


Financing adult learning database

Name of the instrument - Local language	Državnoj potpori za obrazovanje i izobrazbu
Name of the instrument - English translation	State aid for education, training and research and development projects
Country	 Croatia
Type of instrument	Tax incentive for companies
Type of entry	Single instrument
Short description	Companies can deduct the costs of training their employees from their tax base. The share of the costs that can be deducted depends on the size of the company and type of education and training. Reduction can be up to 50% (70% for SMEs) of the cost of general adult education and training, and 25% (35% for SMEs) of the cost of specific education and training.
Short description of the related instruments	nap
Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Relevance	Key scheme
Legal basis	The Act on State Subsidy for Education and Training. This Act modifies the Profit Tax Act e.g. the Profit Tax Act, Art. 6, para 1, point 7.
Objective(s) and target(s)	The Act aims to stimulate investment in education in the private sector and thus contribute to increasing the

	competitiveness of the Croatian economy. The objective is also to improve the qualification structure of employees, secure existing jobs, achieve greater employability of disadvantaged workers as well as longer retention of workers at one job.
Year of implementation	2007
Year of latest amendment	2014
Operation/Management	Croatian Ministry of Finance
Eligible group(s)	All companies
Group(s) with preferential treatment	SMEs
Education and training eligible	General adult education and training; specific education and training; practical training and training in apprenticeship system related crafts.
Source of financing and collection mechanism	State (loss of tax revenue) company
Financing formula and allocation mechanisms	Reduction from the tax base of up to 50% (70% for SMEs) of the cost of general adult education and training, and 25% (35% for SMEs) of the cost of specific education and training. Eligible costs: general adult education [tuition fees, costs for seminars, conferences, workshops]; specific education [costs of participation in seminars, trainings, congresses and training both in Croatia and abroad; for both types of training the costs for training materials and instructors are eligible.
Eligible costs	Fees and other costs related to education and training (participation in seminars, conferences, costs of training materials and instructors)
Frequency of the use	Each year
Volumes of funding	In 2013, tax deduction was claimed for an amount of EUR 796 954 550: EUR 788 722 245 for profit tax payers and EUR 8 232 305 for taxpayers of self-employment income.
Beneficiaries/take up	In 2013, 8 212 tax paying entities received tax deduction: 6 886 profit tax payers and 1 326 taxpayers of self-employment income.
Organisation responsible for monitoring/evaluation	Croatian Ministry of Finance.
Monitoring/evaluation reports available	na

Most relevant webpage - in English	http://www.etf.europa.eu/webatt.nsf/0/8EF018AE9B5BAD9FC1257...
Most relevant webpage - local language	http://www.zakon.hr/z/501/Zakon-o-dr%C5%BEavnoj-potpori-za-obrazovanje-...
Sources	<p>European Training Foundation (2012) Croatia. Review of Human Resources Development -http://www.etf.europa.eu/webatt.nsf/0/8EF018AE9B5BAD9FC1257...</p> <p>Croatian Chamber of Commerce, Training Needs Analysis in SMEs - http://www.hgk.hr/analiza-potreba?rubrika=6&en=1</p> <p>Agency for Adult Education (2008) The development and state of the art of adult learning and education. National report of the Republic of Croatia- http://www.unesco.org/fileadmin/MULTIMEDIA/INSTITUTES/UIIL/cc</p>