

**Comparative Review of European Laws on Tax Benefits for Social Enterprises**

Country	Is there preferential tax treatment for legally recognized SEs based on legal form or legal status? For certain public benefit NPOs engaged in economic activities?	What is the preferential treatment?	Key quotes from Report	Link to Report
<b>Albania</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>An NPO’s economic activity may be tax exempt if it does not exceed 20% of the organization’s annual revenues. (p. 19)</p> <p>Donations are permitted between 3% and 5% (depending on the type of activities sponsored) calculated on the profit before tax of any entity that is a merchant, a natural or juridical person, and a local, foreign or joint venture. Deductible activities include only those that are humanitarian, cultural and artistic, or those involving sports, education, the environment, works of literature, science and research. This list excludes democracy and human rights. (p. 34)</p> <p>In 2016, Albania passed Law on Social Enterprises No. 65 which will grant</p>	“[T]he sector still suffers from the lack of a comprehensive legal framework and fiscal incentives such as subsidies and tax exemption on profits.” (p. 16)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21733&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21733&amp;langId=en</a>

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		official legal status to SEs, but it has not yet been implemented. (pp. 10-11)		
<b>Austria</b>	Yes, for certain public benefit NPOs engaged in economic activities	Organizations that pursue a public-benefit goal are subject to tax reductions and/or tax exemptions related to the corporate tax, the municipal tax, the VAT, the land tax, and the inheritance tax. (p. 36)  Private individuals and companies “can deduct donations up to 10% of their profits from their income tax when donations are made to organizations with public-benefit status.” (p. 38)	“The legal framework of <i>Gemeinnutzigkeit</i> provides that tax benefits are granted to any organisation (be it an association, a GmbH limited-liability company a church or a foundation) that pursues a public-benefit goal and whose assets are solely and directly used to further that goal. A purpose is deemed to be a public-benefit goal ‘when its implementation supports the community at large in intellectual, cultural, moral or material terms.’” (p. 36)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20562&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20562&amp;langId=en</a>
<b>Belgium</b>	Yes, for legally recognized SEs and for certain public benefit NPOs engaged in economic activities	For income tax, the absence of a profit motive affects the tax regime applicable to an association. Private or institutional donors may receive tax deductions for donations to associations under certain conditions. Regarding the VAT, there is no difference in treatment between a profit-making entity and a not-for-profit association. Under certain conditions, SEs that employ experienced tradespersons as well as persons from disadvantaged backgrounds (work integration social enterprises, or WISE) benefit from a reduced VAT rate and may qualify for other tax relief. (pp. 44-45)	“In Belgium, there is a major difference between associations and foundations—whose surpluses must be reinvested in the activities and are thus not taxed—and companies (cooperatives included)—all subject to company tax. Except for [a] few fiscal measures ... at the federal level ... there are no tax benefits specific to social enterprises.” (p. 44)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22454&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22454&amp;langId=en</a>

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<p><b>Bulgaria</b></p>	<p>Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities</p>	<p><b>Cooperatives of and for people with disabilities:</b> Totally tax exempt.</p> <p><b>Specialized enterprises for people with disabilities:</b> The corporate tax is entirely waived “for enterprises where: 20% of the total staff are blind and low-visibility people, or 30% of the total staff are hearing impaired or 50% of the total staff has other disabilities. If the above condition is not fully met, corporate tax is applied proportionally to the number of people with disabilities to the total number of staff.” The waived tax “should be used to integrate people with disabilities or to maintain and open jobs for people with disabilities within the next 2 years.” <b>Cooperatives</b> are exempted from registration taxes when setting up the SE. <b>All SEs</b> are exempted from annual tax for mandatory registration. (p. 39)</p> <p><b>Any non-profit legal entities registered for public benefit</b> “are exempt from paying local tax, which is required by the Local Taxes and Fees Act. Associations and foundations benefit from some tax incentives but are not exempt from tax on dividends that they receive as a shareholder in conventional enterprises.” (p. 38)</p>	<p>“The lack of clear criteria for identifying social enterprises in Bulgaria and the fragmented legal framework have confused the field of social enterprises. In an effort to provide clarity, the government elaborated a draft Law on Enterprises of Social and Solidarity Economy (...). The available legal framework for the above-mentioned organizational forms as well as the new Act parallel parts of the EU operational definition. The requirement for economic activity, the defining role of the social aim and the independence of the entities all resonate with the EU definition. The new legislation provides a few fiscal preferences relevant to the activities of social enterprises.” (p. 11)</p> <p>“In principle, the efforts to stimulate social enterprises in Bulgaria focus on providing support through public funding (at the national and EU level) rather than with fiscal exemptions. However, the legislation does provide some fiscal advantages (not specific to social enterprises) that are particularly relevant to the activities of social enterprises. These include tax incentives provided by the Corporate Income Tax Act for donors of certain vulnerable groups (people with disabilities, socially disadvantaged, etc.) and benefits for</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21572&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21572&amp;langId=en</a></p>
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		The Act on Enterprises of the Social and Solidarity Economy (2019) “provides a tax reduction to institutional donors of up to 10% of the accounting profit if they donate to registered social enterprises.” (p. 38)	employers of long-term unemployed people or people with disabilities.” (p. 38)	
<b>Croatia</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>“Usually, NPOs are not subject to VAT, but if they engage in economic activity, they become obliged to pay it as any other conventional company when their annual income gained from economic activities exceeds 300k HRK (around 40k EUR).” (p. 40)</p> <p>“Individuals and companies may deduct up to 2% of annual income donated to NPOs.” (p. 41)</p>	<p>“[A]s they are not established to gain profit or to distribute a profit between members, NPOs commonly are not subject to business related taxes ... or to tax benefits. However, once engaged in economic activities they might become subject to profit tax if a tax exemption would lead to an unjustified privileged position in the market.” (p. 40)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20958&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20958&amp;langId=en</a></p>
<b>Cyprus</b>	No		<p>“No specific fiscal incentives currently exist for de facto social enterprises in Cyprus. Moreover, the government is apparently reluctant to introduce fiscal benefits even after the approval of the draft law to avoid the resistance of other competitive parties.” (p. 29)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22194&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22194&amp;langId=en</a></p>
<b>Czech Republic</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>“Publicly beneficial taxpayers” (most non-profit entities) “can reduce their tax base by up to 30%, with a maximum of (almost) 40,000 EUR in total. If the 30% of the tax base measures less than 11,500 EUR, the tax base can still reduce up to this amount (11,500 EUR).” They may also</p>	<p>“No special fiscal arrangements for social enterprises apply in the Czech Republic, above all due to the lack of their legal recognition. Neither do any codified fiscal benefits lend a hand to start-up activities. Generally, fiscal arrangements and benefits relevant for social enterprises include those:</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21202&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21202&amp;langId=en</a></p>

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		<p>exempt revenue from donations that are used for publicly beneficial purposes. (p. 41)</p> <p>Legal entities and individuals can reduce their tax base up to 10% or 15%, respectively, for donations made to entities that will use the donations for publicly beneficial purposes. (p. 41)</p> <p>Employers of individuals with health disabilities can claim an income tax reduction up to 700 or 2,300 EUR. (p. 41)</p>	<p>available to non-profit entities (or more precisely to ‘publicly beneficial taxpayers’); related to donations to non-profit entities; related to active employment policy, especially the employment of health disabled people.” (p. 40)</p>	
<b>Denmark</b>	<p>Yes, for certain public benefit NPOs engaged in economic activities</p>	<p>As a general rule, “associations are exempt from taxation [...] Foundations can postpone tax payments up to five years if they are distributing donations.” (p. 28)</p> <p>Denmark’s Act on Registered Social Enterprises (2014) enables organizations to register as social enterprises, but this status does not confer tax benefits. (p. 29)</p>	<p>“The fiscal framework for social enterprise consists partly of rules and benefits that apply only to organizations that have adopted one of the legal models used by social enterprises, and partly of rules that any organization that chooses to establish itself as a social enterprise can use. Firstly, [there are] possible fiscal advantages for each of the three sub-categories (associations, foundations, and LLCs). Secondly, [...] only few fiscal incentives exist for social enterprise. Usually, conventional enterprises operating with the same stakeholders and in the same markets as social enterprises can also use these fiscal incentives.” (p. 28)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21200&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21200&amp;langId=en</a></p>
<b>Estonia</b>	<p>Yes, for certain public benefit</p>	<p>Non-profit associations and foundations operating for charitable purposes and in</p>	<p>“The Income Tax Act does not give benefits to organizations pursuing</p>	<p>Report: <a href="https://ec.europa.eu/social">https://ec.europa.eu/social</a></p>

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	NPOs engaged in economic activities	the public interest that meet certain requirements in the Income Tax Act can receive tax deductible donations from legal entities (up to 10% of donor’s previous year profit or 3% of current year personnel costs) and individuals (who can deduct up to EUR 1,200 from their income tax). They may also exempt reimbursed expenses for transport, accommodation, and catering costs for volunteers. There are limits on value added tax liability for smaller non-profit associations and foundations. (pp. 30-31)	entrepreneurial activities. It stipulates that NPAs and foundations can only benefit from income tax incentives if they are on the approved Tax and Customs Board list obtained after a committee of experts’ recommendation. NPAs and foundations operating for charitable purposes and in the public interest [must meet certain requirements] to be included and receive income tax incentives.” (p. 29)	<a href="https://ec.europa.eu/social/BlobServlet?docId=21574&amp;langId=en">/BlobServlet?docId=21574 &amp;langId=en</a>
<b>Finland</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>“If a corporate entity is an association or foundation promoting the public good, any revenue of commercial activity or income derived from real property is tax deductible. If an association or foundation is not deemed an entity promoting the public good, it is liable to pay 20% tax on all of its income. Associations and foundations engaged in commercial activities are also considered companies from a taxation point of view.” (p. 30)</p> <p>Associations and foundations may deduct the VAT for purchases related to certain VAT-liable activities. (p. 30)</p>	“Finland ... employs a policy decision that treats all types of social enterprises the same as any other enterprise or organization that seeks public support. As a result, social enterprises can use the same instruments as any other business but receive no fiscal exemptions or advantages either.” (p. 28)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21573&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21573 &amp;langId=en</a>

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		Qualifying organizations may register as WISEs, but this status does not confer tax benefits. (p. 29)		
<b>France</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>Commercial taxes (corporation tax, VAT, etc.) “are applied to associations that develop lucrative activity as to any other type of enterprise. There are ... tax exemptions specific to each type of tax.” (p. 38)</p> <p>Foundations are “generally not subject ... to VAT nor to corporation tax for activities directly related to their purpose.” (p. 40)</p> <p>Donations from individuals to associations of public interest, foundations and endowment funds are tax deductible to a limit of 60% of their taxable income. The rate rises if the donation is allocated to provide free care, meal or housing for people in difficulty. (p. 40)</p>	“The fiscal framework concerning the SSE is rather complex and diversified as is the whole fiscal system in France.” (p. 38)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=16378&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=16378&amp;langId=en</a>
<b>Greece</b>	Yes, for legally recognized SEs	Social cooperative enterprises (SCEs) are exempt from paying business tax and from the taxation of profits distributed to employees. They are also exempt from registration taxes. (p. 44)	“No tax exemption is foreseen in relation to non-distributed profits (social enterprises pay the same taxes on profits as all other enterprises).” (p. 44)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21741&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21741&amp;langId=en</a>
<b>Germany</b>	Yes, for certain public benefit	Public-benefit organizations do not pay any corporate income tax or local	“A significant share of all social enterprises operates under public-	Report:

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	NPOs engaged in economic activities	<p>business tax on the economic activities necessary to support their social mission. They can charge reduced rates of VAT and pay at such reduced rates as well. (p. 54)</p> <p>The status of public-benefit organization allows organizations to collect tax-deductible donations from donors. (p. 56)</p>	benefit status. This status recognizes organizations that have a public-benefit mission and strict limits on profit distribution (regardless of governance criteria).” (p. 54)	<a href="https://ec.europa.eu/social/BlobServlet?docId=20563&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20563&amp;langId=en</a>
<b>Hungary</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	<p>Associations and foundations (CSOs) enjoy certain tax and duties benefits and exemptions. They are exempt from local business tax in the municipality where they are seated, as well as from vehicle tax, local taxes, and building and land taxes if they use these resources for “core activities” listed in their founding documents. CSOs also do not pay taxes and contributions for executive officers whose income from the organization is less than 30% of the minimum wage or if they use employment contracts, and do not need to pay vocational training contributions. Non-remunerated benefits for volunteers (work clothes, travel expenses, accommodation, insurance, and training) are exempt from personal income tax. (p. 41)</p> <p>Certain business gifts for an organization’s core purpose or public benefit are also exempt. (p. 42)</p>	“[T]he fiscal framework for social enterprises remains fragmented: different fiscal benefits, advantages or exemptions apply for operating as a public benefit organization and can also connect to different legal forms.” (p. 41)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21131&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21131&amp;langId=en</a>



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		<p>VAT exemptions for some activities are applicable to all organizations. Social cooperatives and non-profit companies are VAT exempt, based on activity. They do not have to pay corporate tax on non-business-related income. (p. 41)</p> <p>Public benefit organizations are exempt from paying VAT in certain cases and do not pay the corporate tax if business revenue is less than 15% of total revenue and does not exceed EUR 31,000. Donations to public benefit organizations qualify the donor for certain corporate tax benefits and VAT exemption for goods and services donated. (p. 43)</p>		
<b>Iceland</b>	No		<p>“There is no special policy or support structure aimed at social enterprises. Iceland lags behind many European countries in terms of implementing specific large-scale policy initiatives to support and strengthen social enterprises, social entrepreneurs and social innovation. The same applies in general to the non-profit sector.” (p. 10)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20956&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20956&amp;langId=en</a></p>
<b>Ireland</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>“Social enterprises can register as charities, making them exempt from tax on their profits because they do not distribute revenue to shareholders .... Entrepreneurs who start up and work full-time in their own company can</p>	<p>“There are a range of fiscal and taxation arrangements, including tax relief, that apply to all enterprises, including those legal forms that can be adopted by social enterprise (...) and including social enterprises holding charitable status</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22456&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22456&amp;langId=en</a></p>

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		claim back income tax paid in the previous six years to invest equity into the company.” The Employment and Investment Incentive (EII) is a tax relief incentive scheme. It provides for tax relief of up to 40% on investments made in certain corporate trades. Charitable donations to “eligible charities” are also subject to tax relief. (pp. 27-29)	approved by the Revenue Commission.” (p. 27)	
<b>Italy</b>	Yes, for legally recognized SEs and for certain public benefit NPOs engaged in economic activities	<p>Associations and foundations are exempt from corporation tax “based on the non-commercial nature of the activities carried out ... [t]he criterion for tax exemption is the relevance of commercial activity over one fiscal year: when commercial activity is marginal, fiscal benefits are granted; when commercial activity exceeds 50% of the revenue, corporate tax is fully applied.” Social cooperatives are exempt from corporate tax on retained profits. (p. 35-36)</p> <p>Associations and other entities accredited as ONLUS (non-lucrative organizations) are exempt from corporate tax for certain activities specified in the law. Transfers to ONLUS are exempt from the inheritance tax and donations are tax deductible. Several regions partially exempt ONLUS from regional health system tax. At the time of writing, legislation repealing ONLUS</p>	“[SEs] enjoy ... different tax regimes depending on ... whether they have the SE legal status, and what legal form they adopt. The main distinction is between associations and foundations on the one hand and social cooperatives and social enterprises on the other.” (p. 35)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=16380&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=16380&amp;langId=en</a>

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		rules was awaiting approval by the European Commission. (pp. 35-36)		
<b>Latvia</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	<p>“If the main aim of an association is not to maximize profit or increase its members’ capital, it does not need to pay the income tax. [An LLC with SE status] is 100% exempt from the enterprise income tax if it reinvests its profits in the enterprise and/or social goal.” Taxation does not apply to certain SE’s expenditures:</p> <ul style="list-style-type: none"> <li>- Recreational and social inclusion activities for employees representing a target group.</li> <li>- Integrating persons from the target group into the labor market.</li> <li>- Purchasing assets that contribute to the achievement of goals set in the statute.</li> <li>- Social integration of persons from the target group.</li> <li>- Donating to public benefit organizations for purposes that match the goals set in the statute of the social enterprise. (p. 34)</li> </ul> <p>Donors to public benefit organizations may also access certain kinds of tax relief. (p. 35)</p> <p>The VAT does not apply to services provided by social service providers. (p. 35)</p>	<p>“Associations, foundations, and religious organizations may be granted public benefit organization status if they significantly benefit the society or some part of it (...) Organization sponsors or donors also receive a positive benefit from this, as they can access tax relief stipulated in laws based on the organization’s status.” (p. 35)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20564&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20564&amp;langId=en</a></p>

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<p><b>Lithuania</b></p>	<p>Yes, for certain public benefit NPOs engaged in economic activities</p>	<p>“Public enterprises, associations, and foundations with taxable income from commercial economic activities that does not exceed 300K EUR benefit from a zero-tax rate for the first 7,250 EUR of taxable profit and the remaining is taxed at a rate of 15%. Revenues are not considered commercial income if they are reinvested in financing activities carried out in the public interest.” (p. 37)</p> <p>No VAT is paid on revenues resulting from the provision of public-benefit services. Donations to public enterprises, associations, and foundations entitle private donors to reduce their taxable income; individual donors can donate 2% of their personal income tax to charities, religious institutions, NPOs, and public organizations. (p. 37)</p> <p>The Law on Social Enterprises allows WISEs to register, but they do not receive tax benefits. (p. 57)</p>	<p>“There are few fiscal exemptions specifically benefitting all or specific types of social enterprise (...) Legal frameworks regulating the Lithuanian tax environment also provide for more favorable conditions not specifically for the legal entities designated as social enterprises, but for certain legal forms or general interest activities.” (p. 37)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20565&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20565&amp;langId=en</a></p>
<p><b>Luxembourg</b></p>	<p>Yes, for certain public benefit NPOs engaged in economic activities</p>	<p>Associations are liable for VAT as soon as they undertake economic activity, but permanent and occasional activities are treated differently ... Associations are in principle exempt from paying direct taxation.</p>	<p>“Luxembourg does not specifically regulate its social and solidarity economy (SSE) nor SEs for tax purposes <i>a fortiori</i>; therefore, it is necessary to consider the sector’s diverse legal forms. The main types of enterprises regrouped under Luxembourg’s SSE sector are the</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22285&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22285&amp;langId=en</a></p>

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		<p>Associations not pursuing a commercial or industrial activity are not under the scope of the Income Act. However, associations that pursue such an activity are subjected to corporate income tax. Public utility foundations are in a similar situation: in principle, they are liable for taxation but exempt from paying income tax. Cooperatives are treated as conventional enterprises and are taxed as any other company: they pay fixed registration fees, property tax, corporate income tax and VAT. Societal Impact Companies (SIS) is a fully taxable company unless its share capital is composed exclusively of impact shares. In this case, regardless of its legal form, the SIS is fully exempt from corporate income tax, municipal business tax and net wealth tax, and donations it receives are tax deductible. (pp. 30, 37)</p>	<p>cooperative, the ASBL, the public utility foundation, the mutual society, and the SIS. Although all these enterprises contribute to the SSE, their legal taxation regimes differ in numerous ways.” (p. 36)</p>	
<b>Macedonia</b>	No		<p>“Social enterprises constitute an emerging sector, without significant repercussions on the Macedonian economy yet. Their potential in terms of increasing social inclusion, boosting local socio-economic development, and opening decent workplaces for marginalized groups has not been fully harnessed yet. These entities operate in a challenging ecosystem with a lack of capacity and knowledge at the</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20561&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20561&amp;langId=en</a></p>

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			institutional level and an absence of a favorable fiscal framework.” (p. 10)	
<b>Malta</b>	Yes, for certain public benefit NPOs engaged in economic activities	“Voluntary organizations (VOs) ...whether they conduct any permitted trading activity or not, are exempt from income tax. They are granted tax exemption based on the general interest objectives they pursue ... [T]heir permitted trading activity is limited to those activities that form a source of funding for approved public benefit.” Cooperatives are exempt from paying income tax. (pp. 30-31)	“No specific fiscal framework currently exists for organizations registered under the VOs Act and the Cooperative Societies Act that could be considered <i>de facto</i> social enterprises according to the EU operational definition.” (p. 30)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22223&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22223&amp;langId=en</a>
<b>Montenegro</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	Protective workshops are a type of work integration enterprise acknowledge by the Law on Professional Rehabilitation and Employment of Persons with Disabilities, and they have privileged tax and customs treatment and they are obliged to employ at least 51% of persons with disabilities. (p. 22)  Under the Corporate Income Tax Law, organizations may reduce their tax base by up to 3.5% of annual profits for donations and sponsorship of public interest activities. (p. 24)	“Montenegrin law does not provide any official definition of social enterprise; however, there are various legal forms enabling social enterprises to carry out activities. These include associations, cooperatives, limited liability companies (LTDs), and “protective workshops.” (pp. 21-22)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20559&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20559&amp;langId=en</a>
<b>The Netherlands</b>	Yes, for certain public benefit NPOs engaged in economic activities	Associations and foundations designated ANBI (90% activities in the public interest) are eligible for tax relief on corporate tax, VAT, and inheritance or gift tax. Donations to ANBI are tax deductible. (p. 27)	“Since no distinctive legal framework applies to social enterprises, no particular fiscal treatments, exemptions, or advantages apply.” (p. 21)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21133&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21133&amp;langId=en</a>

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<b>Norway</b>	Yes, for certain public benefit NPOs engaged in economic activities	SEs can choose among of the following legal forms: private limited company (including a special branch of non-profit limited company), association, foundation, general partnerships/shared responsibility or cooperative. Of these, non-profit limited companies and foundations are tax exempt. (p. 25)	“No specific legal form is tailored to fit the concept of SE in Norway. Politically, SEs are pinpointed out as highly potent innovation resource for Norwegian welfare system, but no specific legal process has yet initiated to follow up political signals.” (p. 25)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20957&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20957&amp;langId=en</a>
<b>Poland</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	<p>Social cooperatives enjoy exemption from income tax under certain conditions. Entrepreneurial non-profit organizations (ENPOs) enjoy exemption from income tax and VAT under certain conditions. Organizations managing professional activity establishments (ZAZs) are exempt from income tax, VAT, gambling tax, duty tax, excise duty, and means of transportation tax. They also enjoy a partial exemption from real estate tax, agricultural tax, forestry tax and civil law activity tax. (pp. 48-49)</p> <p>Donations to non-profit organizations can be excluded from income before taxation up to 6% (individuals) or 10% (companies) of donor’s total income (p. 52)</p> <p>Non-profit organizations may apply for public benefit status, which are exempt from corporate income tax, property tax, tax on civil law transactions, and stamp duty. Individual taxpayers may</p>	“All legal types that can be adopted by social enterprises in Poland enjoy significant tax privileges (...). The only exceptions are non-profit companies, which enjoy tax privileges only if they have the public benefit organization status, otherwise they are subject to the same fiscal treatment as conventional enterprises.” (p. 48)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22455&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22455&amp;langId=en</a>

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		designate 1% of their income tax for public benefit organizations. (p. 56)		
<b>Portugal</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	<p>Private Institutions of Social Solidarity (IPSS) enjoy a set of fiscal benefits related to business tax, VAT, real estate taxes and donations. Total business tax exemption is granted for the non-distributed profits given their statute as IPSSs. They are also exempt from VAT in the sales from the provision of services and directly related exchanges in social services activities. IPSSs can opt out of municipal tax and from real estate transaction tax in all the buildings where they carry out their activities. Further, mercy houses are exempt from municipal tax in all the buildings they own.</p> <p>Fiscal benefits and exemptions for associations and foundations vary depending on their statute, legal form, and activities. Associations and foundations with the status of public utility pursuing charity, social assistance, philanthropy, social solidarity, or environment protection activities are exempt from the business tax. Exemption from VAT applies to the provision of services and directly related exchanges in social services activities for public utility associations and foundations. Organizations with public</p>	<p>“Social enterprises enjoy a set of complex fiscal situations, which differentiate them from conventional enterprises ... The special situation of social economy organizations (SEOs) in fiscal terms depends on the different statutes and organizational forms. Cooperatives enjoy fiscal benefits that depend on the legal form, but also on the branch. Statutes such as collective persons of public utility, NGOs, private institutions of social solidarity or equivalent and non-profits also allow special concessions.” (p. 41)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21136&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21136&amp;langId=en</a></p>



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		<p>utility status are exempt from municipal tax and from real estate transaction tax in all the buildings where they carry out their activities.</p> <p>Business tax exemption for cooperatives depends on legal form, activities, and characteristics. Cooperatives focusing on housing, construction, and social solidarity cooperatives, among others, are exempt from the business tax. All cooperatives are exempt from municipal tax and real estate transaction tax in the buildings where they carry out their activities (pp. 41-43)</p> <p>Donors to IPSS, associations, and foundations enjoy tax benefits, such as donations being acknowledged as business expenditures and tax deductions in certain situations. (pp. 44-45)</p>		
<b>Romania</b>	Yes, for certain public benefit NPOs engaged in economic activities	SEs can be set up as associations or foundations, and can enjoy deductions from taxing income or property, and deductions on estate or land tax. The same applies for SEs that provide social services. Associations and foundations are exempt from certain income taxes, including income from public funding, fundraising campaigns, festivals and conferences, among others. (p. 44)	“The fiscal framework within which social enterprises operate in Romania varies according to the enterprises’ legal form. Each type of organization has a specific tax regime. Some general fiscal incentives do apply to all kinds of organizations that hire persons with vulnerabilities and/or disabilities.” (p. 44)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20959&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20959&amp;langId=en</a>

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		<p>“Fiscal incentives applicable to all types of organizations include tax deduction on income for employees with severe or chronic disabilities and subsidies for employees with different types of vulnerabilities.” (p. 44)</p> <p>Individual and corporate donors to associations and foundations receive certain tax exemptions and deductions based on the nature of the recipient organization (p. 45)</p>		
<b>Serbia</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>Non-profit organizations (NPOs) are allowed to generate income from an economic activity and are exempted from paying VAT for revenues up to 8 million RSD (68K EUR).</p> <p>Work integration social enterprises (WISEs) are not granted tax benefits (but they do receive significant subsidies from the state and have priority when competing for public tenders). (pp. 21, 27)</p>	“There is no legal act regulating social enterprises in Serbia in a comprehensive manner.” (p. 11)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=20560&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=20560&amp;langId=en</a>
<b>Slovakia</b>	Yes, for certain public benefit NPOs engaged in economic activities	There are no significant differences in taxation of <i>de facto</i> SEs when compared to other companies. Separate tax treatment can only be applied “if the SE has the legal form of the public benefit organization or civic association. If the economic activity performed by the NPO is the core one, it is not taxed, provided	“The fiscal framework supporting the operation of <i>de facto</i> social enterprises is quite limited. At the time of the publication of this report, there are no significant differences in taxation of <i>de facto</i> social enterprises when compared to other companies.” (p. 32)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=22453&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=22453&amp;langId=en</a>

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		<p>that it is included in the list of admitted core activities provided by the legislation.” (p. 32)</p> <p>Individuals and business entities may assign a portion of their income tax (usually, 1-2% for business entities and 2-3% for individuals) to a specified NPO. (p. 33)</p>		
<b>Slovenia</b>	Yes, for certain public benefit NPOs engaged in economic activities	<p>Legislation provides the option for all NPOs to acquire income by performing activities on the market. However, NPOs’ profit should be reinvested in organizational activities. Cooperatives and LLCs do not have special fiscal benefits attached to their legal form. SE status does not bring any additional fiscal benefits. NPOs are exempt from paying taxes for their non-profit activities but pay the same taxes as other companies for their income generating activities. Income generated by non-profit activities is not included in tax payments. Hence, associations, institutes and foundations pay both tax on earnings and VAT. However, NPOs are exempt from paying VAT for activities in the public interest when their taxable income does not exceed 50K EUR per year. (pp. 33-34)</p> <p><i>Ex lege</i> and <i>de facto</i> SE are granted the same financial and fiscal benefits for</p>	<p>“The fiscal framework for Slovenian social enterprises and social economy organizations in general is fragmented. Tax exemptions depend on an organization’s legal form and remain relatively low.” (p. 33)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21575&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21575&amp;langId=en</a></p>

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		<p>those enterprises that employ workers with disabilities according to regulated quotas. Those benefits are: exemption from paying taxes as well as social security contributions for all company employees (and not just those with disabilities), and receiving salary subventions for employees with disabilities based on their level of disability. (p. 34)</p> <p>Individual and corporate donors receive tax relief between 0.2%-0.5% of their taxable income for donations to NPOs. Individuals may also assign 0.5% of their income tax payment to any NPO. (p. 34)</p>		
<b>Spain</b>	<p>Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities</p>	<p><b>Social initiative cooperatives (CIS)</b> can obtain a reduction in the general business tax if they can show the general interest of their economic activities. CISs' profits are exempt or in certain situations taxed only on 10% of revenue. They may also receive a reduction of 95% on the Economic Activities Tax. CIS enjoy the same local tax benefits as associations or foundations.</p> <p><b>Associations and foundations</b> engaged in economic activities obtain fiscal exemptions from the annual business tax and other taxes. Donations to these entities are tax exempt.</p>	<p>"Some specific business models can be characterized as social enterprises in Spain. Firstly, those with a long tradition in the provision of social services and/or goods and services to vulnerable people which sometimes are regulated as specific legal forms, and other times via social qualification of conventional companies. These models are social initiative cooperatives (CIS), work integration social enterprises (WISE)—which include two sub-models, namely employment integration enterprises (EI) and special employment centers of social initiative (CEE)—and some associations and foundations with economic activities." (p. 10)</p>	<p>Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=16383&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=16383&amp;langId=en</a></p>

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		<p><b>Cooperatives pursuing general interest goals</b> enjoy some tax exemptions on the annual business tax in certain circumstances. Cooperatives qualified as "non-profit organizations" are subject to the same tax regime as associations and foundations.</p> <p><b>Special employment centers (CEE)</b> obtain a direct subsidy along with a reduction in the annual business tax for each new worker hired. Certain exemptions apply to the annual business tax and the tax of consumption because of the non-profit mission of these organizations. (pp. 40-42)</p>		
<b>Sweden</b>	Yes, for certain public benefit NPOs engaged in economic activities	Income received by public interest NPOs from sales is tax exempt if at least 90% of organization’s activities relate to the public benefit aim, and at least 80% of the financial turnover fulfils this public benefit. Some industries enjoy full exemption from VAT (such as social care conducted behalf of public agencies within the framework of social service act). (pp. 24-25)	“Social enterprises ... in Sweden take the legal forms non-profit association, economic association, or limited company. None of these legal forms ... automatically fulfil the criteria set by EU. Adjustments of statutes and/or practices must arise on an individual basis. This means that some of the organizations using these legal forms qualify as social enterprises, though not all. Policies aim to treat different types of organizations or enterprises neutrally. Social enterprises therefore receive no different treatment than other organizations. However, different types of support for social initiatives do exist, such as subsidies for employing people with reduced working capacity. Social	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21195&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21195&amp;langId=en</a>

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			enterprises and other types of organizations, enterprises or public actors can tap into these subsidies.” (pp. 9-10)	
<b>Turkey</b>	Yes, for certain public benefit NPOs engaged in economic activities	“No specific policies aimed at facilitating the creation and development of social enterprises are currently in place. Depending on their eligibility, social enterprises established as foundations and associations may enjoy the ‘tax exempt’ and the ‘public benefit’ status respectively consistent with the current legal framework. However, these statuses do not apply to commercial enterprises run by foundations and associations. Therefore, no existing legal forms fully recognize the specificity and accommodate the needs of SEs — thus SEs bend these forms to fit their needs.” (pp. 11-12)	“There is no exclusive legislation for social enterprises in Turkey. Organizations that prioritize the pursuit of a social aim over maximizing profit adopt any of the existing legal forms and are thus established as foundations, cooperatives, associations, or conventional enterprises.” (p. 10)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21734&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21734&amp;langId=en</a>
<b>United Kingdom</b>	Yes, for legally recognized SEs and certain public benefit NPOs engaged in economic activities	Companies Limited By Guarantee (CLG) are eligible for “a reduction of 80% on the business rates payable to local authorities. Business rates reductions are occasionally available to other legal forms of social enterprise at the discretion of local governments. Individuals wishing to invest in social enterprises (Charities, Community Interest Companies and Community Benefit Societies) are eligible for the Social Investment Tax Relief scheme ... Individuals making an eligible	“Social enterprises are organizations that trade in order to support a primary social objective, are accountable to a community of stakeholders including employees and service users, with limits on distribution of profits to individual owners and ‘asset locks’ to safeguard social/community interests. The UK government adopts a somewhat looser definition in that it lacks the requirement for an asset lock limiting surplus and asset distribution to owners and shareholders.” (p. 9)	Report: <a href="https://ec.europa.eu/social/BlobServlet?docId=21196&amp;langId=en">https://ec.europa.eu/social/BlobServlet?docId=21196&amp;langId=en</a>

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		investment can deduct 30% of the cost of their investment from their income tax liability ... However, very few social enterprises ... benefitted from these provisions." (p. 29)		
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