

Eurofast

Since 1978

Tax Card 2023



Greece

TAX CARD 2023 – GREECE

Table of Contents

1. Individuals

- 1.1 Personal Income Tax
 - 1.1.1 Employment and Pension Income
 - 1.1.2 Solidarity Contribution
 - 1.1.3 Income from Individual Practices and Freelance Professions
 - 1.1.4 Income from Immovable Property
 - 1.1.5 Income from Amounts Payable by Insurance Companies
- 1.2 Deductible Expenses
- 1.3 Tax Credits
- 1.4 Social Security Contribution

2. Corporation Tax

- 2.1 Corporate Income Tax
 - 2.1.1 Tax Rates
 - 2.1.2 Exempt Income
 - 2.1.3 Deductible Expenses
 - 2.1.4 Non-Deductible Expenses
 - 2.1.5 Depreciation
 - 2.1.6 Tax Incentives
- 2.2 Capital Gain Taxes
- 2.3 Withholding Taxes
- 2.4 Related Party Transactions
- 2.5 Losses Carried Forward

3. Indirect Taxation

- 3.1 Value Added Tax (VAT)/Sales Tax
 - 3.1.1 Rates
 - 3.1.2 Exemptions
- 3.2 Stamp Duty
- 3.3 Custom Duties
- 3.4 Excise Duties

4. Local & Other Taxes, Fees

- 4.1 Real Estate Tax
- 4.2 Real Estate Transfer Tax

5. Tax Calendar

6. Administrative Penalties

- 6.1 Individuals
- 6.2 Corporate Tax
- 6.3 VAT

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 tax 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 Income from Employment, Pension Income Freelance Activities

Employment & Pension Income

Income Bracket (Euro)	Tax Rate %	Tax Bracket in Euros
0 -10.000	9	900
10.001 – 20.000	22	2.200
20.001 – 30.000	28	2.800
30.001 – 40.000	36	3.600
Over 40.000	44	

Under conditions there are some tax reductions (children & amount of total income)

Freelancers

Income Bracket (Euro)	Tax Rate %	Tax Bracket in Euros
0 -10.000	9	900
10.001 – 20.000	22	2.200
20.001 – 30.000	28	2.800
30.001 – 40.000	36	3.600
Over 40.000	44	

Tax reductions for employees and pensioners do not apply.

1.1.2 Solidarity Contribution

As of January 1, 2023, the solidarity tax has been abolished for all private and public sector employees, as well as for pensioners.

Income from Immovable Property

Income Bracket (Euro)	Tax Rate %
Up to 12.000	15
12.001- 35.000	35
Over 35.001	45

*Taxable base: 95%

1.1.3 Social Insurance Contributions (“SIC”)

All salaries are subject to social insurance deductions. There are numerous social insurance foundations, each one competent for a different professional specialty. The most common Social Insurance Foundation is IKA. Most of the foundations have now been unified under the “umbrella” foundation of EFKA.

SIC Rates

IKA	Tax rate
Employee	13,87%
Employer	22,29%

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	28,51 € + 21,38 €
Employer	21,38 €
EFKA (TSMEDE)- Category 2	Tax rate
Employee	33,99 € + 25,77 €
Employer	25,77 €
EFKA (TSMEDE)- Category 3	Tax rate
Employee	40,57 € + 30,70 €
Employer	30,70 €

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 € 7,126.94 per month.

II. Corporate Taxation

2.1 Corporate Income Tax

Legal entities, which are duly registered in accordance with the Greek Corporate Law, are subject to corporate income tax on their worldwide income while non-resident companies, such as branches of foreign entities, are taxed only on 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 final day of the sixth month following the end of the financial year. The income tax can be payable in 8 monthly installments commencing upon the filing of the tax return.

2.1.2 Deductible Expenses

Deductions	
Depreciation (Please refer to section 2.1.4 below)	
Bad and Doubtful Debts Amounts up to € 1.000 unpaid for 12 months.	100% with no warning
All other amounts only when the company has appealed to the courts with legal remedies, for the amount due	50% / 75% / 100% depending on the months due 12 / 18 / 24
The condition for the deduction of the provision for the two cases is, certain actions ensuring the right of collecting the claim to be already taken	
Operational expenses with appropriate documentation	
Based on the provisions of Law 4308/2014 (Greek Accounting Standards), any amount of start-up expenses shall be, under conditions, tax deductible within the year that they have been incurred, to the extent that they do not fall within a category of assets (including tangibles and intangibles).	

2.1.3 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
Total of expenses that are paid to tax residents in non-cooperative states or states with a preferential tax regime, unless the taxpayer proves that these expenses refer to real and usual transactions that do not have as their objective the transfer of profits or income or capital with the purpose of tax avoidance or evasion.
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 3.000.000 Euros, then the amount that exceeds 30% of EBITDA ¹ 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.

*1. tax exempt income is not included in this EBITDA

2.1.4 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%

2.1.5 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 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 are limited.

2.2 Capital Gains Tax

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

Individuals: Transfer of non-listed shares is subject to capital gain tax at the rate of 15%. Transfer of listed shares is again taxed at 15% and additionally 2‰ is imposed on the gross sale proceeds of listed shares.

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 imposed 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 imposed on the profits in Greece.

2.4 Related Party Transactions

Transfer Pricing: Transactions between related parties should be carried out in accordance with the 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.

TP Obligations Thresholds

Annual revenues > 5 mil, intragroup transactions in total > 200th €

Annual revenues < 5 mil, intragroup transactions in total > 100th €

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, masks, gloves, antiseptic liquids and soaps	Newspapers, books, certain Pharmaceuticals, theater tickets, cinema tickets, concert tickets, gas, electricity 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

Exciseduties 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 the so called ENFIA (Uniform Real Estate Property TAX), an annual charge based on the value of property held.

Uniform Real Estate Tax (ENFIA)	Tax rates
Properties in general	According to coefficients (sq. meters, year of construction, location, etc.)

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% including municipality fees.

V. Tax Calendar

The most important dates for tax purposes are as follows:

Declarations	Deadlines
VAT Returns (Books Class C)	Last working day of the month following the reference month
VIES Fillings	26th of the month following the reference month
VAT Returns (Books Class B)	Last working day of month following the reference 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 (N)	until the last working day of the 6 th month after the fiscal year's end.
Income tax return filing dates are determined once a year	Usually 30th of June*

*Due to constant changes to the deadlines by Ministry of Finance 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)
No payable tax as result 100 EUR delayed submission of return / declaration. 100 EUR if not required to keep accounting records	No payable tax as result 100 EUR delayed submission of return/declaration 100 EUR if not required to keep accounting records
200 EUR if required to keep accounting records according to simplified accounting standards	200 EUR if required to keep accounting records according to simplified accounting standards
500 if required to keep accounting records based on full accounting standards. Misreporting of data leading to a reduction in tax liability (due to tax audit) 2500+10% if difference between 5-20%	500 if required to keep accounting records based on full accounting standards. Misreporting of data leading to a reduction in tax liability (due to tax audit) 2500+10% if difference between 5-20%

2500+25% if difference between 20-50%	2500+25% if difference between 20-50%
2500+50% if difference over 50% Not issuing receipt 50% of VAT, min 250 EUR if required to keep accounting records according to simplified accounting standards, min 500 EUR if required to keep accounting records based on full accounting standards	2500+50% if difference over 50% Not issuing receipt 50% of VAT, min 250 EUR if required to keep accounting records according to simplified accounting standards, min 500 EUR if required to keep accounting records based on full accounting standards
If no VAT is applicable 500 if required to keep accounting records according to simplified accounting standards/audit, 1000 min 500 EUR if required to keep accounting records based on full accounting standards/audit Not issuing invoice/Issuing of forged invoices/Receiving of forged invoices 2500 EUR per financial year	If no VAT is applicable 500 if required to keep accounting records according to simplified accounting standards/audit, 1000 min 500 EUR if required to keep accounting records based on full accounting standards/audit Not issuing invoice/Issuing of forged invoices/Receiving of forged invoices 2500 EUR per financial year
No payable tax as result 100 EUR delayed submission of return/declaration 100 EUR if not required to keep accounting records	No payable tax as result 100 EUR delayed submission of return/declaration 100 EUR if not required to keep accounting records

6.3 VAT

Type	Fine/Penalty (EUR)
Delayed accrual of VAT (per month)	0.73 % per month
Delayed VAT submission	100 -500
Delayed or not registered (in Tax Office) cash machine	100

Eurofast

info@eurofast.eu | www.eurofast.eu

Your Regional Business Advisory Organisation

Eurofast has taken all reasonable care to ensure that the information herein contained were accurate on the stated date of publication, however, it disclaims all express and/ or implied warranties with regard to the accuracy of the information contained in the published materials. Eurofast, the authors or the contributors take no responsibility for the consequences of any action taken which resulted upon reliance or, in any way, use of the information herein and shall in no event be held liable for any damages resulting from such reliance or use of the information included in this publication. Reliance upon such information does not form any basis of a contract with readers or users of this publication. The information herein contained may be out of date and readers are advised to verify the information herein by seeking specific professional advice from Eurofast consultants before relying upon it. Material published by Eurofast may not be reproduced without permission.

Investors are advised to ask for professional assistance, since this booklet is not intended to be comprehensive. Our Firm will be happy to assist you in any way.

Published March 2023