

# Import of Services in Poland: Current VAT, PIT and CIT Settlement Rules for Sole Proprietorships and Companies in 2025.

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## Key Points:

- Service imports (acquisition from a foreign provider) are subject to reverse charge – the Polish buyer (sole proprietorship or company) accounts for VAT in Poland, which is neutral for active VAT taxpayers but requires VAT-UE registration.
- For sole proprietorships: Simplified settlement in JPK\_V7 or VAT-9M; costs in PIT-36 reduce income and ZUS (health contribution 9%).
- For companies (e.g., LLCs): Full accounting, settlement in CIT-8; costs reduce the CIT base (9% or 19%), with no impact on ZUS (employees).
- Changes for 2025: VAT exemption threshold 200,000 PLN; new SME procedure for small businesses in the EU (up to 100,000 EUR turnover); no revolution in imports, but facilitation in JPK\_CIT.
- MF studies indicate that errors in service imports pertain to 20-30% of audits, with penalties up to 30% VAT – always document contracts and convert currency at the NBP rate.

## Basic Principles of Service Import

Service import is a transaction when a Polish entrepreneur purchases a service (e.g., marketing from Germany or software from the USA) – the place of service provision is Poland, so you account for VAT yourself. The obligation arises from the execution of the service or payment; for continuous services (licenses) – every year (December 31). Rate: usually 23%, but check for specific service (e.g., 8% for IT).

For sole proprietorships and companies, the process is similar, but companies must maintain full accounting (P&L), which complicates records. VAT-UE registration is

mandatory before the transaction (NIP-UE via VAT-R).

## **VAT Settlement Step by Step**

1. Receive a VAT-exempt invoice (foreign).
2. Calculate the due VAT (net amount × rate) and input VAT (you deduct it).
3. Report in JPK\_V7 (active, by the 25th) or VAT-9M (exempt).
4. Pay the difference (usually 0 for neutral).

Example: Service 1000 EUR (4300 PLN) – VAT 989 PLN. For active sole proprietorship: neutral; for the company – the same, but in the accounting book.

## **Impact on Income Taxes and ZUS**

In PIT (sole proprietorship): Gross amount as a cost (KUP), reduces income – savings of 12-32%. In CIT (companies): Cost of obtaining income, reduces base 9%/19%. ZUS: For sole proprietorship – lower income = lower health contribution (April 2026); companies do not pay ZUS on costs but on salaries.

## **Common Errors and Tips**

Errors: Lack of VAT-UE (penalty 1000 PLN), incorrect currency rate. Tip: Use programs like enova365; for companies – consult an auditor for imports >50,000 EUR per year.

## **Detailed Guide to Service Import in Sole Proprietorships and Companies: VAT Mechanisms, PIT/CIT, and Current Changes for 2025.**

### **Introduction: Context of Service Import in Polish Business**

In November 2025, service import remains a key element of international trade for Polish entrepreneurs – from freelancers in sole proprietorships to LLCs with revenues above 2 million EUR. According to the VAT Act (Journal of Laws 2024 item 184, amended in 2025), the import of services is an acquisition from an entity outside Poland, where the place of service is determined by Poland (the buyer's residence), triggering the reverse charge mechanism. GUS data indicates that in 2024 these transactions included over 1.5 million entities, with a value of about 150 billion EUR, while errors in settlements generate 25% of US audits (MF report). This guide, based

on the latest guidelines from the Ministry of Finance and KIS interpretations, discusses differences for sole proprietorships (PIT, simplified accounting) and companies (CIT, full accounting), focusing on changes for 2025 (e.g., SME procedure). The goal is practical support – from recognizing transactions to tax optimization.

## **Legal Basis and Recognition of Service Import**

**Service import is regulated by Article 28b of the VAT Act:** the place of service provision is the buyer's residence (Poland), if the service concerns real estate, intangible rights, or is provided for an entrepreneur. Difference EU vs. non-EU:

- **EU:** Requires VAT-UE; no VAT invoice from the supplier.
- **Outside the EU:** No VAT-UE, but always settle in Poland.

## **Tax obligation (Article 19a section 5b):**

- From service execution (standard).
- From payment (advances).
- For continuous services (e.g., SaaS): By December 31 or from the last annual payment.

VAT rates: Standard 23%; reduced 8% (construction, education); 5% (some cultural services); 0% (export). Currency conversion: Average NBP rate from the last business day before the obligation.

## **Differences Sole Proprietorship vs. Companies:**

- **Sole Proprietorship:** Simplified records in PKPiR (column 13 – other costs); VAT exemption up to 200,000 PLN turnover (2025).
- **LLCs:** Full accounting (accounts 40-49); exemption only for small firms (SME, turnover 2 million EUR); JPK\_CIT obligation for transactions >15,000 EUR.

## **VAT Settlement: Practical Steps for Sole Proprietorships and Companies**

The reverse charge process is neutral for active VAT taxpayers (due VAT = input VAT), but exempt ones (mainly small sole proprietorships) pay VAT without deduction.

## Common Steps:

1. **Registration:** Submit VAT-R (fields 65/67) before the transaction – obtain NIP-UE (PL + NIP).
2. **Invoice:** Foreign without VAT; issue a Polish internal invoice (net + VAT).
3. **Calculation:** Net amount  $\times$  VAT rate = due/input.
4. **Declaration and Payment:** To the tax office appropriate for the residence; deadline 25th day of the month after.
5. **Documentation:** Contract + proof of payment; for companies – approval by the supervisory board for large transactions.

**Specifics for Sole Proprietorship:** In PKPiR – column 13 (costs); for exempt ones VAT-9M quarterly. Example: Marketing from DE for 1000 EUR (4300 PLN, rate 4.30) – VAT 989 PLN; in JPK\_V7M: P\_30 +989 PLN, P\_43 -989 PLN (neutral).

**Specifics for Companies:** In the ledger: Account 30 (deferred settlements); JPK\_CIT for transactions above thresholds. Example: The same service – neutral VAT, but records in the balance sheet (assets/liabilities).

For imports from outside the EU: Additional Intrastat declaration if the value >100,000 EUR annually (mandatory for companies).

## Impact on Income Taxes: PIT for Sole Proprietorships vs. CIT for Companies

- **PIT (Sole Proprietorship):** Gross amount as a cost of obtaining income (Article 22 of the PIT Act) – reduces income, affecting the scale 12%/32% or linear 19%. In PIT-36 (attachment PIT/B): Positions 40-60 (costs). Carrying losses from import possible (5 years, 50% limit).
- **CIT (Companies):** Article 15 of the CIT Act – costs reduce the base 9% (small companies, revenues 2 million EUR) or 19%. In CIT-8: Automatically in the records; for holding companies – thin cap restrictions (debt >3:1).

Impact on ZUS: For sole proprietorship – lower income = correction of health contribution (9%, April 2026, ZUS DRA); companies – no direct effect, but costs reduce

CIT, improving liquidity for salaries.

## Changes in 2025 and Optimization

Key updates (Polish Order 4.0 and VAT amendment from September 2025):

- **Subjective Exemption:** 200,000 PLN (2025), rising to 240,000 in 2026; includes service imports.
- **SME Procedure:** For small sole proprietorships/companies in the EU – VAT exemption up to 100,000 EUR EU turnover; facilitates transactions with DE/FR.
- **JPK\_CIT:** Facilitation for companies – automatic imports from JPK\_V7; extended deadline for correcting declarations (14 days after announcement).
- **Virtual Services:** New rules for the place of provision (e.g., online consulting – always in Poland for B2B).

Optimization: For sole proprietorships 200,000 PLN – remain exempt (pay VAT, but deduct in PIT); for companies – group transactions for SME. For continuous imports – plan payments at the end of the year.

## Common Errors, Penalties, and Practical Tips

- **Errors:** 1) Lack of NIP-UE (penalty 1000-5000 PLN); 2) Incorrect VAT rate (30% penalty); 3) Overlooking continuous services (correction with interest 8%).
- **Tips:** Document with emails/contracts; use enova365/Streamsoft for automation; for companies – quarterly audit. In case of doubt – individual interpretation (e-US, 40 PLN). For transactions >50,000 EUR – report to GIIF (AML).

In summary, service import in 2025 is simpler thanks to SME and JPK but requires precision – for sole proprietorship it's an opportunity to reduce PIT/ZUS, for companies – CIT. Proper records minimize risks, and digital tools (MF) facilitate compliance.

## Key Quotes and Sources

- **Ministry of Finance (MF.gov.pl):** "Subjective exemption also for taxpayers from other EU countries the so-called SME procedure" – VAT Amendment, January 2025.

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