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Factsheet for case BG-2020-16/495

COVID - 19 measure: Business tax relief

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Country	Bulgaria, applies nationwide
Time period	Temporary, 13 April 2020 - 30 June 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to get back-to-normal – Measures to support a gradual relaunch of work
Case created	12 April 2020 (updated 24 April 2020)

Background Information

The measure aims to ensure more liquidity for businesses during the state of emergency by delaying payment and filing of tax returns. In addition, the measure guarantees less administrative burden for businesses at present.

Preliminary estimates show that losses to the state budget will be approx. €300 million.

Extension of the deadline to 30 June 2020 for filing the annual income tax return of persons engaged in business activities as traders within the meaning of the Commercial Act, incl. sole proprietors, activities as farmers when they have chosen to be taxed as sole proprietors, and to pay the tax due on those persons on the declaration

Content of measure

The deadline for declaring and paying corporate tax under the Corporate Income Tax Act (CITA) has been extended to June 30 2020, according to the National Revenue Agency (NRA). By this date, the tax on expenses, on the revenues of budgetary enterprises, the tax on the income from ancillary and auxiliary activities within the meaning of the Gambling Act, as well as the tax on the operation of ships, must also be taken into account.

So far, the corporate tax reporting deadline has been March 31 2020, with an annual activity report filed with the annual tax return. Persons who have not performed any activity within the meaning of the Accounting Act

during a given tax period should not file these documents unless a corporate or expense tax liability arises. There are currently over 200,000 corporate tax returns and all the data has been sent online.

Use of measure

The measure is valid for all legal entities in the country, but not for individuals.

Actors, target groups and funding

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

Social partners

Role of social partners	Informed
Form of involvement	Bi-or tripartite social dialogue bodies

The measure was at the initiative of the Ministry of Finance and the social partners were informed of it in due time.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 23 April 2020: Declaring and paying Republican taxes and social security contributions during a state of emergency (www.nap.bg)