

21 March 2020

COVID-19 Fiscal Insights



Summary:

1. **Emergency Government Ordinance No. 29/2020 regarding fiscal-budgetary measures**

New fiscal and budgetary measures in the context of the economic difficulties caused by the COVID-19 epidemic

In the context of the economic and financial difficulties caused by the COVID-19 epidemic, the Romanian Government adopts the Emergency Ordinance No. 29/2020 (“EGO 29/2020”) regarding new fiscal-budgetary measures, published in the Official Gazette No. 230/21.03.2020.

Fiscal measures

1. Amendments to the Fiscal Code - taxes

a) *Deadline extension for payment of local taxes*

Deadlines provided by Law No. 227/2015 regarding the Fiscal Code are postponed from 31 March 2020 to 30 June 2020 inclusive, for the following categories of taxes and duties applicable to both individuals and companies:

- Tax on buildings;
- Tax on land;
- Tax on means of transportation.

Additionally, the payment of the above local taxes until 30 June 2020 ensures the preservation of the 10% bonus for payments in advance for the whole year.

b) *Facilities for taxpayers applying the advance payments system for CIT purposes*

CIT payers, which apply the annual declaration and payment system, with quarterly advance payments, may perform the advance payment for the first quarter of 2020 at the level

resulting from the calculation of the current quarterly profit tax. This calculation method is to be enforced for all quarters of 2020.

2. Amendments to the Fiscal Procedure Code - punitive measures

For the tax obligations which are due and unpaid starting with the date of entering into force of EGO 29/2020 (i.e. **21 March 2020**), until 30 days after the emergency state situation has passed, no late payment interest and penalties will be computed. Also, these tax obligations will not be deemed as outstanding.

Enforcement measures will be suspended or initiated, with the exception of enforcements applied for the recovery of the budgetary debts established by court decisions in criminal matters. Credit institutions or third party garneshees can now suspend the enforcement measures without other formalities from the tax authorities.

The above fiscal measures cease within 30 days form the end of the state of emergency.

3. Modification of the Government Ordinance No. 6/2019 - restructuring of the tax obligations

Government Ordinance No. 6/2019 regarding the establishment of certain tax facilities is modified as following:

- Extension of the deadline for submitting the request for the restructuring of the tax obligations until 30 October 2020;
- Extension of the notification period of the fiscal body regarding the debtor's intention to restructure the budgetary obligations until 31 July 2020.

Editors

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Our team comprises tax consultants previously working in management positions with Big Four companies and the Ministry of Finance. The group cooperates closely with the firm's lawyers specialising in administrative law, as well as contentious-administrative disputes.

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