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

The use of forest public benefit function fee

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| | |
|--------------|--|
| 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)