

Eurofast

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Tax card 2022



Greece

TAX CARD 2022 – GREECE

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I. Individuals

1.1 Personal Income Tax

An individual is subject to income tax on his/her total net income in Greece and abroad. Net income sourced in Greece is taxed irrespective of the residence of the individual. Income arising abroad is taxed if the relevant individual is a resident of Greece. The tax year is the calendar year. For income tax purposes, the income derived by individuals is divided into certain categories. Taxable income is calculated based on the rules of each category and the total taxable income of the individual is the aggregate of the categories.

1.1.1 Employment and Pension Income

Income Bracket (Euro)	Tax Rate %
0 - 10,000	9
10,001 - 20,000	22
20,001 - 30,000	28
30,001 - 40,000	36
Over 40,000	44

1.1.2 Solidarity Contribution*

As of January 1, 2022, the solidarity tax has been abolished for one year more.

1.1.3 Income from Individual Practices and Freelance Professionals

The basic social security contributions amount to the 20% of the total income and 9.22% for the public health system.

1.1.4 Income from Immovable Property

Income Bracket (Euro)	Tax Rate %	Tax per Bracket (Euro)	Aggregate Income (Euro)	Aggregate Tax (Euro)
Up to 12,000	15	1,800	12,000	1,800
12,001-35,000	35	8,050	35,000	9,850
Over 35,001	45	-	-	-

1.1.5 Income from Amounts Payable by Insurance Companies Only for the amount invested (mathematical stock)

Income Bracket (Euro)	4	Tax per Bracket (Euro)	Aggregate Income (Euro)	Aggregate Tax (Euro)
Flat rate	15			

The rest amount is not considered as income, consequently, is not taxed

1.2 Tax Credits

Deductions
€ 777 to 1.340 € credit for income up to €12,000 (under conditions depending to nr of children). For income over €12,001, the credit is reduced by €20 for every additional €1,000 income
20% credit on donations made to the State via bank transfer, the church and other non-profitable organizations (under conditions). The donated amount must not exceed 5% of the taxable amount of the donor.

1.3 Social Insurance Contributions (“SIC”)

All salaries are subject to social insurance deductions. There are numerous social insurance foundations, each one responsible for a different professional specialty. The most common Social Insurance Foundation is IKA.

SIC Rates

IKA	Tax rate
Employee	14.12%
Employer	22.54%

The above percentages apply when both pension and health deductions are covered by IKA. In cases when extra social insurance deductions are required (e.g., such as TEAYEK - social insurance foundation regarding employees working in stores) the above percentages differ as follows:

EFKA (TAPIT-TEAYEK)	Tax rate
Employee	New Employee 4% Old Employee 0.4%
Employer	0% for a new employee 0.4% for an old employee

EFKA (TSMEDE)- Category 1	Tax rate
Employee	10.87%+ €26+€21 per month
Employer	19.29%
EFKA (TSMEDE)- Category 2	Tax rate
Employee	25.5%+ €31 per month
Employer	25.5%
EFKA (TSMEDE)- Category 3	Tax rate
Employee	30.50%+ €37 per month
Employer	30.50%

All percentages are calculated on the gross salary with a pre-set limit of deductions. All percentages are indeed calculated on the gross salary as long as the salary doesn't exceed the amount of € 6,500 per month.

II. Corporate Taxation

2.1 Corporate Income Tax

Resident legal entities, which are duly registered in accordance with the Greek Corporate Income Tax Law, are subject to corporate income tax on their worldwide income while non-resident companies are taxed on all income derived from Greece.

2.1.1 Tax Rates

Type of Company	Tax rate
Partnerships, cooperatives, personal companies and joint ventures applying single entry books system	22%
Partnerships, cooperatives, personal companies and joint ventures applying double entry books system	22%
Societe Anonyme, Limited Liability Companies and Private Capital Companies	22%

Notes:

1. The taxable period is the financial year. This may end on 31 December or 30 June.
2. A Greek company (second-tier subsidiary) which is at least a 50% subsidiary of another Greek company (first-tier subsidiary) and in the first-tier subsidiary a foreign company has at least 50% shareholding; the second-tier subsidiary may have the same year end as the foreign company. Also, a Greek company that is at least a 50% subsidiary of another Greek company may have the same year end as the Greek parent.
3. The corporate income tax return must be filed by the 10th day of the fifth month following the end of the financial year and the income tax is payable in six equal monthly installments commencing upon the filing of the tax return.

2.1.2 Exempt Income

The following types of income are exempt, on the condition that they are recorded in a tax-free reserve.

Exemptions
Profits (not distributed or capitalized) arising from companies registered in another EU country as long as the Parent-subsidiary relationship applies. (not anymore, those profits are taxable. The payable tax is the difference of the Greek tax minus the tax in the country where the subsidiary is registered)
Qualifying dividends received from EU companies (same as above, not anymore)
Dividends or other profit distributions received from resident companies
Dividends received from Collective Investment Schemes or portfolio investment companies (If the companies are registered in Greece)

2.1.3 Deductible Expenses

Deductions	
Depreciation (Please refer to section 2.1.4 below)	
Bad and doubtful debts Amounts up to €300 unpaid for 12 months	100% no warning
All other amounts only when the company has appealed to the court with legal remedies, for the amount due	100%
Operational expenses with appropriate documentation	
Employment-related expenses such as salaries, insurance contributions etc.	

2.1.4 Non-Deductible Expenses

Non-Deductions
Every expense over 500 Euros, not paid via bank transfer
Unpaid social security contributions
Amount of bad & doubtful debts provisions over the amounts referred to 2.1.3
Fines & Penalties
Expenses of organizing and conducting information workshops and meetings related to food and accommodation of employees to the extent they exceed the amount of 300 Euros per participant and to the extent that the total annual cost is over 0.5% of the annual gross income of the company
Expenses of carrying out the festivities, catering and accommodation for guests to the extent they exceed the amount of 300 Euros per participant and to the extent that the total annual cost exceeds 0.5% of the annual gross income of the company
Personal consumption expenditure
Interest on loans (bank loans excluded) that exceeds the interest amount calculated by the interest rate on overdraft loans accounts for non-financial corporations as given in the statistical summary economic situation of the Bank of Greece for the nearest period before the date of borrowing.

Expenses for which the supplier/provider is a legal person who is a tax resident in a non-cooperating state or in a preferential tax regime, except in cases where there are proofs that the transaction was actual and did not occur for tax avoidance or evasion reasons.

If total annual interest expense is above 3.000,000¹ Euros then the amount that exceeds 30%² of EBITDA is not tax deductible (Thin capitalization rule).

The business rents need to proceed with their payments only via bank transfer. If not, then they will not be deductible.

2) tax exempt income is not included in this EBITDA

2.1.5 Depreciation

Depreciation on fixed assets is computed annually at fixed rates, the most important of which are:

Fixed Assets	Tax rate
Plant and other buildings	4%
Machinery and Equipment (PC software & hardware excluded)	10%
Means of transporting persons	16%
Means of internally transporting merchandises	12%
Intangible Assets	10%
Computers & Computer software	20%

2.1.6 Tax Incentives

Tax incentives are given if a company makes productive investments. There are two kinds of incentives:

- State grants
- Tax reliefs

The total amount of the support depends on the size of the enterprise and the geographical area.

Both incentives require a decision from the related authorities. The amount allocated every year for both grants and tax reliefs is limited.

2.2 Capital Gains Tax

Capital gains are not taxed separately but are added to the company's taxable income.

2.3 Withholding Taxes (“WHT”)

Type of income	WHT
Dividends	5%
Interest	15%
Royalties	20%
Engineering/ administration/ advisory or similar services.	20%

Notes:

1. Double taxation agreements contain specific provisions that define the above-mentioned withholding taxes.
2. Tax relief is available in Greece for foreign tax suffered abroad. The Greek tax liability is reduced by the tax actually paid in the foreign country on which the profits arose. Relief is restricted to the amount relating to the tax suffered on the profits in Greece.

2.4 Related Party Transactions

Transfer Pricing: Transactions between related parties should be carried out in accordance with arm's length principle and transfer pricing documentation must be prepared and be available within 30 days upon Tax Authorities' request. A briefing table which declares intra-group transactions should be submitted in the next four months after the end of the fiscal year.

2.5 Losses Carried Forward

Losses may be carried forward for five years. The carry-back of losses is not permitted.

III. Indirect Taxation

3.1 Value Added Tax (VAT) / Sales Tax

3.1.1 VAT Rates

24%	13%	6%	0%
Standard VAT rate	Goods that are considered to be necessities such as a few fresh food products, mineral water, electricity etc. Hotel accommodation	Newspapers, books, certain pharmaceuticals etc.	Exportation

3.1.2 Exemptions

Services
Public services of social or cultural nature (health, education, insurance etc.) are exempted from VAT.

VAT is collected at each stage of the process of production or distribution of goods and services. The burden of the tax falls on the ultimate consumer.

3.2 Stamp Duty

Transactions not subject to VAT are subject to stamp duty at the following rates:

Type	Rate
On rents of properties that are used for business purposes	3.6%
On insurance transactions On loans granted and interest payments on such loans (except for bank loans)	2.4%
Cash facilitation between intermediate accounts, loans to shareholders, etc. (2)	1.2% to 2.4%

Different stamp duties may also arise in limited cases.

2) Depending on various reasons as if the loan is with interest or not

3.3 Customs Duties

Custom duties only apply to goods imported from countries outside the EU based on the common EU tariffs.

3.4 Excise Duties

Excise duties are applicable on tobacco, alcohol and mineral oil products according to the prices provided by the EU laws.

IV. Local and Other Taxes, Fees

4.1 Real Estate Tax

Taxpayers are subject to an annual charge based on the value of property held.

Real Estate Tax	Tax rates
Properties in general	2 to 13 € per sq meter, depending on the tax value of the real estate
Buildings owned and used for the purposes of a commercial activity	1%
Buildings owned and used by non-profitable organisations	3.5%

4.2 Real Estate Transfer Tax

Each transfer of real estate is subject to a real estate transfer tax computed on the market value of the real estate. This tax is paid by the buyer. The rate is 3.09%

V. Tax Calendar

The most important dates for tax purposes are as follows:

Declarations	Deadlines
VAT Returns (Books Class C)	Last working day of every month
VIES Fillings	26th of every month
VAT Returns (Books Class B)	Last working day of every quarter
Payroll tax	Last working day every two months
Balance Sheets for listed companies	Last working day of the third month after the final date of each financial year
Balance Sheets of unlisted companies	Last working day of the fourth month after the final date of each financial year
Corporate tax return filing	until 31.12 of each year
Income tax return filing dates are determined once a year	Usually 30th of June*

*Due to constant changes to the deadlines by MF there is no specific final date for submitting income tax declarations

VI. Administration Penalties

6.1 Individuals

Type	Fine/Penalty (EUR)
Delayed submission of return/declaration	100
Misreporting of data, leading to a reduction in tax liability	100
Failure to submit or pay tax	100

6.2 Corporate Tax

Type	Fine/Penalty (EUR)
Delayed submission of return/declaration with no payable tax as result	100
Delayed submission of return/declaration	100 to 500
Misreporting of data leading to a reduction in tax liability (due to tax audit)	10% to 30% on the payable amount
Not issuing invoice (referring to transactions more than 5000€)	40% of the non-declared amount / min fine: EUR 2,500
Not issuing receipt	500 per receipt (maximum EUR 30,000 per tax audit)
Issuing of forged invoices	100% of the value
Receiving of forged invoices	50% of the value if the receiver is not aware

6.3 VAT

Type	Fine/Penalty (EUR)
Delayed VAT registration (credit statement)	100
Delayed accrual of VAT (per month)	0.73 % per month
Delayed VAT submission	100 if there are no obligations payable
Delayed or not registered (in Tax Office) cash machine	100

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