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Factsheet for case **EE-2020-12/337**

Social tax payments for sole proprietors

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Country	Estonia, applies nationwide
Time period	Temporary, 20 March 2020 - 31 March 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct or indirect financial support
Case created	07 April 2020 (updated 27 April 2020)

Background Information

Sole proprietors are obliged to pay social tax four times during the year as advance payments at the end of every quarter in the amount of at least the minimum social tax obligation (in 2020, €534.6 per quarter). The final tax liability based on their business income is calculated the next year based on the income tax declaration. As several sole proprietors are in difficult position due to the restrictions, the measure is seen as a soothing measure to avoid tax arrears and economical difficulties for the sole proprietors.

Content of measure

The state pays the social tax advanced payment for the first quarter of 2020 to the sole proprietors' prepay account of the Tax and Customs Board. It is possible to use the payment for the first quarter payment. If the payment for the first quarter is already done by the sole proprietor, the payment can be used for the payment of any tax liability now or in the future, or transfer the money to their bank account and use it for other business costs. The size of the payment is €534.6.

Use of measure

According to the national data of Statistics Estonia, the number of sole proprietors was 29,552 in the end of 2019, which is 10% of the total number of enterprises (profit and non-profit) in Estonia. The highest share of the sole proprietors are active in agriculture, forestry and fishing sector (32% of all sole proprietors), other service activities (13%), transportation and storage (11%), and wholesale and retail trade; repair of motor vehicles and motorcycles (10%).

Actors, target groups and funding

Actors	Target groups	Funding
National government Public support service providers	Solo-self-employed	National funds

Social partners

Role of social partners	No involvement
Form of involvement	N/A

N/A

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 20 March 2020: Riik toetab FIE-sid sotsiaalmaksu tasumisega (www.emta.ee)