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## Novelties in the Legislation of the Republic of Bulgaria (part 1)



### Changes to the Law on VAT

- new threshold for VAT registration as of 1 April 2025 – BGN 100,000
- new requirements for the documentation of deliveries of liquid fuels

### Changes to the Law on Personal Income Tax

- clarification of the provisions relating to the right to benefit from tax relief for children and tax relief for disabled children by a parent who is not granted the exercise of parental rights in cases of divorce and in cases where there is no marriage between the parents
- changes reflecting the current rules for the payment of taxes to the NRA and providing for the payment of taxes due to the central revenue budget of the NRA

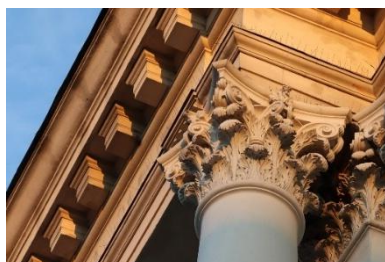


### Changes introduced by the budget laws

- as of 1 April 2025, the maximum monthly social security income also increases to BGN 4 130
- change in the amount of the minimum monthly social security income for self-employed persons

### Changes in the Tax and Social Security Procedure Code

- changes relating to OECD requirements to ensure confidentiality of the contents of the information return for the additional tax



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## **Novelties in the Legislation of the Republic of Bulgaria** **(part 1)**

In April 2025, several changes to the tax legislation were promulgated in the State Gazette ("SG"). This article will briefly review some of the more important changes promulgated in State Gazette Issues NoNo. 25 and 26 from 2025, namely the Law on the State Budget of the Republic of Bulgaria for 2025 ("LSBRB") and Law on the Budget of the State Social Security for 2025 ("LBSSS") and the amendments and supplementations to the Law on Value Added Tax ("LVAT") and the Law on Personal Income Tax ("LPIT") and the Tax and Social Security Procedure Code ("TSSPC").

### **1. Changes to the Law on Value Added Tax ("LVAT")**

#### **New threshold for VAT registration as of 1 April 2025.**

The threshold for compulsory registration is reduced from BGN 166,000 to BGN 100,000, effective from 1 April 2025.

#### **New requirements for the documentation of deliveries of liquid fuels**

With the new editions of the LVAT a new paragraph to Article 118 has been created. The new provision introduces the requirement to issue an invoice from the electronic systems with fiscal memory (ESFM) in the form of an extended fiscal receipt at the time of the sale whenever an invoice is issued for the supply of fuel recorded through the ESFM and paid for in cash, by cheque, by voucher, by bank credit or debit card or by other means of payment in lieu of cash.

### **2. Changes to the Law on Personal Income Tax ("LPIT")**

#### **Clarification of the provisions relating to the right to benefit from tax relief for children and tax relief for disabled children by a parent who is not granted the exercise of parental rights in cases of divorce and in cases where there is no marriage between the parents.**

The new changes have been introduced in order to explicitly define the order of use of the tax benefits by both parents, as well as to protect the rights of the parent who has been granted the right to exercise parental rights. The changes include:

- a parent who has not been granted the exercise of parental rights in cases of divorce, as well as in cases where there is no marriage between the parents, will be entitled to tax relief only if the other parent will not benefit from the relevant tax relief for the tax year in question. However, in cases where the parent has not benefited from the tax relief in full, the difference may be claimed. This change applies to both child tax credits and those for disabled children.
- where, in violation of the preceding limitations and conditions, the full amount of the tax benefit is enjoyed by a parent who is not granted the exercise of parental rights in cases of

divorce, as well as in cases where there is no marriage between the parents, that parent shall owe the portion of the tax corresponding to the amount of the benefit enjoyed.

#### Other changes in LPIT

Changes reflecting the current rules for the payment of taxes to the National Revenue Agency ("NRA") and providing for the payment of taxes due to the central revenue budget of the NRA.

### **3. Changes in the Social Security Legislation introduced by the LSBRB and the LBSSS**

As of 1 April 2025, the maximum monthly social security income also increases to BGN 4 130.

There is also a change in the amount of the minimum monthly social security income for self-employed persons - as of 1 April 2025 it is increased to BGN 1,077, which equalizes it with the minimum wage.

No contribution to the Fund "Guaranteed Claims of Factory and Office Workers" are foreseen for 2025.

### **4. Changes in the Tax and Social Security Procedure Code ("TSSPC")**

The Transitional and Final Provisions of the LSBRB also introduce changes to the TSSPC relating to OECD requirements to ensure confidentiality of the contents of the information return for the additional tax. It is envisaged that it will not constitute a breach of the obligation to safeguard tax and social security information to provide data obtained pursuant to the Law on Corporate Income Tax when carrying out mutual assistance and administrative cooperation, including information exchange.

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**For more information on the above matters, email us at [dgkv@dgkv.com](mailto:dgkv@dgkv.com)**