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CHANGES IN THE INCOME TAX SYSTEM DURING THE ECONOMIC CRISIS OF 2010/2014

Abstract:

The paper has the intention to display a systematic and continuous changes in the taxation of personal income since the beginning of the economic crisis that engulfed the Republic of Croatia in 2009-the year, and even today does not indicate its direction and move into a phase of recovery of the national economy.

Emphasis will be upon the changes in tax rates (the percentage and number of tax rates in the application), and nontaxable part of personal income, which leads to different heights nominal tax liability.

Such an attitude derives from the fact that the Republic of Croatia has a synthetic form of income tax (introduced in 1994) with the application of several progressive tax rates in the slice system progression.

I want to determine whether changes are in accordance with the announced program of the legislator, to reduce the tax burden for individual (per different economic strength) taxpayers, and whether such changes are aiming for social benefits and relieving the pressure on taxpayers or have the sole objective of fiscal revenue collection for the government, and (via surtax on income tax), local budgets.

Keywords:

taxation of personal income, changes, slice system, progression tax rates