

Law regarding tax on specific activities

11 November 2016

In brief

Law 170/2016 has been published, introducing a specific tax for companies that carry out activities in the field of tourism, hotels, restaurants, bars and public food service.

In detail

As of 1 January 2017 and by way of derogation from the provisions of title II of Law no. 227/2015 regarding the Fiscal Code, companies that meet certain conditions will be required to pay the specific tax on activities they carry out.

The specific tax is due by Romanian legal entities which, as at 31 December of the previous year, met both of the following conditions:

- Had as principal or secondary activity one of the activities corresponding to the following NACE codes: 5510 – “Hotels and similar accommodation”, 5520 – “Holiday and other short-stay accommodation”, 5530 – “Camping grounds, recreational vehicle parks and trailer parks”, 5590 – “Other accommodation”, 5610 – “Restaurants and mobile food service activities”, 5621 – “Event catering activities”, 5629 – “Other food service activities”, 5630 – “Beverage serving activities”;

- Were not in a process of liquidation, as defined by law.

General rules for the application of specific tax

Taxpayers established during the year, including as a result of a reorganisation, which fulfil the conditions of this law will pay specific tax as of the year following incorporation.

Legal entities which carry out several activities with the NACE codes referred to in this law, except those carrying out activities through a hotel complex, determine the tax payable by adding up the tax for each activity carried out.

Taxpayers that also perform activities other than those corresponding to the specific NACE codes will have to declare and pay corporate income tax according to the provisions of the Fiscal Code.

Specific tax calculation

The annual specific tax is to be calculated based on the activity codes and the following indicators:

- Predetermined value of the standard tax;

- Town rank;
- Usable commercial surface / serving / of work;
- Number of accommodation places;
- Seasonality coefficient.

Rules on declaration and payment of specific tax

Romanian legal entities paying income tax are required to notify the tax authorities on the application of the specific tax, by 31 March of the year for which the specific tax is due. The notification deadline is the same if the cumulative conditions are no longer met.

The declaration and payment of the specific tax is due twice a year, in two equal instalments.

Fiscal provisions

Legal entities subject to specific tax have to comply with the provisions of the Fiscal Code regarding:

- calculating tax depreciation;
- declaration, withholding and payment of dividend tax;
- setting up a fiscal register.

For taxpayers liable to pay specific tax, the fiscal year is the calendar year.

[Source: Law regarding tax on specific activities, published in the Official Gazette of Romania No. 812 of 14 October 2016]

The takeaway

Romanian legal entities performing activities in tourism, hotels, restaurants, bars and public alimentation are obliged to declare and pay the specific tax under

derogation from the provisions of title II of Law no. 227/2015 regarding the Fiscal Code.

The specific tax is calculated using certain indicators and is payable twice a year in two equal instalments.

Let's talk

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



Mihaela Mitroi, *Partner, Tax and Legal Leader*
mihaela.mitroi@ro.pwc.com



Ionut Simion, *Country Managing Partner*
ionut.simion@ro.pwc.com



Daniel Anghel, *Partner, Indirect Tax Leader*
daniel.anghel@ro.pwc.com



Diana Coroaba, *Indirect and Financial Services Partner*
diana.coroaba@ro.pwc.com



Ionut Sas, *Partner*
ionut.sas@ro.pwc.com

PwC Romania

Lakeview Building
301-311 Barbu Văcărescu Street
Sector 2, Bucharest
Tel.: + 40 21 225 3000
Fax: + 40 21 225 3600

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