

Working under the table will become legal in Estonia!

Working under the table i.e. doing small jobs as a private person? From 2018, it's possible to pay income tax from odd jobs legally and conveniently!

Starting from 1.01.2018 a new so-called unreported employment tax law will take effect. It essentially means that income declarations will become less bureaucratic and all you need to have is a separate business bank account. The communication between the bank and the Tax and Customs Board will make sure that the correct amount is withheld from said account. Even though a business account can be opened by a person who hasn't registered as a self-employed person, they should keep in mind the following:

- tax rate for yearly income up to 25 000 euros is 20%;
- tax rate for yearly income up between 25 000 - 40 000 euros is 40%;
- according to the VAT law that will take effect on 1.01.2018, if your yearly income surpasses 40 000 euros, you must register yourself as a VAT payer;
- to receive health insurance, the monthly income on your business account must be at least 1300 €.

If you want to "come out" with your business, you should consider the potential profit and which business models suit you best.

We will advise you on further questions related to business accounts and choosing a business model.

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