



Tax relief for innovative employees

The relief for innovative employees is an extension of the so-called R&D relief. It is intended to support and promote the recruitment of highly skilled workers, as well as the innovation of Polish companies.

Who will benefit from the relief for innovative employees?

CIT or PIT taxpayer:

- engaged in research and development activities
- employing employees performing R&D activities and acting as a remitter of personal income tax
- who, in the tax year, incurred a loss or earned income lower than the amount of the R&D tax deduction allowed in the tax year
- earning income other than income from capital gains.

What are the benefits of this relief?



The relief is applicable at the stage of paying the advance personal income tax collected on remuneration paid to employees to the tax office.



The relief gives the taxpayer an opportunity to reduce the amount of advance PIT payments made to the tax office of employees by the product of the undeducted amount of the R&D relief and the tax rate applicable to the taxpayer taking advantage of the relief for innovative employees in a given tax year.

Conditions for deduction

- The condition for the deduction is that the employee in question devotes at least 50% of his or her total working time directly to R&D activities in a given month.
- The right to reduce PIT advances is granted starting from the month in which the taxpayer filed his tax return for the year (annual return), until the end of that tax year.
- The relief cannot be used by taxpayers who exercise the right to a cash refund regulated in the R&D relief.
- If the right to the relief is lost, the taxpayer must return its value by adding the amounts previously deducted under the relief in the tax return filed for the tax year in which the right to the relief is lost.

What kind of advance personal income tax payments will be subject to reduction under this relief?

Provisions that allow for applying the relief for innovative employees will apply to advance income tax payments collected on income (revenue) of natural persons, on account of:

- function-based relationship, employment relationship, home-based work or cooperative work relationship, social security cash benefits paid by workplaces
- performance of services under a contract of mandate or a contract for specific work
- copyright.

CONTACT

Should you be interested and are looking for support in the above topic, please feel free to contact us. Our experts will provide support in the implementation of relief for innovative employees in your company.



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