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Centrum Tłumaczeń PWN.PL, aktualizacja od 2015 r. Centrum Tłumaczeń i Obsługi Konferencji LIDEX

ACT

of 28 July 1983

Inheritance and Gift Tax Act

Chapter 1

Taxable Items

Article 1.

1. Inheritance and gift tax, hereinafter referred to as "the tax", is imposed on the acquisition of a title to any tangible property located in the Republic of Poland and any property rights exercised in the Republic of Poland by natural persons, by:
 - 1) inheritance, general legacy, further legacy, specific legacy, testamentary instruction;
 - 2) gift, donor's instruction;
 - 3) acquisitive prescription;
 - 4) gratuitous termination of joint ownership;
 - 5) legitime, unless obtained by the entitled person in the form of a gift made by the decedent or by succession, or in the form of legacy;
 - 6) gratuitous annuity, usufruct, and easement.
2. The tax is also imposed on the acquisition of the rights to a savings deposit based on the depositor's instructions in the event of his death, and on the acquisition of share units in an open investment fund or a specialist open investment fund based on the investor's instructions in the event of his death.

Article 1a.

Provisions of the Act on Free of Charge Abolition of Joint Ownership shall be applied accordingly to the free-of charge:

- 1) acquisition of ownership of common tangible property (joint property right) or part thereof by some existing owners for further joint ownership;
- 2) separation of ownership of premises for some or all co-owners.

Article 2.

Inheritance and gift tax is also imposed on the acquisition of tangible property located abroad or of property rights exercised abroad if, on the date of the opening of the succession or conclusion of a gift agreement, the donee was a citizen or permanent resident of the Republic of Poland.

Article 3.

Inheritance and gift tax is not imposed on:

- 1) acquisition of movable tangible property located in the Republic of Poland or of any property rights exercised in the Republic of Poland, if, on the acquisition date, neither the donee nor the decedent or donor were Polish citizens and had their permanent place of residence or registered office in the Republic of Poland;
- 2) acquisition by inheritance, specific legacy, or gift, of the copyright and related rights, rights to inventive designs, trademarks and ornamental designs, as well as any obligations arising from their acquisition;
- 3) (repealed);
- 4) acquisition by succession of the funds from employee pension plans;
4a)
acquisition by inheritance of funds from the employee capital plan referred to in the Employee Capital Plan Act of 4 October 2018 (Journal of Laws of 2020, item 1342);
- 5) acquisition by inheritance of the funds accumulated in the account of a deceased member of an open pension fund;
- 6) acquisition by inheritance of the funds accumulated in an Individual Pension Account (Polish: IKE) and an Individual Pension Security Account (Polish: IKZE);
- 7) acquisition by inheritance of the contributions deposited in the sub-account referred to in Article 40a of the Act on the social security system of 13 October 1998 (Journal of Laws of 2021, items 423, 432 and 619);
- 8) acquisition of a free pension referred to in Article 29c of the Act of 10 May 2018 on the Central

Communication Port (*Dziennik Ustaw* 2021, item 1354 and *Dziennik Ustaw* 2022, items 807, 1079, 1390, and 1846).

Article 4.

1. The following are exempt from inheritance and gift tax:

- 1) acquisition of ownership of land constituting an agricultural farm within the meaning of regulations on agricultural tax, along with trees and other plants constituting its integral part, provided that as a result of the acquisition an agricultural farm will be created or extended, the area of the created or extended agricultural farm will be between 11 ha and 300 ha, and the agricultural farm will be run by the buyer for a period of at least 5 years as of the purchase date; the exemption in consideration constitutes *de minimis* aid in agriculture, as stipulated in Commission Regulation No. 1408/2013 of 1 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector (OJ L 352, 24.12.2013, p. 9);
- 2) (repealed);
- 3) acquisition of rights to contributions in a farmers' cooperative, an agricultural production cooperative or in a farmer clubs' cooperative;
- 4) (repealed);
- 5) acquisition by gift of money or other tangible property by a person classified in tax group 1 in an amount not exceeding PLN 9.637 from a single donor and PLN 19.274 from a number of donors jointly, within 5 years from the date of the first gift, if that money or tangible property is used by the donee within 12 months from the date of the gift as a building contribution or housing contribution in a housing co-operative, to build a single-family house, to purchase a residential premises that constitutes a separate immovable property, or to repay a mortgage loan including interest;
- 5a) acquisition by succession of the rights to a housing contribution in a housing co-operative by a person classified in tax group 1 or 2, if that person meets the conditions referred to in Article 16.2 (2)-(5), and if the acquirer of that contribution retains the co-operative title to premises for at least 5 years from the establishment thereof; this condition is also considered satisfied when the title to a residential premises is transferred by the housing co-operative to the acquirer;
- 6) acquisition by gift of the rights to a bank savings and credit account for housing purposes by a person who cohabited as a spouse with the owner of that account, provided the funds accumulated in that account are used for housing purposes;
- 7) (repealed);

- 8) acquisition of the ownership title to physically separate parts of immovable property by acquisitive prescription by persons who are co-owners of some fractional portion of that immovable property - up to the amount of their share in the joint ownership thereof;
- 9) acquisition, by inheritance or specific legacy:
 - a) by persons classified in tax group 1 and 2 - of the house furnishings, bedding, clothing, underwear and household equipment and tools; if house furnishings include any antique furniture, the provision of subparagraph c) hereof shall apply accordingly,
 - b) of works of art and manuscripts that form part of the decedent's artistic work, as well as any library items, if the decedent was involved in any creative, scientific, educational, artistic, literary, or journalist work,
 - c) of movable historical monuments and collections of art registered in the statutory list of historical monuments, as well as those made available to a museum for scientific or exhibition purposes for at least 2 years,
 - d) by persons classified in tax group 1 or 2 - of immovable historical monuments registered in the statutory list of historical monuments, provided that they are properly protected and maintained by the acquirer in accordance with the applicable regulations;
- 10) (repealed);
- 11) (repealed);
- 12) acquisition of agricultural vehicles and machinery by a farmer, or of any parts thereof, provided those vehicles and machines are not sold or transferred by that farmer to any third persons within 3 years from the acquisition date; if that condition is not satisfied, the tax exemption is lost;
- 13) (repealed);
- 14) (repealed);
- 15) acquisition of ownership title to tangible property or property rights by persons classified in tax group 1 by gratuitous termination of joint ownership;
- 16) acquisition by inheritance of the right to compensation within the meaning of the Act on the exercise of the right to compensation for the owners of immovable properties located outside the present-day territory of the Republic of Poland of 8 July 2005 (Journal of Laws of 2017, item 2097);
- 17) acquisition by succession or gift by persons who created a foster family or a family-run children's home, referred to in the regulations on family support and the system of foster care, of money or other

tangible property, provided such money or tangible property is used for the purposes directly related to foster care within 12 months from the date of acquisition;

18) acquisition by succession, general legacy, specific legacy, further legacy, testamentary instruction or gift of the ownership (joint ownership) of a residential building or a residential unit being separate immovable property, of a cooperative ownership title to a residential unit or a share therein, or of a cooperative title to a single-family house or a share therein by a repatriate, if the repatriate meets the conditions laid down in Article 16.2 (2) and (3); the provisions of Articles 16.7 and 16.8 shall apply accordingly.

2. (repealed).

3. (repealed).

4. Exemptions specified in paragraph 1, Article 4a and Article 4b shall apply if at the moment of acquisition the acquirer was a Polish citizen or a citizen of one of the Member States of the European Union or member states of the European Free Trade Agreement (EFTA) - parties to the agreement on the European Economic Area, or had a place of residence within the territory of the Republic of Poland or within the territory of such state.

5. (repealed).

6. (repealed).

Article 4a.

1. Acquisition of ownership title to tangible property or property rights by a spouse, descendants, ascendants, stepchild, siblings, stepfather and stepmother, is exempt from tax if:

1) they report the acquisition of ownership of tangible property or property rights to the competent head of the tax office within 6 months as of the day on which the tax liability arose pursuant to Article 6.1 (2) to (5), (7), and (8), and Article 6.2, and in the case of acquisition by succession - within 6 months as of the day on which the court ruling confirming the acquisition of succession became final, subject to paragraphs 2 and 4, and

2) they present documents to confirm the acquisition if they have acquired cash by gift or donor's instruction, and if and the total value of the property acquired from one person in the period of 5 year preceding the year of the last acquisition added to the value of tangible property and property rights last acquired exceeds the amount specified in Article 9.1 (1) - by presenting a confirmation that the above amount was transferred to the acquirer's account in a bank or a credit union, or by presenting a postal money order.

- 1a. If the document confirming the acquisition of tangible property or property rights is a succession certificate or the European Certificate of Succession, the time limit of 6 months referred to in paragraph 1 (1) to report the acquisition to the competent head of the tax office shall be counted as of the registration of the succession certificate or as of the issuance of the European Certificate of Succession, subject to paragraphs 2 and 4.
 2. If the buyer became aware of the acquisition of tangible property or property rights after the lapse of the time frames referred to in paragraph 1 (1) or paragraph 1a, the exemption referred to in paragraph 1 shall apply if the buyer reports this tangible property or property rights to the head of the tax office no later than within 6 months from the day on which the buyer became aware of their acquisition and presents evidence of being informed of it in such a way.
 3. If the conditions referred to in paragraphs 1 to 2 are not met, the acquisition of ownership of tangible property or property rights shall be subject to taxation on the principles defined for buyers included to the tax group 1.
 4. The notification obligation shall not apply when:
 - 1) the total value of the property acquired or inherited from one person in the period of 5 years preceding the year of the last acquisition, added to the value of tangible property and property rights last acquired, does not exceed the amount specified in Article 9.1 (1), or
 - 2) the acquisition takes place on the basis of an agreement concluded as a notary deed, or the statement of will of one of the parties has been submitted in such form.
 5. The competent minister in charge of public finance shall define, by regulation, the standard form of a notification regarding the acquisition of tangible property or property rights, as well as the scope of information contained therein, in particular including:
 - 1) the identification data of taxpayers who are obliged to submit the notification, as well as the information used as the basis for classifying those taxpayers in tax group 1,
 - 2) the identification data and the last address of the decedent, donor, or any other person from whom the tangible property or property rights were acquired or inherited,
 - 3) information relating to the acquired tangible property or property rights, their type, location of that tangible property or location where property rights are exercised, as well as their market value and amount of the share acquired
- taking into account that the acquisition must be confirmed if tax exemption is to be applied.

Article 4b.

1. The acquisition of ownership of an enterprise formed by a natural person or a share in such an enterprise by way of inheritance or specific bequest shall be exempt from tax, provided that:
 - 1) the acquirer reported the acquisition of ownership of an enterprise or a share in such an enterprise to the competent head of a tax office within 6 months from the day of the final court decision confirming the acquisition of the estate, registration of the certificate of succession or release of the European Certificate of Succession;
 - 2) the acquirer shall run that enterprise for a period of at least 2 years from the day of its acquisition.
 2. If an enterprise is acquired by more than one person, acquirers who run the enterprise for a period referred to in paragraph 1 (2) shall be entitled to the exemption.
 3. Conditions laid down in paragraph 1 (2) and paragraph 2 shall be deemed met if an enterprise has been fully incorporated into a company as a contribution and shares or stocks acquired in exchange shall not be disposed of prior to the expiry of 2 years from the day of acquisition of ownership to the enterprise or a share therein.
 4. The minister in charge of public finance shall define, by way of a regulation, the template notice on the acquisition of ownership to the enterprise or a share therein as well as the extent of data to be included in such notice, in particular:
 - 1) identification data of taxable persons obliged to submit the notice,
 - 2) identification data and the last address of the testator from whom ownership to the enterprise or a share therein was acquired,
 - 3) data concerning assets or property rights comprising the acquired enterprise and the size of a share acquired in that enterprise
- taking into consideration the need to confirm the acquisition in order to use the exemption.

Chapter 2

Tax Obligation

Article 5.

Tax obligation shall apply to any acquirer of tangible property and property rights.

Article 6.

1. Tax obligation arises:

- 1) on acquisition by succession - when the inheritance is accepted;
 - 2) on acquisition by general legacy, further legacy, or testamentary instruction - when the general legacy further legacy, or testamentary instruction is exercised;
 - 2a) on acquisition by legitime - as of the moment of claim satisfaction;
 - 2b) on acquisition by way of specific bequest - as at the moment the ruling of court confirming the acquisition of the succession, decision confirming partial acquisition of the specific bequest, registration of the succession certificate, or issuance of the European Certificate of Succession becomes final;
 - 3) on acquisition of the rights to savings deposits referred to in Article 1.2 - upon the depositor's death;
 - 3a) on acquisition of the share units referred to in Article 1.2 - upon death of the participant of the investment fund;
 - 4) on acquisition by gift - when the donor has presented a statement in the form of a notarial deed, and in a case when the agreement is concluded in a manner other than prescribed - when the obligation is discharged; if, due to a specific nature of the gift, a specific form is prescribed for the statements of both parties under the applicable regulations, the tax obligation arises when those statements are submitted;
 - 5) on acquisition by donor's instruction - when the instruction is exercised;
 - 6) on acquisition by acquisitive prescription - when the respective court ruling confirming the acquisitive prescription has become definitive;
 - 7) on acquisition by gratuitous termination of joint ownership - when the respective agreement or arrangement is concluded, or when the respective court ruling has become definitive, if they result in gratuitous termination of joint ownership;
 - 8) on acquisition by gratuitous easement, annuity, or usufruct - when such rights are established.
- 1a. If the acquisition is effected in parts, the tax obligation arises as of the moment of acquisition of individual parts.
 2. On acquisition with a condition precedent, tax obligation arises when that condition is satisfied. However, the competent head of a tax office may determine the amount of tax that will be payable when that condition precedent is satisfied, and may secure that amount.
 3. Within the meaning of this Act, acquisition with a condition subsequent shall be understood as an unconditional acquisition. If the condition subsequent is satisfied within 3 years from the acquisition

date, the decision that established the tax liability is repealed.

4. If an acquisition was not registered as taxable and was subsequently determined in writing, the tax obligation arises when the given document is prepared; if the acquisition is determined by court ruling, the tax obligation arises when that ruling has become definitive. In the event the acquisition has not been declared for taxation, the tax liability arises when the tax payer declares the acquisition before the tax authority.

Chapter 3

Tax Base

Article 7.

1. The tax base is the value of the acquired tangible property and property rights, less any debts and obligations (net amount), determined as at the date of acquisition and at market prices of such tangible property and property rights on the date when tax obligation arises. If any tangible property is lost due to force majeure before the tax assessment date, the tax base is determined based on the value of that tangible property on the assessment date, and any compensation for that loss from insurance is added to the tax base.
2. If an heir, a donee, or a person who is a legatee of a general or specific legacy is obliged to execute an instruction or general legacy, the amount of the resulting obligation is charged to the inheritance, gift, general legacy or specific legacy, and in the case of an instruction - if the instruction was executed.
3. Debts and obligations also include the costs of treatment and care during the decedent's last illness, unless those costs were covered during the decedent's life from his estate, costs of the decedent's funeral, including the gravestone, to the extent corresponding to the customary costs in a given community, unless those costs were covered from the decedent's estate or from the funeral payment, or repaid in any other form, as well as the costs of the inheritance proceedings, fees of the executor, obligations relating to the execution of the legacy and testamentary instructions, payments of legitime, as well as any other obligations relating to inheritance arising from the Civil Code.
- 3a. Debts and obligations connected with running an enterprise referred to in Article 4b that encumber the enterprise are not deductible from the value of the remaining assets or property rights comprising the estate.
4. On acquisition by acquisitive prescription, the value of any outlays made in the tangible property during the period of possession of that tangible property is deducted from the tax base.

5. If a building that constitutes part of the acquired land was built by a person who acquired that immovable property by acquisitive possession, the value of that building is deducted from the tax base.
6. On acquisition by gratuitous termination of joint ownership, the tax base is equal to the value of the tangible property or property rights in the portion exceeding the value of the acquirer's share in that joint ownership before its termination.

Article 8.

1. The value of the acquired tangible property and property rights is assumed in the amount defined by the acquirer, provided that this amount is equal to the market value of such tangible property and property rights, and in the case of value of the rights to savings deposits - in the amount of such deposits.
 - 1a. The value of units shall be the value determined by the investment fund according to the provisions of the Act of 27 May 2004 on Investment Funds and Alternative Investment Fund Management (Journal of Laws of 2021, item 605).
2. (repealed).
3. The market value of tangible property or property rights is determined based on average market prices of the same type and class of tangible property, taking their location, condition, and degree of wear-and-tear, and turnover within the same category of property rights into consideration, on the date when tax obligation arises.
4. If the value of the acquired tangible property or property rights is not determined by the acquirer, or if the value determined by the acquirer does not correspond to the market value in the opinion of the head of a tax office, that authority will call on the acquirer to determine, increase, or reduce that value by the prescribed date, but not earlier than 14 days from the date of the notification being served, specifying that value based on its own preliminary assessment. If, despite this notification, the value of the acquired tangible property or property rights is not determined by the acquirer, or if the value determined by the acquirer does not correspond to the market value, the value will be determined by the head of a tax office based on an expert's opinion or a property appraiser's assessment presented by the acquirer. If an expert is appointed by the tax authority, and the value determined based on that expert's opinion differs from the value determined by the acquirer by more than 33%, costs of the expert's opinion will be paid by the acquirer.
5. The provision of par. 4 shall apply accordingly if a number of acquirers present different values for

the same tangible property or property right.

6. (repealed).
7. (repealed).
8. (repealed).
9. (repealed).

Article 9.

1. Tax is imposed on the acquisition by the acquirer, from one person, of an ownership title to tangible property and property rights with a net total value exceeding:
 - 1) PLN 9.637 - if the acquirer is classified in tax group 1;
 - 2) PLN 7.276 - if the acquirer is classified in tax group 2;
 - 3) PLN 4.902 - if the acquirer is classified in tax group 3.
2. If tangible property or property rights are acquired more than once from one person, the value of the tangible property and property rights acquired most recently is increased by the value of tangible property and property rights acquired or inherited from that person in a period of 5 years preceding the year of the most recent acquisition. The amount of tax on the previously acquired tangible property and property rights will be deducted from the amount of tax on the total value of the acquired tangible property and property rights. Excess tax resulting from that calculation will be neither credited towards other taxes nor returned. In their tax returns, acquirers will specify the tangible property and property rights acquired within the above-mentioned period.
3. (repealed).
4. In the case of acquisition by instruction, the donor or decedent, respectively, are considered to be alienors. If a donor imposes an obligation on the donee by instruction to transfer the ownership title to tangible property or to transfer (establish) the rights to the benefit of the donor, the donee is considered to be an alienor.

Article 10.

(repealed).

Article 11.

If, following the acceptance of an inheritance or gift, the acquirer is released from the respective obligation

or that obligation expires, the amount of that obligation will be counted towards the tax base.

Article 12.

If the acquisition involves property rights that consist of an obligation to provide recurring benefits to the acquirer, and the value of that right cannot be determined when the respective tax obligation arises, the tax base is determined as those benefits are provided. However, the head of a tax office may, upon consent of the taxpayer, assume that the tax base is equal to the probable value of the recurring benefits during the entire period of that obligation.

Article 13.

1. To determine the tax base, the value of recurring benefits is taken in the amount of the total annual performance multiplied by:
 - 1) when benefits are established for a definite term, equal to a number of years or a part thereof - by that number of years or a part thereof;
 - 2) in other cases, including when benefits are established for an indefinite term - by 10 years.
2. The provisions of par. 1 shall apply accordingly to the determination of the value of usufruct and easement rights.
3. The annual value of usufruct and easement is determined at 4% of the value of the tangible property subject to usufruct or easement.

Chapter 4

Amount of Tax

Article 14.

1. The amount of inheritance and gift tax depends on the acquirer's tax group.
2. Acquirers are classified in tax groups based on their personal relationship with the person from whom tangible property or property rights are acquired or inherited.
3. The following persons are classified in the following tax groups:
 - 1) group 1 - spouse, descendants, ascendants, stepchild, son-in-law, daughter-in-law, siblings, stepfather stepmother, and parents-in-law;
 - 2) group 2 - descendants of siblings, siblings of parents, descendants and spouses of stepchildren,

spouses of siblings and siblings of spouses, spouses of siblings of spouses, spouses of other descendants;

3) group 3 - other acquirers.

4. Within the meaning of this Act, parents also include adoptive parents, and descendants also include adopted children and their descendants.

4a. Descendants within the meaning of the Act shall also be persons who stay or have stayed with a foster family, in a family-type orphanage, an education and care centre or a regional care and therapy centre referred to in the Act of 9 June 2011 on Family Support and Foster Custody System (*Dziennik Ustaw* of 2020, item 821 and of 2021, item 159), and ascendants shall, accordingly, also be foster families, persons operating a family-type orphanage or working with children in an education and care centre or a regional care and therapy centre.

5. (repealed).

Article 15.

1. Tax is calculated on the difference between the tax base and the tax-free amount, based on the following scale:

Excess value in PLN		Tax
over	up to	
1) acquirers classified in tax group 1		
	10.278	3 %
10.278	20.556	PLN 308,30 and 5% on the excess amount over PLN 10.278
20.556		PLN 822,20 and 7% on the excess amount over PLN 20.556
2) acquirers classified in tax group 2		
	10.278	7 %
10.278	20.556	PLN 719,50 and 9 % on the excess amount over PLN 10.278

20.556		PLN 1.644,50 and 12% on the excess amount over PLN 20.556
3) acquirers classified in tax group 3		
	10.278	12 %
10.278	20.556	PLN 1.233,40 and 16% on the excess amount over PLN 10.278
20.556		PLN 2.877,90 and 20% on the excess amount over PLN 20.556

2. Acquisition of the ownership title by acquisitive possession is subject to taxation at 7% of the tax base; the provisions of Article 9.1 shall not apply in this case.
3. The amount of tax is determined based on the value of tangible property and property rights referred to in Article 4.1 (5) and in Article 9.1, and the tax scale defined in par. 1 applicable as at the date when tax obligation arises, subject to the provisions of par. 4.
4. The acquisition of ownership of property or property rights by way of donation or donor's instruction is subject to taxation at a rate of 20% if the tax liability has arisen due to the tax payer's declaration of the donation before the tax authority in the course of audit activities, tax proceedings, tax audit, or customs and fiscal audit, and the tax due on the acquisition has not been paid.

Article 16.

1. In the case of acquisition of the ownership (joint ownership) of a residential building or residential premises that constitutes a separate immovable property, co-operative title to a residential premises or any share therein, or co-operative title to a single-family house or any share therein:
 - 1) by succession, general legacy, specific legacy, further legacy, testamentary instruction, gift, or donor's instruction, by persons classified in tax group 1,
 - 2) by succession, general legacy, specific legacy, further legacy, or testamentary instruction, by persons classified in tax group 2,
 - 3) by succession, general legacy, specific legacy, further legacy, or testamentary instruction, by persons classified in tax group 3 who provided care of the decedent who was in need of such care, under a written agreement with signatures authenticated by a notary public, for at least two years from the date of such authentication of signatures

- their net value up to the total amount not exceeding 110 square meters of the usable floor area of a building or residential premises is not included in the tax base. In the case of acquisition of a part (share) of a residential building or residential premises, or a share in a co-operative title to a residential building or residential premises, the tax relief will correspond to the amount of the share.

2. The tax relief referred to in par. 1 is granted to persons who satisfy all of the following conditions jointly:

- 1) they satisfy the requirements referred to in Article 4.4;
- 2) they are not owners of any other residential building or residential premises that constitutes a separate immovable property, or, if they are such owners, they will transfer the title to such building or residential premises to their descendants, the State Treasury, or the gmina within 6 months from the date when the respective tax return is filed or when a gift agreement is concluded in the form of a notarial deed;
- 3) they do not hold any co-operative tenancy right to a residential premises, or any co-operative title to a residential premises, or the following titles assigned by a housing co-operative: a title to a single-family house or a title to a residential premises in a small residential building; and if they hold such titles - they will transfer those titles to their descendants or to the housing co-operative within 6 months from the date the respective tax return is filed or a gift agreement is concluded in the form of notarial deed;
- 4) they are not tenants in a residential premises or building, or, if they are such tenants, they will terminate the tenancy agreement within 6 months from the date the respective tax return is filed or a gift agreement is concluded in the form of a notarial deed;
- 5) they will reside in the acquired residential premises or building as registered permanent residents, and will not transfer the residential premises or building for 5 years:
 - a) from the date the respective tax return is filed or when a gift agreement is concluded in the form of a notarial deed - if the acquirer resides in and is registered as a permanent resident of the acquired residential premises or building on that date,
 - b) from the date of residence in the acquired residential premises or building, as confirmed in the permanent residence certificate - if the acquirer occupies the residential premises or building and registered as a permanent resident within 1 year from the date the respective tax return is filed or gift agreement is concluded in the form of a notarial deed.

3. If the acquired building or residential premises is occupied by third parties, the conditions referred to

in par. 2 (2)-(5) may be satisfied within 5 years from the acquisition date; if this is the case, the limitation period relating to tax assessment is interrupted accordingly.

4. Within the meaning of this Act, the usable floor area of a building (residential premises) is equal to the surface area measured along the inside face of walls of all interior spaces on all floors (below and above the ground, except for basements, staircases, and lift shafts).
5. Surface areas of interior spaces or any parts thereof, and the portion of floors with clear height from 1,40 meters to 2,20 meters is counted towards the building's usable floor area in 50%, and if their height is less than 1,40 meters - that area is not included in usable floor area
6. (repealed).
7. The following do not constitute the basis for expiry of a decision on or the assessment of tax liability:
 - 1) transfer of a share in a residential building or residential premises that constitutes a separate immovable property, or a share in a co-operative title to a residential premises, to any other heir or donee, or
 - 2) disposal of a residential building or premises constituting a separate immovable property (or share in building or premises), or a co-operative title to residential premises (or share in such title), if this was justified with the need to change conditions or place of residence, and the funds obtained from the sale were used in the full amount for the purchase of another residential building or premises (or a share in a building or premises), or co-operative title to residential premises (share in such title), or construction of another building or premises within two years as of the disposal date, and the total period of stay in the disposed and acquired or constructed building or premises, confirmed with registered permanent residence, lasts 5 years.
8. The condition referred to in par. 2 (5)(b) is also considered satisfied when the residential building or a residential premises (or any share therein), or the co-operative title to a residential premises (or any share therein) is transferred before it is occupied by the acquirer, if justified by the need to change living conditions or place of residence, and if all proceeds from that sale are used to purchase another building or residential premises (or any share therein), or a co-operative member's ownership title to a residential premises (or any share therein), or to construct another building or residential premises, within 2 years from the date of transfer.

Article 17.

1. The value of tangible property and property rights that are exempt from tax in accordance with Article 4.1 (5), and that are non-taxable in accordance with Article 9.1, as well as the scale assumed for the

excess value of taxable tangible property and property rights referred to in Article 15.1, is increased if the prices of durable non-food goods rise by more than 6%, to an extent corresponding to that rise in prices.

2. The rise in prices referred to in par. 1 is determined based on the cumulative index of quarterly indicators published in the announcements of the President of the Central Statistical Office in the Official Journal of the Republic of Poland Monitor Polski within 30 days from the end of each quarter.
3. The value of tangible property and property rights that are exempt from tax in accordance with Article 4.1 (5), and that are non-taxable in accordance with Article 9.1, as well as the scale assumed for the excess value of taxable tangible property and property rights referred to in Article 15.1, is rounded up to the nearest PLN 1, and the tax rates - up to the nearest PLN 0.1.
4. The competent minister in charge of public finance shall determine, by resolution, the value of tangible property and property rights that are exempt from tax and that are non-taxable in accordance with Article 9.1, as well as the tax scale referred to in Article 15.1, taking into consideration the principles referred to in par. 1-3.

Chapter 4a

Tax Returns

Article 17a.

1. Taxpayers are under the obligation, subject to the provisions of par. 2, to file a tax return for any acquisition of tangible property or property rights, to the competent head of a tax office, within one month from the date when the respective tax obligation arises, using a standard form. Any documents that may be significant for the assessment of the tax base shall be attached to a tax return.
2. The obligation to file tax returns does not apply in cases when tax is charged by a person liable to pay tax.
3. If any acquisition of tangible property or property rights is not disclosed in a tax return, the taxpayer will file a tax return adjustment to the same tax authority that received the original tax return, within 14 days from the date when the taxpayer was informed about that acquisition.
4. The competent minister in charge of public finance shall define, by regulation:
 - 1) a standard tax return form, including the detailed scope of any information contained therein, in

particular:

- a) name and surname (business or company name) and the last address of the decedent, donor, or another person from whom tangible property or property rights are acquired or inherited, as well as his identification number for tax purposes,
 - b) information on the taxable items, including the acquired tangible property and property rights, location of that tangible property or location where those property rights are exercised, their market value, as well as any debts or obligations on the acquired tangible property and property rights, and any outlays made in the tangible property during the period of possession of that tangible property;
 - c) data of taxpayers who are obliged to file a tax return, including their names, surnames, addresses, and identification numbers for tax purposes, the data on the basis of which a taxpayer is classified in the specific tax group referred to in Article 14, as well as the value of the share acquired;
- 2) the types of documents that should be attached to a tax return, considering the need to confirm the acquisition of tangible property or property rights disclosed in the tax return, the acquirer's title to the tangible property or property rights, any debts or obligations on the acquired tangible property and property rights, and, in the case of acquisitive possession, any outlays made in the tangible property during the period of possession of that tangible property;
 - 3) the cases when a joint tax return may be filed, as well as the respective procedure, taking into consideration the need to simplify tax procedures and reduce their costs.

Chapter 5

Persons Liable to Pay Tax

Article 18.

1. Notaries are liable to pay tax on the following notary deeds:
 - 1) donation;
 - 2) agreement on free-of-charge abolishment of joint ownership or settlement in this scope;
 - 3) agreement on free-of-charge establishment of easement;
 - 4) agreement on free-of-charge establishment of usufruct.
2. Persons liable to pay tax are obliged to:
 - 1) keep a record of taxes;

- 2) withhold tax due upon execution of a notarial deed, subject to the provisions of par. 3;
 - 3) pay the tax withheld to the account of the tax office through which the head of tax office having jurisdiction over the tax remitter's registered office carries out their duties, until the 7th day of the month following the month in which the tax was collected, as well as to provide within that term, in electronic form, a declaration of the amount of tax collected and transferred by the tax remitter, including information about the tax amount payable to individual *gminas*;
 - 4) submit, within the time frame referred to in subparagraph (3), to the head of the tax office having jurisdiction over the tax remitter's registered office, information in paper or electronic form and presenting the wording of notary deeds or data included in these deeds and relating to the transactions referred to in paragraph 1.
3. No tax is determined and withheld by the notary public in the case referred to in Article 12.
4. (repealed).
5. The competent minister in charge of public finance shall define, by regulation:
- 1) the procedure for the withholding of tax by persons liable to pay tax, in particular including any procedures relating to the collection of tax, the scope of instructions for taxpayers, and the content of tax register,
 - 2) scope of data contained in the tax return,
 - 3) scope of information referred to in paragraph 2 (4), and the manner of providing it
- considering the need to ensure appropriate and efficient collection of tax by tax remitters, and completeness and reliability of information provided by them to the head of the tax office.

Article 19.

1. Any debtors of the decedent or of any persons who have any receivables under the legacy (further legacy), a savings deposit based on the depositor's instruction in the event of his death, and in the event of redemption of share units of an open investment fund or a specialist open investment fund, based on the investor's instruction in the event of his death, are under the obligation to inform the competent head of the respective tax office for the creditor's place of residence of the payments made (repayment of debts) and their respective amounts, within 14 days from the date of payment.
2. (repealed).
3. (repealed).

4. The provision of par. 1 shall apply accordingly to any payments in cash made by heirs under legacy, further legacy, or testamentary instruction.
5. Any persons who made payments in contravention of the provisions of par. 1-4 shall be held jointly liable with the taxpayer for the tax liabilities up to the amount of payments made.
6. If a notarial deed, which is to be drawn up, or a document where signatures are to be authenticated by a notary public, concerns the transfer of any rights to inheritance, or the transfer of or encumbrance on any tangible property or property rights acquired in accordance with Article 1, the notary public may perform those acts only upon prior written consent of the head of a tax office, or based on a certificate issued by the head of a tax office to confirm that the acquisition is exempt from tax, that the tax was paid, or that the tax liability has expired on the grounds of prescription.

Chapter 6

Transitional and Final Provisions

Article 20.

The Inheritance and Gift Tax Act of 19 December 1975 (Journal of Laws item 228) shall expire.

Article 21.

This Act shall come into force on the date of announcement and shall also apply to any matters initiated before its entry into force but not finished with a final decision.