



## Taxes

Businesses must pay a corporation tax of 26% that is paid on annual net profits. Other taxes consist of an assets transfer tax (formerly stamp duty) and a withholding tax. The employers are also required to make a social security contribution which is payable monthly. The contribution is determined according to the monthly amount of paid wages. (More about employer's contributions in *Costs* fact sheet.)

### Examples of tax rates in Finland

Tax	Sub classes	Tax rate
Corporate income tax		26%
Value added tax (VAT)	Standard	22%
	Foodstuffs and animal feed	17%
	Books, medicines, admissions to commercial sporting facilities, sporting events, cultural and entertainment events	8%
	Newspapers and periodicals	0%
Transfer tax, securities		1.6%
Excise tax		Varies, usually not a percentage

Source: Vero.fi, Finnish Customs

### Corporate income tax

Corporation tax is an income tax collected from limited companies and other corporations. The tax is levied of the taxable income of a corporation.

The taxable income of a corporation is calculated by subtracting the deductible expenses of the corporation from its taxable income.

### Value added tax (VAT)

VAT is an indirect tax assessed as a percentage of the value of all goods and services, unless specifically exempted.

It is a consumption tax, because it is paid by the end consumer. VAT-registered businesses can deduct VAT paid on purchases for business activities from their VAT liability.



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## **Transfer tax**

Transfer tax is payable on the transfer of the ownership of securities, and it is paid of the purchase price.

There are two separate transfers when exchanging securities and both transferees should pay the tax relating to the received acquisition.

## **Excise tax**

Excise duty is levied to provide for general government finances. The collection of excise duty can also contribute to health and social affairs, the environment, energy, transportation, or economic policy.

Excise duty is levied on all products that are subject to it, whether domestically produced, imported from a member state of the European Community, or imported from a country outside the Community's tax territory. Excise duty is levied on alcohol and alcoholic beverages, tobacco products, liquid fuels, electricity and certain fuels, and soft drinks. Waste tax and oil waste duty are also comparable to excise duty.

Excise taxation is implemented and controlled by the Finnish Customs.