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# Tax Alert

Human Capital

## The Abolition Law

On 31 July 2008 the President has signed the law on specific solutions for taxpayers receiving specific revenue outside the territory of the Republic of Poland. The law, known as the Abolition Law, will enter into force on the date of announcement, which could take place in the first part of August.

The Abolition Law will affect some taxpayers who during the period 2002-2007 have received income in countries with which Poland has signed agreements on the avoidance of double taxation, stipulating the proportional credit method (the so-called tax credit), e.g. United States, United Kingdom, Russia, Belgium, the Netherlands, Austria.

The law should enable the following:

- ▶ refund of part of tax and paid interest for taxpayers who have paid the tax and filed the return;
- ▶ cancellation of tax arrears, together with the interest due for taxpayers who have not filed the tax return and have not settled the tax liability.

Recovery of tax refund or redemption will be made on the basis of an application. Detailed provisions for the relevant procedure are laid down within the law, but its most important element is the requirement to submit a statement about the performance of work and the tax paid abroad (on the form of the Ministry of Finance).

To file the application with attachments the taxpayer will have:

- ▶ 2 months from the date of entry into force of the law – for applications concerning the year 2002;
- ▶ 6 months from the date of entry into force of the law – in other cases.

In practice, the law gives the opportunity to recover a substantial part of taxes funded by taxpayers in person or by their employers (for example, under the tax equalization policy).

We offer assistance in carrying out the procedure of the tax refund. We are at your disposal now, so as to begin the potential actions as early as possible, while avoiding the risk of relatively short deadlines.

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Contact us at:

**Michal Grzybowski, Director,**  
michal.grzybowski@pl.ey.com,  
tel. 22 557 7559

**Rafal Garbarz, Manager,**  
rafal.garbarz@pl.ey.com,  
tel. 22 557 7828

**Marek Jarocki, Manager,**  
marek.jarocki@pl.ey.com,  
tel. 22 557 7943

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