

Tax News

August 2015

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**I. Amendment to the Law no. 9920, dated 19.05.2008
“On tax procedures”**

This amendment has been brought by Law no. 91/2015, dated 23.07.2015, published in the Official Gazette no. 144, dated 07.08.2015, and has entered into force on 22.08.2015. A new department responsible for following up tax reimbursement procedures has been added to the organizational structure of the General Tax Directorate: the ‘Tax Reimbursement Directorate’. From now on, requests for VAT reimbursements should be addressed to the Tax Reimbursement Directorate, near the General Tax Directorate, instead of the Regional Tax Directorate. The Tax Reimbursement Directorate will collaborate with the respective Regional Tax Directorate to verify the taxpayer’s status and approve the credit balance as reimbursable. All other procedures and terms provided for the reimbursement process remain the same as before (e.g. conduct of a tax audit when necessary based on the risk analysis; approval/denial within 30 days from the request of exporters / 60 days for other taxpayers; payment from the state budget within 5 days from approval; entitlement to non-payment of other tax liabilities in case of non-reimbursement within the 5 days term, etc.).

**II. Amendment to the Law no. 92/2014, dated
24.07.2014 “On VAT”**

This amendment has been brought by Law no. 90/2015, dated 23.07.2015, published in the Official Gazette no. 144, dated 07.08.2015, and has entered into force on 22.08.2015. Based on this amendment, we should refer to the Law “On tax procedures” as regards the procedures and terms for the VAT reimbursement. Tax authorities are no longer entitled to extend the timeframe

for conducting a tax audit and approving the VAT amount for reimbursement with an additional period of 60 days i.e. the entire process up to the approval/denial will need to be finalized within 30 days from the request of exporters / 60 days for other taxpayers.

III. Tax reliefs for operators and developers of the technology and economic development zones

In support of article 13 of Law no. 9789, dated 19.07.2007 "On the establishment and functioning of economic zones", the Decision of Council of Ministers no. 647, dated 22.07.2015, published in the Official Gazette no. 143, dated 06.09.2015, has set forth the criteria and procedures to be followed in order to benefit from the tax incentives and reliefs applicable for operators and developers of the technology and economic development zones. The most noteworthy provisions brought by the Decision include the special VAT treatment of goods entering the economic zones, the exemption from Corporate Income Tax for the developers and operators of the economic zones, deductibility of various expenses for purposes of Corporate Income Tax, etc.

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