



TPA Newsletter, Special Edition 25/2020

1. Broadened circle of businesses who can utilize new tax reliefs

On 15th October, we informed you that the Ministry of Finance disclosed, in Financial newsletter no. 22/2020 a series of new tax reliefs. A fundamentally new development is the deferral of tax obligations to those entrepreneurs whose activities have been immediately limited by government measures. In the Minister of Finance's ruling, the circle of affected businesses was defined by a list of affected fields.

A further step by the Minister of Finance from 26th October 2020 was the expansion of these tax reliefs to include affected entrepreneurial and non-entrepreneurial subjects among whom over half of their incomes are generated **by retail and sale** and providing of services in facilities, with the exception of activities which, according to the Resolution of the Czech Republic on passing crisis measures from 21. 10. 2020 no. 1079, remain permitted also in the period from 22. 10. 2020 (see Finanční zpravodaj no. 25/2020).

The only condition for applying the reliefs stated below is that the payer notify their tax administrator (locally and including the pertinent financial authority) that they fulfil the conditions for the Minister of Finance's general pardon, and this in the form of an email which is to include and electronic copy of the notification furnished with an original handwritten signature. A certain level of verifying the subject's identity is required to protect subjects against identity theft which could lead to misuse.

The entrepreneurs defined above can defer, without penalty, VAT payment concerning the months of September to November 2020 as well as the 3rd Quarter of 2020 and can do so until 31. 12. 2020. If the VAT for the pertinent period is paid by 31. 12. 2020 at the latest, the financial authority will not levy penalty interest having arisen until the day the VAT is paid.

Further, on the basis of notification, these entrepreneurs can be entirely excused of paying income tax advances payable in the period from 15. 10. 2020 until 15. 12. 2020.

On the basis of notifications, all advances for road tax for the entire year 2020) i.e. advances payable on 15. 4. 2020, 15. 7. 2020, 15. 10. 2020 and 15. 12. 2020) will also be pardoned.

In the event of any questions on this area, please do not hesitate to contact us.



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Kind regards

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