

6 November 2015

# Fiscal Bulletin



## Summary:

1. Government Emergency Ordinance No. 50/2015 for amending and supplementing the Law No. 227/2015 regarding the Fiscal Code and Law No. 207/2015 regarding the Fiscal Procedural Code

## The most important amendments brought to the New Fiscal Code and the New Fiscal Procedural Code

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Government Emergency Ordinance No. 50/2015 (the “**Ordinance**”), published in the Official Gazette of Romania, Part I, No. 817/3 November 2015, provides amendments brought to the New Fiscal Code and to the New Fiscal Procedural Code.

### 1. Income tax on micro-enterprises

The applicable tax rate on income obtained by micro-enterprises is amended as follows:

- 1% for micro-enterprises which have 2 or more employees;
- 2% for micro-enterprises which have 1 employee;
- 3% for micro-enterprises with no employees.

Additionally, the threshold up to which a legal entity qualifies as a micro-enterprise is raised from EUR 65,000 to EUR 100,000.

### 2. Dividend tax

The applicable tax rate for dividend distribution is reduced from 16% to 5% regardless if the beneficiaries are individuals or legal entities.

It should be noted that the exemption concerning dividend distribution among legal entities is still applicable if the dividend beneficiary fulfils the minimum holding conditions (i.e., at least 10% of the share capital of the legal entity performing the dividend distribution, for an uninterrupted period of one year, at the moment the payment is performed).

### 3. VAT

It is specified that the applicable VAT rate for the supply of drinkable water and water used for irrigation in agriculture is reduced to 9%.

The provisions of the Ordinance are enforceable beginning with 1 January 2016, the date when the New Fiscal Code enters into force.

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## Editors

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