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Factsheet for case **LV-2020-14/618**

Direct refund of the overpayment of a value added tax

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Country	Latvia, applies nationwide
Time period	Temporary, 01 April 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	15 April 2020 (updated 07 May 2020)

Background information

Refund of the overpayment of a value added tax is a measure introduced with the objective to make available additional financial resources to deal with the crisis caused by the COVID-19 virus.

The measure is introduced in Section 6 of the law “On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19” (adopted on 20 March 2020, valid from 22 March 2020).

Content of measure

Normally, according to Section 109 of the Value Added Tax Law, the State Revenue service carry forward the approved amount of overpaid tax to the next taxation period.

Section 6 of the 'Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of Covid-19' sets forth different procedures for the anticipated refund of overpaid value added tax in the time period from 1 April 2020 to 31 December 2020. During this time period the procedures of refunding laid down in Sections 109 and 110 of the Value Added Tax Law should not be applied.

State Revenue Service has to refund the approved and overpaid amount of value added tax which has been submitted to State Revenue Service after 31 March 2020 within 30 days.

Prior to the refund of the approved and overpaid amount of value added tax, State Revenue Service has to cover the taxes and duties of the taxpayer administered by the State Revenue Service, other payments stipulated by the State and the payments related thereto.

Use of measure

No information to date.

Actors, target groups and funding

Actors	Target groups	Funding
National government	All companies	No special funding required

Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

As far as we know social partners participate in discussions on measures for the prevention and suppression the spread of COVID-19 and on crisis impact on economy. However specific opinions of social partners are not published.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 09 April 2020: Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19 (likumi.lv)
- 09 April 2020: State Revenue Service informative page on COVID-19 (www.vid.gov.lv)