



## Tax&Legal Highlights

### Croatia

#### Increase of national VAT threshold

**The Croatian Tax Authorities have requested European Commission an authorization to apply as of 1 January 2018 an increase of the national VAT threshold to €45,000 (HRK 300,000)**

The Croatian Tax Authorities have requested, by letter to the European Commission, an authorization to apply as of 1 January 2018 an increase of the national VAT threshold to €45,000 (HRK 300,000).

The VAT threshold is currently €35,000 (HRK 230,000) and it applies only to the Croatian residents. The threshold is not applicable to non-residents as they are required to VAT register in Croatia before the first supply in Croatia, irrespective of the expected value of the supplies.

Raising the threshold is expected to reduce administrative burden and tax compliance costs for enterprises, as they will be relieved from a number of tax obligations such as filing of VAT returns or keeping VAT records. It is also anticipated that the increase of the threshold will simplify the collection of the tax and reduce the workload for national tax administration. Persons whose turnover does not exceed the threshold will still have the option to be registered for VAT purposes.

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