payments to IKZEs is higher and amounts to 1.8 times the average monthly salary, i.e. PLN 12,483 for 2023).

Refund of funds

Amounts refunded from the IKZE constitute revenue from other sources, taxed according to the tax scale. If you receive such revenue, you have to show it in the annual tax return.

If, in the period from 1 January 2012 to 31 December 2012, the saver transferred the funds accumulated in an individual retirement account (IKE) to an individual retirement savings account (IKZE), these funds are considered a payment to the IKZE. This contribution was deductible from income within the limit applicable in the fiscal year 2012. The excess over the deduction limit applicable in this year is deductible in the following years.

However, you must remember that during the period in which you deduct from income funds transferred from the IKE to the IKZE, you are not entitled to make payments to the IKZE

Relief for trade unions

For 2023, you may deduct from your revenue contributions paid to trade unions for membership therein.

If you make payments directly to the union's account, proof of payment is sufficient.

You may deduct on this account no more than PLN 840.

Relief for monuments

You are entitled to this relief if you are the owner or co-owner of an immovable monument and incurred in 2023 expenses for:

- the renovation fund of a housing community or housing cooperative established, pursuant to other regulations, for an immovable monument entered in the register of monuments or included in the record of monuments,
- conservation, restoration and construction works related to an immovable monument entered in the register of monuments.

If you made payments to the renovation fund and you are in possession of proof of payment or a confirmation of the amount of payments made in the fiscal year issued by the housing community or housing cooperative, you may deduct 50% of these expenses from your income.

In the case of conservation, restoration or construction works, besides being the owner or co-owner of the immovable monument at the time of incurring the expense, you must hold a permit of the voivodeship preservationist to carry out these works and be in possession of an invoice issued by a VAT taxable person that is not exempt from this tax.

Expenses for conservation, restoration and construction works related to an immovable monument may be deducted only after these works have been completed.

In order to apply the deduction you have to obtain a certificate from the voivodeship preservationist confirming the performance of conservation, restoration or construction works relating to an immovable monument entered in the register of monuments, included in the voivodeship or municipal record of monuments.

If your income amount is lower than the amount of the deduction to which you are entitled, you may deduct the amount that is not covered by your annual income within the next six years from the end of the fiscal year in which you made the first deduction.

Spouses with tenancy by the entirety may deduct the relief in equal parts or in any proportion they determine, regardless of whether the document confirming the expense has been issued for one or both of them.

If, after the fiscal year in which you made deductions, you receive a refund of previously deducted expenses, you are obliged to add them to your income for the fiscal year in which you received this refund.

Donations

You may deduct the following donations:

- for public benefit purposes,
- for religious worship purposes,
- blood donations,
- for the purpose of reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw,
- for vocational educations:
- donations made under other acts.

Donations for public benefit purposes

Donations may be deducted from the tax base for the purposes specified in the provisions of the Act of 24 April 2003 on public benefit and volunteer work. Their aim is, among others, to support families and people in a difficult life situation, charity and the disabled, protection and promotion of health or science, school and higher education. You may also deduct donations made in the period from 1 January 2023 to 31 December 2023 for purposes related to counteracting the effects of hostilities on the territory of Ukraine.

You may make a donation to:

- non-governmental organizations (e.g. foundations and associations) that are not entities of the public finance sector and do not operate for profit, and, among others, churches, associations of local government units or social cooperatives;
- equivalent organizations specified in the provisions regulating public benefit activities in force in a country of the European Union (EU) other than Poland or in another country of the European Economic Area (EEA, i.e. Iceland, Liechtenstein, Norway), carrying out public benefit activities in the area of public tasks and implementing specific goals.

You may deduct in your tax return the amount of a donation actually made, but no more than 6% of your income.

The 6% limit includes deductions of donations made for the purposes of public benefit activity, religious worship, honorary blood donation, vocational education, and the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw.

If the donation relates to goods subject to VAT, the amount of the donation is understood as the value of the goods plus VAT – in the part exceeding the amount of the input tax the taxpayer has the right to deduct in accordance with VAT provisions on account of this donation.

In the case of a donation to an organization specified in the regulations governing public benefit activities in a Member State of the European Union or a country of the European Economic Area other than Poland, the taxpayer is entitled to make a deduction provided that:

- the taxpayer provides a representation of this organization that as at the date of the donation, it was an organization equivalent to an organization operating under Polish provisions on public benefit activities and volunteer work, implementing specified goals,
- there are legal grounds under a double taxation avoidance agreement or other ratified international agreements to which Poland is a party, for the tax authority to obtain tax information from the tax authority in the country where the organization has its registered office.

Non-deductible donations:

- donations for the benefit of natural persons,
- donations for legal persons and organizational units without legal personality, conducting business activity consisting in the production of consumer electronics, fuel, tobacco, spirits, wine and beer, as well as other alcoholic products with an alcohol content above 1.5%, and products made of precious metals or including these metals, or trade in these products,
- donations returned in any form,

- donations deducted from revenue or income in another tax return (e.g. PIT-36).

A donation subject to deduction must be documented with:

- proof of payment to the donee's payment account or its bank account other than a payment account – in the case of a cash donation,
- proof of the donor's identification data and the value of the donation, along with the donee's representation on its acceptance – in the case of a non-monetary donation.

In PIT/O attached to the annual tax return, you should show the amount (value) of the donation made, the amount (value) of the donation deducted, and the donee's identification details.

Donations for religious worship purposes

You are entitled to deduct from your revenue donations for religious worship purposes.

The amount of a donation actually made is deductible up to 6% of the donor's revenue.

This limit includes deductions of donations for the purposes specified in the Public Benefit Activity Act, on account of honorary blood donation, for the purposes of vocational education, and the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw.

If the donation relates to goods subject to VAT, the amount of the donation is understood as the value of the goods plus VAT – in the part exceeding the amount of the input tax that the taxpayer has the right to deduct in accordance with the provisions of the Act on tax on goods and services on account of this donation.

No deduction is possible in the case of:

- donations for the benefit of natural persons,
- donations for legal persons and organizational units without legal personality, conducting business activity consisting in the production of consumer electronics, fuel, tobacco, spirits, wine and beer, as well as other alcoholic products with an alcohol content above 1.5%, and products made of precious metals or including these metals, or trade in these products,
- donations returned in any form,
- donations deducted from revenue or income in another tax return (e.g. PIT-36).

Amounts not deducted in the tax return due to insufficient revenue may not be deducted in subsequent years.

A donation must be documented with:

- proof of payment to the donee's payment account or its bank account other than a payment account – in the case of a cash donation,
- proof of the donor's identification data and the value of the donation, along with the donee's representation on its acceptance – in the case of a non-monetary donation.

In PIT/O (information on deductions) attached to the annual tax return, the taxable person should specify the amount (value) of the donation made, the amount (value) of the donation deducted, and the donee's identification data.

Blood donation

You are entitled to deduct from your revenue blood donations by honorary blood donors.

The relief is due under the Act on public blood service, in the amount of PLN 130 multiplied by liters of donated blood or its components.

You may deduct in your tax return the amount of a donation actually made, but no more than 6% of your income.

The 6% limit includes deductions of donations made for the purposes of public benefit activity, religious worship, honorary blood donation, vocational education, and the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw.

The amount of the donation should be documented with a certificate from the organizational unit implementing tasks in the area of blood donation. The certificate should specify the amount of blood or its components donated free of charge.

In PIT/O attached to the annual tax return, you should show the value of the donation made, the value of the donation deducted, and the data enabling the identification of the relevant organizational unit that performs tasks in the area of blood collection.

Donations for vocational education

If you earn revenue from non-agricultural business activity, you are entitled to deduct donations for vocational education made to:

- public schools providing vocational education,
- continuing education facilities and vocational training centers enabling the acquisition and supplementation of knowledge, skills and professional qualifications.

The donation may cover only teaching materials or fixed assets, provided they are complete and not older than 12 years.

You may deduct in your tax return the amount of a donation actually made, but no more than 6% of your revenue.

The 6% limit includes deductions of donations made for the purposes of public benefit activity, religious worship, honorary blood donation, vocational education, and the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw.

The donation amount is to be documented with proof of the donor's identification details and the value of the donation, along with the donee's representation on its acceptance.

Donations for the purpose of reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw

You are entitled to deduct from your revenue donations for the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw. The reconstruction is implemented by a Special Purpose Vehicle established by the State Treasury.

You may deduct in your tax return the amount of a donation actually made, but no more than 6% of your revenue.

The 6% limit includes deductions of donations made for the purposes of public benefit activity, religious worship, honorary blood donation, vocational education, and the reconstruction of the Saski Palace, Brühl Palace and tenement houses on Królewska Street in Warsaw.

Donations made under other acts

You are also entitled to deduct from your revenue donations under other acts.

These are donations to charity and care activities carried out by church, that are fully deductible (in the amount of the actually made donation).

The right to such deduction is provided for in acts regulating the relation of the state to particular churches, e.g. the Act of 17 May 1989 on the relation of the State to the Catholic Church in the Republic of Poland.

You may only deduct donations whose amount you are able to document with:

- proof of payment to the donee's payment account or its bank account other than a payment account – in the case of a cash donation,
- document indicating the donor's identification data and the value of the donation, along with the donee's representation on its acceptance – in the case of a non-monetary donation.

Note!

You should receive from the donee:

- confirmation of the receipt of the donation, and
- a report on the allocation of the donation to charity and care activities carried out by the church (within two years of the donation receipt).

Deduction referred to in Article 21(6)-(13) of the Act

The exemption applies to taxpayers who start business activity subject to flat-rate income tax for the first time, and is a kind of exemption from paying lump-sum tax in the first year of conducting this activity.

Payment of the lump-sum tax due for the year covered by this exemption – for non-agricultural business activity – is divided into five subsequent tax years immediately following the year in which the exemption was applied – in the amount of 20% of the lump-sum tax due shown in the tax return for the year covered by the exemption.

Relief for the purchase of a payment terminal

A deduction on this account is available to taxpayers conducting business activity taxed:

- on general terms according to the tax scale,
- on general terms, with flat tax,
- **with lump-sum tax on recorded revenue.**

The relief provides for deductibility from the tax base expenses incurred for:

- purchase of a payment terminal
- fee for renting or leasing a payment terminal or using a payment terminal under other similar agreement
- other expenses related to the handling of payment transactions using a payment terminal.

The amount of the relief is not the same for all taxpayers.

Taxpayers who are exempt under other regulations from the obligation to register revenue using cash registers are entitled to deduct from the tax base a maximum of PLN 2,500 in the fiscal year.

Other taxpayers entitled to this relief may deduct a maximum of PLN 1,000 from the tax base in one fiscal year.

As a rule, the taxpayer is entitled to the relief concerned for two fiscal years – in the fiscal year in which they started accepting payments using a payment terminal and in the next year.

However, a small taxpayer (in accordance with the provisions of the Personal Income Tax Act) who for at least 7 months or at least 2 quarters in the fiscal year (depending on the settlement method used) has the right to receive a VAT refund within 15 days from the expiry of the deadline for submitting the settlement, may, as the so-called non-cash taxpayer:

- deduct 200% of expenses incurred for the purchase of a payment terminal and fees related to the handling of payment transactions using a payment terminal, but no more than PLN 2,000 in a fiscal year,
- deduct the relief in each fiscal year in which they incurred expenses.

If the amount of the relief is higher than the annual income from business activity, the taxpayer may deduct the non-deducted expenses in returns for the six consecutive fiscal years immediately following the year in which these expenses were incurred.

The relief is not available to:

- taxpayers who have already deducted the same expenses in another tax return, or
- taxpayers whose expenses have been reimbursed in any form, or

- those who as taxpayers other than small taxpayers (while being so-called non-cash taxpayers) accepted payments using a payment terminal in the period of 12 months immediately preceding the month in which they resumed accepting payments using a payment terminal.

Note! The information provided above does not reflect all the conditions for using the preferences discussed. Therefore, before taking advantage of the relief, read carefully the conditions that must be met to use these preferences.

Abolition relief

You may reduce your income tax by deducting the amount that is the difference between tax calculated by applying the proportional deduction method to revenue from work earned abroad and the amount of tax calculated by applying to this revenue exemption with progression. The right to reduce tax in this way is provided for in Article 27g of the Personal Income Tax Act.

You are entitled to this relief if you are subject to an unlimited tax obligation and earn abroad income:

- from work under an employment contract, activity performed in person, and business activity;
- under property rights, copyright and neighboring rights, as defined in other regulations, and artistic, literary, scientific, educational and columnist activities outside Poland, except for income (revenue) for exercising or disposing of these rights

- and settle tax using the proportional deduction method (pursuant to the rules set out in Article 27(9) or (9a) of the Personal Income Tax Act).

You may deduct from tax the amount equivalent to the difference between the tax calculated by applying the proportional deduction method and the amount of the tax calculated by applying exemption with progression (in accordance with the rules set out in Article 27(8) of the Personal Income Tax Act).

A deduction amount may not, however, be in excess of PLN 1,360.

The above limit does not apply (Article 27g(5) of the Personal Income Tax Act) to income earned abroad from work under employment contracts, contracts of mandate, contracts for specific work or services performed outside the land territory of countries.

Remember that you may not take advantage of abolition relief if income (revenue) from the above-mentioned sources was earned in countries and territories applying harmful tax competition. The list of such countries was published in the Regulation of the Minister of Finance of 28 March 2019 on the determination of countries and territories applying harmful tax competition in the field of personal income tax (<https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20190000599/O/D20190599.pdf>).

Student relief (student's training)

Relief for training students or for employing apprentices can be applied in accordance with the acquired rights principle, provided that the conditions entitling to it were met before the end of 2003. This relief is granted based on a decision issued by the tax office. A deduction can be applied to amounts awarded before 1 January 2006 and not deducted, as well as amounts of reliefs granted under regulations in force after 1 January 2006.

The relief consists in reducing the lump-sum tax by the amount specified in a decision issued by the tax office.

Employment support contract

You may take advantage of this relief only if you became entitled to it in previous years.

A deduction is available to a person who, in accordance with the provisions of the Act of 20 April 2004 on employment promotion and labor market institutions, concluded an employment support contract with an unemployed person for performing gainful work in the household, and paid social insurance premiums on this account with own funds.

A deduction is available after each period of 12 consecutive months of this contract term, provided that:

- the concluded employment support contract has been registered with the poviast labor office, and the fact of its conclusion is confirmed by a certificate,
- incurred expenses have been documented with evidence confirming that they were made.

Expenses incurred by a person running a household to pay with their own funds social insurance premiums of a person employed under an employment support contract, specified in the Act of 13 October 1998 on the social insurance system, are deductible.

Housing reliefs

Housing relief available only in accordance with the acquired rights principle applies to expenses made:

1. to repay interest on a housing loan granted to the taxable person in 2002-2006, as well as interest on a loan granted to the taxpayer for the repayment of a housing loan or a loan for the repayment of these loans;
2. to continue the systematic accumulation of savings only in one savings and loan account and with one bank running a housing fund;
3. to repay (with interest) a bank loan or a loan from the employing establishment, received in 1992-1993 for housing purposes specified in Article 26(1)(5) and (6) of the Personal Income Tax Act of 26 July 1991 in the wording in force in those years,
4. in previous years, for housing purposes (including renovation or modernization of a house/apartment), if these expenses were not covered, respectively, by the income, revenue or tax for those years.

Interest relief

Pursuant to Article 9(1) of the Act of 16 November 2006 amending the Personal Income Tax Act and certain other acts:

“a taxpayer who was granted, in 2002-2006, a loan referred to in Article 26b of the PIT Act in the wording in force before 1 January 2007, hereinafter referred to as a “housing loan”, is entitled – on the terms specified in this Act and in the Act on flat-rate income tax on certain revenue earned by natural persons, in the wording in force before 1 January 2007 – to deduct expenses incurred to repay interest on:

- 1. a housing loan,*
- 2. a loan taken out to repay a housing loan,*
- 3. each subsequent loan taken out to repay the loan referred to in subparagraph 1 or 2*

– until the repayment deadline specified in a housing loan agreement concluded before 1 January 2007, but for no longer than until 31 December 2027.”

The “housing loan” referred to above is a loan granted directly to the taxpayer (and not, for example, to the developer or the housing cooperative) in 2002-2006 to finance an investment aimed at satisfying one’s own housing needs related to:

1. construction of a residential building, or
2. provision of a construction or housing contribution to a housing cooperative for the acquisition of the right to a newly constructed residential building or an apartment in such building, or
3. the purchase of a newly built residential building or an apartment in such building from the gmina or from the person who has built this building in the course of their business activity, or
4. construction of a superstructure or extension of a building for residential purposes, or reconstruction (adaptation) of a non-residential building, its part or non-residential premises for residential purposes, as a result of which an autonomous apartment that meets the standards specified in the provisions of the construction law will be created.

As part of interest relief, both actually repaid interest on a housing loan and on a loan taken to repay the housing loan and on each subsequent loan taken to repay the aforementioned liabilities is deductible.

If a loan – granted to the taxpayer to repay a housing loan or a loan taken out to repay a housing loan and each subsequent loan taken out to repay the aforementioned liabilities – is part of a loan intended to repay also loan liabilities other than those listed in this provision, only the interest on that part of the loan that is proportionally due to the repayment of the loan taken out to repay the housing loan and each subsequent loan taken out to repay the aforementioned liabilities, is deductible.

A taxpayer who has completed a housing investment in 2023 may deduct interest on a loan for the first time in the tax return submitted for that fiscal year, and interest paid before the year of the investment completion (if it is not deducted from the income for 2023) may be deducted also in the next fiscal year. In this case, only the difference between the total of the deductible interest and the amount of interest actually deducted in the year in which the taxable person made the first deduction is deductible.

A deduction can be made if, among others:

- a housing loan was granted in 2002-2006,
- a housing loan was granted by an entity authorized under the provisions of banking law or the provisions on cooperative savings and credit unions to grant loans, and the loan agreement indicates that it relates to one of the investments listed in PIT-

2K declaration,

- a loan granted to repay a housing loan or any subsequent loan taken out to repay these loans has been taken out at banks or savings and credit unions operating in all countries of the European Union, the European Economic Area, and in the Swiss Confederation,
- the investment concerns residential buildings or apartments located on land in the Republic of Poland intended for housing construction in the local spatial development plan, and in the absence thereof – specified as such in a decision on building conditions and land development, issued under applicable laws,
- the investment concerns a residential building or an apartment, the construction of which was completed not earlier than in 2002, and also in the case of an investment related to:
 - building a residential building or building a superstructure or the extension of a building for residential purposes, or reconstruction (adaptation) of a non-residential building, its part or non-residential premises for residential purposes, as a result of which an autonomous apartment that meets the standards specified in the provisions of the construction law will be created – the investment was completed within three years, counting from the end of the calendar year in which, in accordance with the construction law, a permit for building a residential building or building a superstructure or the extension of a building for residential purposes or for reconstruction (adaptation) of a non-residential building, its part or non-residential premises for residential purposes was obtained, and was confirmed with an occupancy permit for a residential building, as specified in the provisions of the construction law, and if such permit is not required – a notification of completion of the construction of such building,
 - provision of a construction or housing contribution to a housing cooperative for the acquisition of the right to a newly constructed residential building or an apartment in such building, or the purchase of a newly built residential building or an apartment in such building from the gmina or from the person who has built this building in the course of their business activity – an agreement on the establishment of cooperative ownership or tenant right to the apartment, or an agreement in the form of a notarial deed establishing separate ownership of the apartment, on the transfer of the ownership of the residential building or the apartment to the taxpayer was concluded, the taxpayer is one of the parties to,
- interest:
 - has been actually paid, and its amount and payment date are documented by a proof issued by an entity authorized under the provisions of banking law or the provisions on cooperative savings and credit unions to grant loans,
 - has not been recognized as tax-deductible expenses or has not been refunded to the taxable person in any form, unless the refunded interest increased the tax base,
- neither the taxpayer nor their spouse took or takes advantage of the deduction from income (revenue) or tax on account of expenses incurred for their own housing purposes, intended for: purchase of land or transfer of the right of perpetual usufruct of land for the construction of a residential building, construction of a residential building, a construction or housing contribution to a housing cooperative, purchase of a newly built residential building or an apartment in such building from the gmina or from the person who has built this building in the course of their business activity, building a superstructure or the extension of a building for residential purposes, reconstruction of the attic, drying room or adaptation of other room for residential purposes as well as finishing an apartment in a newly built residential building, until the apartment is occupied, systematic accumulation of savings on a savings and loan account with a bank running a housing fund.

A deduction is possible only for interest:

- accrued for the period from 1 January 2002 and paid since then,
- on that part of the loan that does not exceed the amount of the product of 70 m² of usable area and the conversion factor of 1 m² of usable floor area of a residential building, established to calculate a guarantee premium on contributions to housing savings books for the third quarter of the year preceding the fiscal year, determined for the year of the investment completion. In 2023, this amount is PLN 374,290. Hence, if the taxpayer took out a loan in 2002-2006 in the amount of e.g. PLN 380,000, and completed the housing investment in 2023, they may deduct from income in the tax return submitted for that year the actually paid interest in the part attributable to the loan in the amount of PLN 374,290, i.e. in the percentage resulting from dividing the limit amount (PLN 374,290) by the total loan amount (PLN 380,000) x 100.

You must also remember that:

- the amount of deductions applies to both spouses jointly. If the spouses settle tax separately – deductions are made in accordance with applications contained in annual tax returns, or from the income of each spouse, in the proportion indicated in the application, or from the income of one of them,
- the taxpayer attaches to the tax return filed for the year in which deductions under interest relief are made for the first time, a statement (according to a specific template) on the amount of all expenses incurred with respect to a given investment, including the amount of expenses documented with invoices issued by VAT taxable persons not exempt from this tax – PIT-2K. In this statement, the taxpayer (and in the case of joint settlement – both the husband and wife) is required to indicate, besides providing identification details, also:
 - the year in which they obtained the housing loan,
 - the amount of the loan,
 - the year of commencement and completion of the housing investment for which the taxpayer took out a loan,
 - the type of the investment,
 - the total amount of expenses related to the investment,
 - the amounts of expenses documented with invoices issued by VAT taxable persons not exempt from this tax,
- no deduction is available to a taxpayer who has taken out a housing loan on the terms set out in the Act of 8 September 2006 on financial support of families in purchasing their own apartments – paragraph 2 of the aforementioned Article 9 of the Act of 16 November 2006 amending the Personal Income Tax Act and certain other acts.

Note! The information provided above does not fully reflect the wording of Article 26b of the Act, in force before 1 January 2007, read together with Article 9 of the Act of 16 November 2006 amending the Personal Income Tax Act and certain other acts. Therefore, before a deduction in the tax return is made, it is advisable to read all the regulations concerning the relief concerned, contained in the above-mentioned provisions.

Taxpayers who in the fiscal year repaid (with interest) a bank loan or a loan from the employing establishment received in 1992-1993 for housing purposes specified in Article 26(1)(5) and (6) of the Act in the wording in force in those years, and did not incur housing expenses, but deduct expenses incurred and deductible in previous years, in the portion in which these expenses were not covered by the income (revenue) for those years.

The taxpayer should specify the type of housing expense and the amount deducted accordingly. However, the deduction amount may not be higher than the amount of the deduction limit applicable in a given fiscal year. This limit is calculated as the difference between the deduction limit available to the taxpayer in the period when the provisions of the Act were in force (i.e. starting from

1992) and the deduction limit used in previous years.

Note! Do not enter expenses incurred in the fiscal year to repay debt under loans for housing construction contracted by housing co-operatives by 31 May 1992. The relief in question expired, respectively, at the end of 1999 (deduction from income) and at the end of 2004 (deduction from tax).

Housing fund

A tax deduction for the systematic accumulation of savings in one savings and loan account with one bank that runs a housing fund is available to taxpayers who concluded with a bank running a housing fund a contractual loan agreement on the systematic accumulation of savings, in accordance with the rules set out in the provisions on certain forms of support for housing construction, and acquired, before 1 January 2002, the right to deduct from tax expenses incurred for the purpose specified in Article 27a(1)(2) of the Act, in the wording in force before 1 January 2002, are entitled to deduct, on the terms set out in that Act, further amounts of savings paid to continue the systematic accumulation of savings only in the same savings and loan account with the same bank running a housing fund, paid from 1 January 2002 until the expiry of the period of the systematic accumulation of savings, specified in the contractual loan agreement.

The deduction amount may not exceed 30% of the expenses incurred in the fiscal year, but not more than PLN 11,340. It should be checked at this point whether the amount deducted does not exceed the deduction limit available in the fiscal year, calculated as the difference between the deductions limit set out for the years when the provisions of the Act were in force (i.e. from 1992) and the deduction limit used in previous years. Persons who also make deductions related to interest repaid in the fiscal year on a bank loan or a loan from the employing establishment, received in 1992-1993 for housing purposes (falling within the concept of the so-called large construction relief), should additionally reduce the above-mentioned deduction limit determined for the years when the provisions of the Act were in force by 19% of this interest.

Housing expenses not deducted in previous years

Taxpayers who in previous years made tax deductions for housing expenses (also as part of renovation and modernization relief), but the deduction they were entitled to was not covered by the tax for those years, may increase the tax deduction they are entitled to in the fiscal year by the uncovered amount.

Amounts of lump-sum tax due

Additions to lump-sum tax

This category includes amounts previously deducted, e.g. the taxpayer made deductions from revenue or lump-sum tax and then received a refund of the deducted amounts (in whole or in part). These may include, for example, amounts associated with the loss of rights to housing reliefs that the taxpayer deducted in previous years and the refund of previously deducted donations.

Lump-sum tax due

When completing the table of lump-sum tax amounts due, show the lump-sum tax calculated by you on your revenue. The amount of the lump-sum tax due for each month (quarter) should be calculated by subtracting available deductions from revenue, and multiplying the resulting amount by the appropriate lump-sum tax rate. The calculated lump-sum tax amount should be reduced by available deductions from the lump-sum tax.

Other information

If you file a tax return in electronic form and have a Large Family Card (KDR), you can receive the tax refund faster.

A residence certificate proves the place of residence for tax purposes.

Provide contact details: phone number, e-mail address.

Personal account for overpayment refund

If the tax return shows an overpayment, you may indicate in this section an account other than the one related to the business activity you conduct, to which the tax office is to refund the overpayment.

You may only indicate an account you are the holder (co-holder) of. You should also indicate the first names and surnames of all co-holders of this account.