

TAX HOT TOPICS

We present a summary of the main amendments and additions to certain normative acts with fiscal implications, published in July 25, 2025.

Law no. 141/2025 Fiscal-Budgetary Measures (Official Gazette no. 699 of 25.07.2025)

Measures applicable from **1 August 2025**

I. Supplementary turnover tax for financial institutions

- ❖ The supplementary turnover tax for financial institutions is increased:
 - 4%, for the period 1 July 2025 - 31 December 2025 inclusive;
 - 4%, starting with 1 January 2026;
 - 2%, for the period July 2025 – December 2026 for financial institutions with a market share below 0.2%.
- ❖ In addition, the amendments also concern specific rules on the calculation of the supplementary turnover tax starting with July 1, 2025, but also the recalculation of the turnover tax in case of identifying errors defined according to accounting regulations.

II. VAT

- ❖ The standard VAT rate increases from 19% to 21%.
- ❖ The two reduced VAT rates of 5% and 9% respectively were merged, from August 1, 2025 there will be a single reduced VAT rate of 11%.
- ❖ The reduced VAT rate of 5% is eliminated, being replaced by a rate of 11% for some operations previously subject to the 5% rate such as: *delivery of school textbooks, books, newspapers, magazines, etc.; access tickets to castles, museums, memorial houses, historical and archaeological sites, zoos and botanical gardens; firewood delivery; and the supply of thermal energy in the cold season for certain categories of consumers, etc.*
- ❖ The reduced VAT rate is increased from 9% to 11% for a smaller category of goods and services such as: *medicines for human use, food (with certain exceptions), supply of real estate as part of social policy (applicable only for children's homes, retirement homes, etc.), water for irrigation, accommodation and restaurant/catering services, etc.*
- ❖ In addition, certain products/services previously subject to the reduced rate of 9% VAT become subject to the standard VAT rate of 21%: *supply of veterinary medicines; seeds, bee food, certain plants and ingredients used in food preparation; delivery and installation of photovoltaic panels and delivery and installation of components for their repair and extension; access to fairs, amusement and recreational parks with certain NACE codes, etc.*
- ❖ Transitory measures for the supply of housing - between August 1, 2025 and July 31, 2026, individuals can purchase a single home with a reduced rate of 9%, with the following conditions:

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- The house must have less than 120sqm of usable area) and not to exceed the amount of RON 600,000 (excluding VAT);
- To be delivered by July 31, 2026 (to be inhabitable as such);
- The individual did not purchase another house with a reduced rate starting with January 1, 2023;
- The individual concluded by August 1, 2025 a legal act of advance payment for the purchase; In addition, if the legal act is concluded between July 3 and July 31, 2025 inclusive, in order to benefit from the 9% VAT rate, proof of payment of 20% of the value of the home excluding VAT must be provided.

III. Excise duty

- ❖ Increases in excise duties on alcohol, tobacco and gasoline are introduced.

IV. Determination of the tax related to income from prizes and gambling

- ❖ The taxation of income from prizes and gambling is modified, as follows:
 - up to and including RON 10,000 -> 4% tax;
 - over RON 10,000 – 66,750 inclusive -> 400 + 20% tax for what exceeds the amount of RON 10,000;
 - over RON 66,750 -> 11,750 + 40% for what exceeds the amount of RON 66,750.

V. Determination of the tax on certain interest income – elimination of the withholding tax obligation

- ❖ The obligation to withhold income tax at source is eliminated for bonds issued by companies, legal entities resident in Romania, on capital markets outside Romania. The income from the interest related to these bonds shall be declared by the taxpayer through the single tax return.

VI. Aspects regarding the declaration and payment of the health insurance contribution for certain categories of individuals

- ❖ The 10% health insurance contribution is introduced for pension income exceeding RON 3,000.
- ❖ New categories of income become subject to the health insurance contribution, such as unemployment allowance, monthly allowances granted following the adoption of a child, child-rearing allowances, etc.
- ❖ A new option is introduced allowing individuals to voluntarily pay health insurance contribution, regardless of the nature of their income, provided that no health insurance contribution was otherwise due for those income sources.

In addition, the payment term of the health insurance contribution for persons who opt for the payment of the contribution is modified, as follows:

- ❖ 25% of the health insurance contribution due, on the date of submission of the declaration by which the option is exercised;
- ❖ 75% of the health insurance contribution due, until May 25 inclusive of the year following the year in which the option was exercised.

VII. Method of calculating the indemnity for temporary working incapacity – amendments brought to GEO 158/2005 regarding the leaves and health insurance indemnities:

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- ❖ The calculation method of the allowance for sick leave allowance is modified depending on the number of days of incapacity for work:
 - 55% up to 7 days of working incapacity;
 - 65% between 8 and 14 days of working incapacity;
 - 75% over 15 days of working incapacity.

Measures applicable from **1 January 2026**

VIII. Dividend tax

- ❖ The dividend tax rate is increased from 10% to 16%.
- ❖ In the case of dividends distributed on the basis of interim financial statements prepared during 2025/amended fiscal year starting in 2025, the dividend tax rate is 10%, without recalculating the tax on those dividends, after their adjustment based on the annual financial statements for the financial year 2025/amended fiscal year starting in 2025, approved according to the law.

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