

# Law approving Government Emergency Ordinance no. 44/2015 on granting tax incentives

18 January 2016

## In brief

Law no. 4/2016 has been published in the Official Gazette no. 24/2016. This Law approves Government Emergency Ordinance no. 44/2015 on granting certain tax facilities consisting in the annulment of late-payment penalties and 54.2% of the tax interest related to the principal liabilities outstanding as at 30 September 2015.

## In detail

Law no. 4/2016 brings amendments and supplements the conditions for granting the tax facilities provided by Government Emergency Ordinance no. 44/2015.

The most significant of these amendments concern the taxpayers which benefit from rescheduling of tax obligations, with the new form of article 11, paragraphs 2 and 3 of this normative act showing that the contributors that can benefit from the tax facilities are not only those which were benefiting from payment rescheduling as at 30 September 2015, but also “those who obtain rescheduling in the period 1 October 2015 and 31 March 2016”.

Another very important amendment relates to taxpayers wanting to benefit from the tax facilities provided by Government Emergency Ordinance no. 44/2015 for late-payment penalties and

interest imposed by a tax decision issued following a tax inspection. Unlike the original version of article 4 of Government Emergency Ordinance no. 44/2015 applicable to this situation, however, Law 4/2016 includes in the category of such potential beneficiaries taxpayers for which the tax decision was communicated between 1 October 2015 and the date of entry into force of the above-mentioned Emergency Ordinance (i.e. 21 October 2015).

Regarding employees in public institutions or central and local public authorities, Law no. 4/2016 provides that the interest, penalties and other such amounts related to the main liabilities representing established imputations by the employing entities, under the law, are cancelled if the main liabilities are paid by 31 March 2016.

For taxpayers which have obtained a suspension of the enforcement of tax

administrative acts, Law no. 4/2016 introduces a provision under which they may qualify for the annulment of late-payment penalties and 54.2% of the tax interest by filing a waiver application for the effects of the suspension of the administrative act by 31 March 2016.

*[Source: Law no. 4/2016, Romanian Official Gazette no. 24 dated 13 January 2016]*

## The takeaway

Tax taxpayers which obtain a rescheduling of tax liabilities between 1 October 2015 and 31 March 2016 can benefit from the tax facilities.

For taxpayers wanting to benefit from the tax facilities following the issuance of tax decisions on their behalf, Law no. 4/2016 indicates that the provisions of Government Emergency Ordinance no. 44/2015 are applicable to taxpayers to whom tax decisions were communicated during the period 1 October 2015 and 31 March 2016.

Law no. 4/2016 states that taxpayers which have obtained a suspension of the

enforcement of administrative acts may benefit from the tax facilities if, by 31 March 2016,

they request a waiver for the effects of the suspension.

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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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