

CMS: Romania continues the implementation of tax measures to support businesses



On 25 June, Romania put into place Government Emergency Ordinance no. 99/2020 (GEO 99/2020) approving additional tax measures and deadlines extensions to support the business environment during the recovery period after the lifting of the lockdown.

Extension of existing deadlines

No late payment interest and penalties will be due for tax liabilities that are not paid by 25 October 2020. Also, no interest and penalties will be due for the late payment of scheduled instalments until 25 October 2020.

In addition, enforcement proceedings are suspended until 25 October 2020, except for enforcement proceedings for amounts established through decisions in criminal cases, the decisions of the European Court of Justice or of the grantor of the state aid or a domestic court regarding state aid recovery.

VAT exemption for import of protective masks and medical ventilators

GEO 99/2020 exempts from VAT (with the right of deduction) the deliveries of protective masks and intensive care medical ventilators to public institutions which establish the EU reserve until 1 October 2020. This exemption can be applied based on an affidavit given by the public institution on the delivery date at the latest.

This VAT exemption also applies to public institutions involved in imports and intra-community acquisitions of protective masks and intensive care medical ventilators, under the same conditions.

Exemption from the payment of specific tax for HORECA industry

In addition to the exemption from the specific tax granted during the state-of-emergency period, the HORECA industry is exempt from the payment of this tax for 90 days starting 25 June 2020. The specific tax due will be determined proportionally with the number of days not exempted.

Taxpayers that totally or partially interrupted their activity during the state of emergency will also apply the exemption for this period.

The declaration and payment of the specific tax for the first semester is extended until 25 October 2020.

Clarifications regarding the bonification for payment of corporate income tax and specific tax

GEO 99/2020 provides that taxpayers applying a fiscal year different from the calendar year will benefit from the bonification introduced through Government Emergency Ordinance no. 33/2020 and Law no. 54/2020 for payments of corporate income tax due for the second and third quarters of 2020. The previous e-alert about this bonification can be found [here](#).

Payers of specific tax also benefit from these bonifications.

Incentives for holders of beach leases

In 2020, the holders of beach leases will be exempt from the payment of the second instalment for lease agreements that provide for three-payment instalments or holders will benefit from a reduction of the second instalment by an amount totalling 30% of the yearly lease price.

For more information on how these tax changes could affect your Romanian business, contact local CMS experts [Roxana Popel](#) and [Andrei Tercu](#) or your regular CMS advisor.