

DONATIONS MADE BY COMPANIES	DONATIONS MADE BY INDIVIDUAL	DONATIONS MADE BY TRADES
<p><b>Nontaxable donation expenses are determined by five important factors:</b></p> <p><b>*(1)</b> the amount of the donation (up to 2% of income from the previous year tax-deductible),</p> <p><b>(2)</b> purpose (nontaxable donation expenses are considered to be donations in money made in the country for cultural, scientific, <b>educational</b>, health, humanitarian, sports, religious, environmental, and other general useful purposes),</p> <p><b>(3)</b> the status of recipients (associations and other legal entities that perform the above activities in accordance with special regulations),</p> <p><b>(4)</b> domestic element (donation must be in Croatia)</p> <p><b>(5)</b> donation must be made by bank transaction</p>	<p><b>Donation must be:</b></p> <p><b>(1)</b> for cultural, scientific, educational, health, humanitarian, sports, religious, environmental, and other general useful purposes.</p> <p><b>(2)</b> associations and other legal entities that perform the above activities in accordance with special regulations</p> <p><b>(3)</b> donation must be in Croatia)</p> <p><b>(4)</b> donation must be made by bank transaction</p> <p><b>*(5)</b> the taxpayer is eligible for the tax refund if he/she made a donation</p>	<p><b>Nontaxable donation expenses are determined by five important factors:</b></p> <p><b>(1)</b> the amount of the donation (up to 2% of incomes from the previous year tax-deductible),</p> <p><b>(2)</b> purpose, Nontaxable donation expenses are considered to be donations in money made in the country for cultural, scientific, <b>educational</b>, health, humanitarian, sports, religious, environmental, and other general useful purposes</p> <p><b>(3)</b> the status of recipients (associations and other legal entities that perform the above activities in accordance with special regulations),</p> <p><b>(4)</b> domestic element. (Donation must be in Croatia)</p> <p><b>(5)</b> donation must be made by bank transaction</p>
<p><b>*Explanation (1):</b></p> <p>The total amount does not exceed 2% of the total income of the business entity for the previous year. If the donations exceed 2% of the total income of the previous year, then that amount of expenditure is a non-tax deductible expenditure. In this case, for the amount of the donation above 2% of last year's income, we increase the tax base in the income tax form.</p> <p>Donation costs are recognized up to the amount of 2% of the income of the previous year and to those taxpayers who report a loss. Consequently, on the basis of donations, the loss at the end of the year can be further increased. <b>It is important to point out that taxpayers, who do not have income from the previous year, cannot have a tax-deductible donation.</b> Here we are primarily talking about start-ups.</p>	<p><b>*Explanation (5)</b></p> <p>If an individual earns income (salary) in Croatia and make a donation (via bank account) to a non-profit organization (for the above purposes) he can get a tax refund because he/she has the right to increase the personal deduction to 2% of previous year's incomes by submitting ZPP-DOH form. It is also necessary to submit a proof of payment and verification issued by a non-profit organization.</p> <p>For donations made in 2021, ZPP-DOH form must be submitted up to February 28th 2022 via e-gradani system.</p>	
<p><b>A nonprofit organization is obligated to issue a verification of donation (or to conclude a contract with donor) related to donation!</b></p>		