



## Corporate income tax in Bulgaria

### Amount of Tax - 10%.

**The Financial year for business in Bulgaria ends on 31 December. An Annual Tax Report for the previous year shall be submitted by 30 June.**

Corporate income tax is levied on the profits of:

- domestic companies: in full - both in Bulgaria and from abroad;
- foreign legal entities: from a place of business in Bulgaria;
- legal entities which are not traders, including religious organisations: from transactions under Article 1 of the Commercial Act, as well as from the rental of movable and immovable property;
- unincorporated companies and insurance funds established based on Article 8 of the Social Insurance Code: in full, both from Bulgaria and abroad;
- gambling operators and ship operators: from all activities outside those subject to the alternative tax.

### **The profits of persons subject only to alternative taxation for the relevant activities are not taxable:**

- Taxi passenger carriers;
- budget undertakings;
- gambling operators;
- ship operators.

### **Advance payments taxes**

You are obliged to make advance contributions where your net sales for the year before the previous year exceed 300,000 BGN

### **You do not make advance payments :**

- when your net sales for the year before the previous year do not exceed BGN 300 000;
- in the year of your incorporation as a taxable person and in the following year, with the exception of those newly established as a result of a transformation under the Commercial Law.
- Advance payments of corporate income tax are monthly and quarterly. They are determined on the basis of your estimated taxable profit for the current year.
- Monthly advance payments: are made if the net sales revenue for the year before the previous year exceeds BGN 3 000 000.

Quarterly advance payments: to be made where your net sales for the year before the previous year are between 300,000.01 BGN and 3,000,000 BGN inclusive.

**Payment terms taxes:**

**Monthly advance contributions** - for the months of January, February and March - by 15 April, for the months of April to November - by the 15th of the current month, and for the month of December - by 1 December;

**Quarterly advances** - for the first and second quarters, by the 15th day of the month following the quarter, and for the third quarter, by 1 December. No advance payment shall be made for the fourth quarter.

**Declaration deadlines for advance payment tax is:**

From 1 March to 15 April of the current year - for declaring, by Article 87a of the Income Tax Act, the type and amount of advance contributions for the current year.

By 15 November -- persons may submit a declaration under Article 88 for changes in advance contributions. The changes of contributions can be availed only after their submission.