

CHANGES AND AMMENDMENTS TO THE INCOME TAX ORDINANCE - effective from September 1st, 2019

In Official Gazette 80/2019. are published Amendments to the Income Tax Ordinance with entering into force on September 1, 2019, as follows:

1.1. *Daily allowances*

as of September 1, 2019., amounts of non-taxable benefits, grants, awards and other receipts from employment are increased, as follows:

Daily allowances for domestic business trip longer then 12 hours per day and daily allowances for domestic field work	Until 31.08.2019.amout was: up to 170,00 HRK From 01.09.2019. amount is : up to 200,00 HRK
Daily allowances for domestic business trip longer from 8 hours but less than 12 hours per day	Until 31.08.2019.amout was: up to 85,00 HRK From 01.09.2019. amount is : up to 100,00 HRK

1.2. *New non-taxable receipts that employers can use for their employees:*

as of September 1, 2019., five new options of non-taxable benefits, grants, rewards and other receipts from employment are being introduced, as follows:

- Fees to cover the costs of catering, tourism and other services intended for workers' vacations in accordance with the regulations of the Ministry responsible for tourism:
up to 2.500,00 HRK per year
- Lump-sum benefits for covering meal expenses of employees:
up to HRK 5,000.00 HRK per year
- Meal expenses of employees incurred during employment relationship with employer, based on credible documentation:
up to HRK 12,000.00 HRK per year
under conditions:
 - the invoices for the food service provided are named to the employer
 - that they are settled in a cashless manner.
 Non-taxable receipts are recognized for the month in which the meal service is provided

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- Accommodation expenses of employees incurred during employment relationship with employer, based on credible documentation:
 - up to the amount of actual non-cash payments (settled in a cashless manner)
 - Non-taxable receipts are recognized for the month in which the accommodation service was provided
- Compensation for the costs of regular childcare for workers paid to the workers' account based on credible documentation of preschool institutions and other legal or natural persons who, based on special regulations and decisions of the competent authority for the care of a preschool child:
 - at the amount of the actual cost

BENKO KOTRULJIĆ Ltd.
August 29th, 2019.