

At the latest Government session, **Croatian Prime Minister Andrej Plenkovic** announced changes to the Value Added Tax (**VAT**) Act that will maintain the lower VAT rate of 5 % on natural gas and thermal energy deliveries, as well as for the deliveries of firewood and pellets.

PM Plenkovic said that these changes enable everyone to be supplied with needed energy at the most favorable cost and at the timely manner, which is especially important for [natural gas deliveries](#).

The Government has sent the changes to the VAT Act to urgent parliamentary procedure.

On 1 April 2022, the Government decided to reduce VAT on natural gas and thermal energy from 25 % to 5 % valid for one year, after which the VAT on these commodities will be permanently reduced to 13 %.

[Sign up for updates & special reports](#)