

Reduction of tax rates in Poland

The Act on Income Tax for Corporate Bodies of 15 February 1992 was amended late last year and introduced a gradual reduction in tax rates over the next five years. The rates were reduced to

- 30% in 2000
- 28% in 2001 and 2002
- 24% in 2003 and
- 22% as of 2004.

At the same time as reducing the tax rates, the tax relief for corporate bodies on expenses resulting from certain types of investment has been abolished. However, corporate bodies who acquired the right to this relief last year, will continue to enjoy this tax relief for a limited period of time.

The President has vetoed an amendment to the tax law concerning the rate of income tax for individuals. However, the Government intends to propose amendments to the tax law again this year in order to achieve a reduction of the tax rate.

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