



Name of the instrument in English	Tax incentives
Country	 Croatia
Type of instrument	Tax incentives

Level of operation	National
Part of the country where the instrument applies	nap
Region(s) in which the instrument applies	nap
Sector(s) in which the instrument applies	nap
Legal basis	The Act on State Aid for Education and Training (Official Gazette 109/07, 134/07, 152/08, 14/2014)
Objective(s) and target(s)	To provide tax breaks for businesses whose manufacturing facilities or workshops are used to provide practical training and exercises for students training in trades and crafts. This provides businesses with the possibility to reduce the basis for the calculation of income tax or self-employment tax by the amount of awards paid to students for attending practical apprenticeship training exercise.
Year of introduction	2007
Year of termination	No foreseen end to the instrument (on-going)
Governance (management, operation, monitoring and evaluation)	The Ministry of Finance is responsible for the overall management of the instrument. Tax administration is responsible for day-to-day operation and monitoring and evaluation.
Eligible group(s)	All companies
Education and training eligible	The instrument supports apprenticeship and other types of education and training. It applies to EQF 3-5 levels.
Source of financing and collection mechanism	State (loss of tax revenue)
Financing formula and allocation mechanisms	Entrepreneurs that have one to three students undertaking practical training and exercises at their premises may reduce their income tax base or self-employment income tax base by 5%. An entrepreneur

	that has more than three students undertaking practical training and exercises can increase the reduction of his tax base by one percentage point per student but not exceeding 15% for overall deduction.
Eligible costs	Apprentice remuneration, costs of materials, technical resources
Volumes of funding	na
Beneficiaries/take up	na
Monitoring/evaluation reports available	na
Sources	Ministry of Finance, http://www.mfin.hr/en Tax Administration, Ministry of Finance, https://www.porezna-uprava.hr/en/Pages/default.aspx FINA (Croatian Financial Agency) gathers financial reports from all economic operators in the country. It might be a potential source for data/statistics on the volumes of funding involved and beneficiaries but this data/calculations/research would need to be requested and paid for since it is not publicly available.

Related apprenticeship schemes

Unified model of education

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