

# Tax & Legal Alert

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## International assignment solutions

The Bulgarian Personal Income Tax Act for 2008 (PITA 2008) provides for a possibility to deduct from the annual tax base social security contributions withheld and paid abroad which are mandatory under the respective foreign country's domestic law.



## Tax deductibility of personal social security contributions paid abroad

### Contacts:

**Irina Tsvetkova**  
Country Managing Partner  
E-mail: [irina.tsvetkova@bg.pwc.com](mailto:irina.tsvetkova@bg.pwc.com)  
Tel: + 359 2 91 003

**Maria Toromanova**  
Director  
E-mail: [maria.toromanova@bg.pwc.com](mailto:maria.toromanova@bg.pwc.com)  
Tel: + 359 2 91 003

**PricewaterhouseCoopers**  
9-11 Maria Louisa Blvd., Sofia  
Tel: + 359 2 91 003

[www.pwc.com/bg](http://www.pwc.com/bg)

This Tax & Legal Alert is produced by PricewaterhouseCoopers' tax department.

Individuals who would like to take advantage of this opportunity need to attach to their annual Bulgarian tax returns an official document issued by the relevant social security authority. The document should:

- confirm the mandatory nature of the withheld contributions, and
- indicate the exact portion of the contributions due by the individual.

### This provision may be applicable to

- expatriates EU nationals who remain in their home country's social security system while on assignment in Bulgaria and hold E 101 certificates issued by the competent authority in their home country
- expatriates non-EU nationals who work in Bulgaria, receive their remuneration through a foreign payroll and remain insured for social security purposes in their home countries;
- Bulgarian tax residents (regardless of nationality or citizenship) who worked in another country during part or the whole year and were obliged to contribute to its social security system.

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