

## MODELS OF TAX PAYMENTS OF PERFORMERS OF ECONOMIC ACTIVITY IN LATVIA

*Aina Joppe, University of Latvia*

*Ilze Sproge, University College of Economics and Culture*

**Abstract.** Economic theory sources widely discuss the fiscal policy, the ways of encouraging economic development, improve the welfare of people, improve employment and promote progress by fiscal instruments. On one side, it is possible to use the expenditure policy, on the other side, tax revenue can be optimised by reducing tax gaps. State officials often view self-employment as a missed opportunity deserving more focused attention. The European Union also supports this position. The question of self-employment is important for performers of economic activity.

**The aim of the research:** on the basis of theoretical (legislative) and empirical analysis to find out advantages and disadvantages of tax payments of performers of economic activity in Latvia.

**Key words:** *tax payment, Latvia, performer of economic activity*

**JEL code:** H25, H26, F38

### Introduction

#### *Description of the situation*

Economic theory sources widely discuss the fiscal policy, the ways of encouraging economic development, improve the welfare of people, improve employment and promote progress by fiscal instruments. On one side, it is possible to use the expenditure policy, on the other side, tax revenue can be optimised by reducing tax gaps.

State officials often view self-employment as a missed opportunity deserving more focused attention. The European Union also supports this position.

The question of self-employment is important for performers of economic activity from the point of view of several aspects.

*First*, a large part of people in the countryside and towns in Latvia do something and gain income and they don't pay taxes not because they cannot pay them, but because they are not able to understand the tax payment regimes applicable to small business and requirements thereof. Let's have a look at statistics.

Table 1.

#### **Proportion of people below the minimum income level in Latvia statistic regions 2016, %**

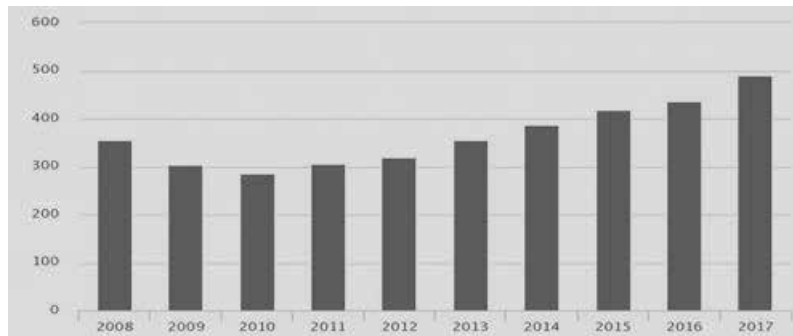
No.	Regions of Latvia	Proportion below the ML
1	Total	7.8
2	Riga region	3.7
3	The Greater Riga region	5.9
4	Vidzeme	10.9
5	Kurzeme	8.0
6	Zemgale	9.7
7	Latgale	16.1

Source: Personu ģipatsvars zem ...

*The minimum income level is the amount of minimum income for an individual or a household defined by the state. The minimum income level is defined equal to 40 per cent of the median of the income available to households per equivalent consumer.*

From the Table 1 it can be seen that 16% of people in Latgale and 11% of people in Vidzeme live in poverty. There are no statistics data as to what proportion of the group referred to in the Table work without declaring any income and the tax gap is formed by unpaid taxes to the budget.

The income available to households increased by 11.8% in 2017 in comparison to 2016 and amounted to 489 euro per household member per month. The rate of increase of household income was highest in comparison to the increase recorded in preceding years (4.9% in 2016, 7.6% in 2015, 9.3% in 2014).



Source: CSB data base

Fig. 1 **Income available to households in Latvia 2008-2017 (Average amount (euro) per household member per month)**

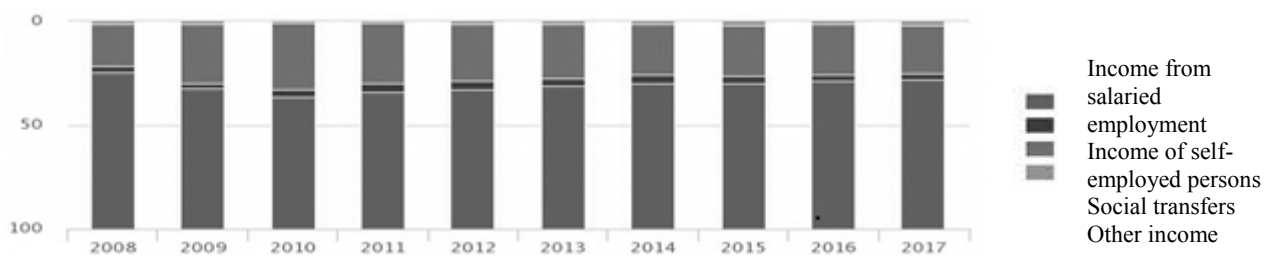
Difference in income can be seen among various regions of Latvia:

- the available income was lowest in Latgale and amounted to 330 euro per household member per month. The household income has increased by 10.3% in this region since 2016.
- the income was highest in Riga and Greater Riga region amounting to 592 euro and 536 euro per month accordingly. The income available to households increased by 12.2% in these regions.
- the income available to households amounted to 442 per month in Zemgale (a 14.4% increase).
- in Kurzeme it was 431 per month (a 8.8% increase).
- in Vidzeme it was 401 per month (a 9.6% increase).

The income available to households per household member amounted to 518 euro per month (a 10.9% increase) in cities and to 425 euro per month in the countryside (a 14.2% increase).

The household income per household member per month gained from salaried employment increased by 13.1% from 311 euro to 352 euro during a year. Income per household member gained from pensions, benefits and other budget payments grew at a slower rate, i.e. by 4.2% (from 108 euro per month in 2016 to 112 euro per month in 2017).

Income from salaried employment accounted for 72% of the income available to households in 2017 (71.2% in 2016) and the proportion of social transfers equalled 23% (24.7% in 2016). (Pērn Latvijā pieaugusi ...)



Source: CSB data base

Figure 2. **Structure of income available to households 2008-2017, %**

Besides the above, each local government has defined the status of a poor and low-income person. Social insurance cannot help to everybody facing poverty because the state and municipal funding pillow is too little. A person gets used to comfortable living fast and is not willing to refuse this status. This does not apply to retired persons or persons who are sick.

*Second*, the ones who want to return closely follow up developments in Latvia. They are interested whether they will be able to find a job in Latvia and what living conditions there are. Not all of those who return to Latvia have a safety pillow for minimum 1 or 2 months. As I studied the developed re-emigration plan, I did not see a single support item specifying actual support to the ones who have returned.

*Third*, fragmented tax payment regimes applicable to small business do not encourage starting of a business. All this makes administration of taxes more difficult. ‘

**The aim of the research:** on the basis of theoretical (legislative) and empirical analysis to find out advantages and disadvantages of tax payments of performers of economic activity in Latvia.

**Research methods:** analysis of used scientific literature review (Latvian and foreign literature and scientific publications) and legal documents, comparison of information, systematization, detalisation and conclusion methods, analysis of statistical data. such as dynamic row analysis.

The research covers the period 2016-2018, sometimes a shorter period is analysed due to the lack of data and tax changes after 01.01.2018.

Due to the limited space, only the most important results of the research are outlined in the paper.

**Scientific knowledge.** Various scientific research have analyzed tax, tax income in budget, tax effect on companies income, tax effect on persons income, but only some Latvian scientist (Leibus, Ketners) and only some article in scientific literature can be founded about performer of economic activity.

### **Status of the performer of economic activity**

The concept "economic activity" as used in tax legislation is very broad as it covers the complete economic activity. Even if you enter into a contract with a person for painting a wall at this person's home, this is economic activity and you will go with this contract to the SRS to register economic activity. The SRS will not specify that you are a painter, it will be specified as economic activity, in particular, a private individual has provided some kind of services.

The term "a self-employed person" is used as a legal term only if a natural entity has also registered for making social insurance mandatory contributions in order to engage in economic activity, i.e. pays the so called social tax from the income.

The term "a self-employed person" cannot be found in any other tax laws, it is only referred to in the Law "On State Social Insurance". The definition of "a self-employed person" can only be found in this law, in particular, a self-employed person is a person who earns income as:

- a person that performs individual work,
- a person whose permanent place of residence is in the Republic of Latvia and who receives a royalty
- a sworn notary, a sworn attorney, a sworn auditor, a sworn bailiff
- a doctor in practice, a pharmacist in practice, a veterinary practitioner, an optometrist in practice,
- another natural entity whose permanent place of residence is in the Republic of Latvia and who has registered as an economic activity income tax payer,
- an owner (owners) of a farm (fishing undertaking)
- an individual merchant (Linde B)

The status of a performer of economic activity is the simplest way for registration of economic activity. It is a common practice to refer to performers of economic activity as self-employed persons. Registration does not involve any additional costs and registration is done by submitting an application of a defined form to the State Revenue Service.

A performer of economic activity - a payer of the Personal Income Tax

Pursuant to the Law "On Personal Income Tax" the Personal Income Tax (PIT) is paid by all natural entities.

The tax on income from economic activity is also paid by the so called self-employed persons or performers of economic activity. There are also other taxable income which a natural entity is obliged to declare and for which the Personal Income Tax should be paid. A natural entity may register or not register his/ her economic activity. Standard performers of economic activity.

Table 2.

**Personal Income Tax rates in Latvia 2017-2018, %**

	2017	2018
PIT of economic activity	23%	20%, 23%, 31.4%
PIT of capital	10%	20%
PIT of capital growth	15%	20%
PIT of the income from the alienation of a forest growing on the property of a natural person for felling and the alienation of the timber obtained thereof	10%	10%
PIT of sale of metal scrap	10%	10%
PIT of the lease or rent of property if a contract is submitted to the SRS	10%	10%
Loans equivalent to income	23%	20%, 23%, 31.4%

Prior to evaluating the types of taxes of economic activity, let's see what is offered. On the website of the State Revenue Service there is information about that a performer of economic activity may select among the regimes of payment of taxes upon planning to become a self-employed persons.

#### **Regimes of tax payments of performers of economic activity**

Usually performers of economic activity pay the Personal Income Tax of the income from economic activity. Following registration, the performer of economic activity does not obtain any additional registration numbers and specify their taxpayers' details, i.e. the name, surname and personal ID code, in all documents.

A performer of economic activity is allowed to employ staff (except when it is prohibited under a particular tax regime). Pursuant to the Commercial Law, a natural entity shall become an individual merchant or register in another status if the annual revenue has exceeded 284.600 euro or the revenue has exceeded 28,500 euro and more than five persons are simultaneously employed.

A performer of economic activity is also allowed to pay the Micro-enterprise Tax.

A self-employed person may register as a Value Added Tax payer.

Self-employed persons usually maintain their accounting records according to the single-entry system (fill in the "Log of registration of revenue and expenses of economic activity"), however, it is also allowed to maintain accounting according to the double-entry system. Although the simple accounting may seem comprehensive for everybody, it is advisable to ask a knowledgeable accountant for advice in order to gain assurance that everything will be done correctly.

Registration as an individual merchant (IM) is possible according to the requirements of the Commercial Law. An individual merchant is a natural entity registered with the Commercial Register. An IM has a name and a taxpayer's registration number is assigned to it. If this form is selected, one should take into account that it involves some registration costs because a state fee is set for registration of an IM. Equity capital is not necessary. An IM pays the Personal Income Tax of the income of economic activity, or the Micro-enterprise Tax may be selected. If the turn-over of an IM does not exceed 300,000 euro, it is allowed to maintain accounting records based on the single-entry accounting system, however,

if the above threshold is exceeded the accounting records shall be kept according to the double-entry accounting system. A merchant may withdraw funds needed for personal consumption from his/ her enterprise.

In order to understand which of the options is most suitable, the following should be evaluated:

Another option is *payment of the Personal Income Tax (PIT) in full scope*. Different from the MET, this tax shall only be paid of the obtained profit, i.e. expenses incurred at work should be subtracted from the revenue. The current tax rate is 23%. This option is appropriate in the situation when there are considerable monthly expenses, for example, purchases of raw materials or comparatively high transportation expenses.

Table 3.

**Number of taxpayers in Latvia 2016-2018**

	Legal entities	Legal entities	IM	TOTAL	VAT payers	ME
2016	221,727	129,197	12,481	350,924	49,293	91,459
		10,635*				
2017	222,643	117,899	11,848	352,390	45,411	89,681
		11,451*				
2018	217,772	122,605	11,629	352,006	84,622	44,373
		24,710*				

Performers of economic activity who pay SSIMC are labelled by\*. This means that only 8% of all the performers of economic activity registered with the SRS were actually operating in 2016 (10,635/129,197), 10% in 2017 (11,451/117,899), 20% in 2018 (24,710/122,605).

58.7% of all the enterprises registered with the SRS are active in Riga in 2019 (122,532/ 208,593).

Source: VID, Nodokļu maksātāju skaits ..., VID, Pašnodarbināto personu skaits..., VID, Nodokļu maksātāju (juridisko personu) skaits

### Patent Fee Payers

Cabinet Regulations No. 28 (16.01.2018) define the professions of economic activity for which *the patent fee or reduced patent fee should be paid*. The amount of the monthly patent fee is set equal to 100 EUR in the territory of Riga municipality and 50 EUR in the territories of the other municipalities for the following types of activity:

- Handicraft of leather and textile products, as well as production and repair of clothing and footwear
- Repair of clocks and locks and other household services
- Production of handicraft products
- Floristics
- Photography, video recording services
- Beauty treatment services
- Private household services and house care services

The tax reform has expanded the range of patent fee payers by defining the reduced patent fee of 17 EUR per year and 9 EUR per six months for particular groups of taxpayers. The above payment only comprises the PIT.

According to this method of tax payment, a self-employed person shall pay a particular fixed amount not dependent on the amount of income every month.

The above list of types of activity could be supplemented by adding other types of economic activity, for example, interior design, installation of furniture, firewood cutting, lawn mowing, adjustment and production of music instruments, interior construction works, etc.

The patent fee is a fixed payment for economic activity of a natural entity in a particular profession as defined by the state. The patent fee comprises the Personal Income Tax and the State Social Insurance Mandatory Contributions. The tax regime is really simple.

As on 23 January 2017 there were 2246 patent fee payers registered in the SRS Tax Information System, including 533 reduced patent fee payers (Zālīte L). In 2017 the paid patent fee amounted to 1286.84EUR (VID, Kopsavilkums par budžeta ieņēmumu daļa 2017) which means that on average one patent fee payer pays the tax in the amount of 572.95

(1286840/2246) EUR to the central budget or 47.75 EUR per month. The amount paid by patent fee payers during 11 months of 2018 equals 1418.82 thous. EUR of tax (VID, Kopsavilkums par budžeta ieņēmumu 2018).

If the type of activity complies with the requirements of the Law "On Personal Income Tax", the payment of the patent fee may be selected.

*Individual merchant* is a natural entity who performs economic activity and who is entered in the Commercial Register as an individual merchant. An individual merchant is responsible for his/ her liabilities by all of his/ her property. An individual merchant (IM) may select to pay the Personal Income Tax of income from economic activity or the Micro-enterprise Tax.

According to the amendments of 2018 in the first case 20% of income not exceeding 20,004 euro per year or 23% of the part of the annual income which exceeds 20,004 euro, but does not exceed 55,000 euro or the Micro-enterprise tax 15% of revenue. Pursuant to the Law "On State Social Insurance", an individual merchant is a self-employed person who shall make the state social insurance mandatory contributions (SSIMC) as a self-employed person.

The main different between an IM and a standard self-employed person is that the IM is entered in the Commercial Register, thus a firm with a name, registration number) and it may employ more than 5 employees.

The revenue of the Micro-enterprise in 2017 amounted to 82,115,30. if  $(82,115,300/89681)=915.64$ . In year 2016  $(63,494,610/91459)=694.24$ , in 2017 the average monthly payment by a ME was  $(915,64/12)=76.30$  EUR to the central budget.

Table 3.

**Summary of models of payment according to the type of economic activity**

Type of economic operations	Rate	Turnover	Registration
Patent	50-100 per month (including PIT and SSIMC)	Up to 15,000 EUR	SRS
Tax on income from economic operations	20%, 23%, 31.4% of profit (including PIT, SSIMC, mandatory health insurance payments should be made additionally)	to	SRS
Micro enterprise	15%	Up to 40,000 EUR	SRS
IM	20%, 23%	284,600 euro	ER

However, attention should be paid not only to the profitability of tax in selecting the most suitable tax payment regime, also the amount of social contributions is important. Even if as low as possible social contributions or complete avoidance of this payment in compliance with the procedure provided by the law might seem profitable at a first glance, this can cause negative consequences over long term, for example, a low old-age pension.

The high activity of people in Latvia trying to submit their tax returns for the preceding year on the first day is a warning sign of general poverty in the country according to the opinion expressed by Ilze Cīrule, the Head of the State Revenue Service (SRS) on the LNT channel today.

The general poverty in the country is among the reason why fast recovery of comparatively small amounts, for instance, a couple of tens of euro, is very important for a very high number of people.

However, in selecting the most suitable regime of tax payment attention should be paid not only to its profitability, but also social guarantees.

We are a small country with various tax regimes for small-scale business, moreover, these models historically are characterised by various restrictions and different rates which are difficult to administer. The new tax system is complicated and not understandable for the small-scale business, and as regards the effect, the PIT plan of 2018 has not been fulfilled.

A part of the PIT is received by local governments and therefore the PIT should be transparent in order for the local governments to be interested to collect it. The question is how big amounts are paid by self-employed persons, but there is no such statistics.

Simplification of tax administration is important, the people's thinking should be changed by improving the culture of tax compliance. There are problems of accounting records, as there are unemployed persons who actually work and are not willing to declare their income.

Although the status of a self-employed person provides several advantages, it also involves responsibility, as contrary to salaried employees whose taxes are taken care of by the employer, a self-employed person should settle own taxes by himself/ herself. This, of course, means also the obligation to follow up on legislation amendments not to miss anything important.

Upon registration as a self-employed person, various questions emerge, like what taxes should be paid. What are social guarantees? Which regime of payment of taxes on economic activity should be selected?

There are also certain advantages, for example, an opportunity to make one's income from economic activity legal, an opportunity to sign contracts with customers obtaining additional guarantees that the payment for goods or work will be received, a simple and cheap registration process as there is no foundation agreement, articles, signatures attested by the notary and other documents, neither the start capital is needed. All the social guarantees depend on the made contributions. .

The status of a self-employed person means not only freedom, but also responsibility as one should take care not only for the present, but also for the future.

## **FOREIGN EXPERIENCE**

### ***Great Britain and Northern Ireland (sole trader) tax payment***

A. It is necessary to register with the Tax Service (self-employed), to pay the Income Tax and make the National Insurance contributions; in addition, it is possible to register as a VAT payer if the turnover has reached 82,000 Pounds. Registration is very simple.

B. Revenue and expenses shall be accounted for

C. Taxes shall be paid twice a year as on 31.01 and 31.07.

The non-taxable minimum amount equals 10,600 pounds. If the taxable income does not exceed 31,785 pounds the applicable basic tax rate is 20%. If the taxable income is from 31,785 to 150,000 pounds a higher rate of 40% applies and if the income exceeds 150,000 pounds an additional rate of 45% applies. There are two types of social contributions. If the annual profit equals or exceeds 59,654 pounds 280 pounds a week shall be paid. If the profit equals or exceeds 8060 pounds, the payable amount is 9% of profit (from 8060 to 42,385 pounds and 2% of the profit above 42,385 pounds (Working for yourself, UK).

Experts, moderators, observers, property administrators and lessors, priests, investors (who invest for themselves or the public, however, this cannot be regarded as business (donations)) can voluntarily join the social contributions.

### **USA experience regarding payment of taxes by performers of economic activity**

15.3% of the first net income in the amount of \$ 128 400 + 2.9% of net income above \$ 128,400. In other words, the tax rate of a self-employed person comprises all the below listed payments:

- the employee's part of the social insurance amounting to 6,2% of the first income of \$ 128,400 USD net
- the employer's part of the social insurance tax amounting to 6.2% of the first income of \$ 128,400 USD net
- the employee's part of the medicine tax amounting to 1.45% of all the net income
- the employer's part of the medicine tax amounting to 1.45% of all the net income

- A self-employed person whose net income in 2018 equalled \$ 128,400, should pay the tax of \$19,645.20 (\$ 128,400 X 15.3%) (What is the self-employed ..).

*In Belarus* the agro-eco tourism is developed and it is mainly used by the residents of Belarus by renting rooms and providing catering and entertainment events (Министерство по налогам ). In Russia performers of economic activity pay taxes depending on whether they cooperate with a natural or legal entity. 4% of the taxable income should be paid in case of cooperation with a natural entity and 6% of the taxable income should be paid in case of cooperation with a legal entity.

In Latvia the taxation system is very complicated and difficult to understand, there are various regimes of tax payments. The tax payment regimes for performers of economic activity should be simplified by establishing one or two models for small scale business. Both the accounting records and administration matters would be solved. The taxation system should be clear and comprehensive because by engaging in small scale business a person often provides only for the family and does not have time to check legislation on daily basis or to respond to all amendments. Introduction of a particular uniform or fixed tax without restrictions as to a particular amount could be proposed. It should not be forgotten that handicraft should be separated from professional activity, it is necessary to identify the situation and to find solutions for improving tax payment in case of self-employment.

### **Conclusions, proposals, recommendations**

1. The regime of tax payments of performers of economic activity in Latvia needs to be simplified. It is necessary to develop criteria which are specific for each industry as regards performers of economic activity and to introduce a fixed tax rate or a fixed tax amount without restricting economic activity. The fixed tax could be the turnover which could be transmitted to the SRS electronically on quarterly basis and the turnover would be the taxable income.
2. The fixed tax rate should comprise all the types of tax payment, including the mandatory health contributions. The payment should be uniform.
3. The time of submission of documents and reports to the SRS shall be reduced by SIMPLIFYING THE REPORTING SYSTEM and reducing the SRS ADMINISTRATION BURDEN.
4. The system of support of performers of economic activity shall be provided in relation to procurements, receipt of aid funds and availability of cooperation partners.
5. In order to encourage entrepreneurship initiative and to involve not employed natural entities in economic activity, it is necessary to expand the range of activities for which registration of economic activity is not necessary by payment of a fixed tax, for example, in the amount of 10% and the health tax of 1%, totally 11%.
6. The principle of flexibility should be followed by timely responding to changes in the economics, the efficiency of decision depends on compliance with the time factor, and the discipline of payment of taxes should be improved and activity of people should be increased.

### **Recommendation for future research**

This was a small pilot study, where the authors compared tax legislation qualitative information. The first recommendation for future study is to obtain data from performers of economic activity persons to compare tax amount from different persons for example persons how have other income and no other income. The second recommendation is to take interview. Interview - how performers of economic activity persons understand different tax differences.



## Bibliography

- Boden, Rebecca. (1997) Self Employed People: A literature review for the Contributions Agency. [Online] <http://eprints.whiterose.ac.uk/73433/1/Document.pdf> [Access: 10.03.2018]
- CSB data base [Online] <https://www.csb.gov.lv/lv/statistika> [Access: 29.12.2018]
- Finanšu ministrija [Ministry of Finance] [Online] [www.fm.gov.lv](http://www.fm.gov.lv) [Access: 21.12.2018]
- Krūmiņa, M., Paalzow, A. (2017) The Business Cycle and Early-Stage Entrepreneurship in Latvia. *Entrepreneurship in Transition Economies* pp 135-152
- Leibus, I., Irmeja, A., Miceikien., A. (2016). Imperfections of Social Insurance for Self-Employed Persons In Latvia. *proceedings of the 2016 International Conference "ECONOMIC SCIENCE FOR RURAL DEVELOPMENT"* Jelgava, LLU ESAF, 21-22 April 2016
- Leibus., I., Lazdina, M. (2015) *Proceedings of the 2016 International Conference "ECONOMIC SCIENCE FOR RURAL DEVELOPMENT. SCEE 2015 Proceeding, Rīga:RTU.*
- Linde, B. Ko nozīmē būt pašnodarbinātajam jeb saimnieciskās darbības veicējam [Head of the Department of Application of the Direct Tax Methodology of the Main Tax Authority of the State Revenue Service]. [Online] <http://www.kvestnesis.lv> [Access: 29.11.2018]
- Pērn Latvijā pieaugusi ienākumu nevienlīdzība [Inequality of income in Latvia last year] [Online] <https://www.lsm.lv/raksts/zinas/latvija/pern-latvija-pieaugusi-ienakumu-nevienlidziba.a303540/> [Access: 21.12.2018]
- Personu īpatsvars zem minimālā ienākuma līmeņa Latvijas statistiskajos reģionos (%), CSB [Online] [http://data1.csb.gov.lv/pxweb/lv/sociala/sociala\\_\\_nabadz\\_nevienl\\_\\_min\\_ien/MIG020.px/table/tableViewLayout1/?rxid=e45ef2d5-450f-48ea-a2d8-0abd02396aa7](http://data1.csb.gov.lv/pxweb/lv/sociala/sociala__nabadz_nevienl__min_ien/MIG020.px/table/tableViewLayout1/?rxid=e45ef2d5-450f-48ea-a2d8-0abd02396aa7) [Access: 21.12.2018].
- VID, Kopsavilkums par budžeta ieņēmumu daļa s izpildi 2018.gada 11 mēnešos [SRS, Summary of fulfilment of the revenue part of the budget during 11 months of 2018] , [https://www.vid.gov.lv/sites/default/files/ienemumi\\_11\\_2018\\_publicacijai.pdf](https://www.vid.gov.lv/sites/default/files/ienemumi_11_2018_publicacijai.pdf)
- VID, Kopsavilkums par budžeta ieņēmumu daļas izpildi 2017.gada 12 mēnešos [SRS, Summary of fulfilment of the revenue part of the budget during 12 months of 2017] , [https://www.vid.gov.lv/sites/default/files/ienemumi\\_12\\_2017\\_publicacijai.pdf](https://www.vid.gov.lv/sites/default/files/ienemumi_12_2017_publicacijai.pdf)
- VID, Nodokļu maksātāju (juridisko personu) skaits 2019.gada 1.janvārī [SRS, Number of taxpayers (legal entities) as on 1 January 2019] [Online] [https://www.vid.gov.lv/sites/default/files/nm\\_statistika\\_02012019.pdf](https://www.vid.gov.lv/sites/default/files/nm_statistika_02012019.pdf) [Access: 10.0.2018]
- VID, Nodokļu maksātāju skaits 2018.gada 1.janvārī [SRS, Number of taxpayers as on 1 January 2018] [Online] <https://www.vid.gov.lv/lv/nodoklu-maksataju-skaits-2018gada-1janvari> [Access: 10.0.2018]
- VID, Pašnodarbināto personu skaits 2018.gadā [SRS, Number of self-employed persons in 2018] [Online] <https://www.vid.gov.lv/lv/pasnodarbinato-personu-skaits-2018gada> [Access: 10.01.2018]
- What is the self-employed person's FICA tax rate for 2018 and 2019. [Online] <https://www.accountingcoach.com/blog/what-is-the-self-employed-persons-fica-tax-rate-this-year> [Access: 10.01.2018]
- Working for yourself [Online] <https://www.gov.uk/working-for-yourself> [Access: 10.01.2018]
- Zālīte L. Patentmaksājums un sociālā apdrošināšana [Patent fee and social insurance], [Online] <https://lvportals.lv/skaidrojumi/285012-patentmaksajums-un-sociala-apdrosinasana-2017> [Access: 8.01.2018]
- Zelgalvis, E., Joppe, A., Spruge, I. (2010). Role of Taxes in the Promotion of Innovative Activity. *Driven Entrepreneurship Conference Proceedings 14-16th October 2010.*, ISSN 2029-5448. Retrieved: <http://www.ism.lt/bmra/2010/CP%2080%20Zelgalvis-Joppe-Spruge.pdf>. [Access: 20.03.2018]
- Yarborough, Jillian, R. (2016). *Managing the Self-Directed and Self-Motivated The Journal of Global Business Management Volume 12\* Number 2 \* October 2016 issue*
- Министерство по налогам и сборам Республики Беларусь. [Online] <http://www.nalog.gov.by/ru/> [Access: 10.01.2018]