

TAX HOT TOPICS

29 October 2020

Emergency Ordinance no. 181/2020 regarding certain fiscal-budgetary measures, for the amendment and completion of certain normative acts and the extension of some deadlines

(Official Gazette no. 988 of 26 October 2020)

❖ The present Emergency Ordinance includes certain fiscal measures provided for the purpose of supporting the taxpayer with the compliance of the payment of the outstanding tax liabilities due, and also supporting those experiencing financial difficulties caused by the COVID-19 pandemic.

❖ The main fiscal measures introduced through Emergency Ordinance no. 181/2020 refer to the following:

I. Introducing of a simplified tax liabilities rescheduling mechanism

❖ The taxpayers may benefit for a maximum period of 12 months for a simplified rescheduling mechanics of outstanding tax liabilities for which the payment deadline was due after the initiation of the state of emergency and which have not been paid until the date the tax attesting certificate.

❖ The taxpayers may benefit for the debt rescheduling mechanism, as long as the following conditions are cumulatively meet:

- the taxpayer submit the rescheduling request by 15 December 2020, inclusive;
- not be subject to bankruptcy procedures;
- not be dissolved;
- not record outstanding tax obligations at the date when the state of emergency was initiated and not paid until the date the fiscal registration certificate is issued;
- debtors for which the liability / joint liability was not instituted based on the insolvency legislation and / or Fiscal Procedure Code;
- have submitted all their tax returns, according to the fiscal vector.

❖ The deadline for solving the rescheduling request is of 5 working days from its submission date.

- ❖ In addition, taxpayers recording outstanding tax obligations stated by tax authorities through tax assessment decision following a tax audit in progress on the date of entry into force of herein Emergency Ordinance may also benefit from simplified rescheduling mechanism. Such taxpayers have the obligation to submit the rescheduling request within a 30 days from the date of communication of the tax assessment decisions.
- ❖ The debt installment payment is not approved in case of the following types of tax obligations:
 - tax obligations subject rescheduling procedures, which lost its validity;
 - tax obligations for which the payment deadline is due after the date the fiscal registration certificate was issued;
 - tax obligations subject to compensation as at the date when the fiscal registration certificate was issued;
 - tax obligations stated as per fiscal administrative acts which are suspended at the date when the tax attesting certificate was issued (except for situations where the suspension ceases after the date when the rescheduling decision was communicated).

II. Fiscal incentives and extension of some deadlines

- ❖ Taxpayers subject to specific tax do not owe tax for the period between the date of entry into force of herein Emergency Ordinance and 31 December 2020.
- ❖ The possibility of introducing certain measures for taxpayers subject to tax on buildings is approved depending on the decisions adopted by the local councils, respectively the General Council of Bucharest.
- ❖ VAT requested for reimbursement through returns with negative VAT amounts with reimbursement option is reimbursed by the central fiscal body with subsequent tax inspection, until **25 December 2020**.
- ❖ The deadline until which the tax authorities **do not compute late payment interest and penalties** for the outstanding tax obligations due starting with 21 March 2020 **was extended until 25 December 2020**.
- ❖ The application of contraventions for the non-compliance of the obligation to connect the fiscal electronic cash registers with the National Agency for Fiscal Administration data base is suspended **until 31 December 2020**.

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- ❖ Enforcement measures by means of bank garnishments will be suspended or shall not begin until 25 December 2020.
- ❖ The expenses incurred with the medical tests used for diagnosing COVID-19 infection **are deductible for computation of the annual net income due by freelancers for independent activities** and **there are not subject to personal income tax and social security contributions, at the level of the employees.**
- ❖ The deadline for submission of the notification regarding the restructuring of the budgetary liabilities, regulated by Government Ordinance is extended until **31 March 2021**. In addition, the deadline for submission of the restructuring request of the budgetary liabilities has been extended until **30 June 2021**.

For additional details regarding the above, you can contact any member of the Taxhouse team or you can send us an e-mail at office@taxhouse.ro.