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Factsheet for case **LV-2020-11/613**

Advance payments of the personal income tax

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Country	Latvia, applies nationwide
Time period	Open ended, started on 12 March 2020
Type	Legislation or other statutory regulation
Category	Income support to workers and those laid off – Income support for people in employment
Case created	15 April 2020

Background Information

The duty to perform the advance payments of personal income tax for the income from economic activity for the payer of personal income tax has been cancelled. The measure is applicable to advance payments from 1 January 2020.

The measure is set in force in Section 5 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

Usually, in compliance with the Section 18 of the law On Personal Income Tax, concurrently with the tax declaration, but not later than until 1 June of the post-taxation year, the State Revenue Service calculate the size of advance payments in the taxation year for the payer, except for the payer who has commenced an economic activity in the taxation year, based on the income of the previous year. The payer who has commenced economic activity in the taxation year has the right, within 30 days after commencement of economic activity, to voluntarily submit a calculation for the size of advance payments in the taxation year by forecasting the expected income.

Section 5 of a Law “On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19” determines that a payer of personal income tax has not a duty to perform the advance payments of personal income tax for the income from economic activity for the taxation year of 2020. This condition is applicable to advance payments from 1 January 2020. The payer of personal income tax may perform the advance payments of personal income tax for the income from

economic activity for the taxation year of 2020 on a voluntary basis.

Taxpayers who have already made the first advance payment (until 15 March 2020) but does not wish to pay advances voluntarily, can recover the money from State Revenue Service.

Use of measure

No information to date.

Actors, target groups and funding

Actors	Target groups	Funding
National government	employees	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)