

Tax & Legal Weekly Alert

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Procedure for applying new tax concessions

Procedure for applying Emergency Ordinance no.44 / 2015 on granting tax concessions for claims administered by the central fiscal authority has been published in the Official Gazette no. 874 / 23.11.2015.

Procedure for applying new tax concessions

The procedure for applying Emergency Ordinance no.44 / 2015 (“the Emergency Ordinance”) on granting tax concessions for claims administered by the central fiscal authority was published in the Official Gazette no. 874 / November 23, 2015.

The procedure applies to payment obligations administered by the National Agency for Fiscal Administration, as well as for those established by other specialized directorates within the Ministry of Finance and which, by law, must be sent for recovery to the National Agency for Fiscal Administration.

Fiscal incentive object

Tax breaks granted by the competent fiscal body are presented below:

- Payment deferment of additional interest and late payment obligations, until the settlement of the application for annulment of such obligations (or until June 30, 2016);
- Cancellation of additional interest and late payment obligations.

Additional payment obligations (e.g. penalties for late payment, a share of 54.2% interest etc.) refer, among others, to principal payment obligations:

- Outstanding as at September 30, 2015;
- Occurring as a result of filing a rectifying return under certain conditions;
- With payment deadlines until September 30, 2015 and paid up to this date;
- Included in the tax decision issued following a tax audit ongoing at the time when the Emergency Ordinance took effect.

The procedure for granting postponement / cancellation of payment obligations

Taxpayers must notify the competent authorities of their intention to benefit from deferred payment obligations.

Within 5 working days since the notification is submitted, the tax authorities issue the decision for deferment of additional interest and late payment obligations and notify credit institutions and other third parties to cease enforcement proceedings by garnishment.

The tax authorities will correct potential errors in the content of the decision regarding the deferment of additional interest and late payment obligations on the basis of supporting documents.

After obtaining the decision on the deferred payment, taxpayers must submit their application for annulling payment obligations by June 30, 2016. Tax authorities will issue the decision on whether to cancel the payment obligations or to reject the application within 5 working days from the payment of the 45.8% of due interest (within the legal limit).

Before issuing any decision to reject an application for annulment of payment obligations, the tax authority will explain the reasoning behind the decision to the taxpayer.

Other aspects

The following provisions will apply similarly to taxpayers benefiting from rescheduling of payment obligations, with some differences / exceptions.

In case of fiscal registered secondary offices, decisions are issued separately for each office and for the taxpayer itself.

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

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