

## Details of the settlement of PIT-36L for 2023

You will find here detailed information on the settlement of PIT-36L for 2023 in the Your e-PIT service

 22.01.2024

### Tax identifier

NIP is the tax identifier for you to use.

### 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 want to change the data completed in the previously submitted tax return.

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, you should also specify the reason for its submission (Article 81b(1a) and (1f) of the Tax Code).

### Additional information

In this section, you indicate, by checking the relevant box, all additional information affecting the amount of and the deadline for payment of tax advances (e.g. whether in one of the five years preceding the year for which the tax return is submitted, you benefited from the exemption referred to in Article 44(7a) of the Act (the so-called tax credit), whether you paid advances in a simplified form or on a quarterly basis).

## Revenue exempt from tax pursuant to Article 21(1)(152)-(154)/h2>

If you are entitled to one of the reliefs below, check the relevant box and enter the amount of the relief you are entitled to.

### Return relief

Return relief is a tax exemption effective from 1 January 2022, pursuant to Article 21(1)(152) of the PIT 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 deduction is available to taxpayers who have moved their place of residence to the territory of the Republic 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 PIT 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:

- 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.

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## 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 PIT 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. This amount sets the exemption limit to which each parent is entitled separately (2 x PLN 85,528). When determining the amount of revenue exempt from tax under the relief concerned, revenue subject to flat-rate income tax under the PIT 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 this in your tax return, checking the relevant box in the section including the information about relief for families 4+ and providing the details of at least four children: their PESEL numbers, and in the absence thereof – their first names, surnames and dates of birth.

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:

1. did not apply the provisions on the 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,
2. were not subject to tonnage tax or the provisions of the Act on the activation of the shipbuilding industry and complementary industries,
3. did not obtain income taxable on general terms, with 19% tax on capital gains pursuant to Article 30b of the PIT 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.

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## Relief for working seniors

Relief for working seniors is a tax exemption effective from 1 January 2022, pursuant to Article 21(1)(154) of the PIT 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 standard retirement age (60 years for women and 65 years for men), continue employment and are subject to social insurance in connection with obtaining this revenue, and – despite being entitled, do 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
- benefits referred to in Article 30(1)(4a), i.e. cash benefits 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 PIT 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.

**If you receive a survivor's pension from abroad or a foreign pension, you do not lose the right to the deduction!**

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

Where in the same fiscal year:

1. you obtained revenue under an employment relationship and related relationships with respect to which you took advantage (in whole or in part) of return relief, youth relief, relief for families 4+ or relief for working seniors:
2. you take advantage of tax-deductible expenses at a rate of 50%, referred to in Article 22(9)(1)-(3) of the PIT Act (e.g. under a license fee)
3. then – on the account of the application of the aforementioned reliefs to revenue under the employment relationship and related relationships – tax-deductible expenses at a rate of 50%, referred to in Article 22(9)(1)-(3) of the PIT Act, may not exceed PLN 120,000 less the amount of revenue from work performed under the employment relationship exempt from tax under the aforementioned reliefs.

**The reliefs discussed above do not apply to revenue:**

- subject to flat-rate income tax under the PIT 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.
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## Revenue and tax-deductible expenses

### Business activity

In PIT-36L tax return, you show revenue, tax-deductible expenses, and advances under your business activity for which you have chosen taxation with flat tax.

In the Your e-PIT service, you complete your business revenue and expenses, and appendix PIT/B is automatically attached to the tax return being completed. Thus you do not have to remember about additional forms.

You transfer data to the appendix from the tax book of revenue and expenses or accounting books.

You should show in this appendix both revenue from business activity conducted in your own name and that from partnerships in which you have shares.

Tax is calculated on income you have the right to reduce by the deductions you are entitled to.

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### Special branches of agricultural production

Special branches of agricultural production include: crops in greenhouses and heated foil tunnels, cultivation of mushrooms and their mycelium, in vitro plant cultivation, on-farm breeding and rearing of poultry for slaughter and egg laying, poultry hatcheries, breeding and rearing of fur and laboratory animals, breeding earthworms, breeding entomophages, breeding silkworms, keeping apiaries as well as breeding and rearing other animals outside the farm.

If you obtain revenue from this source, show it in your tax return.

In the Your e-PIT service, you complete revenue and expenses attributable to special branches of agricultural production, and appendix PIT/DS is automatically attached to the tax return being completed. Thus you do not have to remember about additional forms.

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### Income earned abroad

If you have earned your income outside Poland, you must remember that it may also be taxable.

If you show income from abroad and – in certain cases – also tax paid on income earned abroad, the service will automatically attach appendix PIT/ZG to your PIT-36L tax return.

The obligation to pay tax in Poland does not depend on having Polish citizenship, but on tax residence. A Polish resident subject to unlimited tax obligation is a person who, on the territory of Poland:

- has a center of their personal and economic interests (center of life interests), or
- resides in Poland for more than 183 days in the fiscal year.

More information about determining tax residence can be found in the tax [explanations available](#)

If you meet at least one of the above-mentioned criteria, you are subject to tax on all income (revenue) obtained in the year, regardless of where it was earned. This means that you have to tax in Poland also income (revenue) earned outside Poland, also that from ordinary lease, usufructuary lease or business activity. If you do not have a center of your personal or economic interests in Poland or stay in Poland for less than 183 days in the fiscal year, you are subject to a limited tax obligation, i.e. you are a non-resident. In this case, you should settle in Poland only the income (revenue) earned in Poland.

The method of foreign income taxation depends on whether Poland has signed a double taxation avoidance agreement with the country where you earned income.

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The agreements concluded by Poland provide for two methods of double taxation avoidance:

- exemption with progression,
- proportional deduction.

If you earned income in a country with which Poland has not concluded a double taxation avoidance agreement, the proportional deduction method applies.

Due to the amendments introduced by the MLI Convention to particular double taxation avoidance agreements, it is advisable to check at the beginning of each fiscal year which method applies to your income (revenue).

More information can [be found](#)

**In PIT-36L tax return, you only show revenue to which the proportional deduction method applies. The exemption with progression method does not affect the 19% rate of flat tax.**

The proportional deduction method imposes an obligation to show income earned abroad, regardless of whether you obtained income in Poland and abroad, or only abroad.

You may deduct the tax paid abroad from the calculated tax. However, such deduction is possible only up to the amount of tax proportionally attributable to the income earned abroad.

Example of settlement in accordance with the proportional deduction method:

- a. income earned in Poland = PLN 30,000.00
- b. income earned abroad = PLN 20,000.00
- c. tax paid abroad = PLN 5,000.00
- d. total income (a+b) = PLN 50,000.00
- e. Polish tax according to the tax scale on PLN 50,000.00 = PLN 2,400
- f. foreign tax to be deducted from Polish tax:  $\text{PLN } 2,400 \times \text{PLN } 20,000 : \text{PLN } 50,000 = \text{PLN } 960$
- g. tax payable in Poland:  $\text{PLN } 2,400 - \text{PLN } 960 = \text{PLN } 1,440$  less advances paid in Poland

### Determination of taxable income

Revenue denominated in foreign currencies has to be 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 revenue was earned.**

Example of settlement in accordance with the proportional deduction method:

- 1. income earned in Poland = PLN 30,000.00
- 2. income earned abroad = PLN 20,000.00
- 3. tax paid abroad = PLN 5,000.00
- 4. total income (a+b) = PLN 50,000.00
- 5. Polish tax according to the tax scale on PLN 50,000.00 = PLN 2,400
- 6. foreign tax to be deducted from Polish tax:  $\text{PLN } 2,400 \times \text{PLN } 20,000 : \text{PLN } 50,000 = \text{PLN } 960$
- 7. tax payable in Poland:  $\text{PLN } 7,974.88 - \text{PLN } 3,189.95 = \text{PLN } 1,440$  less advances paid in Poland

## Deductions from income

### Losses carried forward

In the tax return for 2023, you may show a loss incurred in 2018, 2019, 2020, 2021 or 2022. You are entitled to deduct it from the same source from which it was incurred. You are entitled to deduct a loss from income in the following five consecutive fiscal years.

If the loss arose by 31 December 2018, the deduction amount may not exceed 50% of the loss amount. The above rule for deducting losses is set out in Article 9(3) of the PIT Act – with the wording in force until 31 December 2018 – and applies to losses incurred until the end of 2018.

It should be remembered that losses incurred after 31 December 2018 are deducted in accordance with different rules.



Since 1 January 2019, you have been entitled to make in the fiscal year a one-off reduction in your income by the amount of a loss incurred in one of the following five consecutive fiscal years by 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 any of these years may not exceed 50% of this loss amount (Article 9(3) of the PIT Act).

You may deduct a loss from:

- business activity,
- special branches of agricultural production.

**You may not deduct losses from business activity if you have taken advantage of tax exemption.**

## Premiums

### Social insurance premiums

**You may deduct from income the following social insurance 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 PIT 11 information (not deducted in other tax returns),
- premiums paid directly in the fiscal year for 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.

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 taxable person paid premiums for compulsory social insurance.

#### **Social insurance premiums that are not deductible in PIT-36L:**

- premiums deducted from income taxed on general terms according to the tax scale,
- premiums deducted from revenue under the provisions of the Act on flat-rate income tax,
- premiums recognized as tax-deductible expenses,
- premiums refunded in any form to the taxpayer,

- premiums assessed based on income (revenue) exempt from tax under the PIT Act (including that exempt on account of youth relief, 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,,
- premiums deducted in a Member State of the European Union or a country of the European Economic Area other than Poland or in the Swiss Confederation from income (revenue) earned or tax due in that country

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

The amounts of social insurance premiums denominated in foreign currencies should be 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 incurred.

**Note! As a rule, no deduction is allowed in the case of premiums paid from revenue that is exempt from tax under Article 21(1) of the PIT Act, including:**

- **subparagraph 148 (youth relief),**
- **subparagraph 152 (return relief),**
- **subparagraph 153 (relief for families 4+),**
- **subparagraph 154 (relief for working seniors).**

Note!

The limitation on the deductibility of social insurance premiums does not apply to premiums paid as part of non-agricultural business activity.

## Health insurance premiums

Health insurance premiums as part of business activity taxed with flat tax, paid by you in 2023 for yourself and for persons cooperating with you, may be either:

- recognized as tax-deductible expenses or
- deducted from income.

The annual limit of health insurance premiums settled for 2023 is PLN 10,200.

It is up to you whether you settle premiums up to the limit amount:

- entirely as tax-deductible expenses,

- entirely as a deduction from income,
- partly as tax-deductible expenses and partly as a deduction from income.

Taxpayers subject to flat tax who pay tax advances in a simplified form may reduce these advances during the year by 19% of the health insurance premium paid in a given month.

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](#)

## Your reliefs and deductions

Check what other deductions you are entitled to:

- Thermal modernization relief;
- Relief for payments to the individual pension security account (IKZE);
- Relief for monuments;
- Abolition relief;
- Relief for the purchase of a payment terminal;
- IP BOX relief;
- Relief for R&D;
- Relief for the costs of trial production of a new product and placing a new product on the market;
- Pro-growth relief;
- Relief for tax-deductible expenses for sport activities, cultural activities and activities supporting higher education and science;
- Relief for tax-deductible expenses for robotization;
- Relief for investors (for purchasing or taking up shares).

In the Your e-PIT service, you complete the tax return with reliefs and deductions you are entitled to, and the relevant appendix (e.g. PIT/O) is automatically attached to your tax return. Thus you do not have to remember about additional forms.

### Thermal modernization relief

This relief involves deducting from income 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,
- 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 you incurred the expense.

**A deduction amount may not exceed PLN 53,000** for all thermal modernization projects implemented by you in the building you are the owner or co-owner of. A deduction amount that was greater than your income 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.

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 income 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 about thermal modernization relief can be found in the tax explanations available at: [w objaśnieniach podatkowych](#)

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## 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.

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## Payments to the individual pension security account (IKZE)

The amount of payments to IKZEs is specified in Article 13a(1)-(4) of the Act of 20 April 2004 on individual retirement accounts and individual retirement security accounts. Pursuant to these provisions, payments made to the IKZE may not exceed the amount equivalent to 1.2 times the average forecast 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 in the form of self-employment (non-agricultural activity, within the meaning of Article 8(6) of the Act of 13 October 1998 on the social insurance system), 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.

If payments to the IKZE are made by a minor, the deduction may not exceed the income earned by them in a given year from work performed under an employment contract, nor may it be higher than the annual limit amount.

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## 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 up to 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 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 PIT 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.**

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## IP BOX relief

IP BOX relief is available to taxpayers:

- taxed on general terms according to the tax scale
- subject to flat tax,
- and conducting activity qualified as research and development.

The preference consists in being allowed to tax income with income tax at a rate of 5%.

During the year, the taxpayer is obliged to pay tax in accordance with the rules applicable to the form of taxation they have chosen.

A taxpayer is entitled to preferential taxation only in the annual tax return to which PIT/IP will be automatically attached once relevant fields have been completed.

More information on IP BOX relief can be found in the [Explanations](#)

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## Relief for R&D

Taxpayers conducting research and development activities have the right to deduct from the tax base expenses previously classified as tax-deductible expenses.

The list of costs is provided in Article 26e(2) of the Personal Income Tax Act.

You may take advantage of the preference after the end of the fiscal year, by deducting the costs from the tax base shown in PIT-36L tax return along with PIT/BR.

The amount of eligible costs deducted may not exceed:

- in the case of a taxpayer that has the status of a research and development center and is a micro-, small or medium-sized enterprise in accordance with the Entrepreneurs' Law – 200% of eligible costs;
- in the case of a taxpayer that has the status of a research and development center and is not an enterprise:
  - 100% of the costs of obtaining and maintaining a patent, protection right for a utility model, right to an industrial design,
  - 200% of other eligible costs;

- in the case of other taxpayers – 100% of eligible costs.

The deduction may be made up to the amount of income obtained from non-agricultural business activity.

If the taxpayer has suffered a loss from non-agricultural business activity or the income obtained from business activity is lower than the deduction amount, the taxpayer has the right to settle the relief in tax returns for six consecutive fiscal years immediately following the year in which the taxpayer was entitled to the deduction.

**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 (Article 26e of the PIT Act).**

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## **Relief for the costs of trial production of a new product and placing a new product on the market**

UThis relief consists in being allowed to deduct from the tax base an amount constituting 30% of the total costs of:

- trial production of a new product, and
- placing a new product on the market.

The right to use this preference is available to taxpayers conducting business activity who have chosen to be taxed:

- on general terms according to the tax scale
- with flat tax.

The deduction amount may not exceed 10% of income from non-agricultural business activity in the fiscal year.

The taxpayer makes the deduction in the tax return filed after the end of the year.

If the taxpayer has suffered a loss for the fiscal year or the income amount is lower than the deduction amount, the taxpayer has the right to settle the incurred expenses in tax returns filed for six consecutive fiscal years immediately following the year in which the taxpayer applied or was entitled to apply the deduction.

**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 (Article 26ga of the PIT Act).**



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## Pro-growth relief

This preference allows for deducting from the tax base tax-deductible expenses that were incurred to increase revenue from the sale of products.

The right to use this preference is available to taxpayers conducting business activity taxed:

- on general terms according to the tax scale
- with flat tax.

The taxpayer may make a deduction up to the amount of income shown in the tax return filed for the fiscal year, but the deduction amount may not be higher than PLN 1,000,000 for the fiscal year.

**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 (Article 26gb of the PIT Act).

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## Relief for tax-deductible expenses for sport activities, cultural activities and activities supporting higher education and science

Taxpayers conducting business activity have the right to deduct from the tax base an amount constituting 50% of tax-deductible expenses incurred for:

- i. sport activities,
- ii. cultural activities,
- iii. activities supporting higher education and science.

The deduction amount may not exceed the amount of income obtained by the taxpayer from business activity in the fiscal year.

The right to deduct tax-deductible expenses incurred for activities supporting higher education and science is not available to a taxpayer who is the founder of a university.

Costs are deductible if they have not been returned to the taxpayer in any form or have not been deducted from the tax base.

The right to make a deduction applies only in the fiscal year in which the costs were incurred.

A taxpayer taking advantage of this relief should show the incurred deductible costs in separate information (PIT-CSR/PIT-CSRS). The information should be submitted by the deadline for filing the annual tax return.

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 (Article 26ha of the PIT Act).

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## Relief for tax-deductible expenses for robotization

The robotization relief consists in being allowed to additionally deduct from the tax base 50% of tax-deductible expenses incurred for robotization.

The deduction amount may not exceed the amount of income obtained by the taxpayer from non-agricultural business activity in the fiscal year.

The relief is available to taxpayers conducting business activity taxed:

- on general terms according to the tax scale
- with flat tax.

With this relief, the taxpayer may benefit from the settlement of 150% of the costs incurred, i.e.:

- 100% as tax-deductible expenses,
- 50% as a deduction under the relief concerned.

As a rule, the taxpayer makes the deduction in the tax return filed after the end of the year. A taxpayer taking advantage of this relief should show the deductible costs incurred in separate information (PIT-RB/PIT-RBS). The information should be submitted by the deadline for filing the annual tax return.

The deduction amount may not exceed the amount of income obtained from non-agricultural business activity in the fiscal year.

If the taxpayer has suffered a loss for the fiscal year or the income amount is lower than the deduction amount, the taxpayer has the right to settle the incurred expenses in tax returns filed for six consecutive fiscal years immediately following the year in which the taxpayer applied or was entitled to apply the deduction.

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 (Article 52jb of the PIT Act).

## Relief for investors

Taxpayers earning income taxed:

- on general terms according to the tax scale, or
- with flat tax,

who incurred expenses to purchase or take up shares in:

- an alternative investment company (AIC) or
- a limited company in which an AIC:
  - o holds at least 5% of shares,
  - o will hold at least 5% of shares as a result of purchasing or taking up shares in this company within 90 days from the date of your purchase or taking up shares in the limited company,

are entitled to take advantage of the relief for investors.

The relief consists in deducting 50% of the expenses incurred by the taxpayer to purchase or take up shares in an AIC or a limited company in which the AIC holds or will hold shares. The deduction amount may not, however, exceed PLN 250,000 in the fiscal year.

The taxpayer makes the deduction in an appendix to the tax return, i.e. in PIT/O. In the Your e-PIT service, you complete your reliefs and deductions, and the relevant appendix (e.g. PIT/O) is automatically attached to the tax return being completed. Thus you do not have to remember about additional forms.

**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 (Article 26hc of the PIT Act).

## 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.

The relief is available to taxpayers who are subject to an unlimited tax obligation and earn income outside Poland:

- 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 (in accordance with the rules set out in Article 27(9) or (9a) of the PIT 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 PIT Act).

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

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](#)

## Advances due

In section K, you show:

- due and paid tax advances referred to in Article 44(1)(1) of the PIT Act (under business activity),
- due and paid tax on revenue from buildings, referred to in Article 30g of the PIT Act.

Items regarding advances due and paid are to be completed also if you run special branches of agricultural production, the income from which is determined based on tax books (Article 44(14) of the PIT Act).

Section M of PIT-36L tax return applies to persons who do not have a place of residence in Poland (Article 3(2a) of the PIT Act), are subject to a tax obligation only with respect to income (revenue) earned in Poland (limited tax obligation), and earn revenue specified in Article 29 of the PIT Act (without the intermediation of tax remitters).

In this case you are obliged to pay flat-rate income tax on the terms referred to in Article 29, for the months in which you earned the said income, without being requested to do so. You should make payments by the 20th day of the following month for the previous month. Tax for December is payable by the deadline for filing the tax return. The advances must be shown in PIT-36, in section M

Article 29(1) of the PIT Act specifies the following types of revenue and the flat-rate tax applicable to this revenue:

- from the activities specified in Article 13(2) and (6)-(9) of the PIT Act and from interest other than that mentioned in Article 30a(1), under copyright or neighboring rights, rights to inventive designs, trademarks, and ornamental designs, including from the sale of these rights, from fees for disclosing the secret of a recipe or production process, for the use or the right to use an industrial, commercial or scientific device, including a means of transport, and for information related to know-how in the field of industry, commerce or science – lump-sum tax on revenue at a 20% rate;
- from fees for services related to shows, entertainment or sports, provided by natural persons residing abroad, and organized by natural persons or legal persons conducting business activity in the area of artistic, entertainment or sports events in the territory of Poland – lump-sum tax on revenue at a 20% rate;
- from due fees for the export of cargo and passengers transported from Polish ports by foreign commercial shipping companies, with the exception of transit cargo and passengers – lump-sum tax on revenue at a 10% rate;
- earned in Poland by foreign air navigation companies, excluding revenue from scheduled air passenger transport, the use of which requires the passenger to have an air ticket – lump-sum tax on revenue at a 10% rate;
- for consultancy, accounting services, market research, legal services, advertising, management and control services, as well as data processing, employee recruitment and acquisition, guarantees and sureties, and similar services – lump-sum tax on revenue at a 20% rate.

The above revenue is subject to double taxation avoidance agreements to which Poland is a party.

However, the application of the tax rate resulting from the relevant double taxation avoidance agreement or abandoning tax collection (payment) in accordance with such agreement is possible provided that you document for tax purposes your place of residence with a residence certificate.

The provisions of Article 29(1) shall not apply if the revenue referred to therein was obtained by a person conducting non-agricultural business activity through a foreign establishment located in Poland, provided that such person holds a certificate confirming the existence of that foreign establishment, issued by the competent tax authority of the country where this person resides or by the competent tax authority of the country where the foreign establishment is located.

In section N, you should show the amounts of interest calculated in accordance with Article 22e(1)(4) and Article 22e(2) of the PIT Act.

If you included in tax-deductible expenses expenses for the purchase of assets or their production on your own and were then obliged to recognize them as fixed assets or intangible assets, you should show them in your tax return and pay the appropriate interest amounts. This interest is calculated for the period from the date on which expenses for the purchase of assets or their production on your own were included in tax-deductible expenses until the date on which their period of use exceeded one year or until the date on which they were recognized as fixed assets or intangible assets, if the latter occurred before the lapse of the year.

## Other information

If you file a tax return and have a Large Family Card (KDR), you can receive the overpayment faster. This option is available to those who submit their tax return in electronic form.

You may provide your telephone number or email address so that the tax office can easily contact you with respect to the filed tax return. This information is not, however, obligatory. You do not have to provide it if you do not like to do this.