

**CROATIA**

As per 1 January 2019

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**EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY**

<b>Personal Income Tax Rates – Employment Income</b>	Income tax rates: 24% for the taxable income up to approx. 4,000 EUR and 36% for the taxable income above approx. 4,000 EUR. Tax free personal allowances are available to Croatian tax residents (and under certain conditions to non-residents as well).
<b>Tax period</b>	Calendar year
<b>Tax residency / Domicile according to domestic law</b>	Residence will be determined if accommodation (flat or house) is available to the individual, or if the individual is physically present in Croatia for more than 183 days in any two-year period.
<b>Tax registration</b>	Within 8 days from the start of business activities. When entering or leaving the country, a tax residency questionnaire needs to be completed and filled with the tax authorities.
<b>Employment income definition</b>	Any income paid in cash or in kind related to the employment (includes all allowances regarding home leave, cost of living and other).
<b>Examples of tax exemption</b>	Reimbursement of accommodation and travel costs for business trips, jubilee awards, severance payment for dismissal and retirement, reimbursement of costs of transportation to and from work, all up to amounts determined by legislation.
<b>Specific expatriate concession</b>	Not applicable.
<b>Income of board members</b>	Treated as employment income or as other income.
<b>Tax returns</b>	Local payroll – the employer is liable for the monthly tax compliance. Foreign payroll – individual is liable for monthly tax compliance while employer (if based in EU) may be liable for social security compliance. If advance payments are made on monthly basis, generally, there is no obligation of submitting Annual Tax Return.
<b>Tax payments</b>	At the time of payment (if withheld by the employer), or within 30 days after receipt (if payable by the employee).

**TAX TREATIES**

<b>Employment income / income from board members</b>	Art 15/16 Model OECD Tax treaties
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**INTERNATIONAL SOCIAL SECURITY**

<b>Cross border employments</b>	EU Regulation No 883/2004 and EU regulation No. 1408 / 71.and several social security treaties
<b>Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71</b>	Generally applicable.
<b>Social Security Cost as % from gross salary and absolute amounts</b>	Due by the employee: pension insurance: 20% (15% 1st Pillar and 5% 2nd Pillar) Due by the employer (on top of gross income): health insurance: 16,5%  There is a cap for payment of mandatory contribution on pension insurance (1st Pillar) in the amount of approx. € 6,800. However, there is no cap on a payment of mandatory contribution on health insurance.



([http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2018/01/Pere-Mioc\\_profile.jpg](http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2018/01/Pere-Mioc_profile.jpg))

**Pere Mioč**

Partner – Tax and Financial Advisory Services – Zagreb, Croatia

Send Email

Direct line: +385 1 48 64 424

Address: Strojarska cesta 20, 10000 Zagreb

[www.mazars.hr](http://www.mazars.hr) (<http://eng.mazars.hr/>)