



REPUBLIC OF POLAND
MINISTRY OF FINANCE
Income Tax Department

Warsaw, July 6, 2022

Case: letter Ref # 679 dated June 14, 2022

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Dear Mr Dorohan,

Thank you very much for your letter Ref # 679 dated June 14, 2022. Please accept my words of support for the Ukrainian people, wishing you encouragement in these very demanding times.

I would like to present you some explanations on the Polish concept of tax residency. Our tax rules as regards tax residency of individuals are covered by the provisions of PIT Act¹ as well as specific provisions of Double Tax Treaty concluded between Poland and Ukraine.

1. Unlimited tax liability in Poland

Individuals with their place of residence in Poland are taxed on their total income, regardless of where the income is earned (unlimited tax obligation in Poland).

According to the Art. 3 par. 1 of PIT Act, an individual with a place of residence in Poland is a person who:

- is physically present in Poland for more than 183 days during a tax year, or
- has a centre of personal or economic interests in Poland (centre of vital interests).

¹ Act of 26 of July 1996 on Personal Income Tax (Published in Official Journal Dz. U 2022, item 1128 with subsequent amendments).

The above rules are applied taking into account the provisions of relevant tax treaties. Therefore even, if in the light of Poland's national legislation, a person passes the residence test for Poland, the appropriate criteria contained in an international treaty must be applied to determine what state is that person's actual place of residence for tax purposes.

2. Limited tax liability in Poland

According to the Art. 3 par. 2a of PIT Act, individuals who do not have a place of residence in Poland are taxed solely on income earned in Poland. Sources of revenue subject to tax in Poland are i.a.:

- a labour-based relationship and an employment relationship, including a cooperative employment relationship, retirement or disability pension;
- personal services,
- non-agricultural business activity;
- special departments of agricultural production;
- lease, sublease, tenancy, subtenancy and other similar agreements;
- monetary capital and property rights;
- paid disposal of, among other things, real property or parts thereof and real property interests, movables;
- activity conducted through controlled foreign company (CFC);
- other sources.

3. Double Tax Treaty

On January 12, 1993 Poland and Ukraine concluded the Double Tax Treaty. The text of the Treaty is available at the Polish Ministry of Finance website:

<https://www.podatki.gov.pl/podatkowa-wspolpraca-miedzynarodowa/wykaz-umow-o-unikaniu-podwojnego-opodatkowania/>

In case an individual passes the residency test both in Poland and in Ukraine, the tie-breaker rules given in the Art. 4 par. 2 of the Treaty shall be applied. In case the criterion of permanent home may not be used, the criterion of the centre of vital interests is the most important feature.

As far as the Ukrainian residents in Poland are concerned, I would like to ensure you on very flexible and individual approach of the Polish tax authorities. Generally speaking, as a basic rule we do not deny the possibility to maintain the centre of vital interests in Ukraine in wartime.

Moreover, taking into account the special needs of Ukrainian taxpayers, we introduced a special regulation for the Ukrainian citizens, that allow them, upon their request, to choose taxation as they would be Polish tax residents. This special treatment is voluntary and it is available only during the period from February 24, 2022 to December 31, 2022 for the

Ukrainian citizens who benefit of the Act of March 12, 2022 on aid to the citizens of Ukraine in connection with the armed conflict in the territory of this state². Ukrainian citizens are free to choose this special treatment in order to be taxed in more favourably way than under general rules.

I hope you find my explanations helpful. In case you need some more information, please do not hesitate to contact us.

Yours faithfully,

Jakub Jankowski
[Job_position <select from list>](#)
Income Tax Department

² Published in Official Journal Dz. U. 2022, item 583, with subsequent amendments.