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Tax credit for electronic cash registers purchased starting with 2018

On Friday, July 24, 2020, Law no. 153 for the amendment and completion of Law no. 227/2015 on the Fiscal Code, as well as for completing Law no. 170/2016 regarding the specific tax, was published in the Official Gazette no. 659.

According to this law, taxpayers paying corporate income tax, microenterprise tax, specific tax or income tax benefit of tax credit for the acquisition cost of the electronic cash registers purchased and put into operation starting with August 1, 2020. The tax credit applies, as well, for the electronic cash registers purchased and put into operation during 2018, 2019 and 2020 before this the entry into force of this law.

Tax credit for electronic cash registers purchased starting with 2018

This is a beneficial measure especially for taxpayers bound by law and by the nature of their activity to own a significant number of such equipments.

❖ In the case of taxpayers paying corporate income tax

According to this law, the expenses representing the acquisition cost of the electronic cash registers purchased and put into operation starting with August 1, 2020 will be considered non-deductible when computing the taxable result. Then, the acquisition cost will be deducted from the corporate income tax due for the quarter in which they were put into operation, *in cases when quarterly corporate income tax is due*, or from the annual corporate income tax, *if the annual corporate income tax payment system is applied*.

In the case of electronic cash registers purchased and put into function during 2018, 2019 and 2020 before the entry into force of this law, the acquisition cost of these cash registers will be considered as an amount assimilated to nondeductible expenses and will be further deducted from the corporate income tax due in 2020.

Moreover, the amounts for which the tax credit cannot be claimed will be carried forward for the **next 7 consecutive years**.

❖ In the case of taxpayers paying microenterprise tax

In the case of taxpayers who are subject to microenterprise tax, if they acquire and put into function electronic cash registers starting August 1, 2020, the related acquisition cost is deducted from the microenterprise tax in the quarter in which they were put into operation, in the limit of the microenterprise tax due for that quarter, without having to include their cost in the taxable base.

In the case of electronic cash registers purchased and put into function during 2018, 2019 and 2020 before the entry into force of this law, their acquisition cost is included in the taxable base of the 4th quarter of the year 2020, but is deducted from the microenterprise tax due for the same quarter.

The amounts for which the tax credit cannot be claimed can be carried forward for a period of **28 consecutive quarters**.

❖ In case of income tax payers

For the income tax payers, the acquisition cost of the electronic cash registers put into operation in the respective year will be included in the annual taxable base. Then, the acquisition cost will be deducted from the income tax calculated.

The acquisition costs of electronic cash registers purchased and put into operation during 2018 or 2019 will be considered as well, when computing the annual taxable base and the income tax for the year 2020. The amounts not deducted from the income tax calculated can be carried forward for the next **7 consecutive years**, at each tax payment deadline.

The above provisions also apply to taxpayers subject to the specific tax (HoReCa).

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