



THE CURRENT TAX SYSTEM IN ROMANIA

TPA offers an overview of the most important tax innovations. 2022 is bringing changes in the areas of taxes, duties and social contributions in all CEE and SEE countries. This summary covers the essential changes effective as of 2022.

Corporate Tax

As of 1st January 2022, the deductibility limit for expenses with bad debt allowances will increase from 30% to 50%.

Value Added Tax

As from 1st February 2022, the VAT reimbursement mechanism with subsequent tax audit is to be extended to all categories of taxpayers (certain exceptions expressly provided for by law will apply).

The threshold for applying the 5% VAT rate on supplies of residential properties to individuals has been increased from RON 450,000 to RON 700,000. Also, as from 1st January 2022, any individual may purchase, individually or together with one or more other individuals, one single residential property subject to the 5% VAT rate.

Income Tax

As from 1st January 2022, the national minimum gross salary is RON 2,550 per month.

Withholding Tax

The applicability of tax exemption on dividends has been extended to payments made to legal entities resident in a member state of the European Economic Area as well as in Iceland, Liechtenstein or Norway. This exemption applies provided that, as at payment date, the dividend recipient has held at least 10% of the shares in the Romanian payer for a period of at least one year.

Procedural aspects

SAF-T reporting obligations have been introduced starting 1st January 2022, with taxpayers being required to report mandatory accounting and tax information.

The implementation of SAF-T reporting is performed in stages, depending on the category of taxpayers. For example, large taxpayers are required to report starting 1st January 2022 (or 1st July 2022, in case a company was included on the list of large taxpayers as from 1st January 2022), while medium-sized taxpayers are required to report starting 1st January 2023. A grace period of 3 to 6 months is allowed for the taxpayers subject to SAF-T reporting obligations, depending on the reporting period.