Tax advice
for entrepreneurs

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Monthly Newsletter

April, 2025.

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1. TAX REMINDER FOR APRIL 2025.

So that you don't miss any important deadlines, we bring you an overview of key obligations for this month:

- **JOPPD form** – by April 15th (depending on the type of receipt)
- **VAT for March** – by April 20th
- **Summary declaration (VAT-S and ZP)** – by April 20th
- **Consumption tax (PP-MI-PO)** – by April 20th
- **Membership fees and advances** (Croatian Chamber of Commerce, tourist boards, monument rent) – by April 30th
- **Special taxes and excise duties** – various deadlines by April 30th

2. ANNUAL FINANCIAL STATEMENTS FOR 2024 – DO YOU KNOW WHAT, HOW AND BY WHEN?

Income tax payers are required to submit annual financial statements for statistical and other purposes no later than April 30, 2025, while the deadline for public disclosure is June 30, 2025 (or 9 months for consolidated reports).

What is important to know:

- The type and scope of the report depends on the size of the entrepreneur (micro, small, medium, large) and its status.
- It is necessary to use updated forms and pay attention to the new classification limits.
- Additional information may be mandatory – depending on the activity and business events.
- Inactive entrepreneurs are required to submit a Declaration of Inactivity within the same deadline.
- Late submission is considered a violation of the Accounting Act and may result in fines.

3.

MINIMUM SALARY FOR DIRECTORS IN 2025 – NEW BASIS AND OBLIGATIONS

From 1 January 2025, the minimum gross salary for employed board members, executive directors, liquidators and managers of cooperatives is 1,168.70 euros, instead of the previous 1,014.00 euros. This is an increase of 15.3%.

- The base is already applied for the calculation of the salary for January 2025, and is paid in February.
- In the event of irregularities, the Tax Administration will issue a decision on the difference in contributions paid by the individual – not the company.
- If a board member is insured on a different basis (e.g. employed in another company), and on a lower base – he can also expect a decision on additional payment of the difference.
- Directors who are employed and pension beneficiaries are exempt from the annual base, except in the case of a disability pension due to partial loss of working capacity.

The base is based on the average gross salary in the Republic of Croatia for January – August 2024, which amounts to 1,798.00 euros, with the application of a coefficient of 0.65.

4.

DEADLINES FOR SUBMITTING REPORTS IN THE BUDGET SYSTEM

We remind all taxpayers in the state and local budget system of the upcoming deadlines for submitting reports for the first quarter of 2025.

By April 7

- Reports on the realization and spending of earmarked revenues and receipts and own revenues

By April 10

- Quarterly financial reports (PR-RAS) for state budget users (level 11) and LLP(R)S (levels 21, 22 and 31)
- IZJS form for units that have given consent to borrow

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- Consolidated financial reports for state budget divisions (level 12)
- Proposal for the annual report on the execution of the financial plan of divisions and extra-budgetary users

By April 22

- Quarterly financial reports for extra-budgetary users (levels 41 and 42)

By April 22 for March

- Public publication of information on the spending of funds

5.
REAL ESTATE TAX – WHAT OWNERS NEED TO KNOW IN 2025.

A real estate tax was introduced on January 1, 2025, replacing the previous tax on vacation homes. Property owners are required to submit data to the competent authority by March 31, but only if the tax authority does not have all the necessary information.

Key information:

- **Tax amount:** from €0.6 to €8 per m^2 of usable area, depending on the decision of the local government
- **Exempt from payment:**
  → owners who have a registered permanent residence in the property
  → those who rent the property under a long-term contract
- **Deadline for reporting data:** March 31, 2025
  → applies to properties that have not been registered for utility fees
  → or where the area or purpose has changed

Examples of tax amounts by city:

- Zagreb: 5 €/m^2
- Rijeka: 5 €/m^2
- Osijek: 0,6 €/m^2

The tax rate is determined by each local government.

6.

ANNUAL INCOME TAX RATES FROM MARCH 2025 – DO YOU KNOW WHAT RATES APPLY IN YOUR MUNICIPALITY OR CITY

At the beginning of March 2025, new annual income tax rates, determined by local government units, came into force, in accordance with amendments to the Income Tax Act.

What is important to know?

- If the local government has not made a new decision on time, the prescribed rates of 20% and 30% will apply.
- Once adopted, the rates are valid for the entire year 2025, regardless of the date the decision was made.
- An updated overview of rates by municipalities and cities is available on the official website of the Tax Administration.

Why is this important?

The correct application of rates is key to the correct calculation of annual tax and timely financial planning, for both employers and taxpayers.

7.

FULL HEALTH CARE FOR EUROPEAN INSURED PERSONS IN CROATIA – WHAT YOU NEED TO KNOW

According to European regulations, in particular Regulation (EC) No. 883/2004, insured persons from EU member states residing in Croatia – temporarily or permanently – may exercise the right to full health care to the same extent as insured persons of the Croatian Health Insurance Fund, but at the expense of their foreign insurance.

Key information:

- Pensioners residing in the Republic of Croatia can use the Croatian health care system with the S1 Certificate, under the conditions prescribed by their home country.
- The A1 Certificate does not apply to health insurance – it is not sufficient to exercise health care rights.
- According to Directive 2011/24/EU, European insured persons have the right to use private health care institutions in the Republic of Croatia, including the services of private doctors.

8.
FISCALIZATION 2.0 – A DIGITAL REVOLUTION IN ISSUING INVOICES

Fiscalization 2.0, a new system that introduces mandatory use of e-invoices for all entrepreneurs in Croatia, will come into force on January 1, 2026. Paper invoices are a thing of the past – all invoices will be issued and received exclusively digitally, with a direct connection to the Tax Administration.

Key news:

- E-invoice obligation is also introduced for B2B business, not only towards public contracting authorities
- Digital archive replaces paper documentation
- Free invoicing application available to micro and small entrepreneurs
- Automatic monitoring of invoice status and collection enabled

Goals of the reform:

- Simplification of accounting and administrative processes
- Greater transparency and control over payments
- Reduction of costs and burdens for entrepreneurs

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CONTACT

CONEO – ZAGREB D.O.O.
Poljička ul. 5/V
10 000 Zagreb

+385 1 4606 900

www.coneo.hr

Christian Braunig
Managing Partner
e-mail

Frane Garma
Director
e-mail

Worldwide service
through ETL Global