

Overwhelming majority of Romanian companies expect to pay more in taxes and fees this year (survey)

An overwhelming majority of 73 percent of Romanian companies expect to pay more in taxes and fees this year, such as profit tax, VAT, local taxes or other direct or indirect taxes, and just 27 percent of the businesses are optimistic that this won't happen, shows the most recent survey conducted by EY Romania, which looks into how Romanian companies have received the new tax regulations, whether they are prepared for this and to what extent they are able to efficiently integrate them in their in-house structure and procedures, as well as at their expectations of the future changes.

The list of the reasons that fuel the companies' assumptions and the premises grounding their expectations of new taxes in 2023 was a question with multiple answers where most respondents (27 percent) checked the option of higher taxes and fees due to growth in the company's activity and number of employees. The evolution of inflation as a potential reason for tax growth this year came second with 22 percent of the responses, while the ongoing fiscal reform was just third (with 20 percent of the responses).

10 percent of the respondents checked the need to align with possible newly introduced international requirements, such as the EU series of tax regulatory acts that were or will be integrated into the national legislation, on par with the evolution of the political context and the pre-electoral period (also 10 percent). The most "complete" option, listing all of the above as the reason for 2023 tax increases was ticked by almost 12 percent of the respondents.

As alternatives to the increase in taxes and fees or for counteracting the inevitable increases this year, 35 percent of the respondents named actions to combat tax evasion; increasing the taxpayers' voluntary compliance, including by improving the relevant education offered to taxpayers by the tax authorities (26 percent of the respondents); 16 percent of the surveyed businesses consider that the use of automated reporting platforms to help with tax reporting and transparency for taxpayers can be an alternative to potential tax increases this year.

With a presence in Romania ever since 1992, EY is the leading company on the market of professional services. Its more than 900 employees in Romania and Moldova provide integrated services in assurance, tax, strategy and transactions, and consulting to clients ranging from multinationals to local companies.