



## Summary of the VAT changes for 2019

**Country** - Croatia

**Submission Date** - 21/12/2018

Taking effect on 1 January 2019, this is a summary of the important changes regarding VAT in Croatia:

- The right to deduct the value added tax (VAT) on expenditure related to passenger cars not wholly used for business purposes will be limited to 50%.
- The use for non-business purposes of a passenger car included in the assets of a taxable person's business, for which the deduction of the input VAT has been performed, will not be treated as supplies of services for consideration.
- The extended reverse charge for foreign taxable persons registered for VAT purposes in Croatia will not be possible anymore.
- A 13% VAT rate will be applicable to the supplies of fresh meat, fish, fruits, eggs and vegetables;
- The reverse charge reserved for construction works will be also applicable to the supplies of concreted steel and iron, as well as the products made from such materials.

Moreover, from 1 January 2020, the general VAT rate will be reduced to 24%.

We remain at your disposal if you wish further information or analysis.