

Taxation: new changes due to the ongoing pandemic



This digest uses information and documents as of May 4, 2020

Previously, Law Group Paradigma has already covered the most important legislative changes in connection with the coronavirus pandemic in the field of taxation. However, the next changes in this area were not long in coming.

The procedure for paying tax and insurance payments has changed

Earlier, the Government of the Russian Federation extended the deadline for paying a number of tax and insurance payments. Now organizations and individual entrepreneurs have the opportunity to pay them after the expiration of the deferred payment term, and not with one payment, but with monthly equal payments during the year.

The first payment will have to be paid before the end of the month, following the month for which there is a due date, taking into account the granted deferment.

Changes to the list of persons entitled to deferment on paying taxes and premiums

We would like to remind that initially the organizations and individual entrepreneurs named in [the list of affected industries](#) were granted the right to defer payment or for an installment payments plan of any taxes (except mineral extraction tax and excise duty) and insurance premiums that were due for payment in 2020.

- Now, deferral of payment of all taxes and duties, with the exception of excise duty and mineral extraction tax, is granted only to organizations operating in certain industries. [The list of such industries](#) is named in the new Annex to the Rules for the provision of deferral (installment plan) for the payment of taxes, advance payments of taxes and insurance premiums.

Please note that the list of industries named in the Annex is noticeably narrower than the list of affected industries. Thus, it lacks cinemas, zoos, museums, dentistry and non-food retail.

- Organizations from the list of affected industries, whose activities are not stated in the Appendix, can no longer count on a deferment (installment plan) for insurance premiums, VAT, and tax on additional income from hydrocarbon production.

! The changes do not apply to those who managed to submit documents before April 24. When considering these documents, tax inspections should be guided by the previous rules.

Service for checking eligibility for the right on deferment

Now organizations and individual entrepreneurs can find out if they have the right to defer payments using the online service – on the website of the Federal [Tax Service of Russia](#)

Payment deadlines of insurance premiums have been extended for small and medium-sized businesses

Earlier, the extended payment deadlines were provided exclusively for micro-enterprises included in the Register of small and medium-sized businesses and operating in the most affected areas.

The newly issued Decree of the Russian Government has expanded the tax benefit by extending it to small and medium-sized businesses, included in the relevant Register of small and medium-sized businesses and operating in the most affected industries.

Suspension of debt collection measures and interim measures

Earlier, the Federal Tax Service of Russia suspended the application of debt collection measures and related interim measures established by the Russian Tax Code until April 4, 2020 inclusive, in relation to all taxpayers - legal entities and individual entrepreneurs.

These measures have been extended until May 31, 2020 inclusive.

As before, the exception is cases where failure to take debt collection measures may entail concealment of assets and (or) the possibility of other actions preventing the recovery of debt.

However, even in such a situation, application of the debt collection measures and corresponding interim measures is allowed after its approval with the head of the higher tax authority.

Disinfection Costs

Organizations are entitled to take into account in the tax base for income tax - the expenses incurred in connection with the fulfillment of sanitary-epidemiological and hygienic requirements due to the spread of coronavirus infection (disinfection of premises, purchase of devices and equipment for diagnostics (treatment), personal protective equipment, etc.).

Similar provisions have appeared for taxpayers who apply the Unified agricultural tax and the Simplified tax system.

You can contact PARADIGMA lawyers for advice and any personal recommendations on doing business in a pandemic by telephone **+7 495 649-41-41**. Alternatively, you may send a request by e-mail: info@prlex.ru

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