

Microenterprise Tax

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Micro-enterprise tax is a single tax payment, which includes the following taxes:

- mandatory State social insurance contributions, personal income tax, business risk fee for micro-enterprise employees;
- personal income tax of a micro-enterprise owner for the income part of economic activities of the micro-enterprise.

A micro-enterprise taxpayer calculates and pays micro-enterprise tax and does not calculate or pay personal income tax or mandatory contributions in budget separately.


What is a micro-enterprise and what is empowered to choose to pay micro-enterprise tax 



Rights for becoming a micro-enterprise exist to:

- individual merchant;
- individual enterprise, farms and fish farms;
- natural person, which is registered in the State Revenue Service (SRS) as a performer of economic activities;
- person is not a member of partnership.

Rights to choose to pay micro-enterprise tax exist, if income from economic activities — turnover — per calendar year does not exceed EUR 50 000.

Restrictions for a micro-enterprise tax payer and a micro-enterprise employee 



A micro-enterprise which has chosen to pay micro-enterprise tax may not pay personal income tax or reduced patent fee simultaneously for the income from economic activities.

How micro-enterprise tax payers are registered



The status of a micro-enterprise tax payer can be obtained:

simultaneously with registration with the corresponding register of the Register of Enterprises, by applying for the status of a micro-enterprise tax payer;

by a natural person at the same time with registration as a performer of economic activities, by submitting an application to the SRS for obtaining the status of a micro-enterprise tax payer;

by a sole trader, individual enterprise, farm or fish farm or natural person registered as a performer of economic activities by 15 December of the pre-taxation year, by submitting an application to the State Revenue Service.

The State Revenue Service, within five working days after the day an application on the status of a micro-enterprise tax payer was received, or after receiving information from the Register of Enterprises, makes a decision on the registration of a micro-enterprise tax payer or a decision on the rejection of registration, if the State Revenue Service has information at its disposal regarding that the applicant does not comply with the criteria specified in the Micro-enterprise Tax Law.

Micro-enterprise tax object and applicable rate



The object of micro-enterprise tax is the turnover of micro-enterprise. The micro-enterprise tax rate in 2024 for the micro-enterprise turnover is 25%.

If the micro-enterprise did not have turnover in the taxation period (calendar year) or the calculated amount of the micro-enterprise tax does not exceed 50 euros, a micro-enterprise taxpayer shall pay the micro-enterprise tax into the budget in amount of 50 euros.

Minimal Mandatory State Social Insurance Contributions



The amount of the minimum mandatory contribution is calculated by the State Social Insurance Agency (VSAA).

The minimum social contributions must be made by the self-employed who have chosen the micro-enterprise tax regime and whose income is less than the minimum wage (700 euros per month or 2100 euros per quarter).

In what cases the minimum mandatory contributions may not be made



If a micro-enterprise taxpayer, who is not an employee at the same time, predicts that in 2024 his income from economic activity will not reach 2100 euros in a quarter, he submits a certificate to the SRS about the planned income for the next quarter, and then the minimum mandatory contributions will not be calculated and will not have to be paid.

How to pay taxes from the wages of employees of micro-enterprises



Labor taxes must be paid from the wages of employees of microenterprise taxpayers in the general order - personal income tax and mandatory state social insurance contributions in full.

The employer must submit to the State Revenue Service information on the recruitment of employees - employed in a micro-enterprise, specifying the information code on the recruitment of a person (11 - obtaining the status of an employee).

Employees are able receive tax relief for dependents, as well as submit an annual income declaration from 2022 and receive overpaid personal income tax.

Micro-enterprise owner can apply the tax-free minimum and benefits to income subjected to personal income tax.

Declaration and payment of micro-enterprise tax



A micro-enterprise pays micro-enterprise tax for the turnover of each quarter by the 15th day of the month following after the quarter.

Micro-enterprise tax shall be paid to the State Treasury (reg. No. 90000050138, TRELLV22), to the following account of State budget revenues: LV33TREL1060000300000

By the fifteenth day of month following the quarter, a micro-enterprise submits a Micro-enterprise Tax Declaration to the State Revenue Service.

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Commercial Activity Income Account (SDI)

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Due dates for filing returns and paying taxes

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