

The logo for MIRUS, featuring the word "MIRUS" in white capital letters on a blue rectangular background.

Advisory services

Member of



GENEVA GROUP INTERNATIONAL

TAX FLASH

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Emergency Government Ordinance no. 34/2009, issued by Romanian Government, published in Official Gazette no. 249 - 14/04/2009

Emergency Government Ordinance no. 34/2009 regarding the Budget correction for the year 2009 and the settlement of some financial and fiscal measures brings through chapter 5 important modifications over the Law no. 571/2003 regarding the Tax Code.

Art.32.3 modifies Art. 18 from the Tax Code and specifies the amounts corresponding to the minimum tax, established depending on total incomes registered on 31st December of the previous year, as follows:

Annual Turnover (RON)	Minimal Tax (RON)
NIL to 52,000	2,200
52,001 to 215,000	4,300
215,001 to 430,000	6,500
430,001 to 4,300,000	8,600
4,300,000 to 21,500,000	11,000
21,500,001 to 129,000,000	22,000
Over 129,000,001	43,000

Alignment 2 of same art.18 provides the categories of taxpayers obliged to apply the provisions mentioned above, i.e. Romanian legal entities, foreign legal entities and non resident individuals performing activities in Romania through associations without legal personality. As an additional provision to the above mentioned align is that if the corporate tax due is lower than the corresponding table amount, the corporate tax to be paid be in line with the table amount.

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For a correct framing within the corresponding table amount, the taxpayer will consider all incomes, obtained from any source, registered on 31st of December of the previous year less:

- incomes from stock variation
- incomes from tangible and intangible fixed assets production
- incomes representing the share of the governmental subventions and other resources used in financing the investments
- incomes from the provision reduction or cancellation for which no deduction has been granted
- incomes resulted from the cancellation of debts and accessories owed to the State Budget, which were not considered deductible expenses when computing the taxable income tax
- incomes received as compensation from insurance companies
- Perishability, in the limits established by the representans of Central Public Administration

Art.31.2 modifies art. 21.3 by excluding the expenses incurred with fuel for vehicles used for business purposes from deductible expenses.

Art 31.2 brings to our attention another novelty element by modifying art. 21.3.n with the following provisions:

The corporate tax paid by taxpayers at the end of each quarter will be computed by comparing the quarterly corporate tax with the annual one stated in the above table by dividing the last one by 12 months and further multiplying with the number of months related to the quarter.

In case of loss registration for the year 2008, the tax payers will be obliged to pay on a quarterly basis, 1 quarter of the minimum annual profit stated in the above table

An important provision introduced by EGO 34/2009 is the payment of the income tax by micro-enterprises at the level of the minimum annual corporate tax, meaning that if the micro-enterprise shows an income tax lower than the minimum annual corporate tax, the payment will be at the level of the corporate tax.

Art. 31.10, introduces a new article in the Tax Code: 145¹ “Special limitations on the right of deduction” clearly stating that the VAT will be non-deductible for car purchasing used for business purposes or for the fuel of the car used by the legal entity, with the following exceptions: vehicles used exclusively for interventions, repairs, security and protection, courier, personnel transport to and from the place of activity.

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