Lithuania

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Tax and Investment Facts

A Glimpse at Taxation and Investment in Lithuania

2017

SORAINEN

Lithuania

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1 Ways of Doing Business / Legal Forms of Companies

Non-resident companies may conduct business in Lithuania through a company or a branch (filialas). Branches may engage in business activity, perform transactions and assume liabilities based on authorisation received from the founding company (i.e. perform all or a part of the company's commercial activities). However, it should be noted that branches do not have the status of an independent legal person. In addition, non-resident companies may conduct business in Lithuania by entering into contractual arrangements with Lithuanian counterparties (e.g. agency, long-term distribution agreements). Non-resident companies may also establish a representative office in Lithuania performing such ancillary activities as advertising and preparing market surveys, but these activities shall not amount to carrying out business in Lithuania.

The most common legal forms of companies in Lithuania:

- Private limited liability company (Uždaroji akcinė bendrovė, UAB)
- Public limited liability company (Akcinė bendrovė, AB)
- Partnership
  a) General partnership (Tikroji ūkinė bendrija, TŪB)
  b) Limited partnership (Komanditinė ūkinė bendrija, KŪB)
- Small enterprise (Mažoji bendrija, MB)
- Sole proprietorship (Individuali įmonė,IĮ)

In general, non-residents wishing to establish a company in Lithuania are not subject to more restrictive rules than residents. All establishment procedures may be performed by a duly authorised person.

Corporate income tax (CIT) in Lithuania is imposed on a company's profit, which includes business/trading income, passive income, capital gains and positive income of controlled foreign entities.

2.1 Applicable Taxes / Tax Rates

Corporate profit is taxed at a standard flat rate of 15%. A reduced rate of 5% applies to corporate profits of small companies, whose annual income does not exceed EUR 300,000 during a tax year, and where the average number of employees does not exceed 10. However, this exemption does not apply where shareholders in the small company separately or jointly own more than a 50% share in other companies.

2.2 Resident Companies

A company qualifies as a resident company if it is duly established and registered under Lithuanian law. Resident companies in general are subject to CIT on their worldwide income. Exemption is applied to income earned through permanent establishments in European Economic Area (EEA) countries or countries with which Lithuania has a Double Taxation Treaty (DTT).

2.2.1 Computation of Taxable Income

Taxable income is calculated based on accounting profits as reported in the financial statements prepared in accordance with the relevant accounting standards, adjusting them for, inter alia, non-taxable income (e.g. received insurance payments, forfeits, etc.), deductible expenses (expenses that are incurred in ordinary business activities for earning income or deriving economic benefits) and limited deductible expenses (e.g. depreciation of fixed assets, business travel and representation expenses, etc.).

Lithuanian law on CIT also provides a list of non-deductible expenses (e.g. fines, penalties, late payment interest, etc.)

2.2.2 Taxation of Dividends

Dividends distributed by a resident company to another resident company or non-resident company are generally subject to withholding tax (WHT) at a rate of 15%, which is withheld by the distributing company.

However, dividends distributed by certain resident companies are exempt from WHT if the recipient company has held no less than 10% of the voting shares in the distributing company for a continuous period of at least 12 successive months, unless the recipient is registered or otherwise organised in a territory included in the Black List (tax haven). Moreover, according to the official commentary prepared by the Lithuanian tax authorities, dividends enjoy the said participation exemption even if the shares are held for a period shorter than 12 months, but the recipient intends to hold them for such or a longer period.

Moreover, where dividends distributed by resident company to another resident company are taxed with CIT at a rate of 15%, which is withheld by distributing company, the receiving company may reduce its CIT payable for that period when dividends were received by the amount of CIT withheld from the received dividends. Therefore, dividends paid between resident companies are effectively exempt from CIT.

Dividends distributed by a non-resident company to a resident company are exempt from WHT if the distributing company is registered in an EEA country (in this case, no participation or holding limits are applied). Dividends are also exempt from WHT if the recipient company has held no less than 10% of the voting shares in the distributing company for a continuous period of at least 12 successive months. The exemption also applies to dividends paid by non-EU foreign companies, exempt those registered or otherwise organised in a territories included in the Black List (tax haven).

However, the mentioned exemption regarding dividends paid to non-resident companies and/or dividends received from these companies is not applicable if the group structure is artificial, and the sole or main purpose thereof is obtaining tax benefits (the structure is deemed to be artificial where it is established with no valid commercial reasons that reflect economic reality). These rules apply as of March 2016.

2.2.3 Capital Gains and Losses (including Capital Gains and Losses from Sales of Shares)

Capital gains are taxed as ordinary taxable income at a standard CIT rate of 15%. CIT is levied only upon the disposal of capital assets, i.e. all fixed assets (including immovable property) as well as financial assets, such as securities, stock and share participations.

Capital gains on the sale of shares of the company registered or organised in another way in an EEA country or another country with which Lithuania has a DTT are exempt from tax if the following conditions are met:

- shares have been held for at least 2 years and more than 25% of the company's shares have been held throughout that period; or
- shares are transferred according to the provisions of the law regulating certain forms of reorganisations and more than 25% of the shares were held for at least 3 years.

If the seller transfers shares to the issuer of those shares, the above tax exemption cannot be applied.

Capital losses as a result of a transfer of securities may be carried forward only for 5 consecutive years. These losses are accounted separately and may be offset only against profits gained from the transfer of securities.

2.2.4 Depreciation / Capital Allowances

The depreciation of fixed assets is calculated separately for each asset item using the tax depreciation rates. Three depreciation methods are applicable in Lithuania: straight-line method, accelerated method and production method (the latter two are applicable only to certain types of assets). As a rule, fixed assets are depreciated or amortised according to the straight-line method. However, for certain groups of fixed assets, including immovable property equipment and machinery, hardware and software, the double-balance method may also be used.
The rates depend on the useful life of the asset and vary from three up to 20 years. Generally, buildings are depreciated over 8 to 20 years, machinery and plant are depreciated over 5 years, while several types of intangibles (such as obtained rights, software) are usually amortised over 3 to 4 years. No depreciation is calculated for land.

2.2.5 Loss Carry Over (including Potential Loss of Tax Loss Carry Forward in case of Restructuring)

There is no tax loss carry back possibility in Lithuania. Operating tax losses may be carried forward for an unlimited period of time, however, only up to 70% of the current year's taxable profits can be offset against tax losses carried forward. This restriction is not applicable to small companies that are entitled to apply a reduced CIT rate of 5%. Besides, tax losses can be transferred within a group companies provided that certain conditions are met.

Where losses are incurred as a result of transferring securities or derivative financial instruments, these can be carried forward for 5 consecutive tax years, however, such losses may only be covered from the income received from the transfer of securities and (or) derivative financial instruments.

Losses incurred as a result of transferring the shares of an entity registered or otherwise organised in the EEA country or another country with which Lithuania has a DTT and which is a payer of corporate income tax or an equivalent tax, where the entity that transfers the shares has held more than 25% of voting shares in that entity for an uninterrupted period of at least two years, can be deducted from income received from the transfer of securities during the tax period. However losses from transfer of such shares cannot be carried forward to the following tax year.

In the event of the transfer or reorganisation of entities, tax losses incurred by the acquired entity may be carried forward by the acquiring entity provided that certain conditions are met.

2.2.6 Group Taxation

There is no group taxation regime for CIT purposes in Lithuania. However, it is possible to transfer losses between several entities of the same group. An intra-group transfer of losses is possible if the following criteria are met:

- the parent company of the group holds directly or indirectly at least 2/3 of the shares (interests, member shares) or other rights to distributable profits in both entities participating in the loss transfer (or losses may be transferred to the parent company); and
- tax losses are transferred between the entities within a group of entities which have been part of that group for an uninterrupted period of at least two years or have been within the group as of establishment thereof and will remain within the group for at least two years.

The cross-border transfer of losses between EU entities is also possible under certain conditions.

2.2.7 Relief from Double Taxation (Tax Credit / Tax Exemption)

In general, the tax credit method is used as a unilateral method for the avoidance of double taxation. Accordingly, Lithuanian entities may deduct the amount of CIT or equivalent tax paid in a foreign state on income received in that state during the relevant fiscal year from their Lithuanian CIT due on the same income. However, excess credits may not be carried over. Relief is not granted if the source country is registered in a territory included on the Black List (tax haven).

2.2.8 Incentives

Tax Relief for Free Economic Zone (FEZ) Companies

Companies operating in FEZ with a capital investment no less than EUR 1 million and which meet certain other criteria may enjoy exemption from CIT for the first 6 years and a reduction of CIT by 50% for the next 10 years. In Lithuania there are six FEZ: in Klaipėda, Kaunas, Marijampolė, Panevėžys, Šiauliai and Kėdainiai.

Investment Project Relief

Companies implementing investment projects, i.e. investing in fixed assets intended for the production of new, additional products or the provision of services or an increase in production (service provision) capacity or the introduction of a new production process (provision of services) or a substantial change in existing processes (part thereof), also the introduction of technologies protected by international invention patents, may reduce their taxable profit by up to 50% by deducting the acquisition costs actually incurred for fixed assets meeting certain criteria. The costs exceeding the 50% limit can be carried forward for 4 years. However, the taxable profits may be reduced only by the costs incurred during the tax periods of 2009–2018.

Research and Development Deduction

Expenses (except for depreciation (amortisation) charges of fixed assets) incurred for R&D works may be deducted three times during the tax period in which they are incurred.

Tax Relief for Investment to Film Production

Resident entities and permanent establishments situated in Lithuania and donating to the film industry during the period from 1 January 2014 to 31 December 2018 may deduct up to 75% of donations from their taxable income provided that the films meet the defined cultural content and production criteria. The total sum of donations by all resident entities or foreign entities through their permanent establishments situated in Lithuania must not exceed 20% of all expenses of producing a film or a part thereof, and at least 80% or EUR 43,000 of the film production expenses must be incurred in Lithuania.

Moreover the payable CIT for the tax period may be reduced by the donated amount but not more than 75% of payable CIT for the tax period.

2.3 Non Resident Companies

A non-resident company is a legal entity or other organisation established under foreign law. Non-resident companies are subject to a limited tax liability, i.e. they are taxable only on their income earned in Lithuania, including income earned through Lithuanian-based permanent establishments.

2.3.1 Concept of Permanent Establishment / Doing Business

A foreign enterprise is considered to have a permanent establishment in Lithuania if:

- it is permanently engaged in commercial activity in Lithuania; or
- it is engaged in commercial activity through a dependent agent; or
- it uses a construction site, building, construction, equipment, etc., or
- it uses equipment or construction, including wells or ships, for the exploration and extraction of natural resources.

Permanent establishments are usually subject to the same tax requirements as other enterprises, with certain exceptions (deduction of head office administrative expenses, etc.).

2.3.2 Withholding Taxes

Lithuania imposes the following WHT on income earned in Lithuania and received by a non-resident entity other than through its permanent establishment:

- 15% on dividends, unless the rate is reduced under a DTT, or unless participation exemption (please see Para. 2.2.2) or EU Parent – Subsidiary Directive applies;
- 10% on royalties, unless the rate is reduced under a DTT or taxation eliminated in accordance with the EU Interest and Royalties Directive;
- 10% on interests, unless interest is paid from resident companies to non-resident companies established in EEA counties or in countries with which Lithuania has a DTT;

- 15% on proceeds from the sale or lease of immovable property located in Lithuania;
- 15% on annual payments to the members of the boards or supervisory board;
- 15% on income derived from sports activities or performers' activities;
- 10% on indemnities received by the infringement of copy rights or neighbouring rights.

2.3.3 Capital Gains

Business profits of non-resident entities are taxable only in their home countries, unless non-resident entities carry out business in Lithuania through a permanent establishment situated in Lithuania or receive income subject to WHT in Lithuania. Generally, a non-resident company is subject to CIT at a rate of 15% for income and capital gains that are attributable to a permanent establishment.

2.4 Tax Compliance

As of 2017, CIT returns must be submitted by the 15th day of the sixth month of the following tax period (i.e. 15 June for companies using the calendar year). Only companies which obtain permission from the tax authorities may apply a taxable period that differs from the calendar year. In such cases, the CIT return has to be filled out and the CIT due has to be paid by the 1st day of the sixth month of the subsequent taxable period.

If a company ceases its business activities, the return must be submitted within 30 days of the termination of the activities.

If a company's income for the previous tax period exceeded EUR 300,000, the company is also required to file an advance CIT return and make advance payments. The deadlines for submitting advance CIT returns are as follows:

- if the advance CIT is based on the results of activity for the previous year, the advance CIT return for the first half-year of 2017 should be submitted by 15 March, and the advance CIT return for the second half-year of 2017 by 15 September;
- if the advance CIT is based on the estimated amount of CIT for the tax period, the advance CIT return for 2017 should be submitted by 15 March at the latest.

Advance CIT has to be paid by the 15th of the last month of each quarter of the tax period at the latest.

3 Double Taxation Agreements

Lithuania has effective DTTs with 53 countries, which include all the EU Member States and other major trading partner countries. The majority of treaties follow the Economic Cooperation and Development (OECD) Model Tax Convention.

Tax authorities are entitled to make transfer pricing adjustments in respect of transactions between related parties.

Lithuania follows the OECD Transfer Pricing (TP) Guidelines and DTT provisions. Taxpayers may follow OECD TP Guidelines unless these contradict domestic law.

The following parties are regarded as related for TP purposes:

- an entity and its shareholders and members;
- an entity and the members of its managing bodies;
- an entity and the spouses, fiancés, cohabitants, relatives (up to the fourth degree) and in-laws (an individual's spouse's relatives (up to the fourth degree) and relatives (up to the second degree) of the spouses of the individual's relatives (up to the second degree)) and the testamentary heirs of the members of the entity or the members of the entity's managing bodies;
- the members of a group of entities;
- an entity and the members of another entity if the latter entity and its members comprise one group of entities;
- an entity and the members of the managing bodies of another entity if these entities comprise one group of entities;
- an entity and the spouses, fiancés, cohabitants, relatives (up to the fourth degree) and in-laws (an individual's spouse's relatives (up to the fourth degree) and the relatives (up to the second degree) of the spouses of the individual's relatives (up to the second degree)) and the testamentary heirs of the members of managing bodies of another entity if both taxable entities make up one group of entities;
- two entities if one of them directly or indirectly (through one or several entities or individuals) controls over 25% of the shares (ownership interests) in the other entity, or has over 25% of the voting rights in the other entity, or has an obligation to coordinate its business decisions with the other entity,

or assumed the obligations of that other entity to third parties, or has assumed an obligation to transfer to that other entity all or part of its profits or has conferred on that other entity the right to use over 25% of its assets;

- two entities if the same members or their spouses, fiancés, cohabitants, relatives (up to the fourth degree) and in-laws (an individual's spouse's relatives (up to the fourth degree) and the relatives (up to the second degree) of the spouses of the individual's relatives (up to the second degree)) and the testamentary heirs directly or indirectly control 25% of the shares (ownership interests) in each entity;
- an entity and its permanent establishment; and
- two entities if one of them has a decision-making right in respect of the other entity.

TP rules also apply to transactions with associated parties which are broadly defined as other entities having an influence on each other.

TP adjustments are made according to relevant fair market prices (arm's length principle). The preferred TP methods are the comparable uncontrolled price method, resale price method and the cost-plus method. The profit split method and the transaction net margin method are usually used as a last resort. A combination of methods is recognised in order to support TP.

TP documentation requirements apply to all companies with annual turnover exceeding EUR 2,896,200 during the previous tax year, as well as to all banks, insurance companies and credit institutions irrespective of their annual turnover.

The TP documentation should include:

- industry analysis;
- company analysis;
- functional analysis;
- economic analysis of transactions between related parties,
- including description of the transaction, selection of TP method, a benchmarking study (if applicable).

From 1 January 2017 a failure to file TP documentation attracts a warning or a fine of EUR 1,400 to EUR 4,300. Failure to file TP documentation repeatedly attracts a fine of EUR 2,900 to EUR 5,800.

5 Anti-avoidance Measures

5.1 General Anti-avoidance Rule

The substance-over-form principle is applied in Lithuania. This principle allows the tax authorities to ignore transactions or actions of a taxpayer if they do not reflect economic reality. The actual substance of the activities or transactions then take the precedence over their legal form. This means that in order to determine the tax consequences of transactions or any actions of the taxpayer, tax authorities look into the economic substance, rather than the legal effects.

5.2 Thin Capitalisation Rules

Interest and currency exchange losses on controlled debt in excess of a debt/ equity ratio of 4:1 are non-deductible for CIT purposes. This is applicable in respect of debt capital provided by a creditor, who:

- directly or indirectly holds more than 50% of shares or rights (options) to dividends;
- or together with related parties, holds more than 50% of shares or rights (options) in respect of dividends and the controlling party's holding is not less than 10%. Moreover, this rule is also applicable in respect of debts provided within group companies. However, this rule is not applicable if a taxpayer proves that the same loan could exist between unrelated parties under the same conditions. Financial institutions providing financial leasing services are not affected by this rule.

Interest deductibility restriction also applies to interest that is variable depending on the profits or turnover of the company and the costs of currency exchange results.

Furthermore, the interest rate on shareholders' loans may not exceed the average bank interest rate valid in the location of the lender's business.

5.3 Controlled Foreign Company (CFC) Provisions

The CFC regulations apply to Lithuanian companies that:

- directly or indirectly hold more than 50% of shares in the foreign company, or
- together with related parties, hold more than 50% of the shares or rights (options) in respect of dividends and the controlling company's holding is not less than 10%, provided that a foreign subsidiary is registered in:
  a) an offshore territory or zone, i.e. included in the Black List (tax haven);
  b) a territory included in the White List, but enjoying a special privileged income tax regime in its home country; or
  c) in its home country it is taxed at an income tax rate constituting less than 3/4 of the Lithuanian CIT, i.e. less than 11.25%.

Lithuanian CFC rules are applicable to positive income (loan interest, financial lease, copyright remuneration, dividends, etc.). The active income of a foreign subsidiary is not attributed to income of the Lithuanian parent company provided that it satisfies the established requirements.

6 Taxation of Individuals / Social Security Contributions

6.1 Residency Rules

According to Lithuanian residency rules, a Lithuanian tax resident is:

- any individual whose permanent place of residence during the tax period is in Lithuania; or
- any individual whose place of personal, social or economic interest during the tax period is in Lithuania rather than in a foreign country; or
- any individual who is present in Lithuania for a period or periods of 183 days or more in aggregate during the tax period; or
- any individual who is present in Lithuania for a period or periods of 280 days or more in aggregate during successive tax periods and stayed in Lithuania for a period or periods of 90 days in aggregate in any such tax periods.

6.2 Income Subject to Tax

A Lithuanian resident individual is subject to personal income tax (PIT) on his worldwide income, while a non-resident is taxed with PIT in Lithuania only on income derived through a fixed base in Lithuania or attributed thereto as well as on certain Lithuanian income, the list of which is exhaustive and includes the following:

- interest, except interest on non-equity securities issued by the Lithuanian Government;
- income from distributed profits and payments to members of the Management Board/Supervisory Board of a company;
- royalties;
- employment income;
- income from sporting and performing activities;
- income from the sale/lease of immovable property located in Lithuania and movable registered property;
- compensation for the infringement of copyright or accompanying rights.

6.3 Allowable Deductions

Lithuanian tax residents may deduct payments for initial higher education or vocational training from their taxable income, provided that these expenses do not exceed 25% of the amount of taxable income received over the tax year.

Moreover, Lithuanian tax residents may deduct life insurance premiums paid for a resident's own benefit or for the benefit of a spouse, minor children or children with disabilities, and pension contributions paid to pension funds for a resident's own benefit or for the benefit of a spouse, minor children or children with disabilities, the total amount of which does not exceed EUR 2,000 and 25% of the amount of taxable income received over the tax year.

However, additional conditions should be met to deduct these expenses from taxable income.

Individuals engaged in individual business activities may choose to deduct all properly documented expenses from their annual income or may reduce the taxable income by 30% without being obliged to collect all supporting documents.

6.4 Tax Rates

All income is subject to the flat PIT rate of 15%, except income from self-employment activity which is taxed at the flat rate of 5%, unless such activities relate to intellectual services – then the standard 15% PIT rate applies.

6.5 Tax Compliance

PIT withheld by employers has to be paid to the state budget on or before the 15th day of the respective month (if the last portion of income has been paid out on or before the 15th day of that month) or on or before the last day of the respective month (if the last portion of income has been paid on or before the last day of that month). However, monthly returns of withheld PIT have to be filed by employers on or before the 15th day of the next month. Besides, the employers is also obliges to fill annual reports on withheld PIT.

Lithuanian tax residents filing their annual PIT returns have to pay the related PIT on or before 1st of May. Lithuanian tax non-residents who file tax returns on a monthly basis have to pay PIT within 25 days from the receipt of income which is reported.

6.6 Social Security Contributions (SSC)

SSC are payable on employment income, where an employer is generally obliged to withhold from the salary payable and pay to the budget an SSC of 9% (as tax payable by the employee), as well as an additional SSC sum, including payments to the Guarantee Fund, ranging from 31.18% to 32.8% (as tax payable by the employer). SSC have to be withheld by the employer and paid to the budget by the 15th day of the following month.

SSC are also compulsory for self-employed individuals, sportsmen, performers, farmers, etc. Different SSC rates apply for separate types of income, e.g. income from individual activities is also subject to 38.7% SSC. However, the tax base is 50% of the PIT base. The SSC in this case have to be paid to the budget by individual himself (save for some exceptions).

Lithuania levies the following indirect taxes: VAT and excise duty.

7.1 Value Added Tax / Goods and Services Tax

The standard rate in Lithuania is 21%. A reduced 9% VAT rate is applied for:

- books and non-periodical publications;
- periodical publications meeting certain criteria;
- public transportation services performed on regular routes determined by the Ministry of Communications or municipalities;
- supply of heating to residential premises;
- hotel or similar accommodation services.

The reduced rate of 5% applies to:

- technical aid devices and their repair services for the disabled people;
- pharmaceuticals and medical aid devices, when their acquisition cost is wholly or partly compensated following the provisions of the Act on Health Insurance and the value of their outer packaging exceeds EUR 300.

A 0% VAT rate is applicable to goods transported or dispatched to another EU member state, goods exported from the EU, as well as transportation and other services directly related to the transportation of these goods.

VAT exemptions apply to health care, social (e.g. nursing) services rendered by authorised persons, cultural and sport services rendered by non-profit seeking institutions, education services, postal services, insurance and reinsurance services, except the insurance of exported goods (for which 0% VAT rate applies), financial ser-

vices, gambling and lotteries, sale and lease of immovable property (subject to certain limitations), etc.

Resident taxable persons must register as VAT payers if their turnover from economic activities in the territory of Lithuania over a period of 12 months exceeds EUR 45,000. There is no threshold for voluntary registration. Non-resident taxable persons are obliged to register for VAT purposes from the beginning of their economic activities taxable with VAT, i.e. without taking account of the applicable threshold. Foreign taxable persons must register either through a local affiliate or a fiscal agent (if established outside of the EU).

7.2 Transfer Tax

There is no real estate transfer tax in Lithuania. However, one should take into account a stamp duty related to the registration of the ownership of the real estate and costs of the notarisation of the real estate transfer.

8 Inheritance and Gift Tax

Inheritance tax is generally levied on the inheritance of movable and immovable property, securities and money by individuals, and is paid to the municipal budgets. Taxable persons are individuals who have inherited movable or immovable property, securities or money. Resident individuals are subject to inheritance tax on a worldwide basis, whereas non-residents are taxable on certain types of Lithuanian-based property only, i.e. only on movable property subject to legal registration in Lithuania and on immovable property located in Lithuania. Residence is determined according to the same rules that apply for PIT purposes.

There is no separate gift tax, but gifts are generally included in a resident recipient's taxable income subject to PIT. However, income received as a gift from a spouse, child (including adopted child), parent (including adoptive parent), brother, sister, grandparent or grandchild is exempt from PIT. Gifts received from any other individual are exempt if their aggregate value does not exceed EUR 2,500 during the tax year. Gifts received by non-residents from Lithuanian entities or individuals are not taxable in Lithuania.

8.1 Taxable Base

The taxable base of resident beneficiaries includes all kinds of inherited property, irrespective of whether they are in Lithuania or abroad.

Exemptions include the following:

- property inherited from a spouse;
- property inherited by children (adopted children), parents (foster parents), by persons under guardianship, guardians, grandparents, grandchildren, brothers and sisters; and
- property with a taxable value not exceeding EUR 3,000.

The tax rate is 5% for inherited property up to EUR 150,000. If the value exceeds EUR 150,000, the whole amount is subject to a 10% rate. However, the taxable base is 70% of the inherited asset value.

The tax must be paid prior to the issuance of the inheritance certificate. Municipalities are entitled to defer the tax payment up to 1 year. They may also reduce the tax or grant a full exemption. Residents who have inherited property abroad during a calendar year must declare and pay the tax by 1 March of the following year.

8.2. Valuation

The taxable value is determined according to the fair market price and rules established by the government.

9 Wealth Tax

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There is no wealth tax in Lithuania.

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