

Changes related to minimal CIT levy on commercial real properties

Under an understanding with the EU Commission the Polish Ministry of Finance intends to introduce amendments to the Polish CIT and PIT regime related to the minimal taxation of commercial real properties.

According to information available currently the amendments shall include:

- Minimal taxation (0.035% monthly of the initial value of real property) of leased commercial real properties or their fractions (including retail, office, warehouse, residential, other), which are effectively leased to tenants
- Real properties or their fractions designated for lease but not effectively leased in a given period shall be exempt from taxation (including period starting January 2018)
- PLN 10 million *de minimis* threshold shall be applicable per taxpayer, and not per real property (as it has been as from 1 January 2018)
- Taxation shall be applied in relation to all real properties except for residential buildings put into use within government and self-government programs on social accommodation
- Possibility to apply for a refund of excess minimal tax over the actual CIT/PIT liability on condition that the tax administration confirms the arm's length value of rent fees payable by related parties
- Introduction of specific tax anti-avoidance clause applicable to minimal tax

Draft legislation has not been presented yet.

Should you have any questions, please feel free to contact us.



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