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Fiscal Bulletin



Summary:

1. **Ordinance No. 18/2018 regarding the implementation of certain fiscal measures and for amending and supplementing normative acts ("Ordinance 18/2018")**
2. **Order No. 888/2018 on the approval of the model, content, and filling instructions of the form "Single Tax Return regarding the income tax and social contributions due by individuals" ("Order 888/2018")**

Normative acts amending the Fiscal Code

Ordinance 18/2018, published in the Official Gazette No. 260 / 23.03.2018, as well as Order 888/2018 published in the Official Gazette No. 279 / 29.03.2018, amends the provisions of Law No. 227/2015 regarding the Fiscal Code ("Fiscal Code").

Below, we present the main changes enforced:

1. **Introduction of Single Tax Return regarding personal income tax and social security contributions due by individuals ("the Single Tax Return")**

The main amendment consists in the introduction of the Single Tax Return to be used by individual taxpayers for declaring income (other than salaries) and social security contributions. This measure aims to simplify the declarative/payment process for fiscal obligations due by individual taxpayers by aggregating seven different tax forms, which were abolished (D200, D201, D220, D221, D600, D604, D605).

Thus, starting with the revenues obtained during 2018, the self-assessment system is introduced, allowing taxpayers to directly carry out the computation and declaration of their annual tax obligations. However, for revenues earned in 2017, tax authorities still maintain their responsibility to issue annual tax decisions by processing the information reported by taxpayers, thus assessing the annual tax obligations due.

Separately, Order 888/2018 approved the model and content of the Single Tax Return ("212 Form"). Thus, after enforcement, the Single Tax Return will be used to provide tax authorities information on the actual amounts earned during 2017, and to estimate earnings to be obtained during 2018.

As regards the deadlines for submitting the Single Tax Return, Ordinance 18/2018 provides transitional measures for reporting the revenues obtained during 2017. Consequently, the deadline for submitting the Single Tax Return this year is July 15th, 2018, while the deadline for submitting the Single Tax Return for the actual income obtained in 2018 is March 15th the following year (i.e. this will be the general annual deadline for submitting Form 212).

Also, for 2018, the following tax incentives are available:

- 5% discount of the final annual income tax paid by March 15th, 2019, will be granted for submitting the Single Tax Return through electronic means by July 15th, 2018. The incentive, once granted, reduces the final annual income tax due.
- 5% discount of the estimated annual income tax paid until December 15th, 2018 will be granted if the payment is made in advance. The incentive, once granted, reduces the annual estimated income tax paid actually paid by December 15th, 2018.

If both conditions are met, the available incentives are cumulative.

2. Removal of the income from intellectual property rights from the self-employed income category

By Ordinance 18/2018, intellectual property rights are removed from the scope of independent activities. Thus, the related income tax will be withheld at source.

Taxpayers who obtain such income are not included in the newly introduced self-assessment system, given that the obligation to compute, declare, withheld and transfer the income tax due and the related social security contributions to the state budget is attributed to the income payer.

It is also stipulated that individuals earning income from intellectual property do not owe the health security contribution nor the social security contribution, on condition they concomitantly earn salary income.

Editors

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