



## New rules requiring electronic rather than cash payments

The Greek parliament approved Law 4446 on 21 December 2016 that includes measures designed to encourage taxpayers to use electronic payment methods rather than cash.

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Effective 1 January 2017, to qualify for a tax reduction ranging between EUR 1,900 and EUR 2,100 on employment income, a taxpayer will be required to pay for the purchase of goods or services (in Greece, the member States of the European Union and the European Economic Area) using an electronic means of payment (e.g. debit or credit card, etc), as follows:

- For taxable income up to EUR 10,000, at least 10% of the income must be used to pay expenses via an electronic payment method.
- For taxable income between EUR 10,001 and EUR 30,000, at least 15% of the income must be used to pay expenses via an electronic payment method.

- For taxable income exceeding EUR 30,000, at least 20% of the income must be used to pay expenses via an electronic payment method.

The above rates and scales are progressive.

Certain taxpayers, such as indicatively elderly people above the age of 70 and disabled taxpayers with more than 80% disability, are exempt from the above mentioned requirement. In those cases, the taxpayers must provide receipts to the competent tax authorities equal the required level of expenditure.

If a taxpayer fails to make the minimum payment via an electronic payment method, his/her income tax assessment will be increased by 22% on the difference between the minimum required payment and the actual payment.

Finally, the separate tax deduction of Article 18 of L.4172/2013 for medical expenses will only be granted if they are paid via an electronic means of payment.



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