

TAX ALERT



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Amendments of Law 571 / 2003 regarding the Tax Code

Monitorul Oficial al Romaniei No. 442 / 30 June 2010 has published Government Emergency Ordinance No.59/30 June 2010 which amends Law No. 571 / 2003, regarding the Tax Code.

The Ordinance amends Articles **252** and **263** of the Tax Code, referring to a higher tax on buildings, which should be paid by natural entities owning several buildings, as well as to the method used for the calculation of tax on transport means.

Amendments of Law 571 / 2003 regarding the Tax Code

As an outcome of the latest amendments, starting **1 July 2010**, the tax which should be paid by natural persons owning two or more **buildings** has increased

- by **65%** if the taxpayer owns another building, apart from the building representing his/her domicile;
- by **150%** if the taxpayer owns a second building besides the building representing his/her domicile; and
- by **300%** if the taxpayer owns a third and other buildings, exclusive of the building representing his/her domicile.

The buildings acquired by legal succession shall not be subject to such provisions.

Natural entities shall file a special declaration with the specialized departments of the local public tax authority having jurisdiction over such entities' domicile and over the other buildings owned by them.

The changes occurred in the tax on an 80-sq. m. flat in a more-than-three-storey block of flats situated in Tineretului area, Bucharest, are graphically highlighted in *Appendix 1* hereto.

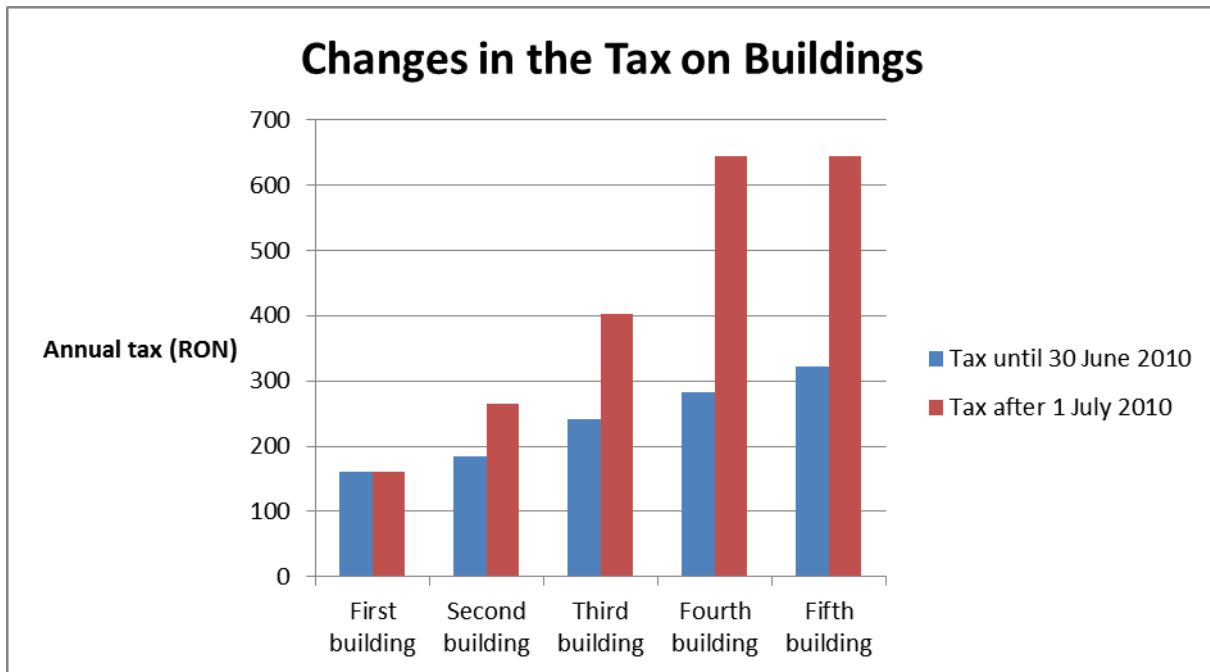
The Ordinance also amends the method used for the calculation of the tax on transport means, which is concisely presented in the table below. Also, *Appendix 2* hereto contains a graphical presentation of the changes occurred in the **tax on motor vehicles** having various engine capacities.



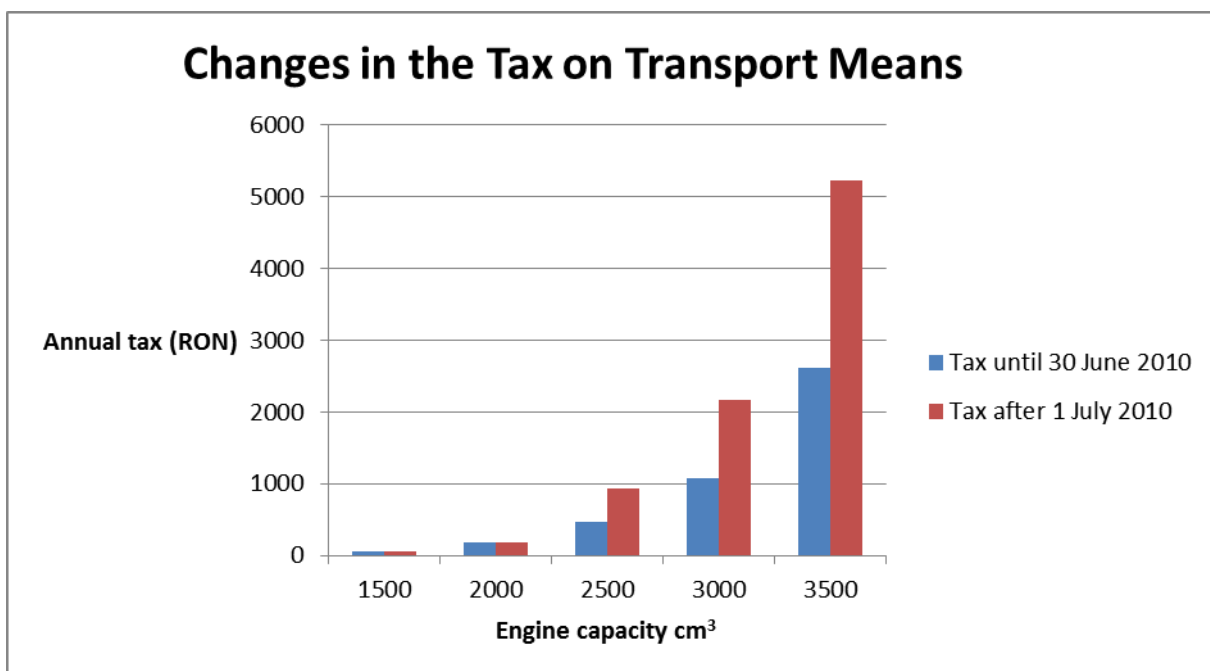
Mechanically driven transport means	New Tax (RON/200 cm ³ or a fraction thereof)	Higher tax compared to the value previously provided by the Tax Code – (RON/200 cm ³ or a fraction thereof)
Motor scooters, scooters, motorcycles and cars having an engine capacity of up to 1,600 cm ³ , included	8	-
Motorcars having an engine capacity between 1,601 cm ³ and 2,000 cm ³ , included	18	-
Motorcars having an engine capacity between 2,001 cm ³ and 2,600 cm ³ , included	72	36
Motorcars having an engine capacity between 2,601 cm ³ and 3,000 cm ³ , included	144	72
Motorcars having an engine capacity over 3,001 cm ³	290	145
Buses, vans, minibuses	24	-
Other motor vehicles having a maximum total mass of up to 12 tons, included	30	-
Registered tractors	18	-

For the year 2010 the deadline for the payment of tax differences resulting from the application of the new values is 31 December 2010. Natural entities who will pay, until 30 September 2010, the full amount of taxes which are recalculated for the resulting differences shall be granted an incentive that is to be established under decisions of the local councils for the year 2010.

Appendix 1



Appendix 2



Tax Alert contains a selection of the latest major issues occurred in the Romanian legislative framework, is intended only to provide information and, hence, shall not be deemed to provide professional advice or consultancy.

Therefore, we assume no responsibility in this respect.

Should you require any information related to the foregoing, please do not hesitate to contact us.

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