

# Amendments regarding the Fiscal Code

23 December 2014

## In brief

Government Emergency Ordinance No. 80/2014 for the amendment and supplement of Law No. 571/2003 regarding the Fiscal Code and other normative acts was published on 12 December 2014.

## In detail

### Income tax

- In order to align the provisions of Title III of the Fiscal Code with the new provisions of Accounting Law no. 82/1991, the paragraphs containing the expression “based on single entry accounting data” have been amended, with this expression being replaced with “based on accounting data”;
- The obligation to fill in the “Register-journal of receipts and payments” and the “Inventory Register” for the purpose of determining the net annual income from independent activities has been replaced with the obligation to fill in the “Register of fiscal records”. This register is to be approved through an Order of the Public Finances Minister;
- Individuals with rental income and those with

income from agricultural activities who have chosen to determine their annual income based on income thresholds, as well as individuals who derive income from other sources, are not required to fill in the “Register of fiscal records”.

### Value Added Tax

- Broadcasting and television services are defined. Such services are covered by the “mini one-stop-shop” regime as of January 2015;
- Special VAT declarations and VAT payments related to the “mini one-stop-shop” regime will have to be prepared and paid in euros;
- As of 1 February 2015, to register or avoid the cancelation of their VAT registration numbers, taxpayers have to substantiate the intention and the ability to conduct economic activities;

- Regardless of the reason for the cancelation of a taxpayer’s VAT registration number, re-registration for VAT purposes is performed by the competent tax authorities based only on the express request of that taxable person and provided that the intention and capacity to conduct economic activities can be substantiated;
- The reverse taxation mechanism for the delivery of electricity is not applicable if the beneficiary is not registered in the “Taxable persons list, having submitted the statement on own responsibility regarding the fulfilment the condition provided under art. 160, para. (2), letter e), point 2) of the Fiscal Code.”

### Excise duties and other special taxes

- The level of excise duties and tax on crude oil from domestic production for

- 2015 is set at the RON equivalent of these taxes for 2014;
- The minimum EU excise duty level for cigarettes will be reached on 1 April 2015 instead of 1 January 2018;
  - As of 2016, the level of excise duties and tax on crude oil from domestic production will be updated annually and linked with consumer prices inflation for the previous 12 months, calculated in September of the year prior to implementation one;
  - The minimum and maximum guarantees levels for tax warehouses will be converted in RON in 2015 using the following formula: value of guarantee in RON = value of guarantee in EUR x 4.5223 x 104.77%.
  - Locations related to economic operators which constitute and maintain emergency stocks for energy products are to be treated as storage tax warehouses. Entities owning only such tax warehouses are to be exempted from the obligation to lodge the guarantee.

#### **Contribution for financing some health expenses**

- The level of contributions for financing some health expenses has been correlated with the level of excise duties in that they are to be expressed in RON and subject to the same annual update mechanism.
- The payment term for contributions for financing some health expenses will coincide with the payment term of excise duties to the state budget;
- Economic operators which perform intra-Community acquisitions of alcoholic beverages and tobacco products will have to pay the contribution for financing some health expenses.

*[Source: Official Gazette of Romania, no. 906, 12 December 2014]*

## **The takeaway**

### **Value Added Tax**

- Special VAT declarations and VAT payments under the "mini one-stop-shop" regime, applicable from 1 January 2015, have to be prepared / paid in euros;
- Whatever the reason for VAT registration number cancellation, reregistration for VAT purposes will be performed by the competent tax authorities only at taxpayer's express request and provided that the intention and capacity to conduct economic activities can be demonstrated.

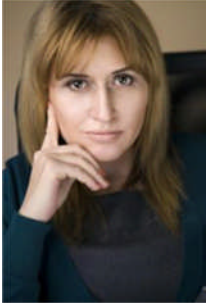
### **Excise duties and other special taxes**

- The level of excise duties and tax on crude oil from domestic production for 2015 is set at the RON equivalent of these taxes for 2014;
- As of 2016, the level of excise duties and tax on crude oil from domestic production will be updated annually and linked with consumer prices inflation for the previous 12 months, as calculated in September of the previous year.

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## **Let's talk**

For a deeper discussion of how this issue might affect your business, please contact:



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