

# Non-taxable income

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The following types of income are exempted from personal income tax:

income from agricultural production and the provision of rural tourism services, and also of mushrooming, berry-picking, the collection of wild medicinal plants and flowers or individuals of non-game species - edible snails (*Helix pomatia*) if it does not exceed EUR 3000 a year;

dividends, income equivalent to dividends or notional dividends, if the conditions laid down in the law are fulfilled;

liquidation quota if the conditions laid down in the law are fulfilled;

insurance compensations, except those insurance compensations paid in accordance with:

a life, health and accident insurance contract entered into by the employer (or other policyholder - a legal person) on behalf of the insured, upon the expiry date of the contract of insurance provided for in the contract of insurance or by terminating a contract before expiry of the term of validity thereof, or;

a life-long pension insurance contract (with accumulated funded pension capital in conformity with the [Law on State Funded Pensions](#)).

insurance compensations which have been disbursed upon the occurrence of an insurable event in relation to the life and health of the insured person due to an accident or illness, in accordance with the life insurance contract (including with accumulation of funds) regardless of who has entered into the insurance contract;

supplementary pension capital, which is formed from payments made by the natural person himself or herself, spouse thereof or persons in kinship thereto to the third degree within the meaning of the Civil Law into private pension funds in conformity with licensed pension plans and paid out to pension plan participants;

prizes of lotteries and gambling if the amount (total amount) of the prize (value thereof) does not exceed EUR 3000 in a taxation year;

income from Latvian or other European Union Member State or European Economic Area states, state and local government securities;

benefits to be disbursed from the budget specified in the regulatory enactments, also benefits disbursed from the budget of other European Union Member States or European Economic Area States;

scholarships paid from the budget, association or foundation resources or resources of international educational or co-operation programmes;

scholarships of up to EUR 280 per month which are disbursed by a merchant, institution, association, foundation, natural person registered as a performer of economic activity, and also an individual undertaking, including farm or fish farm, and other performers of economic activity;

scholarships which are disbursed to an educatee of higher educational institution who studies medical education programme, for promoting the acquisition of the education programme, and which are disbursed from the means of a medical treatment institution;

income obtained as a result of the repayment of the study and student loan;

income obtained as a result of inheritance;

material and monetary prizes (premiums) received at competitions and contests, the total value of which in the taxation year does not exceed EUR 143;

the prizes and premiums acquired at international contests the total value of which does not exceed EUR 1423 a year, as well as the financial incentive paid out to the laureates of the prizes of the Baltic Assembly and prizes of the Cabinet;

allowance (alimony) and amounts received on the basis of a judgement of a court in connection with a divorce;

compensation for losses in the case of loss of ability to work;

funeral benefit up to EUR 250;

assistance in the case of a natural disaster or other exceptional circumstances if it has been provided on the basis of a decision of State or local government administrative bodies;

payments of compensation;

compensation for travel and business expenses;

provision in kind;

compensation for donating blood and for other types of donor help;

income from the alienation of personal property (movable objects such as furniture, clothing and other movable objects belonging to a natural person intended for personal use), except income from:

the sale of items (tangible or intangible) prepared for sale or purchased;

the capital gains and other income from capital;

scrap sale;

goods and services lottery prizes, receipt lottery prizes in accordance with the [Receipt Lottery Law](#), winnings from the instant lottery "Sports Lottery" or the interactive draw "Sporto visi";

assistance provided on the basis of a decision of a trade union institution from the funds of the trade union which are formed from the payments of membership fees and donations (gifts) of foreign trade unions - EUR 1 000 a year;

assistance in the form of money or other things, or services provided from a religious organisation or monies of an institution thereof on the basis of a decision of the religious organisation or a body of the institutions thereof (officials) - EUR 1 000 a year;

assistance in the form of money or other things, or services provided from the funds of public benefit organisation (except religious organisation), or support provided by the budget-funded institution, charity or philanthropic organizations in the cases, where exemption of the customs tax was applied – EUR 1 000 a year,

monetary assistance received from a public benefit organisation to a person who has been continuously ill for more than three months, or to a person with a disability, or to a family member of such persons - EUR 2000 per year;

compensation for the termination of rental agreements and the freeing of dwelling space in denationalised houses or houses returned to lawful owners to tenants, who have lived in the relevant house up to the restoration of property rights to the lawful owner (his or her heirs);

income, which is acquired by providing assistance or secretly co-operating with persons performing investigative field work;

maintenance funds, which are received from special protection institutions;

an award granted to an employee by the employer, which has the nature of moral appreciation;

a gift from the employer which does not exceed EUR 15 within a taxation year;

income from the alienation of immovable property, which has been in the ownership of the payer for more than 60 months (from the day when the relevant immovable property was registered in the Land Registry) and has been the declared place of residence of the person for at least 12 months until the day of the entering into the alienation contract;

income from the alienation of the immovable property that is in the ownership of the payer (from the day when the relevant immovable property is registered in the Land Registry) for more than 60 months and the last 60 months until the day of the alienation of the immovable property it has been the only immovable property of the payer;

income from the alienation of immovable property which has occurred in relation to the division of property in the case of dissolution of marriage, if it has been the declared place of residence (which has not been declared as an additional address)

of both spouses at least 12 months until the day of entering into the alienation contract;

income from immovable property alienated in accordance with the procedures specified in the [Law On Alienation of Immovable Property for the Public Needs](#), provided that the referred to property has been in the ownership of the payer for more than 60 months (from the day when the relevant immovable property has been registered with the Land Register) or if such income is invested anew in functionally similar immovable property within 12 months after alienation of immovable property for the public needs;

income from alienation of immovable property (the relevant immovable property is registered in the Land Registry as only immovable property of the payer), if this income is invested anew in a functionally similar immovable property within 12 months following the alienation of the immovable property or before alienation of the immovable property;

gifts from natural persons taking into account the restrictions specified by law;

income which has been obtained during the time period from 1 January 2011 to 31 December 2022 as a result of reduction or repayment of loan (credit) liabilities, if all the conditions specified by the law are fulfilled:

income obtained within the framework of the procedure for extinguishing of obligations laid down in the [Insolvency Law](#) when a court takes a decision to release a debtor from the remaining debt obligations, as well as extinguished penalties, fines or interest on delayed payments related to principal debt;

income obtained when the limitation period expires for the liabilities between a creditor and a debtor, because the creditor has not submitted the creditor's claim in accordance with the procedures laid down in the [Insolvency Law](#);

income obtained as a result of repayment of loan (credit) if in conformity with the [Consumer Rights Protection Law](#) a loan (credit) agreement provides that the immovable property for the purchase of which the loan (credit) is taken serves as a sufficient security for repayment of liabilities against the creditor in full amount and an agreement on extinguishing the loan (credit) is concluded in writing;

income obtained as a result of repayment of loan (credit) liabilities which have not been fulfilled due to the economic downturn of 2008, if they have been unilaterally discharged in the cases, in accordance with the procedures and within the time period provided for in the [Credit Institution Law](#);

compensations to be disbursed from the State budget on the basis of a court judgment, which are not related to employment relations or termination thereof or which are not compensations for the intellectual property and right thereto (author's fee, author's fee of performer, royalties of the authors of the works of science, literature and art, discoveries, inventions and works of industrial models and their heirs) or compensations for the right to use the right to intellectual property;

the compensation for losses not related to employment (service) relations or termination thereof and having a non-profit making nature which is to be disbursed based on a decision of a State administration institution or local government institution, other derived legal person governed by public law or an institution with an autonomous budget, or a court ruling and in accordance with the [Law on Compensation for Losses Caused by the State Administration Institutions](#);

a compensation paid to a victim for caused damage on the basis of a court ruling or voluntarily in criminal proceedings;

the compensation for losses not related to employment (service) relations or termination thereof or having a non-profit making nature which is disbursed in accordance with the [Law on Compensation for Damages Caused in Criminal Proceedings and Administrative Violation Proceedings](#);

a compensation for non-pecuniary damage on the basis of a court ruling in a civil case;

benefit within the scope of the rates laid down in laws and regulations by the Cabinet for injury, mutilation or other damage caused to health to an official (employee) or a soldier, as well as in case of health impairment to a soldier, if it has been obtained when performing duties of office (service, employment);

the benefit within the scope of the rates laid down in laws for an injury, mutilation or other damage caused to health (except for an occupational disease) to an official with a special service rank of the institutions of the system of the Ministry of the Interior and the Latvian Prison Administration, and an official of the State security institutions, if the person has suffered an accident but has not performed duties of service (office) associated with threats (risk) to life or health;

the benefit within the scope of the rates laid down in laws in the case of death of an official with a special service rank of the institutions of the system of the Ministry of the Interior and an official of the State security institutions;

benefit within the scope of the rates laid in laws and regulations by the Cabinet in the case of death of an official (employee), if he or she has died when performing the duties of office (service, employment), the performance of which is related to risk, or has died within one year after an accident from the health impairments sustained therein;

benefit within the scope of the rates specified in laws and regulations by the Cabinet in case of the death of a soldier, if he or she has died when performing service duties, or has died within one year after an accident from the health impairments sustained therein;

benefits for service in foreign states within the scope of the rates specified by the Cabinet;

benefit from the use of a passenger car belonging to an employer or at the disposal of an employer, if an enterprise tax for a passenger car is paid for such a passenger car in the month of gaining of the benefit;

aid for covering of costs for the implementation of the Climate Change Financial Instrument project;

employment income for the performance of work duties in another European Union Member State or European Economic Area state, or in a country with which Latvia has entered into and entered into force a convention for the prevention of double taxation and tax evasion, if the criteria laid down in the law are met;

income from implementation of the stock purchase, if the stock purchase option has been granted in compliance with a plan for the implementation of the stock purchase option and the conditions specified by Law implement;

compensations for personified expenditure related to volunteering which, in accordance with provisions of a volunteering agreement, shall be covered for a volunteer by organisers of volunteering (taking into account the composition and amount specified by law);

income obtained as a result of reduced or extinguished liabilities, if one of the conditions specified in the law is fulfilled;

the benefit to be disbursed from the State budget for the birth of three or more children born in one childbirth;

payments received in 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 within the framework of State aid or European Union support for agriculture and rural development;

income of natural persons (who have acquired the status of unemployed person in accordance with the [Support for Unemployed Persons and Persons Seeking Employment Law](#)) obtained in 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 from the European Social Fund operational programme "Human Resources and Employment" or state budget funds for active employment measures qualified by the State Employment Agency as scholarships or compensations;

the costs of catering for the employee specified in the collective agreement paid by the employer up to EUR 480 per year (on average EUR 40 per month), if and when the employer fulfils the conditions of Section 8, Paragraph 15 of the Law.

In the taxation year 2021, the employee's expenses related to the performance of remote work, which are covered by the employer in accordance with the [Labour Law](#), shall be released if their total amount per month for full-time work does not exceed EUR 30 and the following conditions are fulfilled:

an agreement regarding the performance of remote work is specified in the contract of employment or by an order of the employer and it is indicated what expenses are compensated by the employer;

the expenses related to the performance of remote work are covered by the employer to whom the salary tax booklet of the employee has been submitted;

the amount of expenses related to the performance of remote work shall be determined in proportion to the load and the number of remote working days per month indicated in the contract or order, if the work is performed both remotely and at the workplace.