

	Estonia	Latvia	Lithuania
Personal Income Tax	<p>22% for employment income and other type of income (including dividends, interest and capital gain)</p>	<p>Progressive PIT system</p> <ul style="list-style-type: none"> • 25.5% up to annual income of 105,300 euro (gross) • 33% to annual income more than 105,300 euro (gross) <p>25,5% on capital income (e.g., interest, capital gains, dividends)</p> <p>0% on dividends (if CIT or PIT applied abroad, or dividends distributed in Latvia from profit earned after 2018)</p> <p>10% on rent of real estate</p> <p>Royalties</p> <ul style="list-style-type: none"> • 25% (if the recipient of the royalties chooses not to register as a performer of the economic activity) <p>Additional rate of 3% on the part of the taxpayer's taxable income (including dividends and liquidation quota) exceeding 200,000 euro.</p> <p>Dividends received may be subject to PIT at a rate of 6% if the alternative taxation mechanism (combined with CIT at a rate of 15%) for dividends is selected.</p>	<p>Employment income and some other types of income now is subject to progressive taxation system:</p> <ul style="list-style-type: none"> • 20% up to annual income of 82,962* euro (gross); • 25% up to annual income of 138,270* euro (gross); • 32% to annual income more than 138,270 euro (gross). <p>Other income is taxed at a fixed 15% rate up to 12 AMW. Any amount exceeding this threshold becomes subject to progressive PIT tax rates when combined with other taxable income (for example, income of small partnership member, income from the sale of real estate)</p> <p>Income from individual activity under certificate – from 5% up to 32% (included in the progressive taxation regime);</p> <p>Income from individual activity under a business license is taxed at a fixed amount up to 50,000 euro; exceeding income is included in the progressive taxation regime.</p> <p>Dividends, social benefits, capital gains, insurance and pension payouts – 15% (not included in the progressive taxation regime)</p> <p>Special taxation applies to income derived from agricultural activities by individuals.</p> <ul style="list-style-type: none"> • 15% up to annual income of 138,270 euro (gross). • 20% to annual income more than 138,270 euro (gross). <p>*The threshold may vary depending on fluctuations of average yearly income during 2026</p>

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Corporate Income Tax	<p>The tax is levied at profit distribution at a rate of 22/78 of the net amount (22 % of the gross amount). Retained earnings are not taxed until profit distributions are made</p>	<p>The tax is levied at profit distribution at a rate of 20/80 of the net amount (20 % of the gross amount). Retained earnings are not taxed until profit distributions are made.</p> <p>Credit institutions and consumer credit service providers pay a tax surcharge in the amount of 20 % of the after-tax profit of the pre-taxation year, for which they have the right to reduce the tax on profits distributed in dividends for an unlimited period of time.</p> <p>With regard to the distribution of profits as dividends, where all shareholders of the company are natural persons, the shareholders may decide to apply an alternative tax treatment, namely to apply CIT at a rate of 15 % (with the dividend amount first being divided by a coefficient of 0.85), in combination with PIT at a rate of 6 % on the gross dividends.</p>	<p>17%</p> <p>0 % for the first two years and 7 % for the following periods for enterprises with less than 300,000 euro in gross annual revenues (if the certain conditions are met)</p> <p>0 % for the first 10 years from establishment and 8,5 % for the 6 subsequent years for companies established in free economic zones when the capital investment has reached:</p> <ul style="list-style-type: none"> • 1 million euro; or • 100,000 and the average number of employees is no less than 20 and at least 75% of the annual income is received from the provision of services <p>Investment projects: The acquisition cost of new fixed assets used for production or services may be deducted from taxable profit by up to 100 %.</p> <p>Research & Development (R&D): Eligible R&D expenses directly related to income-generating activities (excluding depreciation) are deductible at 300 % (triple deduction).</p> <p>Companies earning more than 50 % of revenue from self-produced goods may reduce CIT by up to 100 %, depending on the share of disabled employees.</p> <p>Donations to qualifying Lithuanian film production projects may reduce CIT by up to 75 % of the donated amount.</p> <p>The standard CIT rate is applied of 17 % and additional 5 % CIT rate for profits of banks, exceeding the threshold of 2 million euro.</p>

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Value Added Tax	<p>24 %</p> <p>9 % for:</p> <ul style="list-style-type: none"> Books and workbooks used as learning materials Medical products, medical devices for personal use of disabled persons, technical aid for the purpose of the Medical Devices Act Press publications, both on a physical medium and electronically <p>13 % for Accommodation services</p>	<p>21%</p> <p>12 % for:</p> <ul style="list-style-type: none"> Particular pharmaceuticals products and medical devices for individual use by persons with impaired bodily functions Particular nutrition for infants Domestic public transport Wood fuel for private individuals Heating energy for private individuals Accommodation in tourist hospitality sector Certain fresh fruit, berries and vegetables (according to the planned amendments) Bread, milk, poultry meat, and eggs (applicable from 1 July 2026 to 30 June 2027) <p>5 % for:</p> <p>supply of books and publications in both printed and electronic format, including online access and downloading, if they are in Latgalian or in the languages of Latvia's indigenous people – the Livonians – or in the official languages of the European Union (and its candidate countries), the languages of the EEA countries, the official languages of the Swiss Confederation, and the official languages of the OECD supply of and subscriptions to newspapers, magazines and other periodicals and mass media, in both printed and electronic format, including online access and downloading if they are in Latgalian or in the languages of Latvia's indigenous people – the Livonians – or in the official languages of the European Union (and its candidate countries), the languages of the EEA countries, the official languages of the Swiss Confederation, and the official languages of the OECD.</p> <p>VAT exemption thresholds for SME (applies also to taxable persons from other EU Member States):</p> <ul style="list-style-type: none"> EUR 50 000 – for domestic sales transactions EUR 10 000 – for intra-Community acquisitions of goods in Latvia <p>If the threshold of EUR 50,000 is not exceeded, there is an opportunity to register under the special procedure and pay VAT only on cross-border services received and / or intra-Community acquisitions of goods</p>	<p>21%</p> <p>12 % for:</p> <ul style="list-style-type: none"> Public transport services and passenger baggage transportation services; Public Accommodation services; Attendance of all types of artistic and cultural institutions and events. <p>5 % for:</p> <ul style="list-style-type: none"> Books and e-books and information publications and e-publications Technical ai devices and their repair services for the disabled Drugs and medical aid devices Food products of special medical purpose (only compensated by the state) Not compensated prescription drugs <p>The 9 % VAT rate is abolished as of 2026.</p> <p>VAT exemption for small enterprises:</p> <ul style="list-style-type: none"> A VAT exemption may be applied where the value of domestic supplies in Lithuania does not exceed EUR 45,000 during the reference period consisting of the previous and the current calendar year. A threshold of EUR 14,000 applies to intra-Community acquisitions of goods carried out in Lithuania <p>Provided that the EUR 45,000 turnover limit is not exceeded within the two-year reference period, the taxable person may opt to be covered by a special VAT regime, under which VAT is payable only in respect of intra-Community acquisitions of goods and/or cross-border services received, while domestic supplies remain exempt from VAT.</p>

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Social Security Contributions	<p>33% (employer's contribution).</p> <p>The rate of unemployment insurance premium for insured persons is 1.6% (employee's contribution).</p> <p>The rate of unemployment insurance premium for employers is 0.8% (employer's contribution).</p> <p>Payments of social insurance and payments in pension funds are applied also to self-employed persons.</p>	<p>34.09% (23.59% the employer's contribution and 10,5% the employee's contribution).</p> <p>31.07% for self-employed .</p> <p>Additional 10% for pension insurance by self-employed.</p> <p>Various other rates are applied to individuals with different statuses.</p> <p>The maximum amount of the social insurance contribution object is EUR 105,300 per year.</p> <p>Solidarity tax is applicable at a rate of 25% on annual income exceeding EUR 105,300.</p>	<p>19.50% employee's contribution (social insurance contributions of 12.52% and health insurance contributions of 6.98%)</p> <p>1.77% or 2.49% 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 self-employed persons</p> <p>Special rules and rates are applied for sportsmen, performers, persons working under authorship agreements, farmers, owners of individual enterprises, members of micro companies and partners of partnerships</p> <p>Social security contributions are subject to a social security ceiling of up to 60 AW 138,270 euro.</p>
Immovable Property Tax	Does not apply.	<p>0.2% – 3% of cadastral value depending on the regulations of the municipality.</p> <p>If the municipality has not stipulated the tax rates, then depending on the cadastral value the tax is: 1.5% for land, certain buildings and engineering structures, 0.2%-0.6% for dwellings.</p> <p>Additional 1.5% for unused agricultural land.</p>	<p>For legal entities:</p> <ul style="list-style-type: none"> • 0.5% – 3% of the taxable value set by the municipality. • 0.2% of the taxable value for all commercial (business) <p>Primary residence for individuals:</p> <ul style="list-style-type: none"> • Non-taxable up to 450,000 euro. The exceeding amount is taxed from 0.1% to 1% <p>Other immovable property owned by an individual with the total value of all property:</p> <ul style="list-style-type: none"> • 0% – up to 50,000; • 0.2% – 50,000 – 200,000; • 0.4% – 200,000 – 400,000; • 0.6% – 400,000 – 600,000; • 0.8% – 600,000 – 1,000,000; • 1% – above 1,000,000.
Land Tax	<p>0.1% – 1% of the assessed value of land for residential, agricultural land.</p> <p>0.1% – 2% for land with other purposes.</p>	Separately not applicable. Please see Immovable Property Tax.	0.1% – 4% of the taxable value Lessors of the state land pay the land lease tax equal to 0.1% – 4% of its taxable value.
Withholding Tax	Dividends: Does not apply (profit distribution tax applies)	<p>Dividends: do not apply (profit distribution tax applies);</p> <p>20% for recipients in offshores.</p>	<p>Dividends: 0% if the parent company holds at least 10% of shares for at least 12 months</p> <p>17% in other cases</p>

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Withholding Tax	Interest: 22% WHT on interest payments to resident individuals.	20% for recipients in offshore.	Interest: 0% if paid to the EEA residents and companies of countries with a Tax Treaty in force. 0% on interest for securities issued by the Government on international financial markets, accrued and paid on deposits and on subordinated loans meeting the criteria set by the Bank of Lithuania. 10% in other cases.
	Royalties: <ul style="list-style-type: none">• 10% for payments to non-residents (unless a lower rate applies under a Tax Treaty or exemption applies for entities qualifying under Interest and Royalties Directive)• 22% for payments to resident individuals	Royalties: <ul style="list-style-type: none">• 0% for companies• 20% for recipients in offshore	Royalties: <ul style="list-style-type: none">• 0% if paid to entities qualifying under the Interest and Royalties Directive• 10% in other cases (unless it is reduced by a Tax Treaty)
	Service fees: <ul style="list-style-type: none">• 10% if services rendered in Estonia and there is no Tax Treaty with the recipient country• 22% for payments to tax haven entities	Consultancy and management services: 20% (unless a lower rate applies based on Tax Treaty)	
	Rental payments: <ul style="list-style-type: none">• 22% for payments to non-residents (unless a lower rate applies under a Tax Treaty)• 22% for payments to resident individuals	Remuneration paid to non-residents for the alienation of immovable property in Latvia: 3% from the transaction value (later a tax adjustment can be performed by applying a 20% tax on profit) Income received by non-residents (legal persons) from renting out an immovable property in Latvia: 5% from the transaction value Payments to recipients in offshore are subject to 20% withholding tax	Remuneration paid to non-residents for transfer or lease of immovable property located in Lithuania: 17% Remuneration paid to non-residents for performing or sports activities performed in Lithuania: 17% Annual payments paid to non-residents as members of supervisory boards of the Lithuanian companies: 17%

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