For Estonian taxable persons

REFUND OF OVERPAID VAT TO ESTONIAN TAXABLE PERSON

If VAT calculated during a taxable period is less than the amount of input VAT deductible by the taxable person during the same period, the overpaid amount of VAT shall be refunded to the taxable person pursuant to the procedure provided for in the Taxation Act (subsection 1 of § 34 of the VAT Act).

VAT is refunded on the basis of the provisions of the Taxation Act concerning the refund of overpayments (§§ 105–107 of the Taxation Act). The amount which a person has the right to have refunded is refunded on the basis of subsection 2 of § 106 of the Taxation Act within sixty days as of the date of the receipt of an application unless another term is provided in the Taxation Act. Therefore, the general time limit is 60 days within which the amount of overpaid tax must be refunded. If the application is submitted before the due date for payment of the tax, the overpayment will be refunded within 60 days as of the due date for payment of the tax (subsection 3 of § 106 of the Taxation Act). On the due date provided in an Act concerning a tax or the customs legislation, the tax authority will set off the monetary obligations of a taxable person against his or her claim for refund on the basis of a tax return without the corresponding request of a taxable person. It is therefore no longer necessary to submit an application in order to rewrite overpaid VAT to cover, for example, income tax liability.

You can submit an application for rewriting a claim for refund in: **e-MTA**: **Accounting** - **Applications for refund and rewriting**. The limitation period for submission of an application for fulfilment of a claim for refund is seven years from the date of making the last amendment in the claim for refund. More information in § 106 of the Taxation Act.

The tax authority may, in connection with checking a claim for refund, extend the term for fulfilment of the claim for refund by a reasoned decision for up to sixty calendar days if there is reason to believe that it may be impossible to reclaim the sum paid upon satisfaction of the claim for refund (e.g. at the end of the check the taxable person may be insolvent), and if:

- ✓ the taxable person has been ordered to provide additional proof, or
- ✓ an inquiry to a third person or foreign tax authority has been made in order to check the claim for refund.(subsection 2 of § 34 of the VAT Act)

The term for fulfilling a claim for refund may be extended for up to thirty calendar days at a time. The tax authority shall make a written reasoned decision on extension of the term of fulfilment of the claim for refund not later than five calendar days after the term of expiry of the term of fulfilment of the claim for refund. (subsection 3 of § 34 of the VAT Act).

Upon checking the accuracy of the claim for refund without an application for the fulfilment of the claim for refund, the provisions of subsections 2 and 3 of § 34 of the VAT Act are applied (subsection 4 of § 34 of the VAT Act).

Last updated on 08.01.2025