

# Amendments to tax legislation and other normative acts

11 December 2018

## In brief

Laws significantly amending tax legislation and other normative acts have been published.

## In detail

### Income tax

Interest on loans granted by banks to their employees under standard market conditions will not be a taxable benefit.

As of 1 January 2019, repair expenses for own transport used for providing transportation services under a taxi regime are fully deductible.

Special rules for determining the personal income tax for 2018 tax year also apply to non-resident individuals (for income provided under art. 71 para (1), c), d), n) and o) of the Tax Code).

### Value added tax (VAT)

The method of application has been amended for the 10% VAT rate on accommodation services, food and beverages (with some exceptions) provided by entities performing accommodation and / or catering activities according to section I of the Nomenclature of the Economic Activities of Moldova.

As of 1 July 2019, entities subject to VAT are obliged to issue electronic tax invoices (e-factura) to their customers for

local taxable supplies made under public acquisitions. Exceptions apply for supplies of electrical and thermal energy, natural gas, electronic communication services and utilities.

### Tax administration

The State Tax Service (STS) Board has been established within the STS, with responsibility for issuing Advanced Individualised Tax Rulings.

### Customs legislation

The possibility of placing certain types of goods under the temporary customs admission regime has been extended to cover introducing them into or removing them from duty-free stores, bars and restaurants.

Such goods might be subject to sale-purchase transactions between holders of licences for performing activities under the duty-free regime.

### Voluntary declaration and fiscal stimulation

The list of individuals who can not be subject to voluntary declaration has been extended.

Moreover, the tax due on money voluntarily declared and deposited / transferred

into bank accounts has been increased from 3% to 6%.

The list of exceptions under which the tax authorities can perform tax inspections for periods before 1 January 2018 has been completed (e.g. repeated non-compliance with rules for use of cash machines during six consecutive months).

### Other amendments

For the purposes of applying the single tax due by IT park residents during January – July 2018, the notion of “salary income” includes “any payment made to employees or to their benefit by IT park residents based on labour legislation and other normative acts containing labour law provisions”.

Expenses incurred by employers during 2018 within the limits defined by the legislation for (i) transportation, meal and professional learning of employees, (ii) meal tickets and (iii) voluntary health insurance policies are not subject to mandatory health insurance and social security contributions.

The Government Decision has been published approving the days of 30 April, 10 May and 26 August 2019 as non-

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working days, and those of 13 April, 18 May and 17 August 2019 as working days.

*[Source: Law no. 229 dated 1 November 2018 amending certain legislative acts, Law no. 243 dated 8 November 2018*

*amending the Law no. 180/2018 on voluntary declaration and fiscal stimulation, Government Decision no. 1163 dated 28 November 2018, published in the Official Monitor no. 441-447 (6836-6842) dated 30 November 2018]*

### ***The takeaway***

The above-mentioned amendments to tax and customs legislation, and to other normative acts, enter into force on 30 November 2018, with some exceptions.

## ***Let's talk***

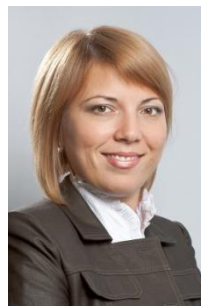
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