

**ESTONIA TAX RATES 2017**

VAT ( Käibemaks)			
<b>Standard rate</b>		<b>Reduced rate</b>	
20%		9% (medical equipment, literary and educational literature, accommodation etc.)	
Corporate income tax (Tulumaks)			
<b>Standard rate</b>	<b>Reduced rate</b>	<b>Special arrangements</b>	<b>Tax exemptions</b>
20% on profit distributions, dividends, gifts, fringe benefits, non-business expenditures	Corporate income tax is not applicable to undistributed profit	20% on liquidation proceeds, share capital reductions and shares buy-back in the amounts exceeding contributions to equity	No tax on distribution of dividends received from the EU, or if owned 10% and more shares and dividends have been taxed abroad)
Withholding taxes			
<b>Dividends</b>	<b>Interest</b>	<b>Royalties &amp; Service Fee</b>	<b>Capital gains</b>
No tax	No tax on interest ( if not exceeding market rate)	20 % on rental payments and 10 % ( excluding payments to EU and owners of 25% and more participation) other services rendered in Estonia	20% on gains from sales of share in company, where owned 10% and more participation and which more than 50% of assets comprise real estate or buildings in Estonia
Taxes on workforce			
<b>Social contributions for employee</b>	<b>Social contributions for employer</b>	<b>Personal income tax for employee</b>	<b>Tax exemptions</b>
1,6% of unemployment employee contribution	33% social tax ( but not less than EUR 141,90 per month per employee) and 0,8% of unemployment contribution	20% flat rate ( tax free income EUR 2,160 per year + EUR 1,848 for one parent of each children on age until 17 years starting from the second one )  Tax deductions for interest related to acquisition of personal residence up to EUR 300 per year plus charity education expenses and voluntary pension funds, total deductions up to EUR 1,200 per year, but not more than 50% of taxable income.	No income taxes and social contribution on salaries paid to tax non-residents  State pension income + pensions from saving funds up to EUR 2,832 per year.  Compensations paid to residents for accidents at work or occupational disease Up to EUR 768 per year
Personal income tax on capital gains			
<b>Real estate, shares and securities</b>	<b>Dividends and interests</b>		<b>Income from investments in private pension funds and life insurance</b>
20% on sales of real estate (excluding personal residence) , rentals, shares, securities (excluding investment accounts) Exemption: 20% income from rent of one residential property	20 % on dividends received from abroad, if these dividends or profit share have not been taxed abroad. 20% from received interests excluding from credit institutions within EU, Norway and Lichtenstein.		10% - pension funds 20% - life insurance ( excluding transfers to pension funds)
Land tax			
<b>Object</b>		<b>Tax rate</b>	
Land		0.1% – 2.5% of cadastral value of land Exemption: land under residential buildings up to 0,15 ha per taxpayer in urban areas and 2 ha in rural regions	