



VAT

A generalized increase in VAT rates will take place starting with 1 August 2025: instead of the 5%, 9% and 19% VAT rates, new rates of 11% and 21% will apply. These changes also require the prompt update of the methodological norms, as their current provisions no longer correspond to the new amendments to the Fiscal Code. Among the relevant changes in VAT rates, we mention the following:

- From 9% to 11%: Delivery of medicines for human use, delivery of food and beverages (with exceptions that fall within 21%), accommodation services, restaurant and catering services.
- From 5% to 11%: Delivery of books, newspapers, magazines (physically or online).
- From 9% to 21%: Delivery of housing as a social policy (with exceptions), delivery and installation of photovoltaic panels, heat pumps, access to fairs and sporting events.

As a general rule, in case of changes in VAT rates, the VAT rate from the date of the supply of goods/services is applicable (according to the specific provisions of the VAT legislation).

For the supply of housing that until now fell under the 9% rate, the 21% rate will become applicable as of 1 August 2025 and certain transitional provisions are provided: the VAT rate of 9% continues to apply for supplies that take place until 31 July 2026 for those supplies of social housing for which payment promises/pre-contracts in progress are signed until 1 August 2025. In order to be able to apply this transitional measure, several conditions must be met:

- They have concluded by 1 August 2025 a legal act between living persons that has as its object the advance payment for the purchase of such a home;
- The buyer has paid the seller an advance of at least 20% of the value of the home, an advance paid no later than 31 July 2025;
- The buyer has not purchased a social housing with a reduced VAT rate after 1 January 2023, a situation that results from the analysis of the register of purchases of social housing with a reduced VAT rate kept by the tax authority. The notary public, before whom the documents are signed, has the obligation to verify this situation in the register;
- The individual has the right to buy only one social housing with the reduced VAT rate.

Excise duties

There are generalized increases in excise duties: beer, wines, cigarettes, leaded gasoline, unleaded gasoline, diesel, natural gas, electricity, etc. The excise duties will increase successively in two stages: from 1 August 2025 and from 1 January 2026.

Changes to the dividend tax

The dividend tax increases from 10% to 16%. The new rate applies to dividend income distributed starting with 1 January 2026, respectively starting with the first day of the amended fiscal year starting in 2026. For dividends distributed on the basis of interim financial statements prepared during 2025/amended fiscal year starting in 2025, the rate of 10% is maintained, without subsequently recalculating the tax, after the dividends have been adjusted on the basis of the annual financial statements.

Additional tax for credit institutions

In relation to the additional tax for credit institutions, the tax rates are modified, as follows:

- For the period 1 July 2025 – 31 December 2026, a tax rate of 2% or 4% will be applied, depending on the market share held (below or above the 0.2% threshold);
- For the period 1 January 2025 – 30 June 2025, the 2% rate is maintained.

Clarifications are made in relation to:

- Calculation of turnover and additional tax for the period starting from 1 July 2025, for taxpayers applying the 4% rate;
- Recalculation of the tax in cases where errors are identified and are corrected according to the accounting regulations on account of the deferred result.

Changes to the social health insurance contribution ("CASS")

A series of changes are made in the field of social health insurance contribution:

- CASS will be due for pensions greater than RON 3,000 obtained from 1 August 2025 to 31 December 2027. The CASS rate of 10% will be applied to the taxable base calculated as the difference between the pension obtained and the RON 3,000 threshold. The CASS thus calculated will be deducted for determining the tax on pension income;
- A series of exemptions from the payment of the CASS are eliminated, as follows:
 - For people persecuted during the communist period, beneficiaries of unemployment benefits, people on parental leave or accommodation leave regarding the adoption procedure and people with the minimum inclusion income. These categories of taxpayers will be subject to CASS payment via withholding at source by the income-paying public authority;
 - For individuals dependent on an insured person, respectively spouse/parents without their own income – CASS will be due by the persons who obtain taxable income and have them in their care, the insurance option being exercised by submitting the single declaration;
 - For persons who opt for the payment of the CASS, the obligation to pay 25% of

the payment amount on the date of submission of the declaration is introduced, the difference in payment being due on May 25 of the year following the year in which the option was exercised. This provision is applicable.

Other legislative changes

- The income obtained by individuals as a result of the delivery of ferrous and non-ferrous metals and their alloys, from their personal patrimony, classified as waste, is no longer included in the list of non-taxable income, being explicitly classified as "Income from other sources", taxable as of 1 August 2025.
- For individuals, the tax rate on gambling income is increased for winnings obtained starting with 1 August 2025:
 - o for incomes below RON 10,000 inclusive, the tax rate is increased from 3% to 4%.
 - o For incomes in excess of 10,000 RON and up to 66,750 RON inclusive, the new tax will be 400 RON + 20% for what exceeds the amount of 10,000 RON.
 - o For income above RON 66,750, the new tax will be RON 11,750 + 40% for what exceeds the amount of RON 66,750.
- Changes are introduced regarding the taxation of interest income in the case of bonds issued by companies resident in Romania, on capital markets outside Romania, the related tax being declared and calculated by the beneficiary based on the single declaration.