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Amendments to the Tax Code made by Law no. 239/2020

On 6 November 2020, the Law no. 239/2020 for amending and completing the Law. 227/2015 regarding the Tax Code was published in the Official Gazette no. 1041/06.11.2020.

These amendments concern provisions related to corporate income tax and personal income tax, which have entered into force on November 9, 2020. Thus, a series of regulations are introduced regarding the income and expenses resulting from early education and from vocational and technical education, dual pre-university and university education.

Amendments to Law no. 227/2015 regarding the Fiscal Code

Corporate income tax

- Expenses with early education can be deducted from the corporate income tax due, but no more than **1,500 lei / month** for each child. If the amount exceeds the corporate income tax due, the difference will be deducted, in order, from the income tax withheld by the taxpayer for employees, from the value added tax due or from the excise duties;
- Moreover, the expenses incurred for the organization and development of professional and technical education, dual pre-university and university education are also considered deductible expenses for determining the taxable result;
- Regarding the fiscal depreciation, **fixed assets** held and used for the organization and development of vocational and technical education, dual pre-university and university education and **investments made** for the organization and development of vocational and technical education and dual pre-university education can also be depreciated.

Personal income tax

- Scholarships, prizes and certain rights (e.g. accommodation, meals, transport) received by students during the professional and technical education and pupils/students during the dual pre-university/university education, according to the law, are non-taxable;
- The amounts paid by the employer for the early education of the employees' children are non-taxable items.
- The expenses incurred for the organization and development of professional and technical education, dual pre-university and university education are deductible when computing the annual net income obtained from independent activities, except for those with depreciation, which are deductible under certain conditions.

For further questions regarding the aspects mentioned in this alert, please contact us.



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