

The government support package will ease taxpayers a bit

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By Adrian Grycuk [CC BY-SA 3.0 pl]

Today, the government draft of the so-called the Aid Act, whose provisions are intended to mitigate the negative effects of the spreading coronavirus epidemic. The Ministry of Finance has presented an extensive assistance program. It contains several more favorable solutions than its first version. The novelty is, among others issuing electronic receipts.

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The first version of the proposals prepared by the Ministry of Finance did not delight taxpayers. Experts emphasized that at least in the part about taxes it looked as if it was created by theoreticians and officials who have no idea about the practical conduct of business. The final draft, just adopted by the government, provides for slightly more favorable solutions. The annual PIT tax return for 2019 can be submitted by

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the end of May. So taxpayers will get an extra month.

Possibility of retroactive settlement of tax losses in PIT and CIT

The draft law shows that the loss incurred in 2020 will be able to deduct PIT and CIT taxpayers from the income obtained in 2019. To this end, taxpayers will submit a correction of the testimony for 2019. This **will be possible for those whose revenues achieved in 2020 will fall by at least 50% in relation to the revenues achieved in 2019**. Deducting from the income from 2019 it will be possible to lose up to the amount of PLN 5 million in the first year. The surplus will be deducted in subsequent years.

See also: Extending the deadline for submitting CIT-8 finally possible? >>

Commercial real estate tax later

The law adopted by the government also provides for an extension of the deadline to pay the minimum tax on commercial real estate for the months March–May 2020 **to 20 July 2020**. This option will be available to taxpayers whose revenues in a given month compared to the same period of the previous tax year will be lower by at least 50%. This tax will also be able to pay at a later date those taxpayers who did not generate revenues in the previous year, but in the period March–May suffer negative economic consequences in connection with the coronavirus.

Changes in the relief for bad debts

The Ministry of Finance's proposal also excludes the application of regulations in income taxes regarding the so-called bad debts for debtors who should take account of unpaid liabilities when calculating income tax advances.

Taxpayers whose revenues achieved in the settlement periods (monthly or quarterly) in relation to the corresponding periods in 2019 will decrease by at least 50% will be entitled to the exemption from this obligation. This exemption will also be available to those who did not generate revenues in the previous year, but in 2020 bear the negative economic consequences of the coronavirus.

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Changes in tax advances

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The Ministry of Finance additionally proposed the possibility of resigning from simplified advances in 2020 and the calculation of monthly

advances on current revenues. "Small taxpayers" will be able to opt out of simplified advances. Taxpayers who opt out of simplified

advances for the period March - December 2020 will calculate the monthly advances on current income.

The deadline for payers to submit advance payments on payroll taxes for March and April is also to be extended. **It is planned that the payment of these advances can be made by June 1, 2020 .**

- Half a loaf is better than nothing. However, postponing the deadlines for advance payments to March and April to June 1 is ridiculous. As a result, the PIT payment for April will be payable not on May 20, but on June 1, 2020 - ten days later - emphasizes Izabela Rutkowska, tax advisor, partner at Savior Legal & Tax.

CIT taxpayers will have more time to pay advances. Advances for the period from March to May will be able to settle only on July 20. This is new - the first version of the project did not include this solution. The bill adopted by the government also provides for higher limits on PIT exemptions from grants and various types of funding.

Donations deducted in PIT and CIT

The new regulations also provide for the possibility of deduction in PIT and CIT for donations (in cash or in kind) made for purposes related to the prevention and eradication of coronavirus infection for healthcare providers, including sanitary transport, as well as transferred to the Material Reserves Agency and the Central Reserve Database sanitary Przeciwepidemicznych. If the donation is made by the end of April this year, you can deduct up to 200 percent. its values. **Producers are also to benefit from the changes, among others masks.** They will be able to deduct in 2020, as a one-off depreciation, all expenditure on fixed assets needed for production.

No extension fee, but interest is questionable

The Ministry of Finance also proposed a temporary resignation from the extension fee for spreading or postponing the date of payment of taxes and tax arrears, which are the income of the state budget for the duration of the epidemic. The justification shows that the resignation from setting the extension fee will increase the real chances for taxpayers, payers and other entities (collectors, legal successors and third parties) to defer tax installments. **The Minister of Finance will be able to decide on the exemption from interest in the regulation .**

Changes in VAT, JPK and property tax

The obligation to submit new JPK_VAT with a declaration for all entrepreneurs will be postponed **until July 1, 2020.** In the first version of the project, the Ministry of Finance wanted to postpone this deadline only for large entrepreneurs.

The draft version adopted by the government also provides for an extension of the time from 3 to 14 days to notify the tax office of payment to an account outside the so-called taxpayers' white list. The introduction of the option of issuing electronic receipts is also new.

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From the adopted art. 29 shows that the seller will be able to issue and issue to the buyer a receipt or invoice for each sale:

- in paper form or
- with the consent of the buyer, in electronic form, by sending this document in a manner agreed with it.

The Ministry of Finance also proposes the possibility for municipalities to introduce property tax exemptions for entrepreneurs in connection with incurring negative economic consequences due to coronavirus.

Tax interpretations later

The changes will also affect the issue of tax interpretations. Under current regulations, they are issued within three months. **According to the bill, the treasury will get more time.** The deadline for issuing the interpretation is to be extended by a period of three months. An earlier version of the project provided for an extension of one month.

Financial statements and other reports are questionable

The presented project does not explicitly state that the deadline for submitting financial statements will be extended. Designed Art. 15zzh only indicates that in the event of an epidemic threat or epidemic status being announced, the minister competent for public finances, by regulation, may specify other deadlines for fulfilling obligations in the field of records and in the scope of preparation, approval, disclosure and forwarding to the appropriate register of the unit or a body of reports or information referred to in the Accounting Act. However, it can be expected that the deadlines for the financial statements will also be moved. At least, these are the signals the finance ministry started sending on Twitter today.

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