

VAT REGIME IN NEW MEMBER STATES AS IT CONCERNS NGOs

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VAT REGIME IN NEW MEMBER STATES: ICNL Survey of Tax Law Affecting NGOs in CEE Countries (2003) (www.icnl.org)

VAT RATES IN CEE COUNTRIES (2003)

Country	General Rate:	Zero and Preferential Rate:
• Bulgaria	(20%)	-
• Czech Republic	(22%)	(5%)
• Estonia	(18%)	(5%, 0%)
• Hungary	(25%)	(12%, 0%)
• Latvia	(18%)	(0%)
• Lithuania	(18%)	(0%)
• Poland	(22%)	(7%)
• Romania	(19%)	(0%)
• Slovakia	(23%)	(10%)
• Slovenia	(20%)	(8,5%)



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- ALL COUNTRIES EXEMPT CERTAIN SUPPLIES.
- MOST COUNTRIES APPLY ZERO OR PREFERENTIAL TAX RATES ON CERTAIN SUPPLIES.
- FEW COUNTRIES EXEMPT NGOs FROM VAT.



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- **ALL COUNTRIES EXEMPT CERTAIN SUPPLIES**
Hungary: health care, social care, membership based services of NGOs, education, hostel, dormitories.



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- **MOST COUNTRIES APPLY ZERO OR PREFERENTIAL TAX RATES ON CERTAIN SUPPLIES.**

Estonia: 5% rate: medical products and equipment, organization of performances of concerts, heat provided to natural persons, housing associations and churches (30 June 2007).

Estonia: Zero rate includes transfers of goods and services to domestic NGOs on the government list or organizations on the register of religious associations if acquired with money received as foreign aid.



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- **FEW COUNTRIES EXEMPT NGOs FROM VAT (Czech Republic).**

Czech Republic: all taxable activities of NGOs related to its statutory (by -laws) activities.



EFFORTS TO REMEDY THE IMPACT OF VAT ON NGOs

Experiment in Slovenia (2003):

- State subsidies to NGOs.
- Amount of subsidies linked to the amount of non-refundable VAT paid by NGOs that resulted from their non-business activities.



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