

Social tax

PRINCIPLES

- ✓ Self-employed persons pay social tax on their business income after deductions relating to enterprise and permitted in the Income Tax Act have been made, taking into consideration the minimum and maximum rates established in the Social Tax Act;
- ✓ self-employed person's taxable period for social tax is one calendar year, as the taxable income is determined once a year on the basis of an income tax return;
- ✓ the rate of social tax is 33 per cent;
- ✓ the social tax is deducted from the business income on the accrual basis, dividing the business income by the number of 1.33 after deducting the expenses;
- ✓ self-employed persons are requested to pay advance payments of social tax during the year;
- ✓ self-employed persons cannot indicate neither social tax nor advance payments of social tax in their expenses related to business.

DECLARATION, CALCULATION AND PAYMENT OF SOCIAL TAX

Social tax is calculated on the basis of business income received during the taxable period. Business income is declared on an income tax return once a year (form E), which must be submitted to the Estonian Tax and Customs Board together with the income tax return of a natural person (form A) not later than by **30 April** of the year following the period of taxation.

The maximum social tax rate of a self-employed person is calculated on the basis of ten times the sum of the minimum monthly wages (**clause 5 of subsection 1 of § 2 of the Social Tax Act**). As the taxable period is a calendar year, the maximum tax liability is calculated on the amount of the minimum wages of 12 months.

- ✘ The maximum amount of self-employed person's social tax liability in **2026** is **36,867.60 euros** ($886 \times 10 \times 3 \times 33\% + (946 \times 10 \times 9 \times 33\%)$).
- ✘ The maximum amount of self-employed person's social tax liability in **2025** was **35,085.60 euros** ($886 \times 10 \times 12 \times 33\%$).

The Estonian Tax and Customs Board calculates an annual final social tax obligation on the basis of the

data indicated on form E. Table 4 is added to form E of the income tax return wherein a self-employed person can indicate the periods, pursuant to sick leave certificates, when he/she was on sick leave during the year. The periods when the self-employed person is on sick leave are taken into account on calculating the annual final social tax obligation. A tax notice is issued by the Estonian Tax and Customs Board on the additional amount of social tax due to a self-employed person at least thirty days prior to the due date for payment of the tax (1 October). The annual calculation of social tax and the additional amount to be paid can also be viewed on the information sheet of the electronically filed income tax return. If no additional payment of social tax is required, the Estonian Tax and Customs Board will not issue a tax notice. In 2026, the self-employed person has to pay the amount of social tax indicated in the tax notice into the bank account of the Estonian Tax and Customs Board not later than by **1 October**. If, during the year, the self-employed person has paid more social tax as advance payments than the actual social tax obligation in a year, the self-employed person will be refunded the overpaid amount of social tax.

Further information

[Social Tax Act](#)

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