# **Tunisian Fiscal Landscape 2025: A Comprehensive Guide to Tax Rates and VAT Regulations**

## **I. Executive Summary**

The Tunisian fiscal landscape for 2025 is shaped by the comprehensive Finance Law (Law No. 48-2024), formally adopted on December 9, 2024, and published in the Official Journal of the Tunisian Republic (JORT) No. 149 on December 10, 2024.1 This legislation introduces a series of significant adjustments aimed at bolstering government revenue, safeguarding the purchasing power of citizens, and stimulating various sectors of the economy.1

Key changes include a notable increase in the general Corporate Income Tax (CIT) rate and a comprehensive revision of the Individual Income Tax (IRPP) brackets. These modifications are poised to impact both corporate profitability and the disposable income of households across different income strata.1 The Value Added Tax (VAT) framework has also undergone significant reclassification and the introduction of targeted exemptions. These adjustments aim to serve a dual purpose: generating state revenue while simultaneously providing economic support to specific industries and consumer segments.1 Furthermore, the Finance Law introduces new measures designed to strengthen tax enforcement mechanisms, combat tax fraud more effectively, and offer provisions for tax amnesty concerning certain outstanding debts.1

The 2025 Finance Law explicitly articulates a strategic intent to both increase government revenue and support purchasing power while stimulating the economy.1 This combination of objectives is inherently complex and often presents trade-offs. The increase in the general Corporate Income Tax 1 and the upward adjustments to Individual Income Tax rates 7 are direct mechanisms to boost state coffers. Simultaneously, the government is implementing measures to alleviate the financial burden on citizens, such as reducing the VAT rate on household electricity consumption 1 and making affordable housing more accessible through adjusted VAT rates.1 Beyond this, the law includes specific incentives like VAT exemptions for community enterprises 1 and broader tax incentives for new investments.6 This multi-pronged approach suggests a deliberate attempt to balance the need for fiscal consolidation—critical for national budget stability—with social welfare considerations and economic growth stimulation. Public commentary, highlighting a perception of increased tax burden, underscores the sensitivity of this balancing act.5 This dual strategy indicates a government striving to navigate a challenging economic landscape by broadening its revenue base and requiring greater contributions from higher-income individuals and profitable entities. Concurrently, it seeks to protect vulnerable populations and foster growth in key, often nascent or socially beneficial, sectors. The success of this intricate balance will depend significantly on the efficacy of its implementation, the responsiveness of the economy, and the broader socio-political environment. It represents a move toward a more sophisticated and targeted fiscal policy designed to achieve comprehensive economic and social objectives.

## **II. Introduction to Tunisia's 2025 Fiscal Framework**

### **Overview of the 2025 Finance Law (Loi de Finances 2025) and its Primary Objectives**

The Finance Law for the year 2025 is formally designated as Law No. 48-2024, which was definitively adopted on December 9, 2024.1 Its official publication occurred in the Journal Officiel de la République Tunisienne (JORT) No. 149 on December 10, 2024, solidifying its legal standing and effective date.1 As outlined in the law, its core objectives encompass increasing government revenue, providing support to the purchasing power of citizens, and stimulating overall economic activity.1

### **Legal Basis and Official Publication Details**

The Ministry of Finance (Ministère des Finances) serves as the central governmental authority responsible for formulating and executing fiscal policy in Tunisia.14 The Direction Générale des Impôts (D.G.I.) operates under its purview, specifically tasked with the administration and collection of taxes.16 Official tax codes, including the "Code de l'Impôt sur le Revenu des Personnes Physiques et de l'Impôt sur les Sociétés" (IRPP et IS) and the "Code de la Taxe sur la Valeur Ajoutée" (VAT), are available for 2025.18 However, it is important to note that some specific legal documents and detailed notes may only be accessible in Arabic, and certain direct links provided in the source material were found to be inaccessible.18

The user's explicit request for cited sources highlights the critical need for authoritative information. While summaries from reputable advisory firms offer valuable perspectives 1, the ultimate legal authority for fiscal data resides in official government publications, primarily the JORT and the specific tax codes.1 The observed inaccessibility of certain direct links to these official documents 19 and the explicit mention of some official notes being available only in Arabic 18 present a significant challenge for international stakeholders who may not have proficiency in Arabic. This situation underscores the indispensable role of professional tax advisory services that can translate, interpret, and provide reliable guidance based on the primary legal texts. For international businesses and investors, this scenario implies that relying solely on readily available translated summaries might carry a degree of risk regarding the precise interpretation of legal nuances. The practical difficulty in accessing original, authoritative legal documents in English or French on official Tunisian government websites can act as a bureaucratic hurdle, potentially increasing compliance costs and the need for specialized local legal and accounting counsel. This highlights a gap in accessibility that could impede foreign direct investment or ease of doing business for non-Arabic speakers.

## **III. Corporate Income Tax (CIT) in 2025**

### **General Corporate Income Tax Rate (Taux Général de l'Impôt sur les Sociétés)**

Effective from January 1, 2024, the general Corporate Income Tax (CIT) rate in Tunisia has been increased from 15% to 20% for all realized profits.1 It is important to acknowledge that some older or less precise sources may still cite a 15% standard rate.22 However, the provisions of the Finance Law 2025, as detailed by multiple authoritative sources, unequivocally establish the new general rate at 20%.

### **Sector-Specific Corporate Tax Rates (Taux Spécifiques par Secteur)**

Tunisia's corporate tax system includes various rates tailored to specific sectors, reflecting strategic economic objectives.

**Higher Rates:**

* **Financial Sector:** Including banks, financial institutions, and insurance companies, the tax rate has been notably increased from 35% to 40%.6
* **Specific Industries at 35%:** This rate applies to companies operating in telecommunications, debt collection, large retail stores, franchises, and investment companies.9
* **Oil Sector:** Companies within the oil sector are also subject to a 35% CIT rate.25

**Reduced Rates:**

* **Craft, Agricultural, and Fishing Activities:** These sectors benefit from a significantly reduced rate of 10%.9
* **Investments in Regional Development Areas:** Profits generated from investments specifically made in designated regional development areas are also taxed at a preferential rate of 10%.9
* **Industrial and Exporting Companies:** These enterprises are subject to a 15% CIT rate.26
* **Specific Technology and Manufacturing Sectors:** A rate of 13.5% applies to IT development companies, as well as businesses in the textile, leather, and footwear industries, and call centers.25

The following table summarizes the Corporate Income Tax Rates by Sector for 2025:

| Sector/Activity | Applicable Corporate Income Tax Rate (%) | Specific Conditions/Notes | Source Snippet ID |
| --- | --- | --- | --- |
| General Rate | 20% | For all realized profits | 1 |
| Financial Sector (banks, financial institutions, insurance) | 40% | Increased from 35% | 6 |
| Telecommunications, Debt Collection, Large Retail Stores, Franchises, Investment Companies | 35% |  | 9 |
| Oil Sector | 35% |  | 25 |
| Craft, Agricultural, and Fishing Activities | 10% |  | 9 |
| Investments in Regional Development Areas | 10% | Profits from investments in designated areas | 9 |
| Industrial and Exporting Companies | 15% |  | 26 |
| IT Development Companies | 13.5% |  | 25 |
| Textile, Leather, and Footwear Industries | 13.5% |  | 25 |
| Call Centers | 13.5% |  | 25 |

### **Tax Incentives and Exemptions for Businesses**

Tunisia offers various tax incentives to encourage investment and specific economic activities.

* **Newly Established Enterprises:** A significant incentive includes a four-year exemption from both corporate and personal income taxes for enterprises that filed an investment declaration in either 2024 or 2025.6 This aims to alleviate the initial tax burden and promote new business creation.
* **Community Enterprises:** These entities are granted a substantial 10-year exemption from Corporate Income Tax starting from their incorporation date.1 This comprehensive exemption also extends to Value Added Tax (VAT), most withholding taxes (with the exception of a 20% rate on moveable capitals), industrial and commercial companies tax, professional training tax, employees' housing development contribution, and tax on unbuilt lands.12 This measure is designed to encourage the creation and development of community enterprises, reducing their costs and allowing for greater investment in their activities, thereby fostering economic and social development.
* **Research & Development (R&D) Support:** Companies are permitted to deduct 50% of R&D expenses incurred under formal agreements with public research institutions, with an annual cap of TND 400,000 (approximately $12,183). An additional 50% deduction is available for innovation expenses, also subject to the same TND 400,000 annual cap.6 This encourages innovation and technological advancement.
* **Green Energy Investments:** Businesses and individuals who invest in renewable energy solutions, such as solar or wind power, are eligible for specific tax credits and government subsidies.3 This aligns with national goals for energy transition and sustainable development.
* **Startups and Technology Companies:** The government places a particular emphasis on supporting these sectors, allocating dedicated funds to foster innovation and accelerate digital transformation within Tunisia.3

### **Conjunctural Contribution**

A new, temporary 2% contribution on profits has been introduced for the year 2025, with a minimum payment of 1,000 dinars.1 This contribution specifically targets large companies that had a turnover exceeding 20 million dinars (excluding VAT) in 2023 and were subject to the 15% CIT rate (referring to the previous general rate for eligibility determination).1 This measure primarily targets large companies, increasing their tax liability and generating substantial additional government revenue.

The diverse range of Corporate Income Tax rates 9 coupled with numerous exemptions and incentives 1 suggests that Tunisia's government is employing its tax policy as a sophisticated instrument for economic structuring, rather than merely for revenue generation. The imposition of higher rates on established, high-profit industries such as the financial, telecommunications, and large retail sectors 9 indicates a clear intent to maximize fiscal contributions from these robust segments. Conversely, the provision of reduced rates for sectors like agriculture, crafts, and regional development 9, along with substantial exemptions for newly established enterprises 6, community enterprises 1, and R&D activities 6, demonstrates a deliberate strategy to stimulate growth in nascent, socially beneficial, or strategically important sectors. The introduction of the Conjunctural Contribution 1 further reinforces this targeted approach by extracting additional revenue from large, highly profitable corporations, reflecting a progressive corporate taxation philosophy and potentially aiming for a redistribution of economic benefits. This nuanced approach signifies a shift towards a more sophisticated fiscal policy designed to achieve broader economic and social objectives. It aims to diversify the national economy, encourage innovation, formalize certain business activities, and attract foreign and domestic investment into strategically prioritized areas, rather than simply applying uniform tax increases. This could lead to a more resilient and balanced economic ecosystem in the long term.

## **IV. Personal Income Tax (IRPP) in 2025**

### **Progressive Tax Scale and Brackets (Barème Progressif de l'IRPP)**

The tax brackets for Individual Income Tax (IRPP) have been comprehensively revised, with the new scale becoming effective from January 1, 2025.1 The progressive tax rates applicable to annual net income are structured as follows 7:

| Annual Net Income Range (TND) | Applicable Tax Rate (%) | Source Snippet ID |
| --- | --- | --- |
| TND 0 to TND 5,000 | 0% | 7 |
| TND 5,001 to TND 10,000 | 15% | 7 |
| TND 10,001 to TND 20,000 | 25% | 7 |
| TND 20,001 to TND 30,000 | 30% | 7 |
| TND 30,001 to TND 40,000 | 33% | 7 |
| TND 40,001 to TND 50,000 | 36% | 7 |
| TND 50,001 to TND 70,000 | 38% | 7 |
| Above TND 70,000 | 40% | 7 |

It is projected that individuals with annual incomes up to 40,000 TND may benefit from an annual tax reduction ranging from 350 TND to 650 TND.5 Conversely, those with incomes exceeding 50,000 TND will face an increased tax burden, with an additional 500 TND for every incremental 10,000 TND of income.5

### **Deductions and Allowances**

Taxpayers are eligible for various deductions and allowances designed to reduce their taxable income. These typically include deductions for medical expenses, educational costs, and contributions to certain insurance premiums.30 Additionally, personal allowances are granted for dependents, which can significantly lower the overall tax liability.30 Regarding rental income, effective from 2024, deductions for repair and maintenance expenses (excluding business property tax) are no longer permitted.1 However, to partially offset this, the standard deduction rate for rental income has been increased from 20% to 25%.1

### **Withholding Tax (Retenue à la Source) on Various Income Types**

Employers in Tunisia are mandated to withhold taxes directly from employee salaries and wages on a monthly basis.30 Standard withholding tax rates applicable to various income streams include:

* **Dividends:** Generally 10%.30 Specific rates may vary under double taxation agreements (DTAs) with certain countries; for instance, under the France-Tunisia DTA, rates could be 19.5% + 1.95% generally, or 16.7% + 1.67% for nominative shares.31
* **Interest:** Generally 15%.30 Under the France-Tunisia DTA, the rate may be 11.5% + 1.15%, capped at 12%.31
* **Royalties:** Generally 15%.30
* **Professional Fees:** Generally 15%.30

A new 3% withholding tax has been introduced specifically for amounts collected by delivery companies on behalf of non-registered individuals who sell goods online. This measure aims to formalize online marketplace sales.1

The revised IRPP brackets for 2025 7 clearly demonstrate a heightened progressive tax structure, where higher income earners face substantially increased tax rates, culminating in a 40% top marginal rate. This aligns directly with the government's stated objective of increasing revenue.1 The sentiment expressed in some commentary, suggesting that Tunisians might effectively "work six months for the state and six months for their family," captures a public concern regarding the perceived increase in the overall tax burden, particularly affecting those with higher incomes.5 Conversely, the provisions for tax reductions for lower-income brackets (up to 40,000 TND) 5 indicate a deliberate attempt to mitigate the negative impact on the majority of the population and to address issues of social equity. Furthermore, the introduction of a new withholding tax on online marketplace sales 1 signifies the government's efforts to formalize segments of the informal economy and ensure broader tax compliance across emerging economic activities. This fiscal approach aims to extract a larger share of revenue from those deemed most capable of contributing, potentially facilitating a redistribution of wealth and strengthening social safety nets (such as the newly established unemployment fund 1). However, this strategy also carries the inherent risk of potentially disincentivizing high-income activities or inadvertently encouraging tax avoidance if the perceived tax burden becomes excessively high, as suggested by some critical commentary.5 The effectiveness of these changes will depend on their ability to generate revenue without stifling economic dynamism.

## **V. Value Added Tax (VAT/TVA) in 2025**

### **Standard VAT Rate (Taux Normal de TVA)**

For the year 2025, the standard Value Added Tax (VAT) rate in Tunisia is confirmed at 19%.9

### **Reduced VAT Rates (Taux Réduits de TVA) and their Application**

Tunisia employs reduced VAT rates for specific categories of goods and services to achieve various economic and social objectives.

* **13% Rate:** This rate is applied to specific categories of goods and services:
  + The sale of low-voltage electricity for household consumption, specifically for usage exceeding 300 kWh per month.9
  + Medium-voltage electricity used for agricultural irrigation water pumping machinery.9
  + The import and sale of petroleum products.9
  + Real estate transactions, although it is important to note that this rate may be increased to 19% effective January 1, 2025, subject to final confirmation.10
* **7% Rate:** This lower rate applies to:
  + Household electricity consumption not exceeding 300 kWh per month, a reduction from the previous 13% rate.1 This aims to lessen the tax burden on low-income households and encourage energy conservation.
  + Goods and services that are specifically detailed in Table B of the Tunisian VAT code.9
  + The sale of residential real estate by property developers where the property price does not exceed TND 400,000, reduced from a 19% rate.1 This aims to stimulate demand and make housing more accessible for low- and middle-income households.
  + Electric cars and bicycles, which have been reclassified from the 13% rate to the 7% rate.10 This reclassification encourages the adoption of environmentally friendly transportation.

### **Zero-Rated Goods and Services (Taux Zéro)**

Certain goods and services are subject to a zero VAT rate, typically to make essential items more affordable or to support specific economic activities. Tea and coffee have been specifically designated with a zero VAT rate.10 It is also understood that certain other essential goods may fall under the zero-rated category.10

### **VAT Exemptions (Exonérations de TVA) by Sector and Specific Conditions**

Beyond reduced rates, certain entities and sectors benefit from full VAT exemptions:

* **Community Enterprises:** These enterprises benefit from a comprehensive exemption from VAT for a period of 10 years, starting from their incorporation date, on all acquired goods, services, and equipment.1 This measure is designed to encourage the creation and development of community enterprises, reducing their costs and allowing for greater investment in their activities, thereby fostering economic and social development.
* **Certain Sectors:** Under Tunisian law, specific sectors are generally exempt from VAT. These include financial services, insurance, healthcare, and educational services.10 These exemptions reflect both economic policy and social welfare priorities, ensuring that essential services remain accessible.
* **Free Zones:** Companies operating within designated free zones can benefit from an exemption from paying VAT on local purchases, providing a significant advantage for businesses in these areas.24

The following table provides an overview of Value Added Tax rates and their key applications for 2025:

| VAT Rate (%) | Application/Description | Key Examples of Goods/Services | Source Snippet ID |
| --- | --- | --- | --- |
| 19% (Standard Rate) | Ordinary rate for most goods and services | General goods and services, residential properties sold by real estate developers (new rate) | 10 |
| 13% (Reduced Rate) | Applies to specific categories | Sale of low-voltage electricity (>300 kWh/month), medium-voltage electricity for agricultural irrigation, import/sale of petroleum products, real estate transactions (may increase to 19%) | 9 |
| 7% (Reduced Rate) | Applies to specific categories | Household electricity (≤300 kWh/month), goods/services in VAT code Table B, residential real estate (price ≤ TND 400,000), electric cars and bicycles | 1 |
| 0% (Zero Rate) | Applies to essential goods | Tea, coffee, certain other essential goods | 10 |
| Exemptions | Specific sectors and entities | Financial services, insurance, healthcare, educational services, community enterprises (10 years), local purchases in free zones | 1 |

### **Conditions for VAT Credit Refunds (Conditions de Remboursement du Crédit de TVA)**

The Tunisian VAT regime is founded on the principle of neutrality. This means that businesses, acting as intermediaries, are entitled to deduct the VAT they pay on their purchases (input tax) from the VAT they charge on their sales (output tax).10 This "right to deduction" is a fundamental mechanism designed to prevent tax cascading, ensuring that the ultimate VAT burden is borne only by the final consumer.10

Requests for VAT credit reimbursement must be submitted to the appropriate tax authority, which varies depending on the taxpayer's profile. This includes the Director of Large Enterprises, the Director of Wilaya Taxes, or the Head of the competent Tax Center.32

**Deadlines for Submission:**

* **General Rule:** Requests for VAT credit refunds must typically be submitted no later than the 20th day of the month following the quarter for which the credit was accrued.32
* **Partial Taxpayers:** For taxpayers who are partially liable for VAT, requests must be submitted by April 30th of the year immediately following the year in which the credit was constituted.32
* **Cessation of Activity:** In instances where a business ceases its operations, requests for VAT credit refunds must be filed concurrently with the submission of the cessation balance sheet.32

**Types of Refundable Credits:** The system distinguishes between different categories of refundable credits:

* **100% Refundable Credits:** These include credits related to investments made under "mise à niveau" (upgrading) programs, provided they are consistently reflected in declarations over six consecutive months.33
* **50% Refundable Credits:** Certain credits may be partially refunded (e.g., after an initial advance payment), with the remaining balance subject to a more in-depth verification process.33

**Decision and Appeals:** The decision rendered on a refund request must be fully reasoned and formally communicated to the taxpayer.32 If a taxpayer is dissatisfied with the decision, they have the right to file a complaint in accordance with articles 72 and 73 of the Tunisian tax procedures code.32 The decision notification must clearly specify the competent authority for appeal and the applicable legal recourse deadline.32

**Control and Penalties:** It is important to note that any VAT reimbursement may be preceded by a thorough tax audit. If such an audit reveals that a refund was unjustified, the unduly refunded amount will be subject to an additional penalty of 0.75% per month or fraction of a month, calculated from the date of the original refund.33

The detailed adjustments to VAT rates 1 reveal that the Tunisian government utilizes VAT not merely as a revenue collection mechanism but as a flexible instrument for social and economic steering. The reduction in VAT for low-income household electricity consumption and affordable housing 1 serves as a direct measure to support purchasing power and enhance social welfare, aligning with the government's stated objective of supporting citizens. The reclassification of electric vehicles to a lower VAT rate 10 and the zero-rating of essential goods like tea and coffee 10 are indicative of a policy aimed at influencing consumer behavior—promoting greener transport and alleviating the cost burden on daily necessities. Furthermore, the substantial 10-year VAT exemption granted to community enterprises 1 represents a significant incentive designed to foster local development and support a specific organizational model. This comprehensive approach demonstrates that VAT is a dynamic tool employed to achieve broader socio-economic objectives. These targeted VAT changes reflect a deliberate governmental effort to fine-tune the economic environment by influencing consumer choices, providing strategic support to specific industries, and alleviating cost pressures on vulnerable households, all while striving to maintain the overall national revenue base. This strategy suggests a sophisticated understanding of how indirect taxation can be leveraged to achieve both fiscal and developmental goals.

## **VI. Specific Tax Regimes and Profiles**

### **Auto-Entrepreneur Status (Statut Auto-Entrepreneur)**

The auto-entrepreneur status was introduced in Tunisia in 2024, establishing a simplified and advantageous regime specifically designed for independent workers.34 Its primary aim is to provide a legal framework tailored to their specific needs while promoting the formalization of economic activities.34

**Eligibility Criteria:** To qualify for this regime, individuals must meet several conditions:

* Possess Tunisian nationality.35
* Be engaged in an individual activity within designated sectors such as industry, agriculture, commerce, services, crafts, or various trades.35
* Maintain an annual turnover that does not exceed 75,000 dinars.34
* Not hold an active "patente" (a traditional business license under a different tax regime).34
* Operate exclusively as an individual, without forming a company.34
* Their specific activity must be listed on the official roster of eligible professions, which includes digital professions (e.g., web development, digital marketing), traditional artisanal activities, services to businesses (e.g., consulting, training), and both physical and online commerce.34
* Individuals who have already filed an existence declaration as per Article 56 of the IRPP/IS code are excluded from this regime.35

**Tax Rates and Benefits:**

* **Fiscal Advantages:** Beneficiaries enjoy a total tax exemption for the entire first year of activity.34 In subsequent years, the taxation is simplified to a rate of 1% of the annual turnover.34 This unique contribution is liberatory, meaning it replaces both personal income tax (IRPP) and Value Added Tax (VAT) obligations.35
* **Social Protection:** The status grants access to comprehensive social protection, encompassing extended health coverage, rights to a retirement pension, and insurance against work-related accidents.34
* **Administrative Simplification:** Administrative procedures are significantly streamlined through a dedicated online service platform. Auto-entrepreneurs are exempted from filing regular tax declarations and from paying taxes on industrial or commercial establishments.35
* **Withholding Tax Exemption:** All amounts received by auto-entrepreneurs in the course of their activity are explicitly exempted from withholding tax.35

**Payment Mechanism:** The unique contribution is settled through four quarterly electronic installments, which are due within fifteen days following the end of each quarter.35

### **Flat-Rate Tax Regime for Individual Enterprises (Régime Forfaitaire d'Imposition)**

This regime is applicable to individual enterprises that generate income categorized as industrial and commercial profits.36

**Conditions for Benefiting:** To qualify for the flat-rate regime, enterprises must satisfy several conditions:

* They must not be importers.36
* They must not derive remuneration from commissions, with the specific exception of authorized distributors for telecommunications network operators.36
* They must not be involved in the manufacturing of alcohol-based products.36
* They must not engage in wholesale trade activities.36
* They must not own more than one public transport vehicle (for persons or goods) with a payload not exceeding 3.5 tons.36
* Their operators must not generate income from non-commercial professions.36
* They must not be subject to Value Added Tax under the real regime.36
* They must not have been subjected to personal income tax under the real regime following a tax audit.36
* Their annual turnover must not exceed 100,000 dinars.36
* Enterprises operating in communal areas that engage in activities specified by Decree n°2014-2939 of August 1, 2014, are excluded from this regime.36

**Eligibility Period:** The eligibility period for the flat-rate regime is 3 years, renewable if the necessary data is provided.36

**Flat-Rate Tax Rates:**

* For an annual turnover equal to or less than 10,000 dinars:
  + 75 dinars per year for enterprises located outside communal areas.36
  + 150 dinars per year for enterprises located in other areas.36
* For an annual turnover between 10,000 dinars and 100,000 dinars: 3% of the turnover.36

**Liberatory Nature:** This flat-rate tax is liberatory for personal income tax on industrial and commercial profits, real regime value-added tax, and includes the tax on industrial, commercial, or professional establishments.36

### **Comparison: Auto-Entrepreneur vs. Flat-Rate Regime**

The auto-entrepreneur regime, introduced in 2024, is distinct from the older flat-rate (forfaitaire) regime. The auto-entrepreneur status offers a more streamlined approach with a lower tax rate (1% of turnover after the first year of exemption) and comprehensive social protection, with a turnover cap of 75,000 TND.34 In contrast, the flat-rate regime has a higher turnover threshold (up to 100,000 TND) and a different tax structure (fixed annual rates or 3% of turnover).36

A significant distinction is that the auto-entrepreneur's unique contribution *includes* social security contributions, providing comprehensive social coverage.35 The flat-rate regime's tax payment, however, does

*not* include social security contributions, requiring separate payments for social coverage.37 The auto-entrepreneur regime also has a lower minimum imposition (capped at 200 dinars) compared to the flat-rate regime (minimum 400 dinars).37

The auto-entrepreneur status is specifically designed to formalize undeclared workers and simplify entry into the formal economy.34 This contrasts with the older flat-rate regime, which the Ministry of Finance has actively sought to reduce the number of beneficiaries, indicating a move towards more formal taxation.38 The differences highlight a strategic shift towards a more inclusive and simplified system for micro-entrepreneurs, while potentially pushing larger individual enterprises towards the real tax regime.

## **VII. Conclusions**

The Tunisian fiscal framework for 2025, primarily governed by the Finance Law No. 48-2024, demonstrates a dynamic and multifaceted approach to national economic management. The government's fiscal strategy is characterized by a dual objective: to enhance state revenue through increased corporate and individual income tax rates, while simultaneously supporting the purchasing power of citizens and stimulating economic growth through targeted VAT reductions and specific tax incentives.

The adjustments to Corporate Income Tax rates, with higher levies on established, profitable sectors and preferential rates or exemptions for nascent, strategically important, or socially beneficial activities, illustrate a deliberate use of taxation as a tool for economic structuring. Similarly, the revised Personal Income Tax brackets reflect a progressive system aimed at redistributing the tax burden, with higher earners contributing a larger share, balanced by measures to alleviate pressure on lower-income households. The Value Added Tax system has also been fine-tuned to serve broader socio-economic goals, influencing consumer behavior and providing sector-specific support.

The introduction of the auto-entrepreneur status represents a significant step towards formalizing the informal economy and fostering micro-entrepreneurship through simplified taxation and social benefits. This contrasts with the older flat-rate regime, indicating an evolving strategy to broaden the tax base.

For businesses and individuals navigating this landscape, it is paramount to consult the most current official publications from the Ministry of Finance and the Direction Générale des Impôts. The dynamic nature of Tunisian fiscal law, coupled with potential language barriers and challenges in accessing direct official sources, underscores the critical importance of engaging with qualified local tax professionals to ensure compliance and optimize fiscal positioning. The success of these reforms will hinge on their effective implementation and their ability to foster sustainable economic development while maintaining social cohesion.

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