



Anti-Crisis Shield and Tax Law

The published law amending the law on special arrangements for preventing, counteracting and combating COVID-19 and the executive regulations introduce a number of changes in tax law. Selected changes are summarised below:

Property tax

- » The law contemplates the possibility for a municipal council to exempt a group of entrepreneurs whose financial situation has deteriorated (in connection with COVID-19) from property tax due on land, buildings and structures related to business activities for part of 2020 and to defer their property tax instalments due in April, May and June until the end of September 2020 at the latest.

Tax proceedings and inspections

- » The procedural deadlines in relation to tax proceedings (such as deadline for filing an appeal against the tax decision) or inspections and customs and fiscal audits are suspended during the epidemic. Importantly, these deadlines will resume or commence to run from 23 May 2020.

Accounting

- » The deadlines for entities to draft and approve their annual financial statements have been extended by 3 months (i.e. when the financial year is concurrent with the calendar year, the financial statements should be drafted by the end of June 2020 and approved by the end of September 2020).

Tax reporting

- » The deadline for the submission of MDR declarations (declarations concerning reporting tax schemes) has been suspended until 30 June 2020 at the latest and the deadlines have been extended for compiling local transfer pricing documentation and for submission of a statement to that effect until 30 September 2020 and for attaching group transfer pricing documentation to the local documentation until the end of 2020 (for taxpayers whose tax year started after 31 December 2018 and ended before 31 December 2019).

Donations

- » Taxpayers will be able to deduct from their taxable base their cash or in-kind donations made in 2020 for the purposes of preventing and combating COVID-19 infection among health care providers, including sanitary transport, as well as donations made to the Material Reserves Agency and the Central Sanitary and Antiepidemic Provisions Depot.

VAT

- » The obligation for large taxpayers to submit new JPKs (Standard Audit File for Tax) has been postponed until 1 July 2020 (the previous deadline was 1 April 2020).
- » The deadline for submitting a payment notification with respect to an account not listed in the so-called "white list" of VAT taxpayers will be extended (from 3 days to 14 days).

Tax interpretations

- » The deadline for issuing a tax interpretation has been extended from 3 to 6 months.

PIT

- » Taxpayers who, due to COVID-19, will incur a tax loss in 2020 and, in 2020, have total revenues that are at least 50% less than in 2019, will have an opportunity to reduce the taxable income obtained in 2019 by the amount of that loss, but not by more than PLN 5,000,000.
- » The tax on salaries that would ordinarily be collected in March and April 2020 has been deferred until 1 June 2020.
- » Taxpayers who meet specific conditions will be able to benefit from a postponement of the deadline for payment of the tax on revenue from buildings for March-May 2020 until 20 July 2020.
- » Downtime benefits and benefits consisting of accommodation and board that are provided under the COVID-19 law will be exempt from income tax.

CIT

- » Taxpayers who, due to COVID-19, will incur a loss in the current tax year will have an opportunity to reduce their taxable income for the previous tax year by the amount of that loss, but not by more than PLN 5,000,000.
- » The deadline for submitting IFT-2R (information regarding payments such as interest, royalty fees) has been extended until the end of the fifth month of the year following the tax year in which the payments listed in Article 26(1) of the CIT law (such as interest, royalty fees) were made.
- » The deadline for submission of CIT-8 (annual CIT return) has been extended until 31 May 2020.
- » Taxpayers who meet specific conditions will be able to benefit from a postponement of the deadline for payment of tax on revenue from buildings for March-May 2020 until 20 July 2020.
- » There are amendments relating to tax capital groups (a PGK) (i.e. relaxation of the conditions relating to the obligation concerning absence of tax arrears and the obligation of the PGK to earn a certain share of its income) that are applicable to the tax year beginning before 31 December 2019 and ending after that date or to the year beginning after 2019 and ending before 2021

Possibility to apply for tax reliefs

Taxpayers may continue to take advantage of the possibilities provided in the Tax Law with regard to tax relief (e.g. deferment of payment, rescheduling of payments into instalments, or full or partial cancellation of tax arrears). Moreover, such relief is contingent on there being an important interest of the taxpayer or the public (which may be the case in this situation).