



April 1, 2020

ANTI-CRISIS SHIELD - SIGNIFICANT RELIEF / TAX FACILITIES

Below we present essential tax support instruments provided in the so called Anti-Crisis Shield Act, which are intended by the Polish government to provide support to entrepreneurs in the field of tax issues.

In the face of the current situation, these proposals are perceived by many entrepreneurs as insufficient and do not meet many expectations that were signaled by both employers' and entrepreneurs' organizations.

A. CHANGES TO THE CORPORATE INCOME TAX ACT (CIT)

- CIT taxpayers have opportunity to deduct their loss incurred in 2020. The loss can be deducted from income obtained in 2019 (above possibility concerning those taxpayers who will have at least 50% less revenues compared to 2019). Mentioned above CIT taxpayers will be able to reduce respectively income or revenue by the loss in amount not higher than by 5,000,000;
- CIT taxpayers have option of postponing the date of payment the tax from revenues obtained from shopping centers and galleries for the months March-May 2020 till 20 July of 2020 (above possibility concerning those taxpayers who will have at least 50% less revenues compared to the same periods in 2019);
- CIT taxpayers responsible for so-called "bad debts" have possibility not to increase the income that is the base for calculating monthly advance payments due in 2020 by unpaid liabilities (above possibility concerning those taxpayers who will have at least 50% less revenues compared to the same periods in 2019);
- postponed until 1 June of 2020 the deadline for payment of advance income tax collected by employer on employees remuneration paid in March and April of 2020 (above possibility concerning those taxpayers who will have at least 50% less revenues compared to the same periods in 2019);
- postponed until 30 September of 2020 the deadline for submitting information on transfer pricing for entrepreneurs whose tax year started after 31 December of 2018 and ended before 31 December of 2019.

B. CHANGES TO THE TAX ON GOODS AND SERVICES (VAT)

- the obligation to submit a new JPK_VAT file have been postponed from 1 April of 2020 to 1 July of 2020 for all taxpayers, however taxpayers will be able to voluntarily submit a "new" JPK VAT in May 2020;
- postponed until 1 July of 2020 the applying of the new matrix of VAT rates;
- with the customer's consent, it will be possible to issue receipts in electronic form and send such electronic receipt to the customer in a manner agreed with the customer.

C. AMENDMENTS TO THE REAL ESTATE TAX

Municipal councils will have possibility: (i) to introduce for part of year 2020 an exemption from real estate tax to groups of entrepreneurs whose financial liquidity has deteriorated due to negative economic consequences because of COVID-19, and (ii) to postpone the deadlines for payment of real estate tax installments, payable in April, May and June 2020, but no longer till 30 September 2020.

D. OTHER EXEMPTIONS AND TAX FACILITIES

▪ Retail Sales Tax

Postponed until 1 January of 2021 the applying of the new tax on retail sales.

▪ Temporary abolition of the Prolongation Fee

The Act applying a temporary abolition of the prolongation fee regarding tax and ZUS obligations

▪ Suspension of Proceedings and Control

In the case of an emergency or an epidemic, the tax authorities shall suspend ex officio or at the request of tax proceedings or tax audit and customs and tax control.

▪ Reporting Tax Schemes (MDR)

The deadlines for reporting tax schemes (MDR) falling on 31 March of 2020 do not start, and those started are suspended till 1 July of 2020.

▪ Submitting Notices Concerning Payments Not To A Bank Account Mentioned On the White List

During the period of the epidemic threat and the state of epidemics announced in connection with COVID-19, the deadline for submitting a notification of payment make on the bank account not mentioned on the White List is extended to 14 days from the date of the transfer.

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