

Croatia

Table HR.1: Tax Revenue

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	18.3	18.0	17.8	17.0	17.6	17.2	18.1	18.6	18.6	19.2	19.4	19.6	20.1	2	10.4
VAT	12.0	11.8	11.8	11.2	11.4	11.3	12.3	12.6	12.6	12.8	12.9	13.2	13.5	1	6.9
Taxes and duties on imports excluding VAT	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.3	0.1	0.1	0.1	0.1	0.1	27	0.0
Taxes on products, except VAT and import duties	4.9	4.7	4.5	4.2	4.6	4.3	4.2	4.6	4.8	5.0	5.1	5.2	5.4	2	2.8
Other taxes on production	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.3	1.3	1.1	1.2	18	0.6
Direct taxes	7.0	7.5	7.3	7.4	6.6	6.4	6.3	6.5	6.3	6.1	6.5	6.3	6.5	25	3.3
Personal income taxes	3.6	3.9	3.9	3.9	3.5	3.4	3.7	3.9	3.9	3.5	3.6	3.3	3.5	25	1.8
Corporate income taxes	2.8	3.1	2.9	2.6	1.9	2.3	2.0	2.0	1.8	1.9	2.2	2.3	2.3	18	1.2
Other	0.6	0.6	0.6	0.9	1.2	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.6	14	0.3
Social contributions	11.5	11.5	11.7	12.1	11.8	11.6	11.5	11.2	11.8	12.0	11.9	11.9	12.0	13	6.2
Employers'	6.1	6.1	6.3	6.5	6.3	6.2	6.0	5.7	6.1	6.2	5.8	5.8	5.8	15	3.0
Households'	5.4	5.4	5.5	5.6	5.5	5.4	5.5	5.5	5.7	5.8	6.1	6.1	6.2	9	3.2
Less: capital transfers ⁽¹⁾	:	:	:	:	:	:	:	:	:	:	:	:	:		
Total	36.8	37.0	36.9	36.4	36.0	35.2	35.9	36.4	36.7	37.3	37.8	37.8	38.6	12	19.9
B. Structure by level of government															
as % of total taxation															
Central government	56.9	56.5	55.5	53.8	55.0	54.7	55.0	55.8	54.3	55.9	56.5	57.0	56.9	18	11.3
State government ⁽²⁾	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	11.9	12.4	12.7	13.0	12.3	12.4	13.1	13.3	13.2	11.7	11.7	11.2	11.7	8	2.3
Social security funds	31.3	31.1	31.8	33.2	32.7	32.9	31.9	30.8	32.2	32.1	31.4	31.5	31.1	13	6.2
EU institutions	:	:	:	:	:	:	:	0.1	0.3	0.3	0.4	0.3	0.2	28	0.0
C. Structure by economic function															
as % of GDP															
Consumption	17.8	17.4	17.1	16.4	17.0	16.6	17.6	18.0	18.0	18.5	18.7	19.0	19.4	1	10.0
Labour	14.3	14.6	14.9	15.6	15.1	14.4	14.5	14.3	14.9	14.7	14.3	14.0	14.3	21	7.4
of which on income from employment	14.2	14.5	14.7	15.4	15.0	14.3	14.4	14.1	14.8	14.6	14.2	13.9	14.2	19	7.3
Paid by employers	6.1	6.1	6.3	6.5	6.3	6.2	6.0	5.7	6.1	6.2	5.8	5.8	5.8	16	3.0
Paid by employees	8.1	8.4	8.5	9.0	8.7	8.1	8.4	8.4	8.7	8.4	8.4	8.1	8.4	16	4.3
Paid by non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	24	0.0
Capital	4.8	5.1	4.9	4.5	3.8	4.2	3.9	4.1	3.8	4.1	4.8	4.8	4.9	22	2.5
Income of corporations	2.8	3.1	2.9	2.6	1.9	2.3	2.0	2.0	1.8	1.9	2.2	2.3	2.3	20	1.2
Income of households	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.7	0.7	0.7	0.7	12	0.4
Income of self-employed	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.4	0.3	0.3	0.6	0.6	0.6	20	0.3
Stock of capital	1.1	1.2	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2	20	0.6

Table HR.1: Tax Revenue (continued)

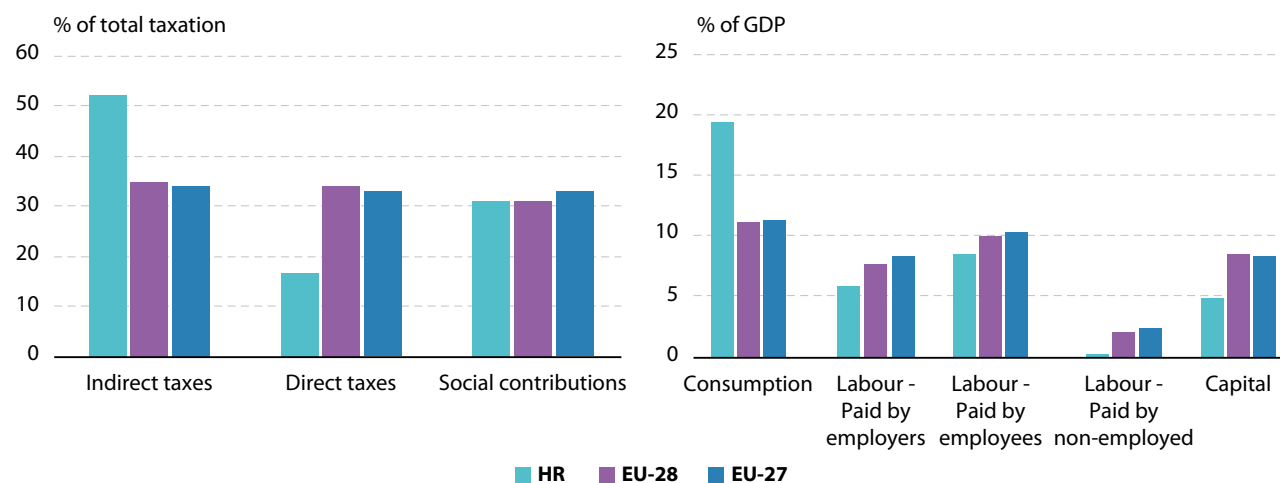
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
D. Environmental taxes	as % of GDP														
Environmental taxes	3.3	3.1	2.9	2.8	3.0	2.7	2.6	2.9	3.2	3.4	3.5	3.5	3.6	3	1.9
Energy	2.2	2.0	1.8	1.9	2.2	1.8	1.7	2.0	2.3	2.5	2.6	2.6	2.8	4	1.4
of which transport fuel taxes	1.5	1.1	0.9	0.9	1.9	1.7	1.7	2.0	2.1	2.3	2.3	2.3	2.2	2	
Transport	1.1	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.9	0.8	6	0.4
Pollution and resources	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	20	0.0
E. Property taxes	as % of GDP														
Taxes on property	1.0	1.1	1.2	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.1	1.1	1.2	14	0.6
Recurrent taxes on immovable property	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	14	0.3
Other taxes on property	0.5	0.5	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.4	0.5	20	0.3
F. Implicit tax rates	%														
Consumption	22.2	21.8	21.7	20.9	21.7	20.5	21.5	21.7	21.7	22.7	23.0	23.3	23.8	3	
Labour	30.1	30.7	31.1	31.3	31.1	30.2	30.3	30.5	31.8	31.5	30.9	30.2	30.9	21	
G. Payable tax credits	as % of GDP														
Total payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Tax expenditure component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Transfer component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Total tax revenue adjusted for payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure HR.1: Tax revenues by main taxes, compared to EU-28 and EU-27, 2018 (in % of total taxation (left graph) and in % of GDP (right graph))



Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Note: EU-27 represents EU Member States without UK

Table HR.2: Latest tax reforms

Description of measure	Change	Date
Personal income tax: Earned income		
Tax liability is reduced by 100% for young persons up to the 25th year of age and by 50% for young persons from 26 to 30 years of age for a salary up to the amount of annual base of HRK 360 000.	Base decrease	Legislation: 11-12-2019 In force from: 01-01-2020
Increased taxpayer's personal allowance from HRK 3 800 to HRK 4 000	N/A	Legislation: 11-12-2019 In force from: 01-01-2020
The employer can pay the employee a non-taxable meal allowance in two ways: Payment of a flat fee up to HRK 5 000 per year. Or by paying for the cost of food based on authentic documentation with a cashless payment of up to HRK 12 000 per year. The employer can pay the employee a non-taxable accommodation in full amount	N/A	Legislation: 28-08-2019 In force from: 01-09-2019
Receipts gained from temporary or occasional jobs in agriculture are taxed at the rate of 12% as final other income	Rate decrease	Legislation: 30-11-2018 In force from: 01-01-2019
Tax treatment of awarding or optionally purchasing own shares is harmonized at the rate of 24% for all taxpayers within the framework of income from capital	Neutral	Legislation: 30-11-2018 In force from: 01-01-2019
Annual tax base for the application of the rate of 24% was increased from HRK 210 000 to HRK 360 000 (monthly from HRK 17 500 to HRK 30 000).	N/A	Legislation: 30-11-2018 In force from: 01-01-2019
Social security contributions: Employer		
Abolition of two contributions: contribution to compulsory insurance in case of workplace accident and professional illness (rate 0.5%) and contribution to compulsory insurance in case of unemployment (rate 1.7%). Increased rate for contributions for obligatory health insurance from 15% to 16.5%.	Rate decrease	Legislation: 30-11-2018 In force from: 01-01-2019
Social security contributions: Self-employed		
Abolition of two contributions: contribution to compulsory insurance in case of workplace accident and professional illness (rate 0.5%) and contribution to compulsory insurance in case of unemployment (rate 1.7%). Increased rate for contributions for obligatory health insurance from 15% to 16.5%.	Rate decrease	Legislation: 30-11-2018 In force from: 01-01-2019
Corporate income tax		
The 12% tax rate applies to taxpayers earning up to HRK 7.5 million (the threshold was HRK 3 million)	Rate decrease	Legislation: 11-12-2019 In force from: 01-01-2020
Value-added tax		
Taxation of vouchers in accordance with Council Directive 2016/1065/EU.	Neutral	Legislation: 09-12-2016 In force from: 01-01-2019
The threshold for applying the taxation procedure according to charged fees is raised from HRK 3 000 000 to HRK 7 500 000	Neutral	Legislation: 4-12-2019 In force from: 01-01-2020
Abolition of conditions relating to the generating and distribution of profits for the application of VAT exemption for other persons who are not granted public authority who perform activities of public interest.	Base decrease	Legislation: 4-12-2019 In force from: 01-01-2020
Reduced VAT rate of 13% applies additionally to preparation and serving of food and desserts in and outside of restaurant and catering facilities and to services and related copyright of holders of phonogram rights.	Rate decrease; base decrease	Legislation: 4-12-2019 In force from: 01-01-2020
Obligations for supplies of telecommunications, broadcasting and electronically supplied services in accordance with Council Directive 2017/2455/EU.	Neutral	Legislation: 26-11-2018 In force from: 01-01-2019
Abolition of HRK 400 000 threshold for the deduction of 50% of input tax on personal cars.	Neutral	Legislation: 26-11-2018 In force from: 01-01-2019
Compulsory entry into VAT system for the taxpayer who crosses the threshold during the year, compulsory submission of special records on received invoices in addition to the VAT return, application of reverse charge mechanism to supplies of concrete steel and iron and products of concrete steel and iron.	Neutral	Legislation: 26-11-2018 In force from: 01-01-2019
Reduced rate of 5% has been extended to all medicines which have the approval of the competent authority for medicines and medical products, reduced VAT rate of 13% applies additionally to baby diapers, supply of live animals, fresh or chilled meat, fresh or chilled sausages or similar meat products, fresh or chilled fish, molluscs or other aquatic invertebrates, fresh or chilled crustaceans, fresh or chilled vegetables, roots and tubers, including dried leguminous vegetables, fresh and dried fruits and nuts, fresh poultry eggs in shell, services and related copyright of writers, composers and performing artists.	Rate decrease; base decrease	Legislation: 26-11-2018 In force from: 01-01-2019
Harmonisation and simplification of certain rules in the VAT system for the taxation of trade between Member States in accordance with Council Directive 2018/1910/EU.	Neutral	Legislation: 4-12-2019 In force from: 01-01-2020
Transaction taxes (movable and immovable property)		
Decrease of tax rate for real estate transfer tax from 4% to 3%.	Rate decrease	Legislation: 30-11-2018 In force from: 01-01-2019