

## TAX BRIEFING: Monthly Insight

# Recent Developments in Tax Legislation

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#### A. Ministerial Decisions A.1053/2020 and A.1054/2020 Implementing Article 2 of Act of Legislative Content dated 11 March 2020 on the Suspension of Debt and VAT Payments

1. Within the framework of the Act of Legislative Content (ΠΝΠ) dated 11 March 2020, two Ministerial Decisions were issued (A.1053/2020 and A.1054/2020 - the Decisions) that extend debt payments towards the State. In particular the time limit for the payment of established debts and VAT due from
  - a. 11 March 2020 to 30 April 2020 to the tax authorities is extended until 31 August 2020. Legal entities affected by the spread of COVID-19 virus benefit from this time extension which applies to those entities that on 20 March 2020 had one of the activity code numbers included in the list attached to these Decisions as their main activity code number (ΚΑΔ). Payments of settled debts that are paid in instalments or partially by legal entities affected by the spread of COVID-19 are extended until 31 August 2020.
  - b. The collection of debts and VAT overdue on 11 March 2020 from legal entities included in the Ministry of Finance's list, is suspended until 31 August 2020.

- c. No interest or penalty is due upon payment of the debt due.
- d. The above benefits are revoked if legal entities proceed to dismissals of employees employed under an employment contract during the suspension period.
- e. The same time extension is provided to lessors who are natural persons of real estate leased to legal entities affected by COVID-19.

#### B. Measures Under the Act of Legislative Content of 20 March 2020

1. As of 20 March 2020 the VAT rate for specific hygiene products is reduced from 24% to 6%. The reduced rate will apply until 31 December 2020. Such products include:
  - a. protective masks and gloves;
  - b. antiseptic products, wipes and other relevant products;
  - c. soap and other products used for personal hygiene purposes; and
  - d. ethyl alcohol used for the production of antiseptics.
2. The tax authorities shall immediately refund taxes due up to the amount of €30,000 per tax payer and tax type. Such refunds may be subject to a tax audit on a sample basis.
3. Legal entities affected by COVID-19, may be financed by the Greek State. The main source of such funding shall be the National or co-financed part of the Program of Public Investments. A ministerial decision will provide details regarding the financing method, the eligible legal entities and expenditures and other details for the implementation of the funding.

#### C. Law 4675/2020 Provides for VAT Exemption on Antiseptic Products

1. The toll manufacturing for the production of antiseptics by industrial and craft enterprises is VAT exempt and the respective input VAT will be deductible. Such exemption applies only for antiseptics produced for the account of the Ministry of Health.

# BERNITSAS briefing

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