

To Whom It May Concern,

Please find below the information on selected and, in our opinion, the most significant **amendments to the business tax laws which become effective in July 2022.**

We believe that this information will be useful for you.

The Mac Auditor Team

* * *

Table of contents

1. Change of PIT rate.....	1
2. Abolition of the middle class tax relief	2
3. A possibility to submit PIT-2 declaration with several employers	2
4. Joint settlement for single parents and their children	2
5. 1.5% of tax donation for BPO	3
6. Changes in PIT for entrepreneurs.....	3

[Here](#) you will find the legal act which has been the basis for this brochure.

* * *

1. Change of PIT rate

Starting 1 July 2022, the basic income tax rate will be reduced. The rate will be 12% (previously 17%). Together with the tax reduction, the amount reducing advance tax payments will be lowered from PLN 5,100 to PLN 3,600. The monthly amount reducing the tax advance will be PLN 300 instead of current PLN 425 (1/12 of the tax-reducing amount).

From 1 July 2022, tax brackets will be as follows:

Tax Base		Tax amount
above	up to	
	PLN 120,000	12% minus PLN 3,600 the tax-reducing amount)
PLN 120,000		PLN 10,800 + 32% of the surplus over PLN 120,000

The new tax rate applies to income earned from 1 January 2022.

2. Abolition of the middle class tax relief

The middle class tax relief is lifted from 1 July 2022. At the same time, a framework for hypothetical tax for 2022 is introduced. Based on annual tax return submitted by the taxpayer, the Tax Office will settle a so-called hypothetical tax on the income earned in 2022, and the calculation will include the middle class tax relief and the tax rates applicable from 1 January to 30 June 2022. If the actual tax for 2022 is higher than the hypothetical tax for that year, the tax office is obliged, within 21 days from submitting the annual tax return, to inform the taxpayer about the amount of the tax overpayment. The aim is to protect taxpayers from losses arising from the changes introduced during the tax year. The hypothetical tax will apply to the taxpayers who earn in 2022 between PLN 68,412 and PLN 133,692.

3. A possibility to submit PIT-2 declaration with several employers

Until now, the employee can submit a declaration to reduce tax advances (PIT-2) with one employer only. The amendment introduces **from 1 January 2023** a possibility to submit the declaration with up to three employers at the same time.

In the declaration for the reduction, the taxpayer authorises the remittance agent (the employer) to reduce the tax advances by:

- 1/12 of the amount reducing the tax advance (PLN 300) – if the declaration is submitted with one employer,
- 1/24 of the amount reducing the tax advance (PLN 150) – if the declaration is submitted with two employers,
- 1/36 of the amount reducing the tax advance (PLN 100) – if the declaration is submitted with three employers.

From 1 January 2023, the reduction will also be available to the contractual employees.

Moreover, from 1 January 2023 a new provision will come into effect under which the taxpayer (employee or contractor) submits to the remittance agent (employer, principal), in writing or in any other way accepted by the agent, any statements or requests affecting the amount of the tax advance. Which means, among other things, that the declaration to reduce tax advances will no longer required the PIT-2 form, although using this form will still be acceptable.

4. Joint settlement for single parents and their children

The amendment restores preferential tax treatment for single parents by giving them a possibility of a joint settlement with the child. Starting from July 2022, a parent raising the child alone can submit an appropriate declaration with the employer upon which their monthly tax advance will be reduced by double amount of 1/12 of the amount reducing the tax advance in the basic income tax bracket, and in the higher income tax bracket – the tax advance for each month will be calculated by applying the 12% rate. The Employee may submit such a document at any time of the tax year and the Employer will apply it from a month following the month in which the declaration was submitted. The amount that the child can earn without their single parent losing tax preferences has also been increased. This amount has been increased to 12 times the social pension amount, i.e. PLN 16,061.28 from previous amount of PLN 3,089.

5. 1.5% of tax donation for BPO

The amendment increases from 1% to 1.5% the fraction of the tax that the taxpayer can donate to a public benefit organisation of their choice.

6. Changes in PIT for entrepreneurs

Key changes in PIT for entrepreneurs include:

1. reduction of the PIT rate from 17% to 12% for taxpayers using general principles (the rate band)
2. a possibility to change the method of taxation:
 - a. from lump-sum tax to general principles (the rate band); for this purpose, by 22 August 2022 a written statement should be submitted to the tax office on resignation from paying the lump-sum tax for the revenue earned between 1 July 2022 and 31 December 2022 and taxing it on general principles,
 - b. from flat tax or lump-sum tax to general principles (the rate band) – ex post (after the end of the tax year 2022) for the full tax year,
3. a possibility to deduct a part of health contribution by selected taxpayers:
 - a. flat tax payers – reduction of income or treatment of the contribution as tax deductible expenses, and the annual limit for the reduction or including the contribution in deductible expenses is PLN 8,700,
 - b. lump-sum payers – reduction of revenue by 50% of the health contributions paid.

* * *

Legal notice

This material was prepared in June 2022 by Mac Auditor Sp. z o. o. From the date of its preparation, some important amendments concerning the above information, including the amendment to the legal status, amendments of the interpretation nature or amendments resulting from the case-law might have been introduced. Information presented in this material is of the general and simplified nature. Numerous detailed issues were omitted. The purpose of this material is informational only and it should not, in particular, be used as the only basis for making tax-related decisions. Such decisions should always take into account the complete legal status, interpretations and the case-law. Mac Auditor Sp. z o. o. may not be held liable for any use of information presented in this document for any purposes whatsoever. This material is copyright-protected and its distribution requires prior written consent of Mac Auditor Sp. z o. o.

Mac Auditor Sp. z o. o. has been present on the market since 1994 and specialises in outsourcing of accounting, HR and payroll services. Mac Auditor is an auditing company entered in the list maintained by the Polish National Chamber of Statutory Auditors under number 244 and entered in the register maintained by the PCAOB, an American supervisory organisation, under number 1920.

Mac Auditor Sp. z o.o.
ul. Obrzeźna 5 / 8p.,
02-691 Warszawa (Warsaw)

T: +48 22 649 27 65 F: +48 22 649 27 68
macauditor@macauditor.pl
www.macauditor.pl

District Court of the Capital City of Warsaw, 13th Commercial Division
KRS: 0000099338 NIP (TIN): 118 00 64 610
Initial capital: PLN 100,000; Registered Statutory Auditor No. 244