

LEGISLATIVE INFO

G.E.O. on payment facilities for budgetary obligations due after the date of declaration of a state of emergency, administered by the central fiscal body and other fiscal measures (including for activities within HORECA industry)¹

Normative document: Government Emergency Ordinance (G.E.O.)

Issuer: The Romanian Government

In force starting with October 26,2020

1. Terms and scope

The G.E.O. contains measures to facilitate payment for outstanding budgetary obligations after the date of declaration of a state of emergency, administered by the central fiscal body, such as: simplified debt rescheduling procedure, extension of payment of taxes until December 25, 2020 and the deductibility of COVID-19 tests.

2. The impact of the measures provided in the Ordinance regarding the debtors and their activity

- a) For the amounts subject to rescheduling, enforcement shall not begin or, if it has started, shall be suspended from the date of communication of the rescheduling decision. At the time the debtor is notified of the rescheduling decision, the tax authorities shall also send in writing to the credit institutions and to the seized third parties the measure of suspension of enforcement by seizure.
- b) Taxpayers obliged to pay the tax specific to certain activities, according to Law no. 170/2016 on the tax specific to certain activities, with subsequent additions (HORECA sector: hotels, restaurants, bars) in 2020, does not owe specific tax for the period between the date of entry into force of this emergency ordinance and December 31, 2020 inclusive.
- c) The ordinance stipulates that in the case of taxpayers paying building tax, the local councils, respectively the General Council of Bucharest may adopt decisions until December 2, 2020

¹ **G.E.O. no. 181/2020** on some fiscal-budgetary measures, for amending and supplementing some normative acts, as well as for extending certain deadlines published in the Official Gazette number 0988 of October 26, 2020.

regarding reduction of the annual tax on buildings with a rate of up to 50% or exemption from the payment of the monthly building tax due by concessionaires, tenants, holders of the right to administer or use a building public or private property of the state or administrative units-territorial.

- d) For the period for which payment installments have been granted, starting with December 26, 2020, for the tax obligations staggered for payment, interest is due and calculated. The interest rate is 0.01% for each day of delay. Interest shall be due and calculated for each installment on the payment rescheduling schedule from the date of issuing of the payment rescheduling decision until the payment deadline on the schedule or until the date of payment of the installment.

3. Conditions for granting the payment rescheduling

In order to benefit from the payment rescheduling for a period not exceeding 12 months, the debtor must cumulatively meet the following conditions:

1. to submit an application to the tax authority, until 15 December 2020 inclusive, under the sanction of revocation. Upon request, the debtor may attach a schedule of installments containing the proposed amount of installments;
2. not to be in bankruptcy proceedings;
3. not to be in dissolution;
4. not to register tax obligations outstanding on the date of declaring the state of emergency and not extinguished on the date of issuing the tax attestation certificate;
5. not to have established the liability according to the legislation on insolvency and / or joint and several liability, according to the provisions of art. 25 and 26 of the Fiscal Procedure Code. By way of exception, if the acts establishing liability are final in the system of administrative and judicial remedies, and the amount for which liability has been brought has been extinguished, the condition shall be deemed to be fulfilled.

4. Procedure for granting payment rescheduling

The application for rescheduling may be submitted no later than 15 December 2020. The rescheduling may be granted for a maximum period of 12 months. The request for rescheduling is solved with approval / rejection within 5 days from the submission, and within the same term, the attestation certificate with the amount of fiscal obligations is issued. In case of approval of the payment

rescheduling, the payment rescheduling decision is adopted accompanied by the payment rescheduling schedule that is part of the rescheduling decision.

The main condition for maintaining the payment rescheduling is the declaration and up-to-date payment of current tax obligations during the rescheduling period. A grace period of 30 days is granted for maintaining the rescheduling.

The normative act stipulates that the procedure for granting the payment rescheduling by the central fiscal body is approved by order of the president of the National Agency for Fiscal Administration within 15 days from the date of entry into force of this emergency ordinance.

For further details and information, please contact us at the email address: office@ltj.ro .

28.10.2020