

Completing income tax returns: update (3/12/20)

The season for filing personal income tax ("PIT") returns has come for individuals whose income did not exceed EUR 62,800 in 2019. To simplify completing the PIT return, the health care industry offers a digital service: the electronic receipt ("E-receipt"). This article explores the E-receipt solution, which has been used by a number of medical service providers since 2019.

What is an E-receipt?

An E-receipt is a receipt prepared electronically and registered with the State Revenue Service ("SRS") so it is a piece of evidence equivalent to a cash-register receipt and a paper receipt. The E-receipt solution allows you to automatically send your payment document to the **Electronic Declaration System ("EDS")**.

After opening your PIT return template on the EDS, you will see all the required information on your allowable medical expenses for you to only check and accept. So when completing your PIT return you will no longer have to perform the cumbersome functions of entering and registering receipts, which will save your time spent completing your PIT return.

The present situation

Using the E-receipt is voluntary, and medical institutions can also use cash-register receipts and paper receipts to account for their services.

To start using the E-receipt, a medical institution needs to put a special piece of software in place and ask the SRS for a range of EDS numbers. The E-receipt solution is currently powered by IT companies and by solutions individually developed by medical institutions.

As the work on developing and implementing the new digital service is still ongoing, there are some aspects to consider when completing the PIT return:

1. Passing an E-receipt to the SRS is subject to receiving the patient's written consent, so even if a medical institution is using the E-receipt solution, we recommend making sure that your data will be sent over the EDS;
2. Automatic sending of data is possible only for medical services you have received yourself. If you have incurred allowable expenses on medical services for your children you would like to include on your PIT return, then you should ask the medical institution to send the E-receipt to your designated email address or to issue the E-receipt printed out as a paper copy. You can later add it to your annual PIT return via the EDS or the mobile app "Allowable Expenses."

The future vision

Implementing the E-receipt is expected to ease the administrative burden on the SRS and to facilitate completing PIT returns for taxpayers. This will also benefit medical institutions because implementing the E-receipt will cost less than implementing the statutory requirements for cash registers.

Things to remember

The mobile app “Allowable Expenses” has been available for several years, making it easy to complete PIT returns. The app allows you to gradually collect documents supporting your allowable expenses on education, interest education and medical services over the year, so you can easily add those documents to your PIT return being completed on the EDS.

The Allowable Expenses app is available free of charge for Android users at [Google Play](#), for iOS users at [App Store](#), and for Windows users at [Microsoft Store](#). Instructions for use are available on the SRS website in the section [News/ Mobile Apps/ Allowable Expenses](#).

We have noticed that the Allowable Expenses app has recently been improved, and if your receipt imagery is good quality, all the information can be imported from it into the EDS automatically. We encourage you to use this app when completing your PIT return.