Specimen Exam

Exam Name: Taxation (E1 POL)
Time Allowed: 3 hours
Pass Mark: 50%

This exam contains 2 sections:

Section A:
15 questions, each worth 2 marks
30 marks in total

Section B:
4 questions, each worth 10 marks
2 questions, each worth 15 marks
70 marks in total

Note: This specimen examination has been prepared based on legislation passed by 30 September 2025 (to be updated).

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Section A

Question 1

Which TWO of the following are a tax authority (*Organ Skarbowy*)?

A The Marshal of a voivodeship (province)
B The State Prosecutor in a fiscal criminal case
C A town mayor
D The Supreme Administrative Court Judge on a tax case

Question 2

Polish value added tax (VAT) regulations allow several entities to form a VAT Group, provided there is an organisational, economic and financial connection between the entities.

Which of the following statements regarding who can form a VAT Group is correct?

A A VAT Group may be formed by a Polish individual registered for VAT, his friend's Polish company and a French individual running a VAT registered activity in Poland, cooperating in provision of VATable services in Poland
B A VAT Group may be formed by Polish companies only, under the condition they are owned more than 75% by the same Polish corporate entity
C A VAT Group may be formed by unrelated Polish entities running independent activities as long as they remain active taxpayers
D A VAT Group may consist of Polish and non-Polish companies as long as they belong to the same capital group and at least one entity is registered for VAT in Poland

Question 3

Stefan has been running an individual business activity since 2015, earning income of PLN 12,000 per month.

He pays social security contributions (ZUS) on the minimum allowed basis but elects to pay voluntary sickness benefit contributions.

What is the amount of Stefan's ZUS for 2025?

A PLN 10,585
B PLN 19,742
C PLN 29,491
D PLN 20,924

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Question 4

Zbigniew has been employed under a labour agreement throughout 2025, earning a gross annual salary of PLN 90,000.

Calculate the amount of health service contribution payable by Zbigniew for 2025.

PLN ☐

Question 5

Zapominalska Sp. z o.o (Zapominalska) filed its year-end corporate income tax (CIT) return for the year ended 31 December 2025 on the due date of 31 March 2026.

On 30 April 2026, the accountant of Zapominalska realised that a sales invoice issued on 1 January 2025 for PLN 1 million was omitted from the taxable revenue computation. The outstanding tax was paid immediately on 30 April 2026.

Zapominalska pays standard tax instalments.

What is the amount of late penalty interest payable by Zapominalska Sp. z o.o. on its CIT arrears?

Note: Assume each relevant month has 30 days.

A PLN 29,984
B PLN 22,800
C PLN 26,860
D PLN 9,863

Question 6

Bogata Sp. z o.o. acquired a machine for PLN 500,000 and put it to use on 1 January 2024.

The company applies the reducing balance method of depreciation.

What is the amount of tax depreciation in respect of the machine for 2025?

A PLN 140,000
B PLN 104,067
C PLN 60,200
D PLN 100,800

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Question 7

Ewelina is employed under a labour contract with a gross salary of PLN 10,000 per month.

Calculate the amount of Ewelina's personal income tax for 2025.

PLN ☐

Question 8

On 1 June 2024, Pożczalska Sp. z o.o entered into a five-year financial lease contract for a machine costing PLN 200,000.

The monthly lease instalments are PLN 5,000.

The buy-out price is PLN 10,000.

What is the total tax deduction claimable by Pożczalska Sp. z o.o. in relation to the lease in 2025?

A PLN 46,000
B PLN 60,000
C PLN 28,000
D PLN 88,000

Question 9

Zrozmachem Sp. z o.o.'s taxable profit for 2025 is PLN 80,000,000.

This amount includes the results from a sale of shares which were purchased in 2023 for PLN 6,000,000 and sold in 2025 for PLN 3,000,000.

Zrozmachem Sp. z o.o. recorded a tax loss of PLN 18,000,000 for 2024 and taxable profits in the preceding years.

Calculate Zrozmachem Sp. z o.o.'s corporate income tax liability for 2025.

PLN ☐

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Question 10

During 2025, Eliza earned the following income:

- PLN 70,000 from employment;
- PLN 60,000 from engineering services rendered as her individual business activity; and
- PLN 10,000 from interest on deposits.

Eliza made an election to be taxed at the flat rate on her revenues.

In 2025, she paid social security contributions (ZUS) of PLN 9,600.

What is Eliza's total personal income tax payable on her 2025 income?

Note: Ignore health service contributions.

A PLN 13,756
B PLN 19,600
C PLN 16,800
D PLN 15,100

Question 11

Przypadkowa Sp. z o.o. delivered goods to a client on 27 February 2025.

It issued an invoice for the goods on 3 March 2025.

Confirmation of delivery of the goods was received, together with an invoice receipt, on 10 April 2025.

Przypadkowa Sp. z o.o. received payment for the goods on 2 May 2025.

Which of the following dates is the corporate income tax point?

A 27 February 2025
B 3 March 2025
C 10 April 2025
D 2 May 2025

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Question 12

Bezpieczna Sp. z o.o. (Bezpieczna) makes all payments to suppliers using the value added tax (VAT) split-payment mechanism. The sales Bezpieczna makes are both taxable and exempt.

Which TWO of the following benefits does Bezpieczna Sp. z o.o. get by using split-payments for its bank transfers?

A If the deduction of VAT on purchases is questioned, increased penalty interest does not apply
B The VAT on purchases is automatically fully deductible in the month of purchase and only corrected (if needed) due to mixed exempt supplies in the year-end correction
C If the deduction of VAT on purchases is questioned, VAT sanctions do not apply
D If the deduction of VAT on purchases is questioned, standard penalty interest does not apply

Question 13

Value added tax (VAT) is in principle a tax applied to sale transactions. However, there are other economic events which may also trigger a VAT charge.

Which TWO of the following economic events trigger an obligation to charge output VAT in Poland?

A The import of a car by a Polish private person (not registered for VAT) for private purposes
B A donation of one ton of coal (worth around PLN 4,000) from one Polish private person to another
C A donation of one ton of coal (worth around PLN 4,000) from a Polish mining company to a Polish private person
D The export of clothes by a Polish company

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Question 14

Konrad is planning to start an individual business activity importing and selling scrap metal. He found a lucrative market niche and expects his profits in the first year to soar over 1 million PLN. The business is based on a very low margin of 2% and large turnover.

Konrad is a single parent raising three minor children.

Which of the following methods of taxation is likely to be most effective for Konrad given his business profile? Ignore HSC.

A Progressive method
B Flat rate taxation of income
C Flat rate taxation of revenue
D Tax Card

Question 15

Which THREE of the following can create a tax obligation for a taxpayer?

A Double Tax Treaties
B Decrees (*Rozporządzenia*)
C Social Securities Act
D A tax decision imposing additional VAT sanction
E General tax rulings
F An individual not registered for VAT exceeding turnover of PLN 200,000

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Section B

Question 16

The following scenario relates to two requirements.

Zofia runs an individual business activity and has done so since January 2024.

Each month Zofia earns revenue of PLN 21,000 and her costs amount to PLN 7,000.

Requirements:

(a) Calculate Zofia's personal income tax, social security contributions (ZUS) and health service contribution (HSC) for 2025 and the amount of HSC she can deduct from her tax computation, assuming she elects for the progressive method of taxation.

(7 marks)

(b) Assess whether it could be beneficial for Zofia to elect for any other method(s) of personal taxation (ignore ZUS/HSC).

(3 marks)

(10 marks)

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Question 17

The following scenario relates to three requirements.

Zmienna Sp. z o.o. (RNW) recorded the following tax results in recent years:

Year	Taxable income / (loss) PLN
2020	(7,000,000)
2021	10,000,000
2022	(1,000,000)
2023	5,000,000
2024	(12,000,000)
2025	(14,000,000)

In the year 2026, prospects appear to be more optimistic and RNW expects to make significant profits.

Requirements:

(a) Calculate the loss available to Zmienna Sp. z o.o. (Zmienna) for utilisation in 2026.

(6 marks)

(b) Analyse how the level of profits in 2026 could impact whether the simplified or standard method of calculating corporate income tax advance payments would be preferable to Zmienna.

(4 marks)

(10 marks)

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Question 18

The following scenario relates to one requirement.

Konstanty transferred his business, which was being run as an individual business activity, to Gotowkowa Sp. z o.o. (Gotowkowa), which is now a rapidly growing company.

Konstanty is accustomed to accounting for his individual business activity on a cash basis but must now prepare the company accounts on an accruals basis for the purposes of corporate income tax.

As a new accountant for Gotowkowa you have been provided with the following information:

- Cash proceeds received in 2025 amount to PLN 45,000,000.
- PLN 3,000,000 of these cash proceeds were advance payments for goods to be delivered in 2026.
- Gotowkowa rents part of a warehouse to another company for PLN 50,000 a month. Due to the tenant's temporary cash flow problems, no payments were made to Gotowkowa during 2025.
- Interest on the bank savings account of Gotowkowa accrued from PLN 1,500,000 to PLN 1,800,000 during 2025.
- The cash proceeds received during 2025 include PLN 2,000,000 of dividends from a Polish company in which Gotowkowa has a 4% shareholding.
- In 2025, Gotowkowa spent PLN 22,000,000 in cash on goods and services (PLN 16,000,000) and labour salaries (PLN 6,000,000).
- Gotowkowa received invoices totalling PLN 2,700,000 for expenses related to 2025 revenues. These were not paid until 10 January 2026.
- On 12 January 2026, Gotowkowa paid the staff salaries for December 2025 of PLN 420,000 and remitted the social security contributions (ZUS) due. The employment agreement provides for payment of salaries by the 15th day of the following month.
- All sales and purchases of goods and services by Gotowkowa are subject to Polish value added tax (VAT) at the standard rate and are stated inclusive of VAT.

Requirement:

Calculate Gotowkowa Sp. z o.o.'s taxable income for 2025 for corporate income tax purposes.

Note: You should list all items referred to in the question, indicating by the use of zero (0) any item which does not impact the calculation.

(10 marks)

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Question 19

The following scenario relates to one requirement.

Ostrożna recorded the following sales and purchases in March 2025:

Sales:

	PLN	Note
Local sales of goods	900,000	
Export of goods (documented)	600,000	
Sales of insurance services	200,000	
Sales of maintenance services	160,000	1

Purchases:

	PLN	Note
Intra-community acquisition of goods	90,000	
Purchase of office computers (15 sets)	150,000	2
Office rent	45,000	
Salaries	350,000	
Payments for business to business (B2B) contracts	65,000	3

Notes:

1. The maintenance services are rendered monthly under contract but were not invoiced until May 2025.

2. The office computers are used for all sales.

3. The B2B contractors operate in the same manner as employees, working set hours in the office, under the direct supervision of managers.

4. All goods and services are subject to value added tax (VAT) at the standard rate, where applicable, except insurance services which are exempt from VAT.

5. The ratio of VATable sales to total sales for 2024 was 80% and grew to 85% by the end of 2025.

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Requirement:

Calculate Ostrożna's output and input value added tax (VAT) for March 2025 and the annual VAT correction required in respect of the March 2025 computer purchases.

Note: You should list all items referred to in the question, indicating by the use of zero (0) any item for which no VAT is charged.

(10 marks)

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Question 20

The following scenario relates to two requirements.

Wielopoziomowa Sp. z o.o. (Wielopoziomowa) is a Polish company producing and selling goods.

During 2025, Wielopoziomowa accounted for the following events:

1. Sales of goods amounted to PLN 75,000,000.

2. The sales of goods figure includes PLN 5,400,000 in respect of goods to be delivered in 2026 and 2027.

3. Wielopoziomowa received a cash dividend of PLN 6,000,000 from Sol Ltd, its foreign subsidiary company resident in the country of Los Asparagos. Wielopoziomowa owns 20% of the shares in Luna Ltd.

   The Double Taxation Treaty between Poland and Los Asparagos provides for a 5% withholding tax (WHT) rate.

   The local corporate income tax (CIT) in Los Asparagos is levied at 8%.

4. The cost of operations recorded in the financial accounts in 2025 was PLN 47,000,000.

5. The cost of operations includes depreciation in respect of the following non-current assets:

Non-current asset	Notes
Production machine	In 2023, an impairment write-off of PLN 4,500,000 was made against the purchase value of this production machine due to its technical condition. Since then, the depreciation charge has been based on the new fair market value (after impairment write-off) of the machine using straight-line depreciation at a rate equal to the tax depreciation rate.
Office equipment	The depreciation of office equipment, purchased during 2024 for PLN 3,000,000, is based on the expected useful life of four years.
Trademark	There is no amortisation charge accounted for in respect of this trademark on the basis it has not declined in value. The trademark was acquired in 2023 for PLN 34,000,000.

6. The cost of operations figure also includes PLN 7,000,000 of trade receivables from a Polish supplier which were waived (as there was no hope to recover these, but the supplier agreed to continue the cooperation on more favourable terms if given a

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chance to recover). This amount includes both the net amount and VAT at the standard rate.

7. For 2024, a loss of PLN 17,000,000 was recorded. All preceding years were profitable.

8. The income tax costs accounted for by Wielopoziomowa for 20252025 were PLN 6,000,000 which includes CIT advance payments, WHT collected by Los Asparagos and penalty interest of PLN 350,000 paid on the correction of Wielopoziomowa's 2022 CIT return (corrected during 2025).

9. Wielopoziomowa uses all reliefs and available methods to minimise its CIT.

Requirements:

(a) Calculate Wielopoziomowa Sp. z o.o.'s corporate income tax payable or refundable for 2025.

(11 marks)

Note: You should refer to all items in the question and indicate by the use of zero (0) any item which does not impact the calculation.

(b) Assess whether the additional foreign tax credit would be available in the following situations:

- **Luna Ltd was owned 80% by Wielopoziomowa.**

- **Los Asparagos was an EU country.**

(4 marks)

(15 marks)

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Question 21

The following scenario relates to one requirement.

Henryka is a single mother with two daughters. She is a finance professional employed full-time as finance controller of EDEX Sp. z o.o. (EDEX).

During 2025:

1. Her monthly gross salary was PLN 18,000. In addition to her monthly salary, in February 2025, she also received a one-off bonus of PLN 65,000 solely related to 2024 results.

2. In addition to working for EDEX, she works part-time under an employment contract for Cape Sp. z o.o. (Cape) providing accounting system maintenance services. For this work she earned a gross salary of PLN 5,000 per month.

3. EDEX agreed to sell Henryka a laptop computer for PLN 200. The market value of the laptop computer was PLN 3,000.

4. EDEX paid for Henryka's subscriptions to legal information services and artificial intelligence tools which totalled PLN 400.

5. Henryka also received concert tickets from EDEX's social fund for her and her daughters. The cost of tickets was PLN 2,300 in total.

6. Henryka received PLN 5,000 of interest on a loan she made to EDEX.

7. Henryka made a donation of PLN 6,000 to a public benefit organisation.

8. Henryka purchased an elegant dress for PLN 7,000 solely in order to attend a business event required by EDEX (she was not reimbursed for the purchase).

Henryka claims all available reliefs and opts for joint taxation where available.

Requirement:

Calculate Henryka's personal income tax and health service contributions due for 2025.

Note: You should refer to all items in the question and indicate by the use of zero (0) any item which does not impact the calculation.

(15 marks)

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