Tax Rates in the Baltic Countries

Valid as of 1 January 2025

	ESTONIA	LATVIA	LITHUANIA
Corporate income tax (CIT) rate	• CIT is payable upon profit distributions (the deemed profit distribution). • CIT rate is 22%, calculated as 22/78 from taxable net payment.	• CIT is payable upon profit distributions (the deemed profit distribution). • CIT rate is 20%, calculated as 20/80 from taxable net payment.	• CIT is calculated as follows: Total income – non-taxable income – allowed deductions – limited deductions = taxable profit. • Standard CIT rate is 16% - starting 2025 year tax period. • 21% CIT rate is applicable to credit institutions. • 0% and 6% rates may be applied under certain conditions [2].
Withholding Tax Rates			
Dividends	22% calculated as 22/78 from taxable net payment.	0% or 20%/10%, reduced rates may be applied according to Double Treaty Taxation (DTT).	0% or 16%, reduced rates may be applied according to Double Treaty Taxation (DTT).
Interest	22% to residents or N/A for non-residents.	0% or 20%/10%, reduced rates may be applied according to DTT.	0% or 10%
Royalties	22% to residents, 10% to non-residents or N/A, in case the exemption applies.	N/A	0% or 10%
Management/ consulting fee	22%, exemption may be applied according to Double Treaty Taxation (DTT).	20%, exemption may be applied according to DTT.	N/A
Alienation of immovable property	22%	3%	16%
Rent/lease of real estate income	22%	5%	16%
Service fees payable to non-residents from non-cooperative tax jurisdictions	22%	20%	Payments made by a Lithuanian company for services to foreign companies registered or otherwise organized in target territories are considered to be non-allowable deductions where the paying Lithuanian company does not supply to the local tax administrator evidence that: 1) Such payments are related to the usual activities of the paying and receiving entity; 2) The receiving foreign entity controls the assets needed to perform such usual activities; 3) There is a link between the payment and the economically feasible operation.

Wage Taxes			
Minimum monthly salary	EUR 886	EUR 740	EUR 1 038
Personal income tax (PIT) rates	• 22%. • Monthly basic exemption - EUR 654[1].	• 25,5% rate on annual income up to EUR 105,300. • 33% rate on annual income exceeding EUR 105,300. • 3% additional tax rate for income exceeding EUR 200 000 per year.	• 20% rate on annual income that does not exceed 60 average wages. • 32% rate on annual income exceeds 60 average wages.
Social Security Tax Rates			
Employee rate	• 1,6% unemployment insurance premium. • 2% funded pension contribution (if the person as joined 2nd pillar and if higher 4% or 6% is not applied).	10,50%	• Employee's social security contributions - 19,5%. • Participation of employee in pension scheme (optional) - 3%.
Employer rate	• 33% social tax (the minimum monthly obligation for social tax is 820 EUR, it means, for an employer, the minimum obligation for social tax is 270,60 EUR monthly). • 0,8% unemployment insurance premium.	23,59%	• Permanent agreement - 1,77%. • Temporary agreement - 2,49 %.
Solidarity tax	N/A	33 % from income exceeding EUR 105,300	N/A
Value Added Tax			
Value added tax (VAT) rates	22%, 13% and 9%	21%, 12% and 5%	21%, 9% 5% and 0%
VAT registration thresholds	EUR 40,000	EUR 50,000	EUR 45,000
Annual EU distance selling threshold	EUR 10,000 for the sales all around EU		
Intrastat Reporting			
Arrivals	N/A	EUR 350,000	EUR 570,000
Dispatches	EUR 350,000	EUR 200,000	EUR 400,000

[1] The annual basic exemption is up to EUR 7,848 (EUR 654 per month). For the persons who are in an old-age pension, the tax-exempt income will be EUR 9,312 per year (EUR 766 per month).

[2] According to article 30-2 of the Law on CIT the limitations will also be imposed on the deductibility of the purchase price and rental costs of cars. The new deduction regime will refer to the CO2 emissions of the car. Article 12(6) of the Law on CIT will also be repealed and the income of healthcare institutions for services financed by the PSDF will be classified as taxable income.

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