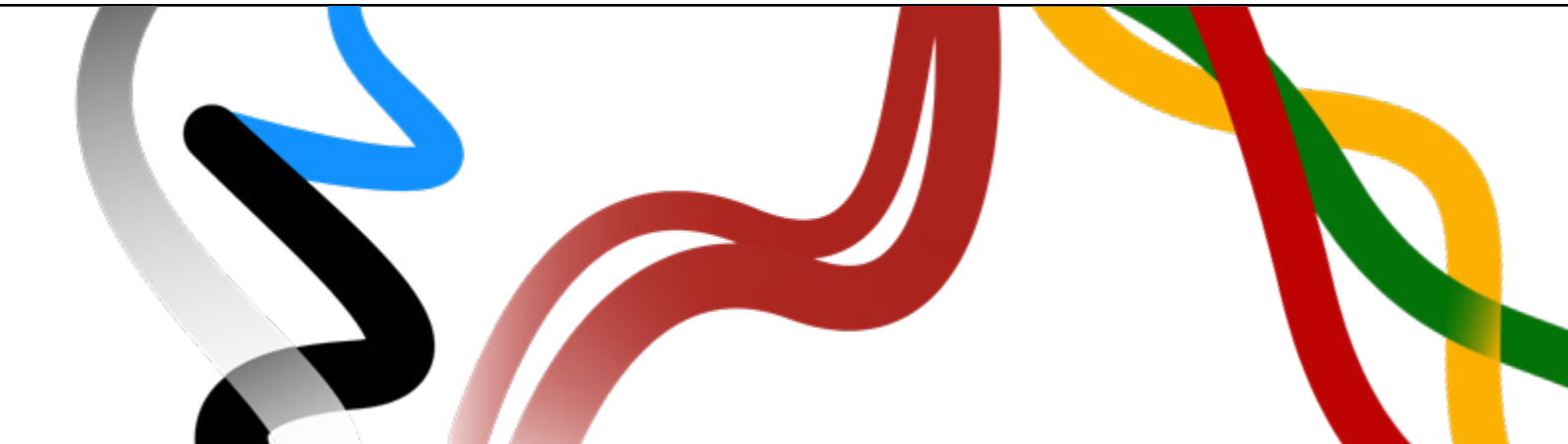


## DISCOVERING POTENTIAL

### 2021 | TAX TABLE – ESTONIA, LATVIA, LITHUANIA



|                      | <i>ESTONIA</i>  | <i>LATVIA</i>   | <i>LITHUANIA</i>  |
|----------------------|---|---|---|
| PERSONAL INCOME TAX  | <p>20% on employment income and other types of income (including dividends, interest and capital gain)</p>  | <p>Progressive PIT system:</p> <ul style="list-style-type: none"> <li>- 20% on annual gross income up to EUR 20,004</li> <li>- 23% on annual gross income from EUR 20,004 up to EUR 62,800</li> <li>- 31% on annual gross income that exceeds EUR 62,800</li> </ul> <p>20% on capital income (interest, capital gains, dividends if corporate income tax (CIT) has not been paid on distributed profit)</p> <p>10% on real estate rental income</p> | <p>Employment income:</p> <ul style="list-style-type: none"> <li>- 20% on gross annual income up to EUR 81,162</li> <li>- 32% on gross annual income exceeding EUR 81,162</li> </ul> <p>5% - 15% on income from self-employed activities</p> <p>15% on dividends</p> <p>Other income:</p> <ul style="list-style-type: none"> <li>- 15% on gross annual income up to EUR 162,324</li> <li>- 20% on gross annual income exceeding EUR 162,324</li> </ul>  |
| CORPORATE INCOME TAX | <p>The tax is payable at the time of profit distribution, applying a rate of 20/80 to net income (20% of the gross amount). Earnings are not taxed until profits have been distributed</p> <p>A reduced rate of 14/86 (14% of the gross amount) is applied if profits are distributed regularly. Dividends paid to private individuals are subject to an additional income tax of 7% (if dividends were taxed at the rate of 14%)</p> | <p>The tax is payable at the time of profit distribution, applying a rate of 20/80 to net income (20% of the gross amount). Earnings are not taxed until profits have been distributed</p> <p>25% for micro-enterprise taxpayers with a turnover up to EUR 25,000</p> <p>40% for turnover exceeding EUR 25,000 (This tax includes personal income tax and social security contributions until 31 June 2021)</p>                                     | <p>15%</p> <p>5% for companies with fewer than 10 employees and a gross annual turnover not exceeding EUR 300,000 (under certain conditions)</p> <p>0% for the first 10 years of establishment and 7.5% for the next 6 years for companies established in the free economic zones with an investment amount of:</p> <ul style="list-style-type: none"> <li>- 1 million euros; or</li> <li>- EUR 100,000 and with a minimum of 20 employees in average, and at least 75% of the annual turnover needs to come from service delivery</li> </ul> |

|                      | <i>ESTONIA</i>  | <i>LATVIA</i>   | <i>LITHUANIA</i>  |
|----------------------|---|---|---|
| CORPORATE INCOME TAX |   |   | <p>0% for the first 20 years from establishment for those companies implementing a project under a valid large investment contract, that came into force during the period from 1 January 2021 until 31 December 2025, if:</p> <ul style="list-style-type: none"> <li>- investments have reached 20 million euros (30 million euros in the Vilnius region); and</li> <li>- the company employs a minimum of 150 employees on average (200 in the Vilnius region); and</li> <li>- at least 75% of the annual revenue comes from manufacturing, data processing or web hosting and related services</li> </ul> <p>- 20% of the profit of credit institutions that exceed a limit of 2 million euros during the period from 1 January 2021 until 2022</p>  |
| VALUE ADDED TAX      | <p>20%</p> <p>9% for:</p> <ul style="list-style-type: none"> <li>- books, textbooks and educational literature, in both physical and electronic formats</li> <li>- Medicine and medical equipment that is intended for the personal use of people with disabilities, and technical aids as defined by the Medical Devices Act</li> <li>- in both physical and electronic formats</li> <li>- hotel accommodation services</li> </ul> | <p>21%</p> <p>12% for:</p> <ul style="list-style-type: none"> <li>- Listed pharmaceuticals, medical equipment and goods</li> <li>- Educational literature and periodic publications</li> <li>- Food products for infants</li> <li>- Domestic carriage of passengers</li> <li>- Heating and gas services</li> <li>- hotel accommodation services</li> </ul> <p>5% for a range of locally produced vegetables and fruit</p> | <p>21%</p> <p>9% for:</p> <ul style="list-style-type: none"> <li>- Public transport services on regular routes</li> <li>- Books and non-periodic information publications (printed and electronic formats)</li> <li>- accommodation services (until 31 December 2022)</li> <li>- Supply of heating to residential premises and supply of hot water</li> <li>- Firewood and wood products for heating for household energy consumers</li> </ul> <p>5% for:</p> <ul style="list-style-type: none"> <li>- Pharmaceuticals and medical aid devices under certain conditions</li> <li>- Technical assistance equipment for people with disabilities and the repair of such equipment</li> <li>- Printed and electronic newspapers, magazines and other periodical publications (with some exceptions)</li> </ul> <p>0% for:</p> <ul style="list-style-type: none"> <li>- COVID-19 vaccines and in vitro diagnostic medical devices for the diagnosis of COVID-19 disease (until 31 December 2022)</li> </ul> |

|                               | <i>ESTONIA</i>  | <i>LATVIA</i>  | <i>LITHUANIA</i>   |
|-------------------------------|---|--|--|
| SOCIAL SECURITY CONTRIBUTIONS | <p>33% employer's contribution</p> <p>The unemployment insurance contribution rate is 1.6% (employee's contribution)</p> <p>For employers the unemployment insurance contribution rate is 0.8%</p> <p>Social security contributions and contributions to pension funds must also be made by the self-employed</p> | <p>34.09% (23.59% the employer's contribution and 10.5% the employee's contribution)</p> <p>31.07% for the self-employed</p> <p>5% for pension insurance from royalties</p> <p>Additional 10% for pension insurance from the self-employed (from 1 July 2021)</p> <p>Depending on a private individual's status, different rate's might be applied</p> | <p>19.50% employee's contribution (social insurance contributions of 12.52% and health insurance contributions of 6.98%)</p> <p>1.79% employer's contribution (including 0.32% for the Guarantee Fund and the Long-Term Unemployment Fund)</p> <p>19.50% rate of tax is also imposed on 90% of income earned by the self-employed</p> <p>Special rules and rates apply to athletes, performers, royalty recipients, farmers, owners of individual enterprises, members of micro-enterprises and members of partnerships.</p> |
| SOLIDARITY TAX                | Not applicable  | 25% on annual income exceeding EUR 62,800  | Not applicable   |
| IMMOVABLE PROPERTY TAX        | Not applicable  | <p>Depending on the individual municipality, 0.2% - 3% of the cadastral value</p> <p>If the respective municipality has not set any tax rates, then 1.5% is applied to land, certain types of buildings and engineering structures, and 0.2% - 0.6% to residential houses depending on the cadastral value.</p>  | <p>0.5% - 3% of the taxable value for companies;</p> <p>0.5% - 2% of the taxable value for private individuals; a tax exemption is applied to real estate valued up to EUR 150,000.</p>  |
| LAND TAX                      | 0.1% - 2.5% of the assessed land value  | <p>0.2% - 3% of the cadastral value or 1.5% in cases where the respective municipality has not set any tax rates;</p> <p>For agricultural virgin land an additional 1.5% applies.</p>  | <p>0.01% - 4% of the market value of the land depending on the individual municipality;</p> <p>Tenants of state land pay a land lease tax of 0.1% - 4% of the land value.</p>  |
| WITHHOLDING TAX               | Not applicable on dividends (tax is applied to profit distribution)   | <p>Not applicable on dividends (tax is applied to profit distribution)</p> <p>20% to recipients in tax havens</p>  | <p>Dividends:</p> <ul style="list-style-type: none"> <li>- 0% if the parent company holds a minimum of 10% of shares for at least 12 consecutive months</li> <li>15% in all other cases</li> </ul>   |
|                               | 0% on interest (except in cases of increased interest payments)   | <p>0% on interest for companies</p> <p>20% for recipients in tax havens</p>  | <p>Interest:</p> <ul style="list-style-type: none"> <li>- 0% if the recipient is a resident of the EEA or a resident of a country that has a tax treaty with Lithuania</li> <li>- 0% on interest for securities issued by the Government for international financial markets, accrued and paid on deposits and on subordinated loans that meet the criteria set by the Bank of Lithuania</li> <li>10% in all other cases</li> </ul>  |

|                 | <i>ESTONIA</i>  | <i>LATVIA</i>   | <i>LITHUANIA</i>  |
|-----------------|---|---|---|
| WITHHOLDING TAX | 10% on royalties (unless the rate is reduced or an exemption applies under an applicable tax treaty)  | 0% on royalties for companies<br>20% for recipients in tax havens   | Royalties:<br>– 0% if paid to entities qualifying under the EU interest and royalties directive<br><br>10% in other cases (unless the rate is reduced under a tax treaty)   |
|                 | 10% tax on technical service fees for services rendered in Estonia provided that there is no tax treaty between Estonia and the service recipient's country   | 20% tax on consultancy and management services except when a lower rate applies based on a tax treaty                         |   |
|                 |   | A 3% withholding tax applies to proceeds from disposals of real estate located in Latvia.                                     | A non-resident's proceeds from the sale, transfer or lease of immovable property located in Lithuania (can be recalculated on capital gains in the event that the correct application has been submitted) are subject to 15% withholding tax. |
|                 |   | Withholding tax at a 5% rate is applied to gross income received by non-residents from rent of real estate located in Latvia. | Income paid to non-residents for performances or sports activities held in Lithuania are subject to 15% withholding tax.  |
|                 | After the termination of the state of emergency, which was declared by the Republic of Estonia on 12 March 2020, and is set to continue until 31 December 2021, the rate of interest will be 0.03% per day. | 20% withholding tax applies to all payments to companies located in tax havens.   | Annual payments (tantiems) to non-resident members of the board or supervisory board are subject to 15% withholding tax.  |

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