

How to fill in Annex 2 of the form TSD

4	Identification number in the country of residence
6	Code of the payment
7	Social tax calculated
8	Payments subject to social tax
9	Payments from which income tax is withheld
10	Amount of withheld income tax
11	Tax rate of withheld income tax (21; 15; 10; 7,5; 5; 2; 0)
12	Date of issue of the document certifying the recipient and his or her residence
13	Unemployment insurance premium withheld
14	Payments subject to unemployment insurance premium

Comments

1. In annex 2 of the form TSD the data of personified income tax and social tax, unemployment insurance premium made to a non-resident natural person during the calendar month shall be shown. A separate line shall be completed for each type of payment made to one person.

2. Annex 2 of form TSD shall be submitted together with the form TSD for the months when the payments were made or for the months of calculation of social tax amount according to § 2 (2) and (3) of the Social Tax Act.

In annex 2 of form TSD the amounts, from which the income tax is not withheld according to convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains (hereinafter tax treaty) shall also be declared. Pursuant to the tax treaty, if the income tax from payments made to a non-resident is withheld at a lower rate than the tax rate prescribed in § 43 (1) of the Income Tax Act or income tax is not withheld at all, then a document certifying the recipient of the payment and his or her residence shall be submitted together with annex 2 of the TSD form. Lower tax rates arising from the tax treaty shall also be applied in case the data on the residency of the recipient are entered in the register of taxable persons as prescribed by the Taxation Act.

3. In columns 2 to 4 the data of the payment recipient shall be shown. In column 3 the non-resident registration code in Estonia shall be shown (Estonian personal ID-code or the registration code given to a taxable person by Estonian Tax and Customs Board). In column 4 the identification number of a non-resident in his or her country of residence composed on the basis of the register prepared by Estonian Tax and Customs Board shall be shown.

4. In column 5, the payment type and in column 6 the payment code shall be shown. The following codes are used for marking the types of payments made to a non-resident natural person within a calendar month:

6 - hire or lease of immovable property;

11 - interests;

12 - royalties, except hire or lease of equipment marked with code 12a;

12a - hire or lease of equipment;

14 - income from business (from independent professional activity), except payments to a sole proprietor entered in the commercial register and the payment is his or her business income;

15 - income from employment (remuneration or service fees paid on the basis of a contract for service, authorisation agreement or any other contract under the law of obligation, except compensations paid to an employee upon termination or cancellation of the employment contract or upon release from service marked with code 15a); sickness benefit paid by the employer;

15a - compensations paid to an employee upon termination of employment or upon cancellation of the employment contract;

16 - payments made to a member of the management or controlling body of a legal person;

17 - remuneration paid to an artist, sportsman or sportswoman in connection with his or her performance in Estonia or for presentation of his or her works in Estonia;

18 - pension and other similar payments, except pension marked with code 18a;

18a - pension paid by the Estonian state pursuant to law and payments made from a mandatory pension fund pursuant to the Funded Pensions Act;

19 - emoluments paid to a public servant, except compensations paid to a public servant upon release from service marked with code 19a; sickness benefit paid by the employer;

19a - compensations paid to a public servant upon release from service;

20 – the student’s income;

21 – other income, including grants, benefits, scholarships, gambling winnings, cultural, sports and scientific awards, benefits payable on the basis of the Parental Benefits Act, benefits paid by the Estonian Health Insurance Fund, or by the Estonian Unemployment Insurance Fund or by the Estonian insurance agency and payments made from Estonian pension fund;

21a – maintenance support.

5. Tax rates prescribed in § 43 (1) of the Income Tax Act apply in respect of withholding income tax, if the payment is made to a resident of a country with which the Republic of Estonia does not have a valid tax treaty.

6. In column 7 the amount of social tax calculated pursuant to § 2 (1) 1) to 4), 6), 8) and 9), (2) and (3) of the Social Tax Act shall be shown.

7. In column 8 the payments subject to social tax made to a non-resident natural person within the period of taxation pursuant to § 2 (1) 1) to 4), 6), 8) and 9) of the Social Tax Act shall be shown.

8. In column 9 the total amount of payments made to a resident natural person within the period of taxation, wherefrom the payer is obliged to withhold the income tax pursuant to § 41 of the Income Tax Act shall be shown. The amounts from which the income tax is not withheld according to the tax treaty shall also be declared here.

9. In columns 10 and 11 the amount of income tax withheld from the payments made to a non-resident natural person and a tax rate shall be shown. In case income tax is not withheld according to the tax treaty, the tax rate 0% shall be indicated in column 11.

10. Column 12 shall be filled in case Estonia has a valid tax treaty with the residence country of the payment recipient and the recipient has submitted his or her certificate of residence to the payer, or if the data proving the residency of the recipient are entered in the register of taxable persons. If column 12 is not filled in, then more favourable income tax rates pursuant to tax treaty shall not apply and income tax shall be withheld according to the tax rates established in § 43 (1) of the Income Tax Act.

11. In column 13 the unemployment insurance premium withheld in accordance with § 42 (1) 1) of the Unemployment Insurance Act from the payments declared in column 14 shall be shown. In case of a person who has reached the retirement age 0 shall be indicated in column 13 starting from the month that follows the month of reaching the retirement age. In case of a person to whom the early-retirement pension has been granted on the basis of § 9 of the State Pension Insurance Act 0 shall be written in column 13.

12. In column 14 the amount of payments made in the calendar month, on which the payer is required to calculate and withhold the unemployment insurance premium shall be shown. Amount of payments shall be shown as personified, even if the payment is made to a person who has reached the retirement age or to a person who has been granted early retirement pension (this is necessary for calculation of the employer's tax liability).