

NEWS IN TAX SYSTEM AND CONTRIBUTION SYSTEM OF REPUBLIC OF CROATIA – list of changes as of January 1st, 2019

In the Official Gazette 106/18 was published the Amendments to the Personal Income Tax Law and the Amendments to the Law on Contributions. In accordance with mentioned Acts the most important changes connected with salary calculation and they are listed below in this notice. Changes will be applied from January 1st, 2019.

a) The new tax rates and tax grades

Changes in payment of advances of tax on income from employment (salaries), effective for the payments after January 1st, 2019.

CHANGES OF TAX RATES AND GRADES, AS OF 01.01.2019.	
Salary – taxpayer with residence / temporary residence outside the tax supported areas	24% on the tax base until 30.000,00 HRK monthly
	36% on the tax base over the amount of 30.000,00 HRK monthly
Salary – taxpayer with residence / temporary residence inside I. group of the tax supported area + Vukovar City	24% on the tax base until 30.000,00 HRK monthly
	36% on the tax base over the amount of 30.000,00 HRK monthly
	additional decrease on the calculated tax for 50%

New tax rates and tax grades will be applied for all payments after January 1, 2019., means and salaries for December 18, with payment date after January 1, 2019.

b) The new rates for contributions accounted on salary

Changes in payment of advances of contributions on income from employment (salaries), effective from salary calculations from January 2019., salary for 01/2019. (usually paid in February).

CHANGES OF CONTRIBUTIONS ACCOUNTED ON SALARY FROM 01.01.2019.	
Bases of contributions accounted on salary: from 01.01.2019., in total 16,50%, two contributions are deleted so they will not be in use anymore	Contribution for health insurance : 16,50% (in 2018 was: 15%)
	Unemployment insurance contribution : in 2018 was: 1,70% - NOT IN USE FROM 01.01.2019.
	Contribution for occupational health: in 2018 was: 0,50% - NOT IN USE FROM 01.01.2019.

Comparison of salaries paid in 2018 (11/2018., payment in 12/2018.) and 2019 (01/2019, payment in 02/2019.), based on the parameters (basic personal allowance, Zagreb surtax 18%):

	Salary 01/2019.	Salary 11/2018.	razlika - difference (2019-2018)
I.			
1. Dohodak - plaća (brutto svota) / Gross 1	45.000,00	45.000,00	0,00
2. Doprinosi iz plaće (20.00%) - Contributions from salary	9.000,00	9.000,00	0,00
a) za MIO 15% - Pillar 1	6.750,00	6.750,00	0,00
b) za MIO II stup 5% - Pillar 2	2.250,00	2.250,00	0,00
3. Dohodak - plaća umanjen za doprinose - Income	36.000,00	36.000,00	0,00
4. Osobni odbici radnika - Personal deductions	3.800,00	3.800,00	0,00
5. Osnovica za porez - Tax base	32.200,00	32.200,00	0,00
a) osnovica za 24% - tax base of 24%	30.000,00	17.500,00	12.500,00
a.1) iznos poreza po 24% (0,00 - 30.000,00 kuna) - tax rate 24% from 0-30000HRK	7.200,00	4.200,00	3.000,00
b) osnovica za 36% - tax base of 36%	2.200,00	14.700,00	-12.500,00
b.1) iznos poreza po 36% (od 30.000,00 -> više) - tax rate 36% from 30000HRK > more)	792,00	5.292,00	-4.500,00
6. Porez na dohodak - ukupno - Tax amount (TOTAL)	7.992,00	9.492,00	-1.500,00
7. Prirez na porez r.b.6 x stopa 18% ZAGREB - surtax 18% ZAGREB	1.438,56	1.708,56	-270,00
Porez + prirez (Tax + surtax)	9.430,56	11.200,56	-1.770,00
8. Iznos plaće (Neto 1) - Net amount	26.569,44	24.799,44	1.770,00
9. Doprinosi na plaću - 16,50% - Contributions acc.on salary	7.425,00	7.740,00	-315,00
9a. Doprinos za zdravstveno osiguranje 16,50% - Health insurance 16,50%	7.425,00	6.750,00	675,00
9b. Doprinos za zapošljavanje 0,00 - UKINUT OD 01.01.'19. - Deleted from Jan 1, 2019	0,00	765,00	-765,00
9c. Doprinos za zaštitu zdravlja na radu - UKINUT OD 01.01.'19.- Deleted from Jan 1, 2019	0,00	225,00	-225,00
Ukupan trošak plaće - total salary cost	52.425,00	52.740,00	-315,00

Resume: employee will receive net salary higher for 1.770,00 HRK and employer will have total cost of salary decreased for 315,00 HRK.

Note:

Ordinance on Income Tax at this moment is not published in the Official Gazette, but the same we expected to be announced soon, since the Minister of Finance shall prepare the new Ordinance within 90 days from the date of entry into force of the new Income Tax Act.

Benko Kotruljic Ltd.
December 13, 2018.

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Registered at Commercial court in Zagreb in year 1990, by verdict number Tt-01/3308-5,
from 05.03.2002., subject id number o80204253.
Share capital amount: 265.000,00 HRK, paid in full.
Bank account number at Erste & Steiermarkische bank: 2402006-1100048496.

