

# New precedent in charging payroll taxes on labour lease 1/21/23

On 18 April 2023 the Supreme Court ruled on case No. A420131521 concerning the classification of non-business expenses for corporate income tax (CIT) purposes, application of the concept of labour lease, and additional taxes charged by the State Revenue Service (SRS) in the construction sector, where subcontracted labour was used. By its ruling the Supreme Court refused the company's request for reversal of the SRS's decision, which remains unchanged and has taken effect. We feel MindLink subscribers should become familiar with this decision by which the SRS charged CIT and national social insurance (NSI) contributions, as well as a late fee and a penalty. For personal income tax (PIT) purposes, only a penalty was charged.

## Izlasiet visu īsziņu ne tikai virsrakstu, kļūstot par abonētāju

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