

TAX HOT TOPICS

July 31st, 2015

Exemption from social health insurance contribution for income from rental of goods

Order no. 837/2015 published in the Official Gazette no. 549 of July 23, 2015

- ❖ The Order approves Central Tax Commission Decision no. 2/2015 which clarifies that the following categories of individuals do not owe social health insurance contribution for income obtained from rental of goods:
 - ❖ Individuals, regardless of nationality / domicile / residence, holding a valid health insurance issued by an EU / European Economic Area Member State / Switzerland or by other countries with which Romania has signed bilateral agreements on social security;
 - ❖ Individuals, regardless of citizenship, who have domicile / residence in a state with which Romania has not concluded agreements on social security systems or that do not fall under the European legislation on social security and who are not allowed to stay in Romania for a period exceeding 90 days.

Travel allowance granted to Romanian personnel sent temporarily abroad

Decision no. 582/2015 published in the Official Gazette nr. 558 of July 27, 2015

- ❖ The decision brings a number of changes to the provisions concerning the rights and obligations of Romanian personnel sent abroad for undertaking temporary missions:
 - ❖ the daily amounts received during delegation and detachment will be identified as "travel allowance" made out of: daily allowance and accommodation allowance;
 - ❖ The former appendix providing for the per diem levels and accommodation limits is replaced by the Annex to this Decision;
 - ❖ The changes come into effect as of September 1st 2015, with certain exceptions expressly provided.



Cancellation of social health insurance contribution for certain categories of individuals

Law no. 225/2015 published in the Official Gazette no. 562 of July 28, 2015

- ❖ The law cancels health insurance contributions due from 1 January 2012 and until 31 January 2015 for certain types of revenues and by certain individuals, such as: children up to the age of 18, young people aged up to 26 students or coming from the child protection system, husband, wife and parents dependents of an insured person, the disabled, pregnant women etc.
- ❖ The law also regulates the procedural aspects for the implementation of cancelling those obligations.
- ❖ It also provides the right of taxpayers who have already paid the contributions cancelled by the law to ask for repayment of the amounts paid.

VAT registration

Order no. 1964/2015 published in the Official Gazette no. 566 of July 29, 2015

- ❖ This Order amends the previous regulations concerning the establishment of criteria for conditioning of the VAT registration.
- ❖ Thus, it introduces a new situation where the VAT registration application is rejected in cases where the legal representative of the taxpayer does not provide correct and complete data and information required and does not clarify the taxpayer's intention and ability to perform economic activities which involve operations within VAT scope and it is the taxpayer's first application for VAT registration.
- ❖ Proposal for approval (similar to the rejection) of the VAT registration will be accompanied by a report which will present the reasons for issuing it.
- ❖ The deadline for issuing the approval / rejection decision – in case of evaluation made by the tax authorities – is extended from one to 3 days.

Creation of computer programs

Order no. 1348/835 published in the Official Gazette no. 573 of July 30, 2015

- ❖ The order repeals previous regulations (Order no. 539/2013) and brings the following changes with respect to the applicability of the personal income tax exemption for employees involved in creation of computer programs.
 - ❖ Eliminates the requirement that the employee graduates from certain specializations expressly mentioned in appendix 2 of the previous order (such as automation, cybernetics, computer science etc.);
 - ❖ It introduces the possibility of benefiting from the tax exemption regime for citizens of the EU / European Economic Area / Switzerland, whose diplomas are equivalent.

Amendment of legislation

Order no. 19/2015 published in the Official Gazette no. 574 of July 30, 2015

- ❖ Among other things, the order modifies the Emergency Ordinance no. 77/2009 for the organization and operation of gambling activities.
 - ❖ Thus, it introduces a 10% bonus of the annual amount that must be paid to the state budget in case the annual fee for authorization of slot-machines type of gambling activities is entirely paid in advance.
 - ❖ At the same time, a similar bonus regarding the fee for poker festival type of activities is eliminated.