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Factsheet for case **HR-2020-14/289**

Deferring and paying VAT during special circumstances

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Country	Croatia, applies nationwide
Time period	Temporary, started on 01 April 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	06 April 2020 (updated 29 April 2020)

Background information

According to Ordinance amending the Ordinance on the implementation of the General Tax Law (OG 35/2020) (see case HR -2020-12/288) new conditions are laid down for deferring VAT for the duration of special circumstances. Delaying the payment of VAT liability is possible only for taxpayers who, in 2019, have not achieved the value of supplies of goods and services in excess of HRK 7,500,000,000 (€ 1 million) in the previous year, and which determines the tax base according to deliveries made and in accordance with a special regulation on value added tax.

On 16 April 2020 The Tax Administration has issued Instructions for deferring and paying VAT during special circumstances.

Content of measure

The VAT liability for the month of February (VAT form submitted until March 20, 2020) cannot be subject to a payment delay. Taxpayers who pay VAT monthly may apply a deferral of payment with a liability for March 2020, and those who pay VAT quarterly may apply a deferral for tax liability for the first quarter 2020. Very important is that the government decided that for VAT payments, it would be possible to defer such payments until the billing of invoices is issued, as is now the case with small businesses. The deadline for

the submission of financial statements for 2019 is extended until 30 June 2020 and businesses are exempt from paying the Financial Agency fee for the publication of financial statements.

Use of measure

Not yet known at this stage.

Actors, target groups and funding

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

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

No involvement.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 19 March 2020: Hrvatski sabor (Parliament of the Republic of Croatia) (2020) Zakon o dopuni Općeg poreznog zakona -- OG 32/20 (narodne-novine.nn.hr)
- 16 April 2020: Uputa o odgodi i plaćanju PDV-a za vrijeme posebnih okolnosti (www.porezna-uprava.hr)