

PROPOSED SOLUTIONS OF THE MINISTRY OF FINANCE IN THE "ANTI-CRISIS SHIELD" PACKAGE

The Ministry of Finance has presented the assumptions of anti-crisis shield solutions that are to counteract the negative effects of the COVID-19 pandemic.

Extension of the deadline for tax-remitters to pay advance payments on payroll taxes collected in March and April	In the case of payroll withholding tax collected in March and April 2020 on remuneration paid by employers, the obligation to pay is shifted to June 1, 2020 if tax-remitters (employers) have suffered negative economic consequences due to COVID-19. These regulations apply mutatis mutandis to payments under mandate and specific work contracts.
Possibility of retroactive settlement of tax losses in personal income tax (PIT) and corporate income tax (CIT)	Taxpayers will be able to deduct the loss incurred in 2020 from the income obtained in 2019. To this end, taxpayers will submit a correction of tax return for 2019. This solution is provided for entities whose revenues achieved in 2020 will fall by at least 50% in relation to the revenues achieved in 2019. A deduction of up to PLN 5 million will be deducted from the income from 2019 (the surplus will be deducted in subsequent years).
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 will be at least 50% lower than in the same period of the previous tax year. 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 from March to May suffer negative economic consequences in connection with the coronavirus.
Real estate tax and perpetual usufruct fee	The payment deadline for perpetual usufruct is postponed until June 30, 2020. The regulations also provide for the possibility for municipalities to introduce property tax exemptions for entrepreneurs due to negative economic consequences due to coronavirus.
Excluding 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. The exemption will also be available to those entities which did not generate revenues in the previous year, but in 2020 bear the negative economic consequences of the coronavirus.

The introduction of the option to opt out of simplified advances in 2020 and the calculation of monthly advances on current revenues	<p>"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 monthly advances on current income.</p>
Postponement of the date of entry into force of the new JPK VAT and CRRB applications	<p>The proposed provisions postpone until July 1, 2020 the obligation to submit a new JPK VAT for "large enterprises". In addition, until July 13, 2020, the deadline for submitting applications to the Central Register of Real Beneficiaries (CRRB) has been extended.</p>
Payments outside the White List	<p>From 3 to 14 days, the deadline for notifying the Tax Authorities of payments to an account outside the white list will be extended (payments for transactions worth over PLN 15,000). The 14-day period will apply only during the period of epidemic emergency status or epidemic status announced due to COVID-19.</p>
Other planned solutions	<ul style="list-style-type: none"> ■ Possibility to suspend tax audits and tax proceedings for the duration of the epidemic. ■ Extension of the deadline for filing CIT-8 for non-governmental organizations. ■ Exemption from PCC (transaction tax) of loans concluded until August 31, 2020 if the borrower is the entrepreneur whose financial liquidity has deteriorated due to negative economic consequences due to COVID-19. ■ Temporary resignation from the extension fee due to payment in installments or postponing the date of payment of taxes and tax arrears. ■ Possibility to suspend administrative enforcement proceedings against cash receivables. ■ The introduction of a deduction in PIT and CIT for donations (in cash or in kind) made for purposes related to preventing and combating coronavirus infection.
Contact us	<p>This document has been prepared for information purposes only and covers general nature. Before taking any action based on the above information, we recommend that you obtain a valid opinion of TPA experts.</p> <div> <div data-bbox="453 1265 632 1442"></div> <div data-bbox="644 1261 826 1379"> <p>Łukasz Korbas Partner +48 603 558 869 Email</p> </div> </div> <div> <div data-bbox="986 1265 1165 1442"></div> <div data-bbox="1174 1261 1409 1379"> <p>Ewa Znamierowska Partner +48 602 523 526 Email</p> </div> </div> <div> <div data-bbox="453 1467 632 1644"></div> <div data-bbox="644 1464 826 1583"> <p>Iga Kwaśny Partner +48 601 088 206 Email</p> </div> </div>

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