

Legislative changes regarding construction tax

21 January 2015

In brief

Law no. 11/2015 was published on 13 January 2015 regarding the approval of Government Emergency Ordinance no. 102/2013 on the Fiscal Code, as amended and supplemented, through which amendments are brought to construction tax.

In detail

The new amendments affect both the tax rate and the taxable base for construction tax as of 2015.

The tax rate has been reduced from 1.5% to 1%.

The main amendments regarding the taxable base refer to deductions of the following:

- The value of fit-out works (reconstruction, modernisation, reinforcement, improvements or extensions) made to buildings which are rented, taken under management or into use;
- The value of constructions located outside Romania's state border, as defined under the law, including those in Romania's contiguous zone or the exclusive economic zone of Romania;

- The value of constructions owned by sports organisations, as defined under the law.

Taxable base deductions are also clarified for buildings in industrial, science or technology parks and which, according to the law, do not benefit from building tax exemption.

[Source: *The Official Gazette* no. 24 of 13 January 2015, page 2].

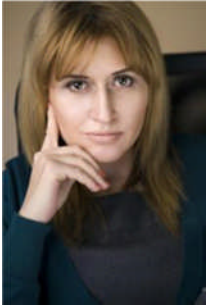
The takeaway

The construction tax rate is 1% as of 2015.

Fit-out works on buildings which are rented, taken under management or into use are not subject to construction tax.

Let's talk

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



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