



Republic
of Poland



**REPORT ON ACTION TAKEN BY
POLAND UNDER THE EXCESSIVE
DEFICIT PROCEDURE**

Warsaw, October 2025

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Introduction

Since July 2024, Poland has been subject to an excessive deficit procedure on the basis of a decision of the EU Council¹. On 21 January 2025, the EU Council adopted a *recommendation with a view to bringing an end to the situation of an excessive deficit in Poland*². In line with the recommendation, in order to put an end to the excessive deficit, it is necessary to respect the growth rate of net expenditure as set out in the *Medium-term fiscal-structural plan for the years 2025-2028*³ (hereinafter referred to as the Plan), adopted by the government in October last year.

At the same time, the Council required Poland to report every six months, starting on 30 April 2025, until the correction of the excessive deficit, on progress made in implementing the Council Recommendation. First information on the implementation of the Council Recommendation was presented in the *Annual Progress Report on the implementation of the "Medium-term fiscal-structural plan for 2025-2028"*⁴ (hereinafter referred to as the Report), adopted by the Council of Ministers on 29 April.

In line with the European Commission's guidance, the *Report on action taken by Poland under the excessive deficit procedure* (hereafter 'EDP report') focuses on the situation in the current year and on the measures planned for 2026.

¹ Council Decision on the existence of an excessive deficit in Poland

² Council Recommendation with a view to bringing an end to the situation of an excessive deficit in Poland

³ Medium-term fiscal-structural plan for the years 2025-2028

⁴ Annual progress report on the implementation of the Medium-term fiscal-structural plan for the years 2025-2028

1. Net expenditure path 2024-2026

Council Recommendation with a view to bringing an end to the situation of an excessive deficit in Poland

In line with the *EU Council recommendation* of 21 January 2025, it is necessary to respect the growth rate of net expenditure as set out in the *Plan*, adopted by the government in October, to put an end to the excessive deficit situation.

Table 1. Net expenditure path in the Council recommendation with a view to bringing an end to the situation of an excessive deficit in Poland

Years		2025	2026	2027	2028
Growth rate (%)	annual	6.3	4.4	4.0	3.5
	cumulative*	19.6	24.9	29.9	34.4

* the cumulative growth rate is calculated by reference to the base year 2023.

Source: Council Recommendation with a view to bringing an end to the situation of an excessive deficit in Poland

Net expenditure means general government expenditure less: 1) debt service costs, 2) the level of measures implemented by the government and impacting in the year, which have a lasting increase in the level of the general government revenue (so-called discretionary revenue measures), 3) expenditure on programmes of the Union fully matched by revenue from the EU funds, 4) national expenditure on co-financing of programmes funded by the EU, 5) cyclical expenditure on unemployment, and 6) one-off and temporary expenditure (which has an incidental and non-sustainable impact on sector expenditure, so-called “one-off”).

The Commission will assess progress in implementing the Council recommendations on the basis of historical (outturn) data. The 2024 reform of the economic governance framework introduced a medium-term approach in fiscal surveillance, which no longer focuses on a specific year of correction of the excessive deficit, but aims to ensure that the general government deficit is brought and maintained below 3% of GDP over the medium term. Therefore, the Commission will not assess the size of the general government deficit in 2025-28. Compliance with the pace of net expenditure growth recommended by the EU Council is key.

National escape clause (NEC)

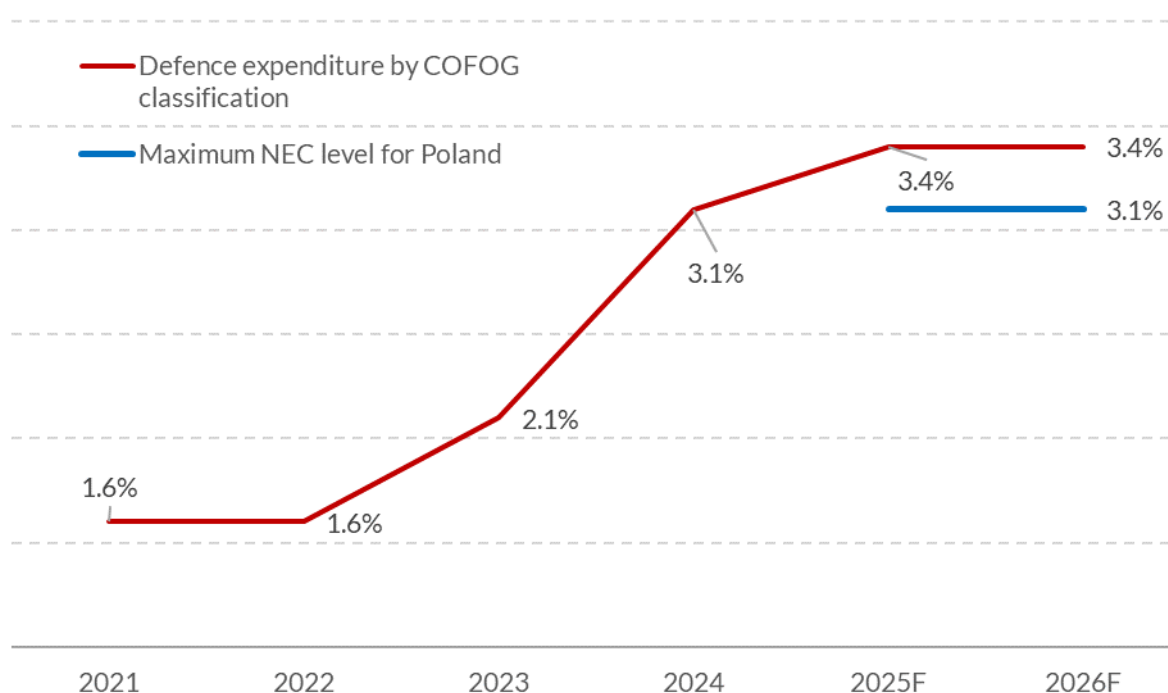
On 19 March 2025, the Commission proposed to all Member States a temporary departure from the expenditure path previously recommended by the EU Council. In the Commission’s opinion, this would allow the EU Member States to achieve sustainable higher defence spending, necessary due to the exceptional circumstances of Russia’s aggression against Ukraine and the related threat to European security. The Commission encouraged Member States to request, in April 2025, for an activation of the so-called national escape clause by the EU Council. In April and May 16 Member States⁵, including Poland, requested the activation of the national escape clause.

⁵ Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Greece, Finland, Croatia, Hungary, Lithuania, Latvia, Poland, Portugal, Slovakia and Slovenia

On 8 July 2025, the EU Council adopted recommendations for the coordinated activation of national escape clause in 15 Member States⁶, including Poland⁷, to enable Member States to move towards higher defence spending at national level while ensuring debt sustainability. Activating this clause will allow moving away from the expenditure path recommended by the EU Council by the level of increased defence spending compared to the situation before the war in Ukraine (i.e. in 2021), but not more than 1.5% of GDP per year. However, it should be borne in mind that, despite the activation of the national escape clause, EU fiscal surveillance continues to function and its rules remain in place. For Poland, defence expenditure in 2021 (according to the EU COFOG definition, i.e. the classification of government expenditure by function) amounted to 1.6% of GDP. This means that COFOG defence expenditure above the 3.1% of GDP threshold will be treated in line with the principles of the EU budgetary surveillance, i.e. other expenditure falling under the definition of net expenditure.

The chart below shows the amount of Polish defence expenditure according to COFOG⁸. Compared to 2021, Poland's security spending has doubled and Poland has become a leader in defence spending (as a share of GDP) among NATO countries⁹.

Chart 1. Defence expenditure in Poland by COFOG (% of GDP)



Source: Ministry of Finance

Implementation of the Council Recommendation

In 2024-2026, due to increased defence expenditure, the growth rate of government net expenditure, with the exception of 2026, is projected to be slightly higher than recommended by the Council. At the same time, taking into account the flexibility granted under the national escape clause, consistency with the Council recommendations will be ensured – no deviation

⁶ For Germany, the recommendation was adopted on 10 October 2025, with the approval of Germany's medium-term fiscal-structural plan for 2025-2029

⁷ Council Recommendation allowing Poland to deviate from the maximum growth rates of net expenditure as set by the Council under Regulation (EU) 2024/1263 (Activation of the national escape clause)

⁸ Defence expenditure in cash terms, used in the Polish budget law in 2026, amounts to 4.8% of GDP.

⁹ Cf. NATO – Press release: *Defence expenditure of NATO Countries (2014-2025)*

from the recommended cumulative pace of expenditure growth in 2024-2026. Ministry of Finance's estimates indicate that Poland will benefit from the flexibility granted under the national escape clause at 0.4% of GDP by 2026.

Table 2. Estimates of net expenditure path 2024-2026

	2024	2025	2026
Council Recommendation			
1a. Net expenditure (annual growth rate)	12.5	6.3	4.4
2a. Net expenditure (cumulative growth rate)	12.5	19.6	24.9
Outturn/estimates			
1b. Net expenditure (annual growth rate)	13.2	7.0	4.1
2b. Net expenditure (cumulative growth rate)	13.2	21.2	26.2

Source: Ministry of Finance, Council Recommendation on the approval of Poland's national medium-term fiscal-structural plan.

2. Determinants of fiscal policy

The budgetary situation in Poland in 2024-2025 is a result of the government's decision to make the necessary significant investments in increasing Poland's defence capabilities, as recommended by the EU Council¹⁰, as well as the consequence of economic trends, in particular a faster-than-expected inflation decrease. Faster-than-expected disinflation combined with persistently high interest rates increase the population's willingness to save and thus reduce consumption and thus tax revenues. According to Eurostat data, the household savings rate in Poland reached record levels in the first quarter of this year (excluding COVID year) for almost 25 years.

The 2024 Budget Act projected CPI at 6.6% on average in 2024, while real private consumption growth to reach 3.3%. As a result, nominal private consumption growth was projected at 10.2% y/y in 2024.

Inflation projections for 2024 turned out to be higher than outturn, mainly due to an overestimation of the persistence of price pressures in the economy after the 2021-2023 energy and food price shock. The disinflation process was expected to be slower due to persistently elevated production costs, tight labour market conditions and the expected significant increase in nominal wages.

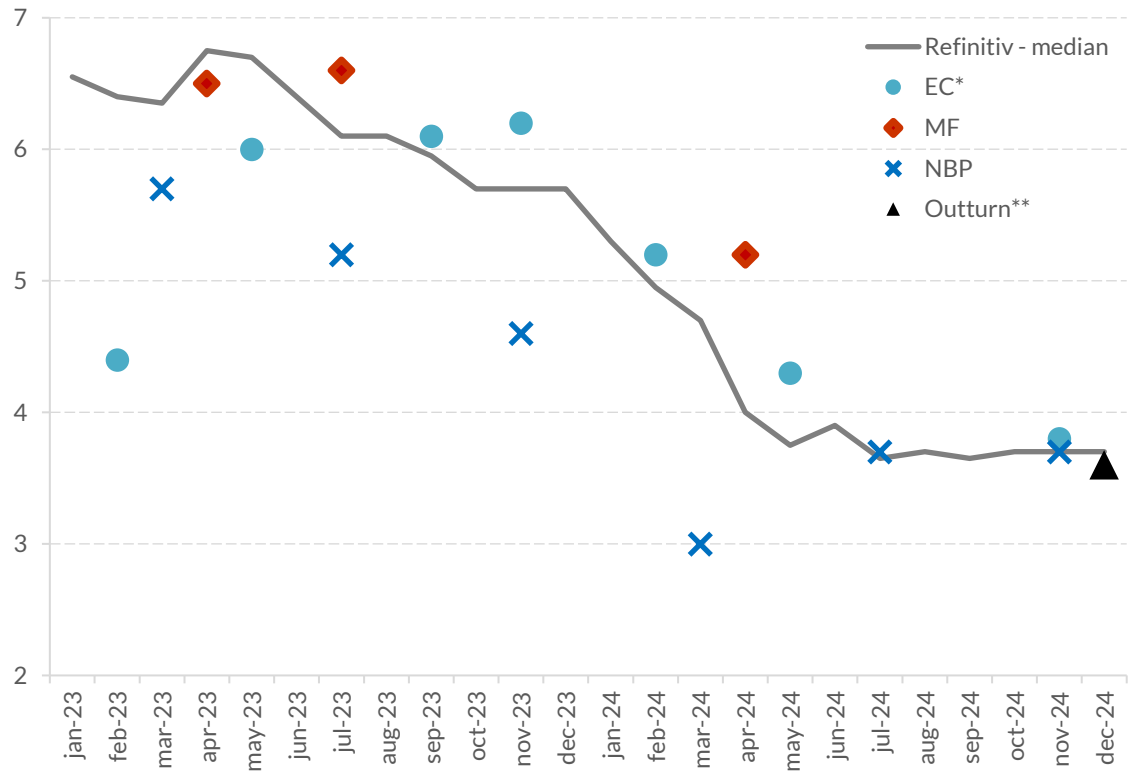
Meanwhile, the rapid fall in energy commodity prices and the stabilisation of global supply chains have led to a faster-than-expected decline in price dynamics. In addition, the extension of the government's safety nets (such as the freezing of energy prices, the zero VAT rate on food for part of the year) and the maintenance of restrictive monetary policy by the NBP (including against the countries of the region) have reduced inflationary pressures to a greater extent than initially expected. Strong deflation of industrial output prices also contributed to contain inflationary pressures, especially commodity prices.

As a result, the annual average inflation in 2024 was 3.6% and the private consumption deflator was 3.4%. Private consumption was also lower than forecast, as high growth in household disposable income translated into above average savings growth rather than current consumption. As a result, nominal growth in private consumption was only 6.5% in 2024, with GDP growth at 6.6% in nominal terms. Inflation outturn in 2024 was also lower than

¹⁰ Cf. Council Recommendation on the economic, social, employment, structural and budgetary policies of Poland

forecasts by other institutions and market analysts published in 2023-2024. Chart 2 presents an evolution of inflation projections for 2024 (Refinitiv from subsequent months in 2023 and 2024) against outturn data.

Chart 2. Inflation projections for 2024



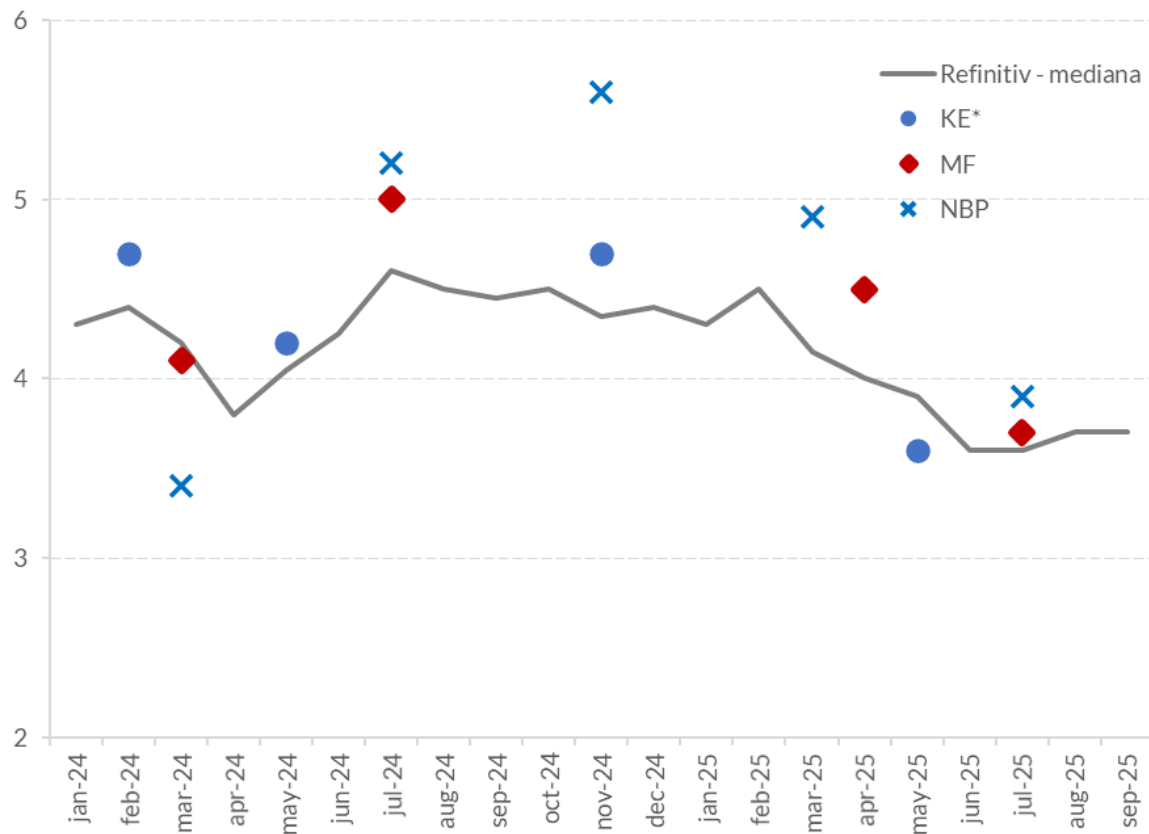
* - European Commission publishes HICP – Harmonised Index of Consumer Prices

** - average annual inflation

Source: In-house study

For 2025, the Budget Act for that year assumed an average annual inflation of 5.0% and projected private consumption growth of 4.3% in real terms and 9.6% in nominal terms. By contrast, the current forecast in the draft budget act for 2026 for the current year projects average annual inflation of 3.7% and nominal growth in private consumption of 7.2%. Nominal GDP growth is also expected to be lower, i.e. 7.1% y/y compared to 9.1% in the 2025 draft budget act. A similar revision of the forecasts takes place for market analysts who initially expected a faster inflation in 2025 than it is currently forecasted (cf. Chart 3).

Chart 3. Inflation projections for 2025



* – European Commission publishes HICP – Harmonised Index of Consumer Prices

** – average annual inflation

Source: In-house study

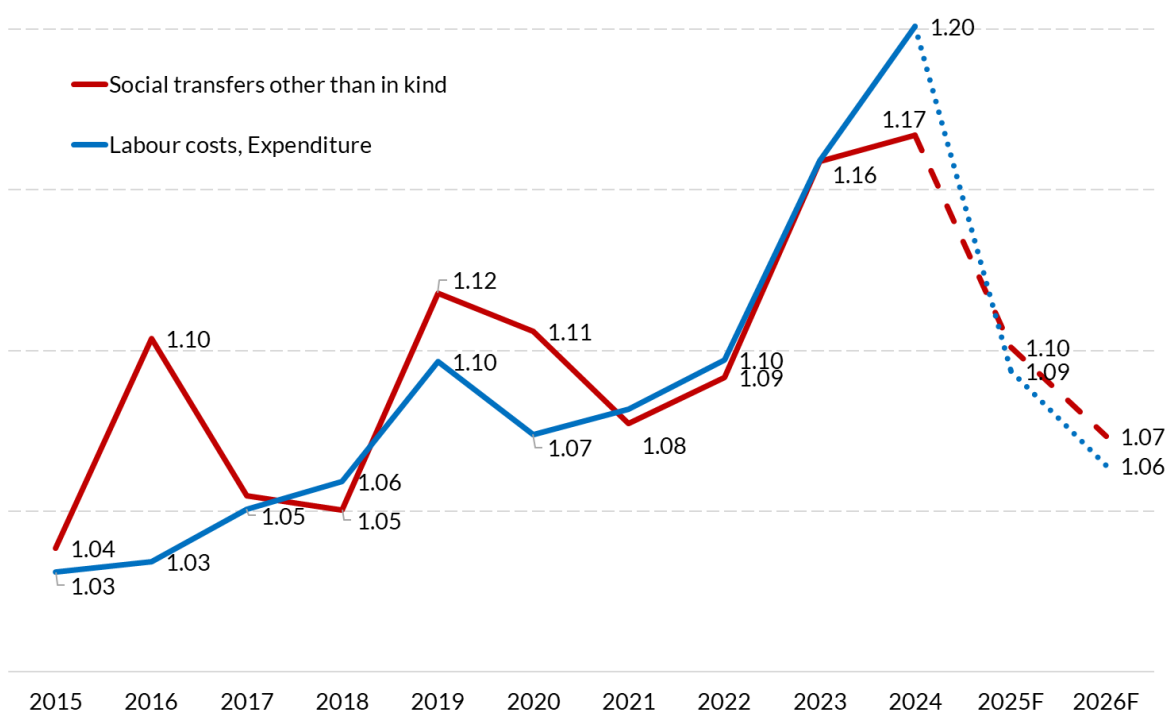
The draft budget act for 2026 foresees a 6.6% increase in the nominal gross domestic product in 2026 (i.e. 0.5 percentage points lower than in 2025) and a further decrease of CPI next year, to 3.0% on average. Private consumption growth is projected at 3.3% in real terms and 6.4% in nominal terms. This forecast is similar both to the latest inflation and GDP projections of the National Bank of Poland in July and to market expectations.

The under-execution of inflation translated into lower-than-projected growth in budgetary revenue. In the 2024 Budget Act, the projected total revenue growth of the state budget was 14.8% y/y and tax revenue 14.9% y/y. The actual execution of budget revenue in 2024 was lower than forecast. This was mainly the case for lower VAT revenues, given the unexpectedly negative retail dynamics in September 2024 (-3.0% y/y, c.s.).

The current forecast for 2025, prepared for drafting the budget act for 2026, assumes lower forecast for the state budget revenue in 2025 in comparison to projection applied in the 2025 Budget Act by PLN 34.5 billion, i.e. by 6% compared to the 2025 Budget Act. VAT revenue is forecast to be 7% lower, excise duty by 3.2%, CIT 6.7%, PIT 11.4%. The downsizing of the revenue forecast is impacted by a weaker projection of macroeconomic indicators and a lower outturn in 2024 compared to the values used to draft the forecast for the 2025 Budget Act. The draft budget act for 2026 forecasts an increase in state budget revenue in 2026 by 7.3% y/y, tax revenue by 8.1% y/y, VAT by 5.1% y/y, excise duties by 8.7% y/y, CIT by 21.9% y/y, PIT by 13.9% y/y.

At the same time, the disinflation process will have a positive impact on the expenditure side of the state budget as it will reduce the pressure on the growth rate of macroeconomic-indexed expenditure. As a result of the fall in inflation, high increases in expenditure indexed to current inflation or inflation in previous years will decrease significantly. After a record increase in 2024, the nominal growth rate of inflation-indexed expenditure on social benefits and labour costs in the general government is set to fall to the levels observed before the pandemic and Russia’s aggression against Ukraine in the following years (see Chart 4). At the same time, thanks to the stabilising expenditure rule (SER) mechanism for correcting errors in macroeconomic forecasts¹¹, these errors do not create additional spending space, which ensures that the SER’s expenditure path is adjusted accordingly to the actual evolution of these indicators.

Chart 4. Nominal increase in inflation-indexed expenditure (y/y)



Source: Ministry of Finance

¹¹ The amount of expenditure for the year preceding the budgetary year shall be adjusted in accordance with the update of the forecasts/performance of the gross domestic product deflator and the value of gross domestic product at constant prices.

3. EDP measures

Revenue measures

The following are the Government's revenue measures to implement the net expenditure path recommended by the EU Council, including both those provided in the draft budget act for 2026 and the additional measures not included in the draft budget law, which represent a positive risk factor for the forecast presented in the *draft budget act for 2026* and in the *Public Finance Sector Debt Management Strategy in the years 2026-2029*.

Table 3. Estimated impact of significant discretionary income measures (DRM) included in the draft budget law for 2026

	2025 % of GDP	2026 % of GDP
I. VAT	0,12	0,07
1. Temporary reduction of VAT rates in 2024	0,07	
2. Introduction of the obligation to issue e-invoices (KSeF system)		0,05
3. Effect of phasing out solutions to offset energy prices for the energy sector implemented in 2023 (impact on 2025)	0,04	
4. Inclusion in the SENT system of the transport of ready-to-cast concrete	0,01	0,02
II. EXCISE DUTY	0,15	0,20
1. 2022-2027 Excise Road Map	0,06	0,07
2. Indexation of excise duty rates – update of the Excise Road Map (tobacco products)	0,09	0,09
3. Indexation of excise duty rates – update of the Excise Road Map (alcoholic beverages)		0,04
III. CIT	0,00	0,16
1. Increase the CIT rate for banks and reduce the tax rate for certain financial institutions		0,16
IV. PIT	0,32	0,28
1. Maintenance of the parameters of the tax scale in the PIT	0,32	0,28
V. OTHER	-0,41	0,13
1. Energy revenue 2024 (energy and gas write-off)	-0,39	
2. Capacity charge (reduction in the period 1.01-30.06)	-0,04	0,04
3. Extension of the Spoe KAS toll road network and revision of electronic toll rates	0,03	0,07
4. Changes in the sugar levy		0,03
SUM	0,19	0,84

Source: Ministry of Finance

At the same time, additional tax compliance measures are being undertaken aimed at improving the collectability of public-law liabilities, tightening the tax system, and increasing the effectiveness of administrative enforcement, including:

- Strengthening enforcement in tax offices,
- Central analytical measures concerning the tightening of the tax system,
- Countering aggressive tax planning (including the establishment of a Competence Centre),
- Improving the correctness of turnover registration in cash registers,
- Reducing tax arrears in the area of excise duty,
- Targeted control of excise goods exempted from excise duty pursuant to Article 32, paragraph 4, item 2 of the *Act on Excise Tax*,
- Verification of the correct application of VAT rates, for which the matrix provides for diversified tax rates, and verification of the application of VAT exemption for selected goods.

These measures, with a total effect of **PLN 3.9 billion**, due to their nature (no automatism), are not *ex ante* classified as discretionary measures under the EU and national rules (no impact on expenditure space), yet they positively affect the revenues of the general government.

Furthermore, this document presents measures which, due to ongoing work on the target shape of the solutions, were not included in the fiscal forecast for the draft budget act for 2026, including:

- Establishment of the Interministerial Team for Counteracting the Grey Economy,
- Increasing the **VAT rate to 23%** on non-alcoholic counterparts of alcoholic beverages and energy drinks containing at least 20% fruit, vegetable, or fruit-and-vegetable juice in their composition,
- Granting new powers to the National Labour Inspectorate.

Detailed information on the measures aimed at increasing the general government revenue was presented in the Annex 1.

Expenditure measures

In the following years, fiscal consolidation is imposed by a set of national as well as the EU fiscal rules, including compliance with the recommended net expenditure path under the excessive deficit procedure, taking into account the additional flexibility resulting from the activation of the national escape clause by the EU Council, i.a. for Poland.

The stabilising expenditure rule contained in Article 112aa of the *Public Finance Act*, through an automatic correction mechanism, ensures ex-ante consistency of the growth rate of net SER expenditure (without debt service costs and discretionary tax or contribution measures) and thus the Budget Act, with the maximum rate of increase in net expenditure recommended by the EU Council, including the NEC.

In view of the projected increase in defence expenditure compared to the reference year (year 2021) above 1.5% of GDP, the revision of the SER expenditure amount for 2026 takes into account the maximum flexibility stemming from the national escape clause. In subsequent years, no additional flexibility is foreseen in the SER for this purpose.

Depending on the evolution of the budgetary situation, economic growth and the actual effects of the measures already planned, appropriate measures to ensure the fulfilment of the SER requirements will be presented in the reports on the implementation of the *Medium-term fiscal-structural plan for the years 2025-2028* and the draft budget laws for the following years.

In addition to measures strengthening the revenue side, including those set out in Annex 1, there will also be taken measures to rationalise budget expenditure and to improve the transparency and efficiency of expenditure, which will facilitate implementation of the deficit-reducing path. The most important of these are:

- The establishment of a Fiscal Council, which will act as an independent fiscal institution as of 2026;
- Institutionalise spending reviews, including strengthening the role of the Council of Ministers.

Further described in Annex 2.

Summary

The Report on action taken by Poland under the excessive deficit procedure presents the planned consolidation measures, which ensure that, despite increased defence expenditure, the annual growth rate of the general government net expenditure (except in 2026) and the cumulative growth rate are only slightly higher than recommended by the Council. At the same time, taking into account the flexibility granted under the national escape clause, consistency with the Council recommendation will be ensured.

At the same time, it should be borne in mind that the current fiscal situation is, on the one hand, the consequence of a faster-than-expected inflation decrease and, on the other hand, the necessary high investments in national defence. Faster-than-expected disinflation results in lower than originally expected tax revenues. Persistently high interest rates also increase the tendency to save and thus reduce consumption and tax revenue.

At the same time, despite the significant security expenditure, which is a priority for the government, the net expenditure path recommended by the EU Council will be pursued. It will be ensured through the national fiscal framework, in particular by the stabilising expenditure rule set out in the *Public Finance Act*. The compliance with the path will facilitate reduction of the excessive deficit and stabilise the general government debt at a safe level in the medium term.

Annex 1: Tax compliance measures in 2026

Introduction

Government revenues are determined by the economic situation, systemic changes and fiscal tightening measures. Additional systemic tax compliance measures have been proposed in 2026 to increase the revenues of the general government, including, but not limited to: amendments to the Excise Duty Act and the Personal Income Tax Act, extension of road tolls, additional effects of introducing mandatory e-invoicing (KSeF) or changes to the CIT rate for banks and to the tax on certain financial institutions. In addition, an analysis was carried out of the main challenges in the area of tax collection and the effectiveness of enforcement measures. The most relevant of the measures carried out and planned are presented in the table below. The document describes the objectives, envisaged instruments and expected fiscal impacts, which are expected to contribute to the stability and growth of the general government revenue.

It focuses on two key directions. Firstly, to improve administrative enforcement processes by reducing the response time of the authorities after having been informed of the assets of the debtors and increasing the number of enforcement measures applied. Secondly, to introduce changes to tighten the tax system in selected sectors of the economy, in particular in the construction sector, where additional budgetary revenue is expected.

An important factor affecting the effectiveness of the tax authorities' measures is also the organisational structure, which must keep pace with changing economic realities. We are therefore carrying out work to consolidate the supporting processes carried out in the revenue administration units and to improve the effectiveness of the analytical measures carried out by these institutions.

A strong focus has been put on increasing the use of modern IT tools and databases, which will allow for the automation of many measures and a faster identification of the assets of the debtors. The planned improvements aim not only to increase the efficiency of enforcement, but also to reduce the costs of proceedings and improve the transparency of the tax administration's measures. Examples of such solutions include a plan to automate seizures of property rights in brokerage offices and the use of data from the National System of e-Invoicing to search for debtors' assets.

Solutions dedicated to selected industries, including the construction sector, and the trade in non-alcoholic beverages and energy drinks, which have a high potential to increase tax revenues, are also an important part of the planned measures. Changes such as reducing illegal employment or increasing the VAT rate on non-alcoholic counterparts of alcoholic beverages and energy drinks containing at least 20% of fruit, vegetable or fruit and vegetable juice are estimated to result in significant additional government revenues in 2026.

The increase in the VAT rate for these energy drinks and non-alcoholic equivalents of alcoholic beverages is in line with the objectives of responsible social and health policy of the State, which is to reduce the negative impact of energy consumption on young people's well-being and health, and the negative habits and habits that create an association with drinking alcohol in the case of alcohol-free counterparts.

All these measures, both in the short and long term, aim to improve the efficiency of tax enforcement, increase the level of voluntary tax compliance and reduce illegal business practices. The implementation of the planned measures will result in a more efficient and modern collection system, which will contribute to increasing the revenue of the general government, of the business environment.

New systemic measures in the area of State revenue

In order to carry out the strategic tasks, the following action plan has been drawn up. A detailed description of these can be found in Part B.

- Change in the CIT rate for banks and certain financial institutions
- Extension of the list of toll motorways sections in the KAS Electronic Toll Collection System
- Amendments to *the Excise Duty Act* and *the Personal Income Tax Act*
- Implementation of the JSP_Egzekucja system in enforcement units of tax offices
- Changes to the so-called “sugar tax”
- Increase of the VAT rate to 23% for non-alcoholic equivalents of alcoholic beverages and energy drinks containing at least 20% of fruit, vegetable or fruit and vegetable juice
- Increasing the efficiency of administrative enforcement by actively searching for assets – KSeF
- Reducing irregularities in VAT accounting and improving VAT collection (collection) – KSeF
- New powers of the State Labour Inspectorate (PIP)
- Draft Act on CIT for Family Foundations – tightening the regulation on taxation

Measures aimed at improving tax compliance and increasing the efficiency of the tax administration

- Interdepartmental grey economy team
- Central analytical measures concerning the tightening of the tax system
- Targeting measures in customs and revenue offices against aggressive tax planning
- Improving the correct recording of turnover at cash registers
- Reducing tax arrears in the area of excise duties
- Targeted control of excise goods exempt from excise duty pursuant to Article 32 (4) point 2 of *the Excise Duty Act*
- Verification of the correct application of VAT rates of selected goods for which the VAT matrix provides for differentiated tax rates and verification of the application of the VAT exemption for selected goods

Financial consequences

The financial impact in 2026 of the measures indicated in the document is estimated at **PLN 18.7 bln¹²** (cumulative).

¹² Assuming 10% of B2B contracts converted by the State Labour Inspectorate into employment contracts (extended measure 16).

Description of systemic measures in the area of revenue to improve tax compliance and improve the efficiency of tax administration

1. Change in the CIT rate for banks and the tax on certain financial institutions

I. Detailed description

Russia's aggression against Ukraine and the subsequent destabilisation of the political situation in the East of Europe results in an unprecedented need to raise additional funds to finance the modernisation and expansion of the Polish army.

Achieving these objectives requires additional sources of funding. Meeting the targets will result in the possibility of continuing to sustain the increased expenditure for the above objectives.

Banks currently pay 19% corporate tax. At the same time, they have been making unprecedented profits in recent years.

II. Objectives

In view of the threat posed by Russia, it is necessary to ensure the financing of increased defence expenditure.

III. Tools

Legislative action – draft act amending the Corporate Income Tax Act and the Act on the taxation of certain financial institutions.

Change in the CIT rate for banks and other tax payers of certain financial institutions to:

- 30% of the tax base in 2026,
- 26% of the tax base in 2027;
- 23% of the tax base in 2028 onwards.

For taxable persons who currently apply the rate referred to in Article 19. 1 point 2 of the *CIT Act* – up to 20%, 16% and 13% respectively.

With regard to taxable persons, the draft law calculates the tax at the rates of 30%, 26% and 23% by aligning their monthly advance payments in a simplified form with the tax rates applicable in the year in question.

It is also envisaged to reduce the tax rate currently applicable to certain financial institutions, i.e. from 0.0366% of the tax base to:

- 0.0329% of the tax base in 2027,
- 0.0293% of the tax base from 2028 onwards.

IV. Recipients

Banks and certain financial institutions.

V. Body responsible

Minister of Finance

VI. Deadline

1 January 2026

VII. Estimated financial effect on the general government

The estimated financial impact for 2026 is PLN 6 600 million.

The basis for determining the financial impact was the data published by the Bank Guarantee Fund in the financial situation in the banking sector as at 31 December 2024 concerning the

profit and loss account (out of 12.2024, the pre-tax result amounted to PLN 53 billion and, after tax, PLN 40.6 billion).

The data were confronted with tax data on the largest banking sector entities. Thus, the tax due to CIT for 2024 amounted to approximately PLN 11 billion (for 2023 – PLN 11.3 billion). The revenue from these entities in 2024 amounted to PLN 13.6 billion.

The estimation was also based on the assumption that the effects of the proposed amendments would already affect payments made in 2026 (transitional provision).

The financial impact for individual years has been estimated by reference to the legal situation of the base year (2025).

The basis for estimating the effects on the tax on certain financial institutions was the data on the planned receipts from the tax paid by the banks.

The estimation of the budgetary impact took into account the macroeconomic indicators set out in the Guidelines on the use of uniform macroeconomic indicators as a basis for estimating the financial impact of the draft laws (updated – July 2025).

2. Extension of the SPOE KAS toll road network and revision of electronic toll rates

I. Detailed description

It is expected that in December 2025 the network of national roads covered by the electronic tolling system will be extended on the basis of the *Public Roads Act of 21 March 1985* (Journal Of Laws 2025, item 889). In Poland, all sections of class A and S roads managed by the Director-General for National Roads and Motorways are intended to be covered by electronic tolls. As part of the next expansion of the toll road network, it is planned to cover only selected road sections. The selection followed the geodetic works carried out by the KAS in order to optimise the location for the virtual gateways of the GNSS tolling system.

The extension of the electronic tolling system to further sections aims to harmonise the toll road network and preserve the integrity of the selected transport lines. The planned extension is a continuation of the policy of making newly built roads of the highest class subject to tolls for vehicles over 3.5 tonnes. The current electronic toll is levied on approx. 5 225 km of national roads, and after the planned extension, the charge will be levied on approx. 5 869 km (extension by approx. 645 km). The basic electronic toll rate, which was not updated between 2011 and 2021, will also be changed, but only adjusted annually by the consumer price index.

The above-mentioned measures require legislative changes.

II. Objectives

The proposed change in the level of electronic toll rates and the extension of the road network aims to leverage additional resources for infrastructure development (funds from tolling revenues for vehicles circulating on the toll road network will increase revenues for National Road Fund (KFD)), the fight against environmental pollution (the most polluting vehicles bear the highest cost of using the infrastructure), and an increase in the modal balance in transport (the amendment aims at optimising transport routes and increasing the modal balance between road and rail/inland waterways).

In addition, the amendment aims at reducing transit damage. The new tariff will be a tool to influence foreigners who enter Poland mainly from outside the EU. Those who drive the vehicles responsible for the most harmful emissions will be forced to replace the fleet with cleaner fleets, or compensate for environmental damage by correspondingly higher charges.

III. Tools

The tool used to collect tolls from users of toll roads in Poland is the Electronic Charge Collection System of the National Revenue Administration (SPOE KAS). It is an IT system for the electronic collection of tolls on selected sections of motorways, expressways and national roads in Poland, using satellite positioning, GNSS (GPS) technology to position the vehicle. This system uses data from vehicle location equipment (OBE), e-TOLL PL government application or operators' systems to charge charges based on the geolocation of vehicles.

IV. Recipients

1. Head of the National Revenue Administration
2. Chief Inspectorate of Road Transport
3. Minister responsible for Transport
4. Heads of customs and revenue offices
5. Directorate for National Roads and Motorways
6. e-TOLL users

V. Body responsible

Ministry of Infrastructure

VI. Deadline

Planned implementation date of the action 1 December 2025

VII. Estimated financial effect on the general government

The estimated impact of the action in 2026 will be PLN 2 771 million. The forecast revenue represents the increase in revenue to the KFD following the extension of the toll road network and the change in the level of toll rates. In order to calculate the planned impact on the revenue of the KFD, the following assumptions were made:

- the planned receipts in 2026 were based on data and calculations from the KFD Plan for 2026, taking into account the increase in the electronic fee rate by approx. 42%,
- for the 10-year plan, a baseline value was used for each subsequent year, which was increased by the average annual rate for the 10-year forecast from the Central Statistical Office (2015-2024, 4.13%),
- the planned receipts for 2026 were based on data and calculations from the KFD Plan for 2026, taking into account inflation as an indicator of 1.4%, as reported by the Central Statistical Office in April 2025 'Total consumer price increase index',
- enlargement in total ca. 645 km, which is the increment of the target network approx. 12.34% of all categories of toll roads. Taking into account the actual traffic of vehicles increased by 26.67% as a result of the extension of the network from 1 November 2024, a similar level of traffic growth has been added, which, with this increase in the tolled road network, translates into an increase in revenue of around. 7.29%.

3. Amendments to the Excise Duty Act and the Personal Income Tax Act

I. Detailed description

The purchasing power of consumers is growing and the availability of alcohol prices increases, with an average remuneration that can be bought today much more alcoholic beverages than in 2020. Keeping excise rates unchanged with rising wages and inflation has outdated the "excise road map" and it is therefore proposed to increase them in order to reduce alcohol consumption and abuse.

The second amendment is an increase in the flat rate of winnings from 10% to 15% due to the current low level of the flat-rate tax on other revenues. Due to the incidental nature of the tax,

the increase will not impose a significant burden on households.

II. Objectives

1. Reduce the consumption of alcoholic beverages and consequently reduce the negative effects of alcohol abuse
2. Alignment of income tax rates – the current flat-rate income tax on winnings in competitions, games and betting or bonus prizes (10%) is relatively low in relation to income/other income charges

III. Tools

1. Update of the current road map by increasing excise duties on ethyl alcohol, beer, wine, fermented beverages and intermediate products:
 - in 2026, by 15% compared to 2025 rates,
 - in 2027 by 10% y/y.
2. Increase the flat-rate income tax for winnings in competitions, games and betting or bonus prizes from 10% to 15%.

IV. Recipients

1. Taxable persons subject to excise duty on alcoholic beverages;
2. Persons receiving income (revenue) from winnings in competitions, games and betting or bonus prizes obtained in a Member State of the European Union or another country belonging to the European Economic Area;
3. Entities paying personal income tax on winnings in competitions, games and betting or bonus prizes (payers).

V. Body responsible

Ministry of Finance

VI. Deadline

The proposed amendments will enter into force on 1 January 2026.

VII. Estimated financial effect on the general government

In 2026, the combined estimated impact of the two measures will be approximately PLN 1 961 million. In the event of an increase in excise duty, the revenue was estimated as the sum of additional excise and VAT revenue on alcoholic beverages, with the forecast taking into account the risk of lower receipts, including due to the increase in the shadow economy and the fall in sales. For the increase in the rate of tax on winnings, the calculation was based on 2024 data: with revenue of PLN 279 million from the current rate of 10%, an increase to 15% implies approximately 50% higher inflows, assuming unchanged player behaviour and market conditions.

4. Establishment of an Interministerial Team against the Shadow Zone

I. Detailed description

Pursuant to *Order No 12 of the Prime Minister of 19 March 2025 establishing the Interministerial Team for Combating the Shadow Economy* (M.P. 2025, item 263), an Interministerial Team has been set up to counter the grey economy. It is composed of senior representatives from a dozen ministries and public institutions, including currently the Under-Secretary of State at the Ministry of Finance and Deputy Head of the KAS, respectively as Chair and Deputy Chairman of the Panel.

Effective implementation of the task of reducing the shadow economy requires the cooperation of various government bodies, as is the case in other European Union countries (France, Ireland

and Finland, among others). The team is tasked with coordinating the government's efforts in the fight against the shadow economy, and its establishment follows the recommendations of the International Monetary Fund.

The team is a subsidiary body of the Council of Ministers. Its responsibilities include the following:

- preparing a draft strategy and action plan for government administrations to counteract economic activity which, in particular for the purpose of imposing public levies or using public funds, is deliberately or unintentionally concealed from measurement, hereinafter referred to as the 'grey zone';
- monitoring of actions resulting from the implementation of the Strategy and the Action Plan
- developing a methodology for estimating the shadow economy;
- developing and monitoring the implementation of recommendations for measures to counter the grey economy, including proposals for legal changes;
- reviewing of the solutions put in place by other countries to counter the grey economy and analyse how these solutions can be adapted to Polish conditions.

The Panel held its first meeting on 14 April 2025. Members of the permanent working group were also appointed on that day, composed of representatives of the institutions represented in the Team. This body is ancillary and supports the implementation of the Team's tasks. In addition, the Permanent Works Team has so far set up two task forces to deal with specific issues relating to the reduction of the grey economy in Poland. Further task forces are planned to be set up depending on the needs and results of the work done so far.

II. Objectives

Centralising measures through interdepartmental cooperation within the Team will increase the capacity of Polish administrative authorities to reduce the shadow economy.

III. Tools

In accordance with the Order, a three-step structure (interministerial team, permanent working team and task forces) was set up within the Polish administration to coordinate measures against the shadow economy. The team is made up of representatives of key ministries, audit and analytical institutions. Government administrative bodies and organisational units supervised by or subordinate to these bodies are required to cooperate with the Team and to assist the Team in carrying out its tasks.

IV. Recipients

Entities to which the measures against the grey economy will be addressed; each group of operators/sectors of the measure may differ

V. Body responsible

Minister of Finance

VI. Deadline

The Regulation establishing the Panel entered into force on 22 March 2025.

VII. Estimated financial effect on the general government

The planned reduction in the number of people working illegally in the construction sector (a 30% reduction in the number of people without a contract in the construction sector) is expected to have an effect of PLN 1 175 million in 2026.

5. Implementation of the JSP_Egzekucja system in the enforcement cells of offices

I. Detailed description

Administrative enforcement is carried out at 366 tax offices, with the highest amounts being recovered in large agglomerations. The implementation of the enforcement module into universal tax system (JSP_Egzekucja), which allows processes to be fully electronised and staffed in the selected offices, will increase the efficiency of enforcement and reduce the costs of proceedings. This enforcement system will provide quick access to information on the assets of the debtors, automate seizures, shorten the length of proceedings and increase the number of enforcement measures applied. The KAS eLicitation portal will also be part of the JSP_Egzekucja system, which will allow the sale of assets required by electronic auctions. The portal will allow the enforcement authorities of the National Revenue Administration to conduct all auctions in one place and will provide universal access to a very wide range of potential clients. The higher number of potential customers should translate, on the one hand, into a reduction in the number of auctions that fail due to the absence of a bidder and, on the other hand, into higher amounts obtained from sales. These arrangements will translate into higher budgetary receipts and more flexibility in the structures of the enforcement services of the National Revenue Administration.

II. Objectives

The aim is to increase the efficiency of enforcement by stepping up measures, including shortening the time from obtaining information on the assets required to take enforcement measures and increasing the number of enforcement measures applied.

III. Tools

1. Implementation of the JSP_Egzekucja system.
2. Increase employment in the enforcement units of selected tax offices in Warsaw, Katowice and Poznań by 60 posts.

IV. Recipients

Directors of revenue administration chambers

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

On 1 January 2026, the measures are non-legislative (exception is the KAS eLicitation Portal, for which an amendment to the Law on Enforcement Proceedings in Administration is necessary).

VII. Estimated financial effect on the general government

In order to estimate the financial impact, the 10 tax offices with the highest score for enforcement were selected and the average amount obtained by 1 member of staff of the enforcement authority was calculated. Assuming that in each of these offices we will increase employment by 6 staff, we estimate a financial impact of PLN 350 million.

In the four quarters of 2026, the objective of increasing revenue by approximately PLN 1 200 mln to PLN 1 400 mln should be achieved.

6. Changes to the so-called “sugar tax”

I. Detailed description

Restrictions relating to the application of the current provisions of *the Public Health Act of 11 September 2015* (Journal Of Laws 2024, item 1670, as amended).

The application of the provisions of the Act in practice by the National Revenue Administration and the subject matter of requests for interpretation submitted by businesses and decisions of administrative courts have made it possible to identify issues which give rise to doubts as to interpretation and require clarification of the provisions of the Public Health Act of 11 September 2015 as regards the levy on foodstuffs.

Experience in countries that apply taxes on unhealthy food has shown that their effectiveness depends in particular on the level of tax rates. Tax rates should not be very low, as the resulting change in consumer behaviour and related health benefits may be too small to identify them. For low levels of taxation, additional compliance costs for businesses and tax authorities are difficult to justify.

II. Objectives

Simplify the sugar levy system, eliminate identified interpretative doubts in the field of the levy and limit the economic availability of sweetened beverages by increasing the levies (fixed, variable, for caffeine or taurine content, maximum).

III. Tools

1. Legislative action – *draft act amending the Public Health Act and certain other acts* (UD290):

- Transfer of the obligation to pay the sugar levy from retailers to producers, importers and intra-Community purchasers.
- Clarification of how the levy is calculated on the basis of the total amount of added sugars and natural sugars indicated on the packaging.
- Cover all concentrates (liquid, solid, syrups) with a separate, higher rate.
- Extension of the scope of the levy to food supplements in the form of beverages or syrups (excluding packages ≤ 200 ml) and beverages containing ≥ 20% juice and ≤ 5 g sugars which simultaneously have caffeine, taurine or sweeteners.
- Introducing exemptions for mixtures of water and juice (fruit or vegetable) without added sugars, sweeteners, caffeine or taurine and for certain nectars with a sugar content ≤ 13 g/100 ml and without additives.
- The possibility of refunding the charge in the case of export or intra-Community supply of taxable beverages.

2. Legislative action – *draft act amending the Public Health Act and Act on personal income tax* (UD318):

- Update of the rates of the sugar levy per litre of beverage:
- Solid (for sugar ≤ 5 g/100 ml or sweeteners): increase from PLN 0.50 to PLN 0.70.
- Variable (for each gram of sugar > 5 g/100 ml): increase from PLN 0.05 to PLN 0.10.
- For the addition of caffeine or taurine: increase from PLN 0.10 to PLN 1.00.
- Maximum fee: increase from PLN 1.20 to PLN 1.80.

IV. Recipients

1. Beverage manufacturers, importers of beverages, entities making intra-community acquisitions of beverages, contracting entities
2. National Health Fund (NFZ)
3. Heads of tax offices, heads of customs and revenue offices and directors of revenue administration chambers

V. Body responsible

Minister of Finance

VI. Deadline

Project UD290: on the first day of the month following the expiry of a period of six months from the date of publication.

Project UD318: 1 January 2026

VII. Estimated financial effect on the general government

The estimated financial impact of this measure is PLN 1 133.2 million in 2026.

7. Central analytical measures concerning the tightening of the tax system

I. Detailed description

Cyclical analyses are carried out in areas at risk of losses in CIT, PIT and VAT. The purpose of the analytical measures is to identify entities that may not properly fulfil their tax obligations. The results of these analyses are then made available to the National Revenue Administration (KAS) units for verification, verification or fiscal and customs/fiscal inspections.

II. Objectives

Tighten the tax system by reducing fraud and abuse of VAT, PIT and CIT and increasing the level of voluntary compliance with tax obligations.

III. Tools

The introduction of a mandatory e-invoicing system for KSeF and the obligation to submit logical structures for JPK_KR_PD will enable faster access to data, which can contribute to the efficiency of analyses and provide a basis for identifying new fraud mechanisms.

Analyses carried out in areas already identified with irregularities will continue, while monitoring new possible areas related to tax evasion by different groups of taxpayers.

IV. Recipients

1. entities engaged in an economic activity
2. services under the National Revenue Administration

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

As of January 2026, measures do not require legislative changes.

VII. Estimated financial effect on the general government

The estimated amount of receipts to be achieved in 2026 is 1 070 million. This estimate is based on the amounts of losses generated in 2024 and proportionally during 2025 respectively. At the same time, the estimation takes into account the scale and amount of inflows from the current year, but taking into account the elimination of certain risks from previous years. This means that the amount is not the sum of the fixed increase from previous years. This estimate focuses on the new areas identified for analysis and on the continuation of analytical measures where there is a risk of repetition of irregularities in the following year.

8. Addressing tax irregularities including aggressive tax planning

I. Detailed description

Targeting the measures of the National Revenue Administration (KAS) authorities to combat irregularities in areas particularly vulnerable to tax losses, including aggressive tax planning.

Changing the approach to verifying taxable persons' accounts, verifying simple cases under the least costly procedure (verification measures), carrying out checks only in relation to high-risk areas.

II. Objectives

1. Increase revenue tax collection due to increased verification of aggressive tax planning
2. Focus the measures of the National Revenue Administration (KAS) on preventing circumvention of tax legislation where there is an identified high risk of such measures by taxable persons

III. Tools

At the Małopolskie Customs and Revenue Office in Kraków, a competence centre was set up to support the supervision of inspections to combat aggressive tax planning in the CIT in order to achieve the expected revenue already in 2026. Supervision and monitoring by setting targets to be achieved combined with modern tools.

IV. Recipients

Authorities of the National Revenue Administration

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

The measures are already being implemented and are continuous. These measures are of a non-legislative (organisational) nature.

VII. Estimated financial effect on the general government

An estimated additional increase of PLN 540 mln in revenue to the State budget from verification measures is forecast in 2026. The following estimates are conservative.

9. Increase of the VAT rate to 23% for non-alcoholic equivalents of alcoholic beverages and energy drinks containing at least 20% of fruit, vegetable or fruit and vegetable juice in their composition¹³.

I. Detailed description

Tax at the rate of 5% shall be levied on, inter alia, non-alcoholic beverages classified under the Combined Nomenclature of the CN 2202 in which the fruit, vegetable or fruit and vegetable juice by weight accounts for not less than 20% of the fibre composition, including, inter alia:

- non-alcoholic (up to 0.5% alcohol content) equivalents of alcoholic beverages, including but not limited to: non-alcoholic beer, non-alcoholic beverages based on non-alcoholic beer, non-alcoholic wine, non-alcoholic cider, non-alcoholic drinks,
- energy drinks – beverages with added caffeine or taurine.

If these drinks are offered by catering establishments as part of the so-called catering service, they are subject to a VAT rate of 8%.

¹³ Rewording of point (2) in item 17 of *Annex 10 to the VAT Act of 11 March 2004* (Journal of Laws Of Laws 2025, item 775, as amended)

The project provides for an increase in the VAT rate from 5% and 8% to 23% for these non-alcoholic beverages.

II. Objectives

The amendment is in line with the objectives of responsible social and health policy of the State – to reduce the adverse effects of energy consumption on young people’s well-being and health, as well as the negative habits and habits associated with drinking alcohol.

III. Tools

Amendments will be made to *the VAT Act*.

IV. Recipients

Consumers, operators active in the sale of the beverages subject to the increase (commercial establishments and catering establishments) and producers of those beverages.

V. Body responsible

Minister of Finance and Economy

VI. Deadline

The action will be implemented as of 1 July 2026.

VII. Estimated financial effect on the general government

The combined effect of the increase in the VAT rate from 5% to 23% in trade and from 8% to 23% in catering in 2026 was estimated, assuming that the provisions entered into force on 1 July 2026 (impact for 5 months of 2026) of PLN 435.4 million.

The effect has been estimated on the basis of groups for non-alcoholic equivalents of alcoholic beverages and energy drinks in which the proportion by weight of fruit, vegetable or fruit and vegetable juice is not less than 20% of the fibre composition.

10. Improving the correct recording of turnover at cash registers

I. Detailed description

Within this area, intensified measures are being carried out using the control purchases, customs and revenue checks and mandate measures in the areas of recording sales using a cash register and issuing a tax receipt to the purchaser.

The continuation of supra-regional operations such as ‘LATO’ or ‘Cash online’ and the implementation of additional trans-regional operations in the winter tourist season will contribute to increasing tax compliance.

In view of the results of the OP LATO, the effectiveness and results of the measures carried out increased each year in 2023-2025. Carrying out similar measures in the winter season should also have an impact on the tightening of the tax system by improving taxpayer compliance with their tax obligations in the area of recording sales using a cash register.

In the case of the cross-regional Cash online operation, the measures are mainly preventive in nature, consisting of verifying the obligation to record sales using on-line cash registers, enabling the connection and transmission of data between the tax office and the Central Repository of the KAS by taxable persons operating in the sectors required to do so.

Notwithstanding routine measures, it is planned to consolidate internal processes and improve the efficiency of analyses targeting industries and areas with a potential high risk of misstatement (e.g. excise goods offered online, beauty industry, acceptance of liquid impurities).

II. Objectives

Increasing taxpayers' awareness and, consequently, tightening up the tax system by improving their compliance with their tax obligations in the area of recording sales using a cash register.

III. Tools

1. Stepping up the measures carried out using checks, customs and revenue checks and mandates in the area of recording sales using a cash register and issuing a tax receipt to the purchaser.
2. Adding a new indicator for customs and revenue checks carried out in the area of cash registers and increasing the value of the indicator for checking acquisitions specified in the order of the Head of the National Revenue Administration determining the directions for the operation and development of the National Revenue Administration in subsequent years.
3. Broaden the scope of analyses to identify entities with a high risk of irregularities through automation and consolidation of analytical processes.

IV. Recipients

1. taxable persons required to record sales using a cash register
2. organisational units of the KAS

V. Body responsible

1. Directors of Revenue Administration Offices (IAS) as part of the supervision of heads of tax offices and heads of customs and revenue offices
2. Head of the National Revenue Administration as part of the supervision of the directors of the IAS

VI. Deadline

In 2025, ongoing, analytical and legislative measures will be stepped up in these areas (*amendment of the Regulation of the Minister of Finance on the verification fund by increasing the maximum amount of the verification purchase*). In 2026, measures will be expanded in sectors where the analyses carried out show a high risk of irregularities.

VII. Estimated financial effect on the general government

The impact of the measure was estimated at 400 million in 2026, based on the following assumptions:

1. Beauty industry: It is estimated that more than 60% of taxable persons operate in the grey economy, largely without recording sales of services at the cash register, as well as operating despite their suspension/termination.
2. Electronic equipment (VAT-margin): Significant irregularities were identified in the recording of the sale of new electronic equipment as second-hand, with the aim of incorrectly applying the margin scheme only.
3. For the disposal of liquid waste: As of 1 July 2025, all of the approximately 2200 taxable persons offering these services must use cash registers. Value of this market, which uses approximately 2 million households, estimated at around PLN 2 billion (with 8% of VAT).
4. Other industries: For the time being, the financial impact does not extend to other sectors for which future analyses may demonstrate a high risk of irregularities.

11. Increasing the efficiency of administrative enforcement by actively searching for assets

I. Detailed description

When conducting enforcement proceedings, the heads of tax offices seek assets with a view to seizing and subsequently settling the debtor's arrears, including claims from counterparties, funds in investment accounts or securities. Brokers' offices are not members of the OGNIVO system, which means that enforcement authorities are unable to obtain the information necessary for enforcement as easily and quickly as is the case with information on the debtor's bank accounts. Enforcement of rights from financial instruments credited to a securities or other account and claims from a cash account used to handle such accounts is rarely used. In view of the above, recognising the financial potential of the above-mentioned enforcement measure, it is planned to automate it for claims above PLN 100 thousand, which will improve the selection of cases, the registration of seizures and their dispatch without the involvement of the user, increasing the effectiveness of enforcement and increasing budgetary receipts. The process of obtaining UPK data is also currently manual and inefficient. It is therefore also planned to automate the process of searching for counterparties from the KSeF, which should result in more attachments of claims and, consequently, an increase in proceeds.

II. Objectives

1. Increasing the efficiency of enforcement by intensifying asset searches and, consequently, increasing the number of seizures of claims.
2. Increasing the efficiency of enforcement by increasing the number of seizures of rights from financial instruments within the meaning of the provisions on trading in financial instruments, credited to a securities account or other account, and claims from a cash account at broker offices will increase the effectiveness of enforcement against selected cases and debtors.

III. Tools

1. Automated asset search process – KSeF source
2. Automated seizures of property rights for brokerage offices

IV. Recipients

Employees of enforcement units at tax offices

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

30 June 2026. The measures are of a non-legislative nature.

VII. Estimated financial effect on the general government

It is estimated that the automation of asset searches in the KSeF system, which will increase the number of classes by approx. 5% per annum (ca. PLN 30 million by way of enforcement. In addition, the automation of measures for brokerage offices for arrears of more than PLN 100 thousand, assuming that 10% of them were to be enforced, is expected to generate an additional PLN 300 million.

12. Reducing tax arrears in the area of excise duties

I. Detailed description

At present, tasks in the field of excise are fragmented. Creditors' tasks are divided between different authorities and, consequently, decisions in this area are not issued as often as they could be issued. At the same time, on the basis of Article 118(1) of the *Tax Code (Ordynacja*

Podatkowa), it is not possible to issue a ruling on the tax liability of a third party if five years have elapsed since the end of the calendar year in which the tax arrears arose. On the other hand, the obligation arising from such a decision is time-barred 3 years after the end of the calendar year in which the third party's tax liability notice was notified. It is therefore important to take action within periods preventing the right to adopt a decision transferring tax liability to third parties or the obligation arising from such a decision from being time-barred.

II. Objectives

The objective of the measure is to increase the efficiency of the collection of excise duties.

III. Tools

1. Once the report on all arrears of excise duty that may be covered by the transfer of liability to third parties has been obtained and analysed, lists of cases will be sent to the tax offices for detailed verification in view of the initiation of proceedings.
2. Detailed guidance will be issued for creditor and enforcement cells on the timing and procedure for transferring liability to third parties, which should increase the number of decisions and excise duty receipts.

As a result of the actions taken, third-party liability proceedings should concern both old and more recent arrears (2-3 calendar years of limitation).

IV. Recipients

Services under the responsibility of the Head of the National Revenue Administration.

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

Actions will be implemented by 31 December 2025. The implementation of the actions does not require legislative change.

VII. Estimated financial effect on the general government

It is assumed that cases with a recovery potential of at least PLN 500 million will be selected, which will enable the planned level of PLN 200 million to be achieved, taking into account the real effectiveness of enforcement (around. 40%).

13. Targeted control of excise goods exempt from excise duty pursuant to Article 32(4) point 2 of the Excise Duty Act

I. Detailed description

One element of the grey zone in ethyl alcohol is the illegal placing on the market of products containing denatured ethyl alcohol, which benefits from the exemption from excise duty laid down in Article 32(4) point 2 of *the Excise Duty Act*. Estimates of the grey economy in this area indicate that it is currently around. 3 million litres of ethyl alcohol, which, at a rate of excise duty of PLN 7991,00 per hectolitre of 100% vol. ethyl alcohol, results in a reduction in excise duty of approximately PLN 240 million. In 2026, the increase in the rate of excise duty to PLN 8391,00 per hectolitre of 100% vol. ethyl alcohol will hypothetically increase budgetary losses to around PLN 251 million.

With regard to combating the grey economy in this area, it is planned to use changes to the conditions for exemption referred to in *the Regulation of the Minister of Finance and the Economy amending the Regulation on denaturing agents of ethyl alcohol, for the purposes of carrying out customs and revenue checks, including checks on road transport vehicles transporting these products*. As of 21 February 2026, the Regulation limits the maximum volume of packaging (up to

5 000 ml) into which products made from denatured ethyl alcohol may be bottled. The controls will focus primarily on those producing these products, in particular tax warehouses and users, who will be required to use packaging up to 5 000 ml.

Measures will also include an analytical part focusing on internal and other cooperation on:

- analysis of data from the KAS and OSINT systems,
- coordinated trans-regional operations in the field of customs and revenue controls, including road checks on the carriage of goods in packages of 5 l,
- verification of the preparation of customs and revenue laboratories for conducting directional tests,
- verification of advance rulings issued by the KIS,
- strengthen the capacity of law enforcement authorities in this area, in particular when carrying out roadside checks and combating economic crime,
- quarterly evaluations of the measures of the CP Alcohol.

The measures will continue until the risks associated with the illegal release of these products for consumption are mitigated.

II. Objectives

The main objective of the measures is to tighten up the tax system by harmonising the interpretation of the law and strictly respecting the conditions for exemption from excise duty. Achieving this objective will make it possible to reduce tax fraud and the grey economy in ethyl alcohol. This will increase the efficiency of the collection of the excise duty due and, with a view to increasing the competitiveness of national producers of alcoholic beverages.

III. Tools

The measures will use the systems at the disposal of the National Revenue Administration to identify cases and entities involved in the production, movement and retail sale of products exempt from excise duty. The data obtained from the IT systems will allow the identification of entities in which customs and revenue checks will be carried out in the area of compliance with the conditions for exemption referred to in Article 32 (4) point 2 of the Excise Duty Act.

Measures will also be carried out on an ad hoc basis, i.e. without risk analysis. They will mainly cover the area of ad hoc roadside checks and ad hoc checks at operators offering these products for sale.

Implementation of short-term measures does not require legislative changes. In general terms, the measures will have a dimension aimed at a strict interpretation of the legislation currently in force.

IV. Recipients

1. Checks will be carried out on the national territory by the heads of UCS (the Customs Office)
2. Measures will cover tax warehouses and users and other entities involved in the redistribution of these products exempt from excise duty within the national territory, including carriers, wholesalers and retail entities

V. Body responsible

The directors of the IAS as part of the supervision of the heads of the Customs Office and the Head of the National Revenue Administration as part of the supervision of the directors of the IAS

VI. Deadline

Implementation of measures as of 1 January 2026.

VII. Estimated financial effect on the general government

PLN 200 million in 2026, taking into account the estimated volume of alcohol entering the grey economy and the applicable excise duty rate for the tax year in question.

14. Reducing irregularities in VAT accounting and improving VAT collection (collection) – KSeF

I. Detailed description

The introduction of a mandatory e-invoicing system for KSeF enables faster access to data improving the effectiveness of creditor authorities and enforcement. Streamlining administrative enforcement measures using the KSeF should generate additional budgetary receipts.

II. Objectives

Current data on counterparties in KSeF make it possible to search for sales invoices issued by entities with tax arrears more quickly. Currently, these data are available in JPK_VAT files (even after almost two months) submitted by the 25th day of the month following each month. Once the KSeF is introduced, the functionality will make it possible to search for sales invoices issued by taxpayers with arrears in the early settlement phase between counterparties, i.e. close to real time, thus increasing the efficiency of tax collection.

III. Tools

The tightening of mandatory e-invoicing will be linked, inter alia, to the shortening of the time of access to data and to the possibility of ongoing monitoring of transactions for the enforcement of budgetary claims which the Treasury is a creditor.

IV. Recipients

1. entrepreneurs
2. services under the National Revenue Administration

V. Body responsible

Head of the National Revenue Administration

VI. Deadline

The mandatory e-invoicing system of KSeF has entered into force since 1 February 2026 for undertakings whose sales value exceeds PLN 200 million and from 1 April 2026 for other undertakings. Action does not require further legislative changes.

VII. Estimated financial effect on the general government

Estimates were made on the basis of existing data on the amounts and number of seizures from JPK_VAT reports, the WRO-System Credit Module. In view of the phased entry into force of the KSeF system, the amount of additional receipts in 2026 was estimated at PLN 170 million.

15. Verification of the correct application of VAT rates of selected goods for which the VAT matrix provides for differentiated tax rates and verification of the application of the VAT exemption for selected goods

I. Detailed description

Identification of entities applying incorrect rates of VAT in the case of sales of goods for which the legislature has set different tax rates depending on the type of sale.

To this end, measures have been taken to expand analyses based on processes and tools that

process data obtained from online cash registers. By automating, digitising and consolidating analytical processes, the analyses prepared will allow for a more accurate selection of areas with potentially high risk of irregularities. The measures will be of a periodic nature and, in the event of a confirmed risk of irregularities in the above-mentioned areas, the measures will continue. In addition, where irregularities are discovered, operators who infringe tax provisions will be subject to checks, tax inspections or customs and revenue checks that are appropriate to the circumstances.

II. Objectives

Increase taxpayers' awareness and, as a consequence, tighten the tax system by improving compliance with their tax obligations, reducing the tax gap, ensuring fair competition, supporting honest taxpayers and, in the longer term, prevention.

III. Tools

1. commissioning data analyses in areas, industries or taxpayers where the measures carried out showed a high risk of irregularities,
2. in cases of confirmed irregularities, refer to further control measures or case-law cells,
3. carrying out coordinated trans-regional operations using customs and revenue controls in the identified areas,
4. internal cooperation to enhance the substantive capacity of the bodies of the National Revenue Administration,
5. strengthening the flow of feedback on the application of incorrect VAT rates,
6. coordination of verification measures in respect of taxpayers who have been found with irregularities.

IV. Recipients

1. taxable persons carrying out economic measures in the areas and industries analysed
2. organisational units of the National Revenue Administration

V. Body responsible

1. directors of the IAS as part of the supervision of heads of offices revenue, and heads of customs and revenue offices
2. Head of the National Revenue Administration in its supervision of IAS Directors

VI. Deadline

2025-2026 – analytical measures and control measures in areas where the analyses carried out showed a high risk of irregularities. Measure does not require legislative changes.

VII. Estimated financial effect on the general government

PLN 100 million in 2026, taking into account the estimated irregularities in the application of lower VAT rates for certain goods resulting in a reduction of VAT.

16. New powers of the State Labour Inspectorate (PIP)

I. Detailed description

Introduce legal solutions to strengthen the State Labour Inspectorate (PIP) in order to enforce compliance with labour law more effectively and effectively, with a view to improving the situation of persons performing paid work.

This measure implements milestones A71G '*Entry into force of the reform of the State Labour Inspectorate and the reform of the Labour Code*' and A72G '*Capacity-building measures State Labour Inspectorate*' under reform A.4.7 '*Reducing labour market segmentation*' contained in the *National Recovery and Resilience Plan*.

II. Objectives

Introduce legal solutions to strengthen the PIP in order to enforce compliance with labour law more effectively and effectively and consequently improve the situation of those performing paid work.

III. Tools

- introducing a mechanism to prevent unauthorised replacement of employment contracts by civil law contracts – conferring on the PIP (district labour inspectors) the power to determine the existence of an employment relationship where a civil-law contract has been concluded in the conditions in which, in accordance with Article 22(1) of the Labour Code, an employment contract (administrative decision) should be concluded,
- exchange of information and data between the ZUS (Social Insurance Institution), the PIP and the KAS for control and risk analysis purposes,
- the introduction of remote controls and the use of technical devices enabling remote inspection measures to be carried out, the introduction of electronic form of documentation drawn up during the inspection, in particular inspection reports,
- drawing up annual and multi-annual risk-based control programmes by the Chief Labour Inspector,
- arrangements for fines for infringements against workers' rights to ensure more effective protection of workers and to act as a deterrent for employers who do not comply with labour law,
- introduction of appeal procedures against PIP decisions.

IV. Recipients

1. persons working on the basis of a contract of order, agency contract or other contract for the provision of services to which, in accordance with the provisions of the Civil Code, the provisions on commission apply,
2. self-employed without employees,
3. natural persons engaged in an economic activity,
4. employers – private entities,
5. entrepreneurs other than employers and other organisational units – private entities,
6. public sector entities.

V. Body responsible

Minister for the Family of Labour and Social Policy

VI. Deadline

1 January 2026

VII. Estimated financial effect on the general government

Assuming a scale of so-called bogus self-employment of 160 thousand entities, each 10% of B2B contracts converted into employment contracts would result in an additional revenue of PLN 212 million per year for the sector.

The scale of bogus self-employment was adopted on the basis of the estimates presented by the *PIE in Economic Week PIE 3/2022* and on the basis of the estimates of the Ministry of Finance included in the *2019 study Selected aspects of economic activity*. Both of these analyses define bogus self-employment as sole trader providing services to one entity and not employing any employees.

17. Draft Act on CIT for Family Foundations – tightening the rules on taxation of that form of activity

I. Detailed description

The proposed amendments respond to the identified mechanisms for using the family foundation institution contrary to the purpose of the Family Foundation Act and aim at clarifying and tightening up the tax provisions in this regard.

II. Objectives

Reduce the use of a family foundation as a tool for aggressive tax avoidance, thereby increasing the transparency and efficiency of the tax system.

Securing the use of family foundations in line with their original objective of asset management and succession planning rather than pursuing aggressive tax strategies.

III. Tools

1. making the application of preferential taxation conditional on the maintenance of ownership of the assets for a certain period of time, i.e. 36 months,
2. eliminating the possibility for a family foundation to avoid tax by carrying out its measures through tax transparent entities,
3. the inclusion of the family foundation in the foreign controlled entity (CFC) regime and the exit tax regime,
4. clarification of the rules governing the taxation of income generated by the family foundation from the contracts referred to above, the object of which is to make immovable property available for use for consideration (short-term letting),
5. clarification of the rules in the area of 'hidden profits' of a family foundation, as regards loans granted by a family foundation.

IV. Recipients

CIT payers – family foundations

V. Body responsible

Minister of Finance

VI. Deadline

1 January 2026

VII. Estimated financial effect on the general government

The estimated financial impact of this measure is PLN 196 million in 2026.

Annex 2: Description of key measures aimed at improving the efficiency and transparency of expenditures

Establishment of Fiscal Council

As of 1 January 2026, a new independent expert institution will be established, the creation of which represents a real reinforcement of the efficiency and transparency of the fiscal framework in Poland. The Council was designed on the basis of the recommendations set out in a joint report by the World Bank and the Ministry of Finance¹⁴, which was based on an analysis of practices in other EU Member States, drawing conclusions on the basis of best practice, taking into account Polish specificities. These recommendations were reflected in *the Act of the 20 December 2024 on the Fiscal Council*, which entered into force on the 15 February 2025.

The mandate of the Fiscal Council was designed to create an efficient and acting institution, going beyond the minimum requirements set out in the *revised Directive 2011/85/EU on requirements for budgetary frameworks of the Member States*, while at the same time providing the necessary leeway to achieve full efficiency without an excessive initial burden. The tasks of the Fiscal Council are divided into tasks covered by the ‘*comply or explain*’ mechanism, according to which the Minister of Finance must comply with the Council’s opinion or, within 2 months, explain the reason for their non-application and tasks that go beyond the mandate of the Directive, on which the Fiscal Council’s opinions are binding for the government¹⁵.

The main tasks of the Board will be:

- an opinion on the macroeconomic forecasts used for the preparation of the draft budget act, the medium-term fiscal-structural plan, the report on the implementation of the medium-term plan, including in particular the macroeconomic projections and assumptions underpinning the net expenditure path;

The Council’s opinion on macroeconomic forecasts, which is subject to the ‘*comply or explain*’ mechanism, will be issued well before the adoption of the draft budget act by the Sejm. Given that macroeconomic forecasts (in particular inflation forecast errors linked to the scale and sustainability of supply shocks caused by the war in Ukraine) are a significant source of errors in revenue forecasts, the Council’s opinions will improve the quality of budgetary projections.

- an opinion on the draft budget act with regard to compliance with the public debt limit, the stabilising expenditure rule laid down in Articles 112aa to 112db of the *Public Finances Act* and the net expenditure path;
- the assessment of the budgetary framework in terms of consistency, coherence and effectiveness;
- at the request of the Council of Ministers, draw up assessments and reports related to the excessive deficit procedure or the EU fiscal surveillance.

¹⁴ *Designing an Independent Fiscal Institution for Poland*

¹⁵ The exception will be carried out at the request of the Minister of Finance to give an opinion on government documents and their impact on the sustainability of public finances and the macroeconomic situation of the country.

In addition to its core tasks, the Act also provides an extended remit of the Fiscal Council, strengthening its powers in the area of fiscal policy control:

- at the request of the Minister of Finance, to give an opinion on government documents and their impact on the sustainability of public finances and the macroeconomic situation of the country;
- defining selected parameters for the stabilising expenditure rule, including:
 - the size of the correction of the expenditure amount in the SER other than the automatically calculated amount of the correction;
 - to authorise a temporary deviation from the expenditure limit in the event of extraordinary circumstances beyond the control of the Council of Ministers with a significant economic or social impact;
 - an assessment of the appropriateness of the use of the escape clause;
 - assessment of the long-term effects of the escape clause.

Council's opinions issued in the context of the designation of selected parameters of the SER are of a binding nature. As a result, the Council gained competences beyond the “*comply or explain*” mechanism. Combined with the fact that the SER covers more than 90% of general government expenditure, as well as the Council's competence for fiscal rules and macroeconomic forecasts underpinning budgetary projections, the Fiscal Council represents a real improvement in the efficiency and transparency of compliance with fiscal rules in Poland.

In addition to the tasks listed in the Act, the Fiscal Council will also be free to prepare analyses and own-initiative reports. All additional studies and reports prepared by the Council must be published and will be included in the annual report that the Council will have to submit to the Sejm and Senat. The report will also be published.

According to the law, the Fiscal Council will be a budgetary entity to ensure its stable access to resources. In accordance with the recommendations set out in the joint report of the World Bank and the Ministry of Finance, the Council will be composed of the President and six members, designated by various circles, including academia, local authorities or the social partners. The Council Office is planned for 15 staff members, including the Director of the Office. Taking into account the fact that the mandate of a member of the Council is full-time, the Fiscal Council is provided with the financing means required by law to carry out its tasks and an adequate space for carrying out additional analyses on its own initiative.

The Council will become operational on 1 January 2026. The candidates for Council members are currently awaiting public hearings before the parliamentary committee, followed by a vote in the Sejm and Senat. At the same time, the Bureau of the Fiscal Council shall be set up by its first director.

Institutionalising spending reviews

The Ministry of Finance prepared amendments to the *Public Finance Act*, including the institutionalisation of spending reviews in a way that allows them to be linked to the state budget preparation process. The amendments entered into force in 2024. *The Public Finance Act* sets out the main elements of the process, namely planning, implementation and monitoring. Detailed rules on the procedure for cooperation between the Minister of Finance and the budget holders in the implementation of the spending review and the monitoring of performance are laid down in the *Council of Ministers Regulation on the review of expenditure*.

At the same time, in view of the update of milestone A2G of the *National Recovery and Resilience Plan*, work is ongoing at the Ministry of Finance to strengthen the role of the Council of Ministers in the process of spending reviews, as the Council of Ministers is not directly involved in this process in the current legal situation, which is its weakness. This makes it difficult to develop cooperation between participants in spending reviews, identify problems and develop policy options.

In response to these weaknesses, the Ministry of Finance is preparing an amendment to the above-mentioned Regulation, which will strengthen the role of the Council of Ministers in the spending review, thus increasing the transparency of the process and improving the monitoring of its results. In parallel, work is underway to amend the Regulation of the Minister of Finance on measures, procedures and deadlines for drawing up materials for the draft budget act by introducing an obligation to include in these materials the results of the spending review by budget holders. In the event of proposals for changes to the level or structure of expenditure, the authorising officers will be required to use them when drafting the materials for the draft budget act. This will strengthen the link between the results of the spending review and the state budget.