

Last weeks to file annual CIT returns for 2022

I. CIT returns are filed by persons taxable with corporate income tax

Legal persons and organizational entities without legal personality are taxable with corporate income tax - CIT. After the end of the tax year, CIT taxable persons file form CIT-8 - declaration on the amount of income earned or loss incurred. CIT-8 are filed by: legal persons (e.g. limited liability companies and joint-stock companies, associations, cooperatives); limited companies in organization, i.e. at the stage from the conclusion of the articles of association to entry in the business register; organizational units without legal personality, with the exception of entities without legal personality (e.g. housing cooperatives); partnerships limited by shares; limited partnerships; companies without legal personality with their place of establishment or management in another state if under the tax regulations of that state they are treated as legal persons and are subject to taxation on all of their income in that state. CIT returns are filed with the local tax authority according to the taxable person's registered address listed in the relevant register, or in its statute or articles of association (if the registered address is not listed in the relevant register).

II. For most taxable persons the filing deadline is 30 June

The basic rule of annual CIT returns is that they are to be filed by the end of the third month after the end of the tax year. This year, however, the deadline was extended until the end of June based on the minister's of finance decree of 16 March 2023 on extending the deadlines for the fulfillment of certain corporate income tax declarations (Journal of Laws item 530). The deadline is Friday, 30 June 2023. However, it only applies to those taxable persons whose tax year is concurrent with the calendar year, as well as those whose tax year ended in the period from 1 December 2022 to 28 February 2023. If, therefore, the tax year ended after 28 February 2023, those taxable persons are still subject to the three-month period from the filing of CIT returns. The decree postpones until 30 June both the deadline for the filing of CIT-8 and for the payment of the tax due for 2022 as declared in the annual return, for all the taxable persons whose tax year ended between 1 December 2022 and 28 February 2023. The extension also includes information CIT-ST and the fulfillment of obligations by some Estonian CIT taxable persons.

III. Appropriate forms must be used to file annual CIT returns

The following forms are currently used to file CIT returns for 2022: CIT-8 (32), i.e. declaration on the amount of income earned (loss incurred) and corporate income tax due and CIT-8AB (7), i.e. declaration on the amount of income earned (loss incurred) by a tax group and on the amount of corporate income tax due; CIT-8E (2), i.e. declaration on the amount of income earned and flat-rate tax due on corporate income for the tax year ended in the period from 1 December 2022 to 28 February 2023. CIT-8E is to be used by companies taxed with flat-rate tax on corporate income (so-called Estonian CIT). Form CIT/EZ is an attachment to form CIT-8E.

30 June 2023 is the extended deadline for the filing by CIT taxable persons of declarations on the amount of income earned (loss incurred) in the tax year ended in the period from 1 December 2022 to 28 February 2023. For taxable persons whose tax year ended after 28 February the deadline is 3 months after the end of the tax year.



IV. New relief and deductions in 2022 returns and attachments

Changes made to form CIT-8 in version 32 and attachments thereto consist primarily of those related to the implementation of new relief, i.e. deduction of the costs of trial production and launch of a new product (Article 18ea of the CIT Act), deduction of the costs incurred in order to increase sales revenue (Article 18eb of the CIT Act), deduction relating to the acquisition of another company's shares (Article 18ed of the CIT Act), deduction relating to an initial public offering (Article 18ed of the CIT Act), deduction of the costs incurred for sports, culture and science (Article 18ee of the CIT Act), deduction of the expenses incurred for the purchase of a payment terminal and for processing payment transactions via the payment terminal (Article 18ef of the CIT Act), deduction of the costs incurred for robotization (Article 38eb of the CIT Act).

V. Annual tax returns are filed electronically with a certified signature

Returns are filed by CIT taxable persons even if in a given year they had no income, or had only tax-exempt income. The obligation to file an annual return is also not waived due to the absence in a reporting period of revenues or tax-deductible costs. In the case of the latter, the taxable person files a so-called zero CIT-8. This is because CIT-8 is a declaration on the amount of income earned or loss incurred rather than the amount of tax. CIT taxable persons are currently required to file their annual tax returns electronically. What is more, electronically filed CIT-8 cannot be signed using a free electronic signature (ePUAP) or verification data (as is the case with PIT). Electronic filing of a CIT return requires a secure electronic signature verified using a valid certificate.

VI. CIT returns must be filed in electronic form

CIT-8 returns are filed electronically via the e-Deklaracje CIT system. Paper returns can only be filed by those CIT taxable persons who have only earned tax-exempt income and have no employees or contractors. Electronic declarations may be filed by an attorney-in-fact that has been authorized to do so. Such authorization is free of charge. It is form UPL-1 authorization to sign electronic tax declarations. It is also possible to appoint an attorney-in-fact to file paper declarations. This type of power of attorney - UPL-1P - carries a fee of PLN 17. The fee has to be paid to the bank account of the city or municipality relevant to the location of the tax office at which the power of attorney is being filed.

VII. APA-C must also be filed by the CIT return deadline

In accordance with the provisions of the Act of 16 October 2019 on the resolution of disputes regarding double taxation and on the conclusion of advance pricing agreements (2019 Journal of Laws, item 2200), taxable persons who have been issued advance pricing agreements (APA) submit a statement (form APA-C) to the Head of National Tax Administration on the performance of the agreement for each tax year covered by the agreement, by the deadline for the filing of their annual tax return. Ordinarily the deadline for the filing of such information would therefore be the end of March (for taxable persons whose tax year is concurrent with the calendar year). As a result, the deadline for the filing of APA statements (form APA-C) has by law been extended until 30 June 2023.



VIII. Estonian CIT taxable persons submit annual CIT-8E

30 June 2023 is also the filing deadline for so-called Estonian CIT (flat tax on corporate income). This is done using form CIT-8E, i.e. declaration on the amount of income earned and flat-rate tax due on corporate income. It is a form designated for those companies that are taxed with flat-rate tax on corporate income (so-called Estonian CIT). In 2022 this form of taxation was available to taxable persons who conducted operations as a limited liability company, joint-stock company, simple joint-stock company, limited partnership or partnership limited by shares (previously, in 2021 it was only available to limited liability and joint-stock companies). Form CIT/EZ is an attachment to CIT-8E. They should be filed using electronic means of communication in accordance with the provisions of the Tax Ordinance. Form CIT-8E (version 2) is applicable starting with tax years beginning after 31 December 2021.



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IX. Financial statements must be approved by end of June

30 June 2023 is also the deadline for the approval of financial statements. To recap, last year and the year before that the deadlines were longer than set out in the Accounting Act, as they had been extended due to the Covid-19 pandemic. This year there was no such extension. As a result, the reporting deadlines for 2022 are (where the financial year is concurrent with the calendar year) in line with general rules. This means that financial statements had to be prepared by the end of March 2023 and must be approved by the end of June 2023, to then be filed with the relevant court register by 15 July. The preparation of year-end financial statements is the responsibility of entity managers, i.e.: company management board members; partners who handle the affairs of a general partnership, partnership or professional partnership; general partners who handle the affairs of a limited partnership and partnership limited by shares; liquidators, receivers or administrators in bankruptcy proceedings; members of the governing bodies of other entities (subject to the provisions of the Accounting Act). Financial statements are approved by appropriate company organs, such as e.g. the general meeting of shareholders or all the partners.

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