

TAX HOT TOPICS

11 October 2018

**Main amendments, completions and clarifications introduced through
Government Emergency Ordinance no. 89 published in the Official Gazette no. 854/ 09.10.2018**

❁ **Amendments and completions brought to Law no. 227/2015 regarding the Fiscal Code**

- ❁ Completions and amendments are brought to the corporate income tax rules, covering the fiscal treatment for specific operations following the implementation of IFRS 9 “Financial instruments” (entered into force starting with 2018).
- ❁ The tax discount representing 5% of the personal income tax¹ granted in 2018 for the submission of the Sole Tax Return² via electronic means until 15 July 2018 decreases the tax on the annual net income/gain obtained by individuals and/ or the annual income tax, to be paid.
- ❁ The tax discount granted for paying in advance the personal income tax shall be granted in amount of 5% of the annual estimated personal income tax declared through the Sole Tax Return and fully paid until 15 December 2018. The amount corresponding to the 5% tax discount decreases the tax on the estimated annual net income and/ or the tax on the estimated annual income, to be paid.
- ❁ The reduced VAT rate of 5% will also be applicable starting with 1 November 2018 to the following:
 - accommodation in the hotel sector or similar service sectors, including rental of camping grounds;
 - restaurant and catering services, excluding alcoholic beverages (other than beer);
 - the right to use certain sports facilities;
 - services consisting of allowing access to fairs, amusement parks and some recreational parks.

¹ Fully paid until 15 March 2019, inclusively

² The Sole Tax Return regarding the personal income tax and social contributions due by individuals

❖ ***Amendments regarding the payment obligations consisting of mandatory social contributions and personal income tax***

- ❖ It is ensured the legal framework for elaborating the NAFA procedures which will allow amendments to the payment obligations established through the “*Tax decision regarding the health insurance contribution due by individuals according to art. 180 par. (1) lit. a) of the Fiscal Code*”.
- ❖ The deadline for the payment of the tax liabilities due based on the tax decisions regarding the annual income tax on revenues obtained by individuals in 2017 and the social security contributions due for the period 2016-2017, issued and communicated after 9 October, is 30 June 2019. If such tax liabilities are fully paid prior to 15 December 2018, a 10% tax discount shall be granted.
- ❖ The deadline for the payment of the tax liabilities due based on the tax decisions regarding the individual health insurance contributions due by individuals for the period 2014-2017, issued and communicated after October 9, 2018, is 30 June 2019. If such tax liabilities are fully paid prior to 31 March 2019, a 10% tax discount shall be granted.

The application of the aforementioned provisions will be performed based on a procedure to be approved by order of the NAFA president within 30 days from the publication date of the Emergency Ordinance no. 89/2018 in the Official Gazette.

Approval of the deadline for the issuance and communication of tax decisions on social security contributions for 2016 and 2017 through

NAFA Order no. 2323 published in the Official Gazette no. 854 / 09.10.2018

- ❖ 30 October 2018 is the deadline for determining the amount payable corresponding to the annual social security contributions due by individuals for the fiscal years 2016 and 2017, issuing and communicating the related annual tax decisions.

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For details you can contact any member of TaxHouse team or you can send us a message at the email address office@taxhouse.ro.