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Factsheet for case **EE-2020-10/341**

Interests on tax arrears suspended

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Country	Estonia, applies nationwide
Time period	Temporary, 01 March 2020 - 31 December 2021
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	07 April 2020 (updated 06 May 2020)

Background information

Due to reduced income of companies, there are difficulties foreseen in relation to paying taxes by the companies. Collecting interest on these tax arrears further worsens the situation of the companies. Therefore, the government decided that while tax obligation remains in place, there are other ways to reduce the burden of the companies. For suspending the interests on tax arrears, a government decree was changed and relevant subsection was added.

Content of measure

The Estonian Tax and Customs Board suspends the calculation of interests on tax arrears of companies from 1 March until the end of the emergency situation (currently 17 May 2020). After the end of the emergency situation, the interest rate is reduced from 0.06% to 0.03% per day until the end of 2021.

Also, companies with deferred taxes or deferred tax debt can have interest rate reduced by up to 100% from 1 May 2020 to 31 December 2021. This is usually maximum 50%.

Additionally, no tax arrears are published in public business registries as usual. No end date for this is brought out.

Use of measure

No information available.

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Other social actors (e.g. NGOs)	All companies	No special funding required

Social partners

Role of social partners	No involvement
Form of involvement	Not applicable

No information to add.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 18 March 2020: Kuidas riik ja MTA aitavad raskustesse sattunud ettevõtjaid (www.emta.ee)
- 23 March 2020: Government decree (www.riigiteataja.ee)