



Tax Flash

On 31 December, various legislative changes were introduced, mainly related to the extension of certain deadlines and prorogation of recent modifications.

We present some of the more important changes below.

1. Applications for the cancellation of ancillary obligations related to tax obligations outstanding as at 31 March 2020 may be submitted until 31 March 2021.
2. Applications for the rescheduling of tax liabilities introduced by GEO no. 181/2020 may be submitted until 31 March 2021.
3. Until 31 March 2021, VAT is to be reimbursed by the authorities with the performance of subsequent tax audits based on risk assessments.
4. The facility comprising the restructuring of fiscal obligations as introduced by Ordinance no. 6/2019 also covers any fiscal obligations due by 31 December 2020.
5. Interest charges and penalties on the late payment of the instalments in a rescheduled tax liability payment plan will not be due until the new date of 31 March 2021.
6. No tax on specific activities (HoReCa) is due in the first quarter of 2021.
7. The elimination of the 30% limit on the deductibility of expenses with bad debt allowance will enter into force in 2022.
8. The 5% VAT rate: the increase of the ceiling to EUR 140,000 for housing deliveries will enter into force as of 2022.

Source: Emergency Ordinance no. 226/2020 regarding various fiscal budgetary measures, the modification and supplementation of various normative acts, and the extension of various deadlines.

This newsletter is a service of TPA.

Kind regards,
Your TPA Team



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IMPRINT Information update: 6 January 2021. This information has been simplified and is not a substitute for individual advice. Responsibility for the content lies with [Daniela Zar, Tax Partner](#), at TPA Romania, Str. Grigore Cobălcescu 46, 010196 Bucharest, Romania.

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