



PIT settlement for foreigners in Poland

Accounting / Audit / Tax / Advisory

Smart decisions. Lasting value.

How to settle income tax in Poland with 100% compliance and avoid potential sanctions?

Foreigners receiving income in Poland, are obliged to submit annual tax returns to the Tax Office. They are also entitled to take advantage of available tax reliefs and deductions.

Taxpayers obliged to settle PIT in Poland

The obligation to submit PIT returns in Poland apply to the following foreigners:

- employed in Poland on the basis of:
 - contract of employment
 - contract of mandate
 - contract for the provision of services
 - management contract
 - appointment
- employed by a foreign employer but performing their duties in Poland
- posted to work in Poland
- sole traders
- partners in civil law partnerships and partnerships registered in Poland
- receiving capital income in Poland



The way in which the tax return is prepared varies depending on the status of the taxpayer and the place and type of income earned.

PIT for Polish tax residents

As a rule, the status of a Polish tax resident applies to persons who:

- have a centre of personal or economic interest in Poland,
- stay in Poland for more than 183 days in a tax year.

Tax residents are required to settle all their income in Poland, regardless of the place of origin of their income.

PIT for persons without Polish tax residence

Non-residents are subject to limited tax liability, i.e. they are only obliged to account for income earned within the Polish territory. Income from the following sources is subject to taxation irrespective of the place of payment of remuneration:

- work performed within the territory of Poland
- activity performed personally within the territory of Poland
- business activity conducted in Poland
- real estate situated within the territory of Poland - also in case of sale of property

A non-resident is required to attach a certificate of residence of the country in which he or she has tax resident status to the tax return.

PIT on activities performed personally

Income from activities performed personally (applies, inter alia, to members of management boards and supervisory boards), are subject to taxation depending on the taxpayer's status:

- for Polish tax residents - based on general rules,
- for non-residents who do not conduct business activity in Poland - flat-rate income tax at 20%.

Mandatory PESEL or NIP number

In order to settle tax in Poland and submit tax returns by a foreigner, it is necessary to have a PESEL or NIP number

Tax reliefs

Foreigners who earn income and settle PIT in Poland may benefit from available tax preferences, reliefs and deductions, if they fulfil certain statutory requirements.

Examples of available tax preferences:

- PIT return with a spouse or as a single parent
- deduction of social and health insurance contributions paid in Poland and in an EU country, EEA or in Switzerland
- family allowance
- Internet allowance
- return tax relief
- R&D relief
- IP Box



How can we help?

We provide comprehensive support to foreigners subject to taxation in Poland and to employers hiring persons from abroad or posting employees.

Area	Scope of support
PIT returns	<p>Preparation of PIT returns for:</p> <ul style="list-style-type: none">• persons employed in Poland and performing their work in Poland• persons running their own business in Poland, performing their duties on the basis of a contract of mandate, contract for the provision of services, contract for a specific task, management contracts, contracts of appointment• partners in civil partnerships and partnerships registered in Poland• persons who receive capital income in Poland• persons employed by foreign employers and performing work in Poland• persons posted from Poland to work abroad• persons posted to work in Poland (foreign persons) <p>The service includes:</p> <ul style="list-style-type: none">• analysis of the employee's tax residency based on Polish and international regulations• analysis of the tax allowances and deductions to which an employee is entitled, with the preparation of detailed instructions for the correct settlement with the tax authorities
Additional services	<ul style="list-style-type: none">• Registration of an individual/employee as a taxpayer of personal income tax in Poland• Representation of the payer/taxpayer before the tax authorities• Obtaining a certificate of tax residency in Poland• Registration of foreign employers (without registered office in Poland) for the purpose of obtaining NIP tax identification number and registration with the Social Insurance Institution (ZUS)• Obtaining certificates, e.g. on not being in arrears with taxes• Preparation of requests for individual tax interpretations• Assistance in filling out tax returns and tax information
Support for posted employees	<ul style="list-style-type: none">• Coordination of taxation in the posting and receiving countries, double taxation agreements• Coordination of social security on the basis of national and EU regulations, obtaining A1 certification• Preparation of the annual settlement calculation between the employee and the employer, if the employee is covered by the so-called tax protection policy (TEQ - tax equalization calculation)
Support for employers posting employees	<ul style="list-style-type: none">• Analysis and advisory on tax planning opportunities related to the posting of an employee abroad• Planning of employee posting structures in the context of Polish and international law• Preparation of a sample cost calculation (hypothetical payroll) taking into account tax protection policies for posted employees

Crowe experts support - key benefits

- PIT settlements **in accordance with** Polish and international **regulations**
- Eliminate the **risk of financial sanctions** for failure to meet tax obligations
- Taking advantage of **tax preferences** available in Poland
- Possibility to choose an **optimal form of employment** of an employee in Poland
- **Clarification of duties and responsibilities** of payers and taxpayers in a transparent manner



FAQs

We will help clarify the most common doubts regarding PIT settlements in Poland by foreigners:

- What is the status of a taxpayer in Poland?
- How to obtain the status of a tax resident?
- Which PIT return should be submitted?
- Which tax reliefs may a taxpayer benefit from?
- In which case to settle income tax in Poland, and in which case in the country of origin?
- How to settle tax when work is performed in several countries?
- How to report income from various types of agreements?
- How to settle income from investments in Poland?
- Can a taxpayer settle jointly with a spouse?
- What are the obligations of an employer who employs a foreigner?
- What tax obligations does a foreign employer have in Poland?



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**Ask for
a service**

Feel free to contact us

Crowe Poland

Crowe in Poland is an independent firm providing accounting, audit, tax advisory and consulting services. With offices throughout Poland (Warsaw, Krakow, Wroclaw, Lodz) we are a local business partner with an international reach.

We have been present on the market for over 30 years.

We serve 700 small, medium and large international and Polish companies from all sectors.

Global reach

We are part of Crowe Global, one of the 10th largest networks of consulting and accounting firms in the world. The Crowe Global network consists of more than 200 independent firms operating in 150 countries around the world.

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