

FISCAL COUNT DOWN

DISCOVER THE NEWS OF THE TAX NEWSLETTER COUNTDOWN

In order to provide you with a regular insight into international tax news, our experts invite you to discover the Fiscal Count down, a concentrated report available in English and French on regulatory developments, particularly in connection with the introduction of the OECD's BEPS initiative, which could impact your tax obligations

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EDITO



This special edition of the **Fiscal Countdown** about the **Coronavirus' tax measures** taken in march 2020 by the EU and in 43 countries: Austria, Belgium, Canada, China, Colombia, Costa Rica, Cyprus, Czech Republic, Denmark, Estonia, France, Georgia, Germany, Greece, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jersey, Qatar, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Netherlands, Norway, Poland, Portugal, Romania, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, UK, USA, Vietnam.

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EUROPEAN UNION



The European Commission has published a draft framework of temporary measures which allow EU member states to provide urgent financial support to affected businesses. The framework is reminiscent of a similar temporary framework of aid measures which was introduced in response to the Financial Crisis in 2009. The draft framework provides for State aid in the form of:

- direct grant or tax advantage,
- grants up to €500,000 to a company to address its urgent liquidity needs,
- subsidised guarantees on bank loans,
- subsidised interest rates.

The European Commission has recommended that member states provide businesses with immediate support during the coronavirus pandemic through Value Added Tax payment holidays. VAT, and other tax payment deferrals offer immediate cashflow relief for companies facing a drop-off in revenues. However, VAT cuts should be passed onto the consumer, and so not directly helping businesses.

AUSTRIA

Austria's Ministry of Finance (BMF) has published details of tax measures. In order to benefit from them, a taxpayer must demonstrate that a liquidity shortage has resulted from COVID-19. The competent tax offices are required to immediately process the applications outlined below.

1) Income and corporate income tax prepayments for 2020:

A taxpayer expecting a decrease in income may, until 31 October 2020, file an application for the reduction of income or corporate income tax prepayments for the calendar year 2020. If a taxpayer cannot pay the reduced income or corporate income tax prepayments, the taxpayer can ask the tax office not to assess prepayments at all or to assess them at an amount which is lower than the expected income or corporate income tax for the year 2020. In both cases, the tax office is not permitted to charge interest, if the income or corporate income tax ultimately assessed is higher than the prepayments.

2) Tax deferral and instalment payments, non-imposition of late payment interest and late payment fines

Taxpayers specifically affected by COVID-19 may apply for a tax deferral or instalment payments; further, they may ask for a reduction of or the complete elimination of late payment interest and late payment fines. These measures not only apply to income and corporate income tax, but also to other taxes, such as value added tax. Moreover, Annual VAT return for 2019, due by 30th June 2020, will be extended by the BMF. Monthly VAT payers may apply to their tax office for a postponement and instalment payment plan. This includes a waiver or renegotiation of penalty and interest payments on late settlement. If no permission is granted, businesses will be given one week's extension automatically. VAT audits will not go ahead for any business which can demonstrate issues related to the crisis.

BELGIUM 1/2

The Federal Tax Authorities have announced with regards to the payment of corporate income tax, personal income tax (resident and non-resident) and legal entities tax, that the usual payment terms are automatically extended with a period of 2 months (in addition to the normal payment term) for all taxes assessed as of 12 March 2020. An automatic extension of 2 months has been granted for the payment date of for VAT and wage withholding taxes. Consequently, these payment dates are automatically extended as follows:

Type taxpayer	VAT – extended payment date	Wage withholding tax – extended payment date
Monthly return – February 2020	20 May 2020	13 May 2020
Monthly return – March 2020	20 June 2020	15 June 2020
Quarterly return – Q1	20 June 2020	15 June 2020

Companies facing financial difficulties as a direct result of the Corona virus pandemic, regardless of their activity or sector, can additionally request several tax and social security support measures from the Federal Tax Authorities, which should allow companies to bridge these temporary financial difficulties.

All Belgian businesses (companies and self-employed individuals) are entitled to these measures if it can be shown that they have incurred nuisance from the spreading of the Corona virus and the correlating measures, which can be either direct (e.g. significant decrease in turnover) or indirect (as a consequence of a chain-reaction, e.g. partner companies suspending business). Companies which are in structural financial distress (i.e. companies already facing financial difficulties prior to the Corona outbreak in Belgium) can in principle not benefit from these measures.

The support measures consist of :

- a further deferral of payment,
- a waiver of late payment interest, and
- a waiver of late payment fines.

These measures can be requested for VAT, wage withholding tax, corporate income tax, personal income tax and legal entities tax. A company can request to apply these measures using a form specifically issued for this purpose and should submit a separate request for each individual debt. The form can be found on the website of the Federal Tax Authorities here. In principle, a request can only be lodged after the receipt of an assessment notice or a request for payment. Application of these measures should in any case be requested on 30 June 2020 at the latest. It should be noted that these supportive measures are conditional upon the timely, correct and complete filing of the relevant tax return.



BELGIUM 2/2



Moreover, companies should also reassess their corporate income tax prepayment schedule: if the expected profit for the pending financial year will significantly decrease, the amount of the prepayments should be decreased accordingly. In addition, it could be considered to postpone the first tax prepayment (due on 10 April at the latest for companies having an accounting year starting 1 January) and (if necessary) make an additional prepayment in the second or third quarter.

In addition to the above, measures are also announced at the regional levels. The Flemish Government has for example also announced that the road tax collection for assessment year 2020 is postponed for businesses by four months and the assessment notices with respect to immovable property tax (onroerende voorheffing / précompte immobilier) which are usually issued in the first semester will be delayed for businesses. This means de facto that the payment of immovable property tax is deferred for companies active in the Flemish Region. The Walloon region foresees for example a suspension of all (regional) tax payments as the deadlines will be extended by the period corresponding to the crisis.

The Tax Authorities have announced a general extension of the filing deadline: the filing deadline for corporate income tax returns (resident and non-resident) and legal entities tax returns which should have been filed between 16 March 2020 and 30 April 2020, has been extended until 30 April 2020.

CANADA

The Prime Minister announced a new set of economic measures to help stabilize the economy during the coronavirus pandemic. The following measures, will provide up to \$27 billion in direct support to Canadian workers and businesses:

1) Support for Canadians

- Income Support for Individuals Who Need it Most,
- Flexibility for Taxpayers,
- Mortgage Default Management Tools,
- Role of Financial Institutions,

2) Support for Businesses

- Supporting Canadian Businesses Through the Canada Account,
- Helping Businesses Keep Their Workers,
- Flexibility for Businesses Filing Taxes,
- Ensuring Businesses have Access to Credit,
- Supporting Financial Market Liquidity.

CHINA

During the coronavirus pandemic, China has cut VAT on medical services, catering and accommodation services, sundry personal services and public transport.

There is also a cut on masks and protective clothing.

VAT has also been reduced from 3% to 1% on the cash accounting scheme for small businesses until the end of May.



COLOMBIA

Colombia will provide delayed VAT payment terms for the first semester of 2020.

COSTA RICA

The Costa Rican government has offered a three-month Value Added Tax payment holiday for all businesses.

Moreover, corporate income taxes and customs duties payments are also suspended.

The government indicated that it wants to give all Costa Ricans the absolute certainty that it will be using all the available tools to alleviate the cash flow in the homes and companies, to prevent the destruction of employment and assure the availability of resources for the optimal sanitary attention of people.

CYPRUS

Cyprus will cut its standard VAT rate from 19% down to 17% until May 2020.

The reduced VAT rate will be reduced from 9% down to 7.5% until the end of June. The rate is applied to the tourism services sector, seen as requiring additional support.

Moreover, there will be a two-month VAT payments holiday for businesses with a turnover below €1million per annum. A repayment schedule may be agreed for phased payments until November 2020.

This fiscal boost is aimed at providing cashflow relief to businesses during the coronavirus COVID-19.

CZECH REPUBLIC 1/2

The Chamber of Deputies has passed urgent measures to assist businesses during the Covid-19 crisis. Thus businesses will be offered tax payment delays; but this is not automatic. Practically the amendment allows for a five-day delay in filings without late charges being charged. Although any fines of CSK1,000 will be waived – the previous threshold was CSK 200. There will be speedy refunds of VAT credits. The requirement to submit VAT returns prior to any audits will be dropped. The VAT control Statements are delayed until 1 July 2020.

CZECH REPUBLIC 2/2



Fines for late filing of the control report will be handled as follows:

- A fine of CZK 1,000 incurred for the period from 1 March to 31 July 2020 will be automatically waived without the tax administrator's request,
- Other penalties for late submission of the control report or tax return will be waived at the taxpayer's individual request for reasons related to coronavirus.

DENMARK

The Minister for Taxation has introduced bill L134, intended to help mitigate the financial consequences of the coronavirus. Three tax initiatives are being taken to improve liquidity of businesses.

The initiatives are as follows:

- 1) Postponed payment deadlines for payroll tax and labor market contribution, postponed VAT payment deadline for large businesses and increased limit for credit balance in the tax account.
- 2) Under current rules, businesses must pay withheld payroll tax ("A-skat") and labor market contribution in monthly installments. Small businesses must pay the installment on the 10th of the month following the settlement month. Large businesses must pay the installment on the last banking day of the month to which the income relates.
- 3) Large businesses are defined as businesses with a total payroll tax payment of more than DKK 1 million over a preceding 12 months period or a total labor market contribution payment of more than DKK 250,000 in the same period.

The payment deadlines for the installments in April, May and June are postponed by 4 months.

Small taxpayers will be able to consolidate their first and second quarter Value Added Tax returns to help alleviate the admin and cash flow payments.

Moreover, Denmark will postpone by one month payment deadlines of VAT for companies above DKK50 million turnover. This will be applied as follows:

- The deadline of 27 April will be moved to 26 May,
- The deadline of 25 May will be moved to 25 June,
- The deadline of 25 June will be moved to 27 July,

ESTONIA 1/2

While sector-based tax moratoria and advantages are yet being planned by the government and taxes must continue to be paid as usual (including VAT on 20 March), Some basic tools can be used:

- 1) Deferral of tax debt – also prior to incurring the debt: If you can see that you will face difficulty in paying taxes, you can apply for tax deferral, meaning you will apply for scheduled payments with the tax authorities. You can apply for tax deferral from the Tax and Customs Board electronically, provided the website user (a) has no prior applications currently being processed and (b) has an outstanding tax debt or future tax obligations that can be deferred.

The application can also be sent in on paper. The tax authorities can require a guarantee. If you realize that the payment difficulties you face are broader, you may use the option of reorganization. In that case, the company's obligations can be restructured, which eventually also helps to overcome payment difficulties. However, when applying for reorganization the principle "the sooner, the better" applies. The primary reason for failed reorganizations – other than fraudulent applications – is applying too late.

2) Tax debts not exceeding EUR 20 000 can be deferred automatically: The payment schedule is then up to 12 months, all tax declarations must be filed, and there may be no other outstanding payment schedules. A decision on automatic deferral is made by the tax authority's electronic system and the application procedure is fast.

3) Apply for reduction of tax interest – both prospectively and retroactively : In general, interest in the case of deferral is 0.06% daily on the amount due – or generally more than on an equivalent bank loan. However, the tax authority can decrease interest on tax by 50% both prospectively and retroactively from the day the tax debt occurred. The latter option can be used in exceptional and justified cases, but there is no doubt that many companies are in just this situation.

4) Debt write-off : The Tax and Customs Board can write off tax debts if a taxpayer files a justified application and requiring payment is hopeless for reasons beyond the taxpayer's control (including force majeure). The government will not massively and carelessly write off tax receivables. Therefore, this is more likely to happen in sectors under pressure, such as those where business is based on cross-border movement and person-to-person contacts, especially in the case of saving large employers. It is not enough to add "COVID-19" in the description box for force majeure circumstances; instead, you must explain in detail how it affects your business. Likewise, it is important to explain what socio-economic and regional effects tax write-off would have, primarily in the context of saving jobs.

5) Cancellation of transactions and VAT : In cases of cancellation of transactions or reducing the price of goods/services, the seller or service provider must issue a credit invoice. A credit invoice annuls the original invoice, freeing the trader from the obligation to pay VAT. Both trader and buyer must reflect the credit invoice in their VAT return covering the taxation period during which the invoice was cancelled. This rule does not apply if a credit invoice has been issued because payment for the goods or services did not arrive in full or in part, but applies if the transaction circumstances change, for example the transaction is cancelled or the price changes and a credit invoice is issued as a result. If the buyer has already paid the sale price but the goods have not been sold or the services provided, the seller need not pay VAT in respect of an amount repaid to the buyer.

6) Transfer Pricing : depending upon the sector, the crisis may dramatically change the functions of international group companies, their contribution to group activities, division of risks, the necessity to grant intra-group credit



ESTONIA 2/2



and lower interest rates and lack of guarantees. International groups must bring their transfer pricing guidelines into line with reality, and not so much because of the tax authority's interest in making changes, but because they are economically beneficial.

FRANCE

The government has made several announcements regarding the provision of financial aid to companies and other business organizations in France.

The government has also announced the following tax and social security measures intended to help companies and other business organizations:

- Deferral of payment of social security contributions without penalty. Employers can defer the payment of all or part of their employee and employer social contributions due to URSSAF by March 15, 2020, for up to three months, without incurring any penalty.
- Deferral of payment of tax installment without penalty. Companies (or accountants acting on behalf of their clients) may request from the tax authorities (Service des Impôts des Entreprises, SIE) to defer the payment of their next direct tax installments (corporate tax, payroll tax), without penalty. Companies that have already paid their installment due in March 2020 may still be able to reject the SEPA debit corresponding to this payment with their online bank. Otherwise, they can apply for a refund from their SIE once the debit has been processed.
- Possible rebate of tax and social security charges. In the most serious situations, direct tax and social security rebates may be granted, on a case-by-case basis, after an individualized review, as confirmed by Minister of Economy and Finance Bruno Le Maire in a press conference held on March 17, 2020.
- Support from the state and the Banque de France (credit mediation) to negotiate a rescheduling of bank loans with the relevant bank Mobilization of the French public investment bank (Bpifrance) to guarantee bank lines of credit that companies may need because of the epidemic In a speech on March 16, 2020, French President Emmanuel Macron mentioned "state guarantees of up to €300 billion for all bank loans." This was confirmed by Minister of Economy and Finance Le Maire during his press conference of March 17, 2020.
- The following support measures have been set up by Bpifrance, irrespective of the size of the company:
 - 90% guarantee for loans between three and seven years granted by French private banks to affected companies.
 - Guarantee of up to 90% of the bank overdraft if the bank confirms the overdraft over a period of 12-18 months.
 - Offer of unguaranteed loans between three to five years of €10,000 to €5 million for SMEs and several tens of millions of euros for "mid-cap" companies (ETIs), with a significant delay in repayment.

- Monetization of all receivables for an amount of up to 130% of the receivables' amount.
- Suspension of repayments for loans granted by Bpifrance as of March 16, 2020.
- Support for the handling of conflicts with customers or suppliers by a business mediator.
- The state's recognition of the coronavirus as a case of "force majeure" for its public contracts. Consequently, in respect of all state public procurement contracts, penalties for delays will not be applied.

GEORGIA

Georgia is doubling funding for company VAT credit refunds.

GERMANY

To improve the companies' liquidity situation, options for deferring tax payments and reducing prepayments will be implemented:

- Revenue authorities will be able to defer taxes if their collection would lead to significant hardship. The revenue authorities will be instructed to not impose strict conditions in this respect.
- As soon as it becomes clear that a taxpayer's income in the current year is expected to be lower than in the previous year, tax prepayments shall be reduced in a swift and straightforward manner.
- Enforcement measures (*g.* garnishment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if debtor of pending tax payments is directly affected by corona virus implications.

The Central Customs Authority has been instructed to make appropriate concessions to taxpayers. The same applies to the Federal Central Tax Office .

GREECE

Greece has given a four-month extension to pay VAT that falls due at the end of March in the most affected regions.

INDIA

India has delayed the filings of GST filings for 2018/19 until 30 June 2020.

It has also delayed the introduction of e-invoices until 1 October 2020. It has also postponed a GST rise on certain basics.



INDONESIA



Indonesia will waive 10% consumption taxes on hotels and restaurants in Bali and nine other tourist destinations for the next three months.

It will also grant postponements of payments of import VAT for businesses and offer accelerated VAT credit repayments for manufacturers.

IRELAND

The Irish Revenue Commission has announced Value Added Tax measures. It has suspended VAT liabilities enforcement activities. There will be no late interest or payment penalties for January-February VAT payments. However, VAT returns must still be filed on time. The Revenue has advised businesses in trouble to contact him to negotiate payment terms.

ISRAEL

The Israeli Finance Minister, Moshe Kahlon and Tax Authority Director, Eran Yaakov, have announced a 10-day deferment on Value Added Tax filings and payments. The return due on 16 March is now due by 26 March. The tax authorities will also be amenable to any request for further delays or assistance from businesses experiencing difficulties.

ITALY

Companies that transfer within 31 December 2020, receivables towards defaulting debtors – which debts are older than 90 days - can convert the deferred tax assets into a tax credit if related to:

- the tax losses carried forward,
- the allowance for corporate equity (ACE) carried forward.

The benefit deriving from the above components cannot exceed 20% of the face value of the receivables transferred. The latter can be considered for a maximum amount of 2 billion euro. The tax credit can be offset, without any limitation as to the amount, through the F24 Form or transferred or requested for refund. The tax credit must be reported in the tax return and does not concur to the taxable basis for both corporate income tax and regional tax.

With the exception of the payments of each type of tax and the withholding taxes also related to the regional and municipal surcharge which are due, for all taxpayers the tax fulfilments (e.g. tax returns, communications, etc.) expiring in the period between 8 March 2020 and 31 May 2020 are postponed. The suspended fulfilments shall be carried out within 30 June 2020 without the application of any penalty. For the time being, the delivery and electronic filing of the statements of withholding tax related to 2019 remains on 31 March 2020 (deadline already extended compared to the original deadline).

JAMAICA

Jamaica plans to cut its General Consumption Tax from 16.5% down to 15%.

JAPAN

Shinzo Abe is considering a halving of the main Consumption Tax rate down to 5% to help businesses. The reduced tax rate on essentials and foodstuffs, currently 8%, would also be cut. The country has already delayed Consumption Tax filing deadlines and payments by one month until April.

Japan has already delayed filing deadlines and payments by one month until April.

JERSEY

The Jersey Minister for Minister for Economic Development, Tourism, Sport and Culture has confirmed the island will offer deferred Goods and Services Tax payment schedules.

The Minister also promised holidays on social security contributions and rents where the government is the landlord. The Government will also support Jersey Business with top-up funding, to ensure additional resources are available with practical advice and support on the actions that businesses can take to prepare for the economic challenges as a result of coronavirus.

LATVIA

In Latvia, there is a general option to apply to extend the tax payment deadline up to 1 year based on a written application of a taxpayer. The following information should be submitted to the SRS:

- motivated application in free form or as recommended by the SRS in the Electronic Declaration System (EDS) (Documents – Prepare new document “From the form” – Other – Application for extension of payment deadline),
- the balance sheet and profit and loss account (PZA) on the first day of the month in which the application is submitted,
- preferred tax payment schedule based on the taxpayer’s financial capabilities and statutory term.

The government is also discussing additional measures.

LITHUANIA 1/2

In Lithuania the State Tax Inspectorate has communicated that the following measures would be allowed:

- Possibility to postpone tax payment terms : extension of tax payment terms would be allowed. Businesses directly affected by COVID-19 should apply to the State Tax Inspectorate and ask to postpone tax payment terms by concluding a tax credit agreement. Generally, the STI could be asked to extend the payment term for Corporate Income Tax (CIT), VAT, Personal Income Tax (PIT) and other taxes administered by the STI, with a maximum extension period of one year. The STI has communicated that – in respect of late payment of tax amounts due – no recovery enforcement would be



LITHUANIA 2/2



initiated and unofficially promises that no default interest for delayed payment would be applied. Ways to simplify the process of signing a tax credit agreement are currently under consideration.

- Payment terms in respect of social security contributions could be postponed. The process and implementation way are still under discussion.
- In Advance CIT payments: the STI announced that the advance CIT return for the first quarter should be submitted and advance CIT must be paid by 30 March 2020 instead of 16 March 2020. In addition, it will be possible to change the way that advance CIT is calculated, that is, it will be possible to choose to pay advance CIT on the company's expected results rather than on the last year's results.

LUXEMBOURG

As part of the implementation of the measures decided by the Government to deal with the spread of the coronavirus, a series of measures designed to guarantee the continuity of the Luxembourg economy have been put in place. If they are experiencing liquidity problems as a result of the Covid-19 pandemic, legal and natural persons who make a commercial profit, an agricultural and forestry profit or a profit resulting from the exercise of a liberal profession may apply for:

- a cancellation of their quarterly advances of the income tax (corporate tax) and of the communal business tax for the 1st and 2nd quarter of 2020,
- a payment deadline for income tax (corporate tax), communal business tax and wealth tax,
- Requests for cancellation of advances and payment deadlines are automatically accepted by the administration,

In addition, the deadline for submitting tax returns has been extended to 30 June 2020. This decision applies to legal and natural persons. Regarding the extension of the deadline, please note that the common practice is December 31, 2020 to file the 2019 corporate tax returns.

The Luxembourg Ministry of Finance has also confirmed speedy refunds of VAT credits due to businesses on balances below €10,000. No fines will be levied for late filing of VAT returns until further notice.

MALAYSIA

Malaysia is considering reinstating the Goods and Services Tax, withdrawn in 2018 for sales and service taxes. Accommodation services have been exempted from service tax.

MALTA

Malta announced a VAT payment holiday for businesses

and self-employed for March and April. VAT credit refunds will also be accelerated.

NETHERLANDS

The Dutch government announced extraordinary measures (both tax and non-tax related) to mitigate the economic impact of the corona crisis. Below we will summarize some of these temporary measures.

- Deferral of tax payments : taxpayers can file a request for an extraordinary deferral of the payment of personal income tax, corporate income tax, VAT and wage withholding tax,
- Dutch VAT easements include: businesses may apply for delayed VAT payments if they can show hardship as a result of the crisis,
- The tax office may cancel any penalties or interest for any late payments,
- Late penalty interest will be reduced from 4% to 0.01% from 1 June if found delay not related to crisis,
- Open VAT assessments will be amended if it appears VAT should be less due to the pandemic,
- Extra VAT relief on customer bad debts will be granted if related to crisis,
- Businesses may also bring forward 2020 VAT reclaims from other EU member states via 8th Directive claims.
- The government has announced this week that the conditions for such deferral will be relaxed. Most notably the taxpayer is granted more time to substantiate its financial difficulties. In addition, an important enhancement will be provided in the form of a reduction of interest payable on any tax due, to (almost) 0%. This is significant as under current Dutch tax law interest rates can be in the range of 4% - 8% depending on the specifics and the type of taxes concerned. Penalties for late payment will also not be levied.
- Furthermore, the Government is expecting to withdraw certain local (municipality) taxes such as tourist taxes.
- The Dutch Organization of Tax Advisors (NOB) sent a letter to the Dutch Ministry of Finance with further tax suggestions to mitigate the economic impact of the corona crisis. Also taking into account the measures that were introduced as part of the financial crisis in 2008, the NOB proposed amongst others the following (without repeating the measures already introduced by Government): extending the loss carry forward and carry back rules for corporate income tax purposes, reducing the corporate income tax rate, an immediate depreciation of certain business assets, more budget for stimulating environmentally friendly investments and enhancing R&D incentives. In addition, the NOB proposed measures to reduce the administrative burden of businesses, such as extension of tax return filing deadlines and the introduction of the possibility to file letters of appeal online. Furthermore, the NOB suggests that the Dutch tax authorities take a lenient approach towards the substance requirements that apply for corporate income tax and dividend withholding tax purposes (also as there are currently substantial travel restrictions for board members).



NORWAY



The government is considering a cut of the 12% reduced VAT rate down to 8% for the duration of the coronavirus crisis. The rate applies to cinema admission, public transport, hotel accommodation services, entrance to cinemas, museums and amusement parks.

The VAT payment for the first returns has now been deferred from the 14th April deadline.

Norway will offer companies at least 100 billion Norwegian crowns in funding in the form of guarantees for loans and bond issues to support the economy.

POLAND

The government is working on special law aimed at alleviation of negative financial consequences of coronavirus for the employers / entrepreneurs (so called 'protective package', which may include individual tax reliefs / postponement or redemption of social security contributions / shorter terms for VAT refunds to the taxpayer, etc.). Respective proposal of amendments to applicable acts is planned to be announced in the coming days.

PORTUGAL

Portugal has announced a range of payment easements and other support for businesses.

QATAR

Qatar General Tax Authority Extends Tax Filing Date : The General Tax Authority issued Circular of the Chairman of the General Tax Authority No. 5 of 2020. The Circular has extended the deadline for the submission of tax returns for the tax year of 2019 for two months as of the final deadline for the submission of tax returns. The new date shall be 30 June 2020.

ROMANIA

The Romanian Ministry of Finance has announced Value Added Tax and other tax easements. All VAT and tax audits have been halted. There will be extended VAT credit payments for businesses with excess input VAT to refund from 1 April. The 25 March deadline for the February 2020 VAT return has been delayed until 25 April. Ongoing debt collections for VAT will be paused.

There is a wider support package being made available by the Romanian government, including aid for the railway and airline sectors, and social security payments deferrals on employees in sensitive sectors.

SOUTH KOREA

South Korea has cut VAT taxes for small businesses and provided tax deductions on personal credit card spend;

SPAIN

Spain has closed its VAT and tax offices from 15 March for face-to-face meetings today. This includes suspension of filing deadlines. But other operations are still in place.

Spain has announced VAT and other tax payment holiday for small businesses. The scheme is not available for large businesses (above €6m turnover) or if the Value Added Tax due is above €30m.

Royal Decree-Law 7/2020 of March 12 contemplates a series of measures to make deferrals more flexible for SMEs and the self-employed.

To ensure liquidity with the aim of sustaining economic activity in the face of transitional difficulties caused by the public health emergency, the following tax measures are introduced:

- In view of the difficulties companies will encounter for fulfilling their tax obligations and carrying out the steps in tax procedures, various measures are adopted aimed at extending and suspending the time periods in those procedures.
- The calculation of time periods relating to the maximum length of procedures for application of taxes and of statute of limitations period will not take into consideration the period between the entry into force of the royal decree-law and April 30, 2020.

To speed up customs formalities for imports in the industrial sector, so as to prevent effects on the supply chain of goods from third countries or a halt in exports, it provides that the person in charge of the department of customs and excise and other special taxes at the Spanish tax agency (AEAT) will be able to order that the declaration procedure and customs clearance must be conducted by any body or public official from the customs and excise and special taxes division.

SWEDEN

Sweden has introduced Value Added Tax easement measures to help businesses. As part of a 300bn Swedish crown support package, companies may delay VAT payments and other tax settlements for up to 12 months. The measure will be backdated to January 2020. There will also be a range of loan packages, salary support and direct measures for the airline industry.

SWITZERLAND

In line with other countries, Switzerland takes initial tax measures to help absorb some of the economic hardship that the Corona crises imposes on people and businesses. As one of the first cantons, the canton of Zurich on 20 March 2020 announced certain tax measures as part of its so-called „Corona package“. Likewise, the Federal Council has also enacted relief measures for various federal taxes entering into force as of March 2020.

THAILAND

Thailand has exempted face masks from import VAT and reduced time waiting for VAT refunds to 15 days.



TURKEY



President Erdogan has announced a number of Value Added Tax and other measures to help businesses. The VAT measures in place until November include:

- The VAT rate on airline travel is to be cut on domestic flights from 18% to 1%.
- Hotel accommodation and services are to be zero-rated.
- Other measures include suspension of national insurance payments on employees.

UKRAINE

The President signed a new law that introduces social tax, land, and property tax incentives during 2-month quarantine period to include tax exemptions, postponement of tax audits and possibility to postpone tax payments i.e. the statutory deadlines for payment are not changed, but payment can be delayed with no penalty and interest.

All these measures target the following:

1) Medium and large businesses :

A two-months exemption from :

- land tax, which is expected to be a benefit for heavy industry, mining, power production,
- from real estate tax is supposed to help office centers, hotels, shopping malls, supermarkets,

An option :

- to postpone social tax payment on employees' salaries due for March and April. Theoretically, businesses have option to delay payment of payroll taxes (income tax and military levy) till 31 May, but it is not clear how this will apply in practice, since the taxes are employees' cost and are collected from the gross salary when the salary is paid. Furthermore, Ukrainian banks may be unwilling to process wire transfers of salaries to employees' bank accounts if they see no evidence of income tax withholding;
- to postpone profit tax payment for 1Q 2020 (effectively only up to 10 extra days for payment of tax in May without penalty);

There are no VAT benefits. VAT continue to operate in a usual way (including tax audits of VAT refunds and penalties, if any). There is no exemptions for excise tax and royalties for mineral extraction.

2) Private individuals :

Extension for filing of an annual income tax return and payment of income tax and military levy for year 2019. The new filing deadline is 1 July and the tax shall be paid by 1 October 2020.

3) Private entrepreneurs :

A two months exemption from social tax. There will be no exemption from business income tax or flat tax, but a postponement till May 31 is optional. There will also be an option to postpone payment of social tax due for March and April on salaries paid by the entrepreneur in respect of the employees. Moreover, there will be :

- A two months exemption from land tax and real estate tax;
- A three months postponement of mandatory cash register rules.

4) Tax audits (all taxpayers)

Ongoing tax audits will be suspended, and planned tax audits will be rescheduled to a later date. Finally statute of limitations for tax audits will be extended accordingly for 2.5 months.

UK

The Chancellor announced measures including unlimited loans and guarantees to support firms and help them manage cashflows through this unprecedented period of peacetime disruption. He will make available an initial £330 billion of guarantees - equivalent to 15% of UK GDP.

The government will also:

- provide support for liquidity amongst large firms, with a major new scheme being launched by the Bank of England to help their cash flows through loans;
- increase the amount businesses can borrow through the Coronavirus Business Interruption Loan Scheme from £1.2 million to £5 million, and ensuring businesses can access the first six months of that finance interest free, as government will cover the first six months of interest payments;
- include new legal powers enabling the government to offer the financial support it considers necessary to businesses;
- further business rates support, and grant funding is promised in order to help the most-affected firms manage their cashflow. This will see additional £25,000 grants provided to retail, hospitality and leisure businesses operating from smaller premises, with a ratable value over £15,000 and below £51,000.

Additional measures available :

- To support public services. The government will provide extra resources needed by the NHS and other public services to tackle the virus, including funding.
- To support people affected by COVID-19. Statutory Sick Pay (SSP) will now be available for eligible individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating in line with Government advice.
- To support businesses experiencing increases in costs or financial disruptions. Small and medium-sized businesses will be able to reclaim SSP paid for sickness absence due to COVID-19.
- The Business Rates retail discount will be increased to 100% for one year and extended to the leisure and hBank loans and support from HMRC.
- A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, is promised to help businesses access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to Small and medium-sized enterprises (SMEs). The government will not charge businesses or banks for this guarantee.
- All businesses in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. HMRC's new dedicated COVID-19 helpline was launched on 11 March 2020 to offer advice and support.

- Finally and to ensure ongoing support, HMRC have made a further 2,000 experienced call handlers available to support firms and individuals when needed. Businesses concerned about being able to pay tax due to COVID-19 should call HMRC's dedicated helpline (+44 (0)800 0159 559).

USA

Treasury Secretary Steven Mnuchin announced that individuals may defer up to \$1 million in 2019 tax liability without interest or penalties until June 15 (90 days after April 15, 2020) and corporations may defer up to \$10 million in tax liability without interest or penalties for 90 days. Secretary Mnuchin said that the aggregate amount of deferral would be \$300 billion.

1) Revising State Tax Revenue Estimates Downward :

Economists have been revising state tax revenue forecasts for 2020 downward. This is not surprising. States generally receive most of their tax revenue from sales taxes, excise taxes, and personal income taxes. All of these will be negatively impacted by COVID-19. With respect to sales taxes, large retailers are increasingly closing their stores, and many states and cities have already mandated the closure of restaurants and other businesses; as a result, consumers are expected to make fewer taxable purchases, putting downward pressure on sales tax revenues. In connection with excise taxes, with most professionals working from home and almost all large events cancelled, it is expected that citizens will decrease their driving, meaning that they will buy less gasoline for their cars, resulting in the states receiving less gasoline excise tax than projected. Additionally, reduced travel will mean a decrease in hotel stays, causing states to receive considerably less hotel excise tax than forecasted. With respect to personal income tax, lower overall employee payouts in 2020 will mean a decrease in state personal income tax collections from withholding and from annual returns.

2) Potential State Legislative Responses :

The states will want to find a way to make up for the projected shortfall in state tax collections. State legislative action during the 2009 recession seems a fair point of reference for what states might do in 2020. In 2009, many states passed legislation that created higher tax brackets for individuals, raised the rates on excise taxes such as cigarette taxes, and suspended or eliminated certain deductions, such as net operating losses and capital losses. States also proposed new sales tax laws designed to increase revenue (click-through nexus laws started to become more widely adopted in 2009, for example). Borrowing from the 2009 playbook, it would not be surprising to see states raise top rates, suspend some deductions, and enact new base-broadening sales tax laws in 2020 to try to mitigate the decrease in tax collections resulting from COVID-19.

3) Impact on State Tax Audits and Controversies :

States seeking increased revenue are likely to ramp up audits of high dollar value issues, such as sales of interests in pass through entities, taxability of computer software, residency audits, remote seller sales tax nexus, and inclusion of foreign income in state combined returns. Audits launched in 2020 would generally cover older "boom years" in which the stock market was steadily climbing and many individuals and businesses had positive net income. In the case of "old and cold" state tax appeals, some states may wish to cut a deal to receive immediate payment rather than continue to let an old controversy continue to slowly wend its way through the administrative appeals system. As a result, there may be opportunities to resolve old, lingering controversies that up till now have been difficult to settle. And speaking of administrative appeals systems – COVID-19 is likely to put the brakes on audits and appeals in many states, at least in the short term. Audit meetings, appeals conferences, and trials will need to be postponed or held via audio. This will slow the appeals process down and may create a backlog or further contribute to an already existing one.

4) Amnesty and State Voluntary Disclosure Programs :

Amnesty and voluntary disclosure programs are great tools for producing immediate revenue. The states do not need to chase after this revenue either, as taxpayers "come out of the woodwork" to apply for these programs. Both programs thus offer states the potential for a "shot in the arm" of immediate revenue in exchange for the waiver of at least some penalties and interest for tax issues disclosed through the programs. In light of the immediate benefit of these programs, it is likely that states will offer new amnesty programs and will more aggressively promote their already-existing voluntary disclosure programs.

5) Extension of Filing Deadlines :

States are beginning to offer extensions of tax filing deadlines in response to COVID-19. It should not be assumed that all deadlines for all state taxes will be extended or that all extensions are automatic (in some cases, it may be necessary to apply for an extension). Hopefully states will waive penalties where returns are filed late due to a taxpayer's regular tax return preparer (or in-house accountant) experiencing COVID-19-like symptoms that prevent regular work during filing season. In the past, the states have generally agreed that a taxpayer's serious illness provides "reasonable cause" to waive penalties for a late filed return but have not always granted the same relief where a tax return preparer is ill. Given that most states have declared a "state of emergency" due to COVID-19, one would hope that on the whole states would be lenient about waiving penalties where there is a supportable COVID-19-related basis for a late-filed return.

The following states have announced tax relief for businesses and individuals impacted by COVID-19. Relief may include filing extensions as well as interest and penalty waivers for a host of taxes, including lodging tax and sales and use tax :

State	Resources	Tax relief
Alabama	<p>State of Emergency declaration</p> <p>ADOR responds to COVID-19</p> <p>IRP and IFTA extension</p> <p>Vehicle registration and property tax relief</p>	<p>ADOR will adopt filing extensions provided by the IRS.</p> <p>Temporary (30-day) suspension of International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) requirements.</p> <p>The deadline for motor vehicle registrations/renewals and property taxes for motor vehicles for the month of March is extended to April 15, 2020. Penalties won't be charged until April 16.</p> <p>Additional assistance for sales and uses tax and other taxes may be available for individuals and businesses that can't file tax returns on time due to COVID-19. Contact the department.</p>
California	<p>Department of Tax and Fee Administration</p> <p>Governor's press release</p> <p>Executive Order N-25020</p> <p>Emergency and Disaster Assistance for Employers</p> <p>San Francisco economic relief</p>	<p>State tax filing deadlines are delayed by 60 days for individuals and businesses unable to file on time due to compliance with public health requirements related to COVID-19.</p>
Connecticut	<p>Department of Revenue Services press release</p> <p>Business Resources</p>	<p>Filing deadlines and payments for certain annual tax returns (due between March 15 and June 1, 2020) are extended by at least 30 days. This affects the pass-through entity tax, unrelated business income tax, and corporation business returns. Payments associated with these returns are extended to June 15, 2020.</p> <p>Taxpayers may email DRS@po.state.ct.us or call 860-297-5962 (860-297-4911 for the hearing impaired) to discuss their specific situation.</p> <p>DRS will adjust filing and payment due dates for state income taxes to align with guidance from the IRS regarding federal due dates.</p>
Kansas	<p>Governor's measures to mitigate spread of COVID-19</p> <p>Kansas DOR outlines plan for temporary closure</p>	<p>State employees have been directed to stay home on administrative leave for two weeks, starting March 23. A couple of areas within the Department of Revenue will remain operational, with limited staff.</p> <p>Kansas will follow IRS guidelines and give taxpayers until July 15, 2020 to pay their income taxes. Return will be due June 15, 2020.</p>
Maryland	<p>Comptroller of Maryland news release</p>	<p>Certain tax filing deadlines have been extended to June 1, 2020: admissions and amusement tax; sales and use tax; withholding tax; alcohol, motor fuel, and tobacco excise taxes; and tire recycling and bay restoration fees. Interest and penalties will be waived for businesses that file by June 1. Email taxpayerrelief@marylandtaxes.gov or call 410-260-4020 to discuss options.</p>

State	Resources	Tax relief
Massachusetts	Massachusetts Department of Revenue COVID-19 Response	<p>Eligible taxpayers will automatically receive at least six extra months to file tax returns, provided they satisfy certain tax payment requirements.</p> <p>The DOR may also waive penalties under certain circumstances.</p> <p>The DOR is prepared to follow IRS guidelines.</p>
Nevada	Nevada Tax Department	All Taxation offices are closed to the public until further notice.
New Hampshire	Emergency orders Department of Revenue Information about COVID-19	Unemployment benefits will be made "immediately available" to individuals who have reduced hours or are unable to work due to COVID-19.
North Carolina	NCDOR Penalty Relief NCDOR Actions on COVID-19	Late Action Penalties will be waived for taxpayers affected by COVID-19 who fail to timely obtain a license, file a return, or pay taxes due between March 15 and March 31, 2020. To qualify, taxpayers must obtain the license, file the return or extension application, or pay the tax by April 15, 2020. Complete Form NC-5500 to request the penalty waiver.
Oregon	Oregon Department of Revenue COVID-19 tax relief options	<p>The DOR will automatically grant an Oregon personal income tax return extension for taxpayers who file an extension with the IRS. Penalties and interest may be waived for taxpayers who cannot meet their tax obligations "due to a circumstance beyond the taxpayer's control, such as a declared regional or national state of emergency," provided they make a good faith effort.</p> <p>The department may extend any statutory period of limitation on any tax if taxpayers (or the state) are unable to take timely action due a state-declared emergency or action by the IRS.</p>
Pennsylvania	Pennsylvania Department of Revenue	All DOR offices and call centers are closed. Contact the department through the Online Customer Service Center: revenue-pa.custhelp.com
South Carolina	SCDOR offers more time to file returns and pay taxes due	Tax returns and payments due between April 1 and June 1 will now be due June 1, 2020. Interest and penalties won't be charged if payment is made by June 1 for admissions tax, corporate and individual income taxes, sales and use tax, and other taxes filed and paid with SCDOR. The tax relief will be automatically applied for all applicable returns and payments; taxpayers don't need to take additional action.
South Dakota	SDDOR	All DOR offices are closed until March 23, 2020. Staff is available at 800-829-9188 or via chat.
Washington	Washington Department of Revenue COVID-19 update City of Seattle Initial Recovery Package City of Seattle Small Business Support City of Seattle Press Releases	<p>The DOR will work with businesses that can't pay their taxes on time due to the COVID-19 outbreak. Businesses can request an extension or penalty waiver by sending a secure email in their My DOR account or by calling 360-705-6705.</p> <p>The City of Seattle is deferring B&O tax collections for eligible businesses and offering immediate relief for small businesses impacted by COVID-19.</p>



VIETNAM

The Ministry of Finance offers a five-month Value Added Tax deferment to assist with companies during the COVID-19 pandemic. The measures are targeting: small businesses; transport; agriculture sector; and foodstuffs and textile sectors. The VAT holiday would be extended to other taxes, including personal income and corporate income taxes.

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