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Factsheet for case **HR-2020-12/348**

The use of forest public benefit function fee

Factsheet generated on 07 May 2020, 21:37

Country	Croatia, applies nationwide
Time period	Temporary, 19 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Other (The use of Forest Public Benefit Function Fee)
Case created	07 April 2020 (updated 30 April 2020)

Background information

According to the Law on Forests (OG 68/18, 115/18, 98/19), payers of contributions for common forest functions are legal and natural persons who are taxpayers of company income tax and natural persons who are taxpayers of personal income tax who carry out their registered activity in the Republic of Croatia and have a total annual income and income exceeding HRK 3 million (€ 400,000). Due to the decrease revenues of mandatory payers of contributions for common forest functions, the government proposed different use of mentioned fee in the Law on Amendments to the Forest Act published in the Official Gazette no. 32/20. According to new article (Article 68a) funds for compensation for common forest functions can be used to eliminate or mitigate the consequences caused by special circumstances or events or a certain condition that could not be predicted and could not be affected, which threatens the life and health of citizens, property higher values, significantly disrupts the environment, disrupts economic activity or causes significant economic damage.

Content of measure

The Forest Public Benefit Function Fee is paid by companies and other business associations once a year. Initially the charge was collected by the State-owned company Hrvatske Šume (Croatian Forests) at a rate of 0.0265% of total income. Currently, around 0.03% of the total income charge is managed by the Ministry of Agriculture and Forestry and distributed to the beneficiaries. Amendments to the Law on Forests (OG 32/20) broadens the purpose of the Forest Public Benefit Function Fee. In the case of special circumstances,

these funds may be used to eliminate or mitigate the consequences of special circumstances, as decided by the Minister responsible for agriculture and forestry.

Use of measure

Around 60 companies with approximately 1200 workers are covered by this measure. Use not known yet at this stage.

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	All companies	No special funding required

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

No involvement.

Sectors and occupations

This case is sector-specific.

Economic area	Sector (NACE level 2)
A - Agriculture, Forestry And Fishing	A2 Forestry and logging

This case is not occupation-specific.

Sources

- 27 July 2018: Zakon o šumama (narodne-novine.nn.hr)
- 19 March 2020: Zakon o dopuni Zakona o šumama (misljenja.hr)