



Breaking Tax News

Corrective motion regarding value added tax and corporate income tax

In contrast to our monthly Tax News+, in our Breaking Tax News you will be informed immediately of regulatory changes affecting your business but without commentary by our experts.

On 4 June a delegate corrective motion was presented to the Parliament. The proposed bill would modify the tax laws currently in force. The recommendations of the bill concern the provisions for value added tax and corporate income tax among others.

The bill proposes to postpone the enforcement of the new date-of-supply rules of the VAT Act in respect of periodic/fixed-term settlement transactions (Section 58 (1)). According to the bill, the new legislation should be applied solely in case of settlement periods starting on 31 December 2014, which are due after 31 December 2014.

The bill's provisions concern also the development tax allowance governed by Section 22/B of the Act on corporate income tax. Based on the proposed changes, the legal title in respect of investments related to energy efficiency and broadband internet setups would be terminated. Also, it would be clarified in the act that the tax allowance should be granted only on terms effective at the date of submitting the request or the filing of the registration form. Besides the above, certain definitions governing the terms of granting the allowance would be refined. A new provision would also make it possible to make certain data available to the public in the future about the taxpayers that benefit from tax allowance. Lastly, the terms of the tax allowance to be claimed in respect of capacity increasing investments by small and medium sized enterprises would have a favorable improvement. The provisions of the bill concerning the Act on corporate income tax would come into effect the day after the bill is promulgated.

The text of the bill is available on the website of the Parliament in [this link](#). We will inform our Clients if modifications are filed to the Parliament and if the bill is accepted.

Should you have any remarks or questions regarding the above, please contact our professionals.

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