

# Covid-19 Pandemic: Emergency & Tax measures 2020

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# Covid-19 Pandemic: Emergency & Tax measures 2020

Belgium  
By André Bailleux



## 1. Introduction : Health Measures and Economic Effects in Belgium

- ✓ Besides the 'Stay-At Home' measures, the Belgian government has announced a range of tax measures to help taxpayers and businesses under strain from the coronavirus outbreak.

## 2. Main Tax Measures

- ✓ Individuals and companies that justify financial hardship following the Coronavirus outbreak may benefit from the following support measures for their tax liabilities:
  - ✓ Get a debt settlement plan;
  - ✓ Suspension of late payment interests
  - ✓ And/or remission of penalties for non-payment
- ✓ Deferral of deadlines
- ✓ The companies and individuals who have to submit their tax return are granted a new time limit as at 30/04/2020.
- ✓ Deferral of VAT form and Intra-Community statement as follows:
  - ✓ Feb 2020 return deferred until 6 April 2020
  - ✓ March 2020 return deferred until 7 May 2020
  - ✓ First quarter 2020 deferred until 7 May 2020
- ✓ Deferral of filling of the Annual client list until 30 April 2020 or at the latest at the end of the 4th month that follows the end of the activities
- ✓ Two month's deferral of payment of VAT, P.A.Y.E., personal Income Tax, Corporate Income Tax, etc. with no penalties or late payment interests

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## Belgium By André Bailleux

- Employers may pay a non-taxable allowance of 126,94 € each month to home-working employees
- **Special scheme for frontier workers (G-D Luxemburg and France)** : presence at home as from 14 March 2020 will not be counted in the computing of the 24 or 30 days time limit laid down in the Agreements with Luxemburg and France.

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Czech Republic By Bohdana Pražská



### 1. Introduction - Health Measures and Economic Effects in Czech Republic

- ✓ The authorities have undertaken nationwide comprehensive measures – limiting the free movement of people, imposing social distancing and ordering the wearing of face masks. It is expected that wholesale quarantining will be relaxed during April, to be replaced by “smart quarantining”.

### 2. Tax emergency measures

- ✓ Submission of corporate and personal income tax returns for 2019 is postponed until 1 July 2020 (this applies to all taxpayers that are not subject to mandatory audit and who have not granted power of attorney to a tax advisor for submitting and preparing their tax returns)
  - ✓ Waiving penalties for late submission of tax returns until 1 July 2020 at the latest
  - ✓ Waiving late payment interest on the late payment of tax arrears until 1 July at the latest
- ✓ Payment of a deposit on corporate and personal income tax payable before 15 June 2020 will be waived
  - ✓ Deposits will be waived automatically (however, waiving the deposit does not mean the tax itself will be waived) – this concerns the second deposit for quarterly payers and the first deposit for half-yearly payers). This does not apply to payers with a tax period other than a calendar year (such payers have to apply for such a waiver).
- ✓ Postponement of the submission of real estate transfer tax returns in cases where the deadline for submitting the tax return falls between 31 March 2020 and 31 July 2020 – the new deadline is 31 August 2020.
  - ✓ Waiving penalties for late submission of tax returns until 31 August 2020 at the latest
  - ✓ Waiving late payment interest on late payment of tax arrears until 31 August at the latest
- ✓ Postponement of due dates for deposits of road tax payable before 15 April 2020 and 15 July 2020 until 15 October 2020.
  - ✓ Waiving late payment interest on late payment of tax arrears until 15 October 2020 at the latest

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Czech Republic By Bohdana Pražská

- ✓ Suspension of the mandatory electronic registration of sales for the duration of the emergency regime and the subsequent three months
  - ✓ No payers are obliged to register their sales, and no obligation will be inspected.
- ✓ Introduction of the concept of using past tax losses (i.e. "loss carry-back"). This measure will be introduced via an amendment to the Income Tax Act.
  - ✓ Any 2020 tax loss can be set off against the 2018 and 2019 tax bases.
- ✓ Deadlines for submitting VAT reports and the deadline for paying the tax does not change. Nevertheless, here too, certain measures have been introduced:
  - ✓ A flat waiver of penalties for not submitting the control report amounting to CZK 1,000 if the duty to pay the penalty arises between 1 March 2020 and 31 July 2020.

### 3. Other measures

- ✓ Project Antivirus – a subsidy to employers of up to 60% and 80% of paid remuneration, including contributions, depending on the nature of the obstacle
- ✓ COVID Loan I (suspended from 20 March 2020) – currently, submitted applications are being reviewed
  - ✓ The Czech-Moravian Guarantee and Development Bank (CMGDB) has offered advantageous loans in the amount of between CZK 500,000 and 15,000,000, with zero interest rate, to small and middle-sized entrepreneurs
- ✓ The Government also intends to support big companies in the form of guarantees for loans provided by the EGAP. The total amount of loans could be as much as CZK 800 billion. Currently, this guarantee mechanism is under preparation.
- ✓ Postponement of rent payments for entrepreneurs for the period from 12 March 2020 until 30 June 2020 (must be approved by Parliament).
- ✓ A moratorium on loan and mortgage payments – repayments of loans and mortgages concluded before 26 March 2020 will be suspended for up to six months (must be approved by Parliament).
- ✓ Direct support to self-employed persons in the form of a compensation bonus of up to CZK 25,000. The relevant bill will be debated by the Government on 7 April 2020.

# Covid-19 Pandemic: Emergency & Tax measures 2020

**France**  
By Marylène  
Bonny-Grandil



## 1. Health Measures and Economic Effects in France

- The French government has decided to confine the population from March 17, 2020 until April 15, 2020 (renewable). Travels are strictly limited. The French government immediately took emergency measures to support businesses and individuals.

## 2. Fiscal emergency measures

### • For all companies:

- ✓ Deferral of payment for corporate tax
- ✓ Possibility for companies to ask the corporate tax department to defer without penalty the payment of their next direct tax installments (advance payment of corporation tax)
- ✓ Suspension of payment of the corporate property tax (CFE) or property tax for companies on a monthly payment contract
- ✓ Modulation or deferral of the withholding tax for self-employed workers
- ✓ Possibility to modulate the rate and the withholding tax installments at any time or to defer the withholding tax instalments for a period of 3 months.

### • For distressed companies :

- ✓ Possibility to seize the Department's Commission des Chefs de Services Financiers (CCSF) in order to obtain deadlines for the payment of tax and social security debts
  - ✓ the debtor must be up to date with his tax and social security obligations and payments and he must not have been convicted of undeclared work
  - ✓ Possibility to request the deferral or rebate of direct taxes
  - ✓ Possibility to request a settlement plan from the public accountant in order to defer or spread out the payment of tax debts or a tax rebate in the most difficult situations (significant drop in turnover)

# Covid-19 Pandemic: Emergency & Tax measures 2020

France  
By Marylène  
Bonny-Grandil

## 3. Other measures

- **Possibility of deferring social deadlines (URSSAF)**
- **Creation of a solidarity fund financed by the regions**
  - ✓ Possibility to benefit from a one-off aid of €1,500 for companies for companies with a turnover of less than €1,000,000 in 2019 and which have been subject to administrative closure due to the pandemic or a loss of turnover of more than 70% (comparing March 2019 to March 2020).
- **Deferrals of rent, water, gas and electricity bills**
  - ✓ This measure concerns small enterprises in difficulty eligible for the Solidarity Fund financed by the State and the Regions and on request to the creditors concerned.
- **Treasury loans guaranteed by the State**
  - ✓ The Government is implementing an exceptional system of guarantees to support bank lending to companies. Until 31 December 2020, companies of all sizes and legal forms will be able to apply to their usual bank for a State-guaranteed loan to support their cash flow. The loan may represent up to 3 months of turnover in 2019, no repayment will be required in the first year. The procedure is different depending on the number of employees and the amount of turnover.
- **Partial unemployment**
  - ✓ Firms that have had to reduce or suspend their activity during containment may place their employees on short-time working. The company pays a compensation equal to 70% of the gross salary (about 84% of the net) to its employees. Employees with a minimum wage or less are compensated 100%. The company will then be fully reimbursed by the State for wages up to 6,927 euros gross per month, i.e. 4.5 times the French minimum wage (SMIC).

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Hungary By Pal Jalsovsky



### 1. Introduction - Health Measures and Economic Effects in Hungary

- ✓ The Hungarian government declared a national emergency effective as of 11 March 2020. This is a special legal order meaning that the government may deviate from the acts of the national parliament by decrees, and certain constitutional rights may be restricted on an extraordinary level.
- ✓ Accordingly, regulatory measures, actions and restrictions recently imposed by the authorities and economic operators in connection with the COVID-19 pandemic are likely to have an impact on commercial contracts and relations.
- ✓ As of 24 March 2020, Hungary has 187 confirmed cases of the COVID-19 virus, with 9 deaths. The government did not introduce a state-mandated "stay-at-home" directive. Nevertheless, it is strongly advised for the whole population not to leave their homes, there is an extraordinary educational break and the retail sector operates with strictly limited opening hours. The government officially prognoses an economic decline and the national currency (HUF) weakened by approximately 5% in the last 14 days.

### 2. Fiscal emergency measures

- ✓ The Hungarian government already took both fiscal and tax measures and further measures are expected in the form of governmental decrees. We briefly highlight the most important measures below.

#### • For companies and individuals

- ✓ **Moratorium on loan repayments.** A payment moratorium applies until 31 December 2020 on all contractual loan and financial lease agreements concluded by financial institutions before 18 March 2020. Interest continues to accrue during this period.
- ✓ **General adjournment of court hearings and restriction of execution procedures.** Courts have a period of general adjournment, during which no hearings are held and procedural deadlines start again at the end of the adjournment. In relation to execution procedures, a general property eviction moratorium is also entered into force and certain enforcement actions also cannot be taken during the national emergency.



# Covid-19 Pandemic: Emergency & Tax measures 2020

Hungary  
By Pal Jalsovsky

- **For companies**

- ✓ **Termination ban on lease agreements.** In designated sectors (e.g. tourism, catering, entertainment, event management) the rental fee for non-residential premises cannot be increased and the lease agreement cannot be unilaterally terminated by either party until June 30, 2020.
- ✓ **Sector-specific tax exemptions.** Employers operating in designated sectors (e.g. tourism, catering, event management, arts and sports) are exempted from the payment of social contribution tax and social security contributions. These exemptions will apply for March, April, May and June of 2020. Furthermore, entrepreneurs in designated sectors opted-in to the Fixed-rate Tax of Small Taxpayer Enterprises will be exempted from paying these fixed-rate taxes.
- ✓ **Allocation of employees' working time.** Employers are legally allowed to disregard the normally applicable requirement of providing 96 hours of notice when implementing working time allocation. This means a wide flexibility in human resource management.

- **For individuals**

- ✓ **Consumer credit interest rates.** As of March 19, 2020, the maximum interest rate of consumer credits, which is not secured by any mortgage, cannot exceed the base rate of the Hungarian National Bank by more than 5% (0.90% as of 24 March 2020).

### 3. Other special measures taken by governments

- ✓ **Travel Restrictions.** Generally, the borders of Hungary are closed, only Hungarian citizens can enter the country. Despite this general ban, transit through the country, though with restrictions and with long waiting times at the border, but possible

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Luxembourg By Bernard Felten



### 1. Introduction - Health Measures and Economic Effects in Luxembourg

- ✓ Like neighboring countries, the Grand Duchy of Luxembourg has taken several emergency measures in order to attempt to slow the spread of the COVID-19 virus. Since 12 March, the government has moved to a strategy of reinforcing the protection of vulnerable populations. The general population has been asked to stay at home whenever possible and adopt barrier gestures such as avoiding physical greetings and washing their hands regularly. Since 18 March 2020, the Schengen area's borders were closed to third country nationals for a renewable period of one month.

### 2. Emergency fiscal measures have also been adopted, both for companies and individuals :

- ✓ The Administration des Contributions Directes, in charge of income tax has issued a newsletter on 17 March 2020, private individuals and companies having suffered losses in their commercial profits due to the virus may request no to pay 2020 tax advances and may further request to delay payment of the 2019 income tax.
- ✓ Furthermore, the date to file the 2019 income tax declaration has been postponed from 31 March to 30 June 2020.
- ✓ The Administration de l'Enregistrement et des Domaines, in charge of VAT has issued a statement announcing that lateness in filing 2019 VAT declarations will not be sanctioned until notice otherwise.
- ✓ Companies whose financial year ended on 31 December 2019 may file their annual accounts with the Luxembourg Trade and Companies Register until 30 November 2020 instead of 30 June 2020.

### 3. Other special measures taken by governments

- ✓ Given the gravity of the situation, the government has instigated a special, simplified short-work system, which can be treated in an accelerated manner by the government in order to assist companies which have had to close down because of the quarantine.
- ✓ The procedure to benefit from family personal days following the schools having closed down and the quarantine situation has been simplified and it is no longer an obligation for the child (under 13 years of age) to be hospitalized in order for the parent to request this measure (up to 18 days).

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Italy By Ambrogio Novelli



### 1. Introduction : Health Measures and Economic Effects in Italy

- ✓ Since the first Coronavirus case detected in Northern Italy in the Lombardia Region on the 21st of February, the Italian Government has been enacting several miscellaneous emergency measures aiming at limiting the spread of the Covid-19 outbreak in Italy.

### 2. Fiscal emergency measures

- ✓ On the 17th March 2020, the Government adopted the Law Decree No. 18 (Official Gazette No. 70 of March 17th, 2020) which includes actions to enhance the national health service and to provide economic support to families, workers and businesses affected by the current epidemiologic emergency.

#### • Measures aimed at Companies and Professionals:

- ✓ Suspension of taxes, contributions and fulfilments to payments whose deadline falls between the 8th of March 2020 and the 31st of May 2020; the relevant payments are to be made as a lump sum by the 31rd May 2020 or by five instalments as of 31rd May 2020. These measures are intended for:
  - ✓ The most affected business or companies (e.g.: tourism sector, catering) and for those located in certain designated physical areas;
  - ✓ For Self employed or otherwise professions earnings no more than two million euros;
- ✓ No withholding tax on income from self-employment and other income and commissions for professionals without employees with earnings not exceeding Euro 400 thousand.
- ✓ Suspension of loan repayments for SMEs until the 30th of September 2020;
- ✓ Postponement of the deadlines for the approval of the financial statements;
- ✓ A further tax credit amounting to 60% of the lease payment due for March 2020 is to be granted to business income holders, regarding properties classified in cadastral category C/1 (such as stores and shops);
- ✓ a tax credit for the sanitation of workplaces is granted to all businesses and professionals amounting to 50% of the expenses related to the sanitation of environments and working instruments, up to a maximum of Euro 20 thousand for each beneficiary.

# Covid-19 Pandemic: Emergency & Tax measures 2020

Italy  
By Ambrogio Novelli

- **For Individuals:**
- **Suspension of instalments on first home mortgages and loans for 9 months.**
  - ✓ The measure is intended for employed, self-employed and freelance workers meeting certain conditions (reduction of working hours and a 33% decrease of turnover compared to the last quarter of 2019);
  - ✓ 30 % of gross tax deductions, for a maximum deduction of Euro 30 thousand for individuals and non-commercial entities who, during 2020, will make cash donations or of any kind to support the Covid-19 emergency in favour of public and non-profit entities, as well as legally recognized associations and foundations;
  - ✓ Employee benefits for those who declared in the previous fiscal year a total employment income not exceeding Euro 40 thousand, in proportion to the working days undertaken in March 2020;
- **Suspension of the terms for payments due to the Collection Agent until the 30th of June 2020**
- **Suspension of the terms related to the activities of tax offices until the 31st of May 2020.**
  - ✓ These measures are to be welcomed. However, it is hard to say whether these measures will mitigate the negative effects of the containment measures and the almost total lock down of the production sector

# Covid-19 Pandemic: Emergency & Tax measures 2020

**Spain**  
By José María  
Moyano Vital



## 1. Tax measures

- **Spanish Central Tax Office.** -
  - Central Tax Office manages taxes as VAT, CIT, instalment payments of CIT, of withholding taxes for individual income tax, among others.
    - ✓ At Central Tax Office, deadlines to lodge tax form continues the same, no changes exit due to Covid-19.
    - ✓ Some deadlines (not all) for tax appeals and tax proceedings have changed, being extended.
    - ✓ As tax aid for the current situation, there are some measures addressed to facilitate to postpone tax quotas to be paid, namely:
      - ✓ The amount to defer will be as max. 30.000€.
      - ✓ Not guaranty will be necessary to opt for these deferrals.
      - ✓ There will be no interest in arrears during the 3 first months of this deferral.
      - ✓ This measure will apply for a max. of 6 months.
      - ✓ Applicable only to companies and self-employed with a turnover up to 6.010.121,04€ in 2019.
- **Autonomous Regions (Comunidades Autónomas)**
  - ✓ Regions are the Authorities to manage some taxes as Inheritance tax, Gift tax, or Stamp duties.
  - ✓ Every single Region is passing different tax measures, as to wide the deadlines to submit tax forms (different to what happens at Central Tax Office).
  - ✓ Madrid Regional authorities have passed a measure consisting in enlarging one month all the deadlines to lodge regionals taxes.
- **Local Authorities**
  - ✓ There are several municipality taxes that depends on every single townhall.
  - ✓ Madrid city townhall has decided to enforce some tax reliefs and bonifications for some municipality taxes, and defer the deadline to submit some tax forms.

# Covid-19 Pandemic: Emergency & Tax measures 2020

Spain  
By José Maria  
Moyano Vital

## 2. Corporate and mercantile measures

### • Board of Directors (measures related to celebration of the Board of Directors)

- ✓ Videoconferencing. Meetings of the Board of Directors may be held by videoconference provided to ensure the authenticity and bilateral or plurilateral real-time connection with image and sound assistants in remote, **although the Bylaws do not expressly provide for them.**
- ✓ Sessions in writing without a meeting may be adopted if it is decided so by the chairman, or it is requested by at least two members of the Board, **although the Bylaws do not expressly provide for them.**

### • Annual General Meeting

- ✓ **Preparation of annual financial statements (AFS):** deadline to prepare AFS is normally 31<sup>st</sup> March of every single year. Due to Covid – 19, deadline of three months for the formulation of annual accounts is suspended and will be re-established during 3 extra months after the end of the lockdown.
- ✓ **Audit of AFS:** If at March 14, 2020, the AFS of the previous year have already been generated, the deadline for its verification, if the audit is mandatory, is extended for 2 months starting from the date of on which the state of alarm ends. If the AFS have not been formulated by the said date, the audit will be completed within 2 months of the date of formulation.
- ✓ **Ordinary General Meeting:** The general meeting to approve the financial accounts for the previous year must be held within three months after deadline for preparing the financial statements.
- ✓ **General meetings arranged before March 14, 2020:** to be held after that date:
  - ✓ or the location and time scheduled for holding the meeting may be changed, or revoke the agreement call by notice published with a minimum of 48 hours on the website of the company, and if the company does not have a website, in the "Official Gazette of the State" (BOE).
  - ✓ Or in case of revocation of the general meeting call, the board must proceed to call again within the month following after finishing the state of alarm.

# Covid-19 Pandemic: Emergency & Tax measures 2020

## Switzerland By Yves Auberson

### 1. Introduction - Health Measures and Economic Effects in Switzerland

- ✓ Like other countries, Switzerland has taken financial and fiscal measures to help absorbing some of the economic difficulties that the current crisis is causing to enterprises.
- ✓ All debt enforcement actions are prohibited until effectively April 19, 2020.
- ✓ Extension and simplification of short time work compensation regulations have immediately entered into force on March 17, 2020 for a duration of six months.

### 2. Fiscal emergency measures

- ✓ As to the federal taxes, the late payment interest rates applicable currently for the direct federal tax (3 % p. a.), for VAT, customs duties, special consumption taxes and incentive taxes (4 % p. a.) are reduced to 0 % for all amounts that become due for the period from March to December 2020. Withholding tax and stamp duties are not concerned by this measure.
- ✓ As to the cantonal taxes, the cantons may apply a wide range of different solutions, in particular extension of the deadline for filing tax returns, amendment upon request of advance tax payments, deferred payments or relief from late payment interests.
- ✓ Companies and self-employed individuals affected by the pandemic may be granted a temporary, interest-free deferral of payment of their monthly or quarterly instalments of social security contributions and will have also the option to request an adjustment of the instalments if the total salaries will fall significantly due to the pandemic. The competent AVS compensation fund will be responsible for examining requests for payment deferrals.
- ✓ A CHF 20 billion-fund has been set up in order for Small and Medium-sized Enterprises (SME) to obtain transitional bank loans of up to 10 % of their turnover (maximum CHF 20 million). Amounts of up to CHF 0.5 million will be paid out immediately by the banks.
- ✓ Compensation for loss of earnings for self-employed persons (capped at CHF 196 per day) will be possible in the following cases: closure of schools, quarantine ordered by a doctor, closure of an independently managed establishment open to the public.

# Covid-19 Pandemic: Emergency & Tax measures 2020

**USA**  
By Gregory M.  
McKenzie

## 1. Introduction : Health Measures and Economic Effects in USA

- ✓ The COVID-19 pandemic has had a significant impact on the U.S. health system and economy. As of March 27, 2020, the U.S. has over 85,000 reported cases of the virus, with 1,304 deaths. More than half of the states, including New York, California, Illinois and Connecticut are under state-mandated “stay-at-home” directives, meaning only essential workers are permitted to go to work. These include workers in the health, financial and food sectors. More than 3 million unemployment insurance claims have been filed in the last week. Students across the nation have moved to remote learning.

## 2. Fiscal, Tax and Monetary Measures

- ✓ In response to the pandemic, the United States has enacted or is expected to enact a \$2 trillion legislative package to ease the economic burden on individuals and businesses, including an initial \$8 billion for prevention, preparation and response, paid sick leave, unemployment benefits, loans for distressed businesses, forgivable bridge loans for small businesses and \$1,200 cash payments for qualifying individuals and \$500 for qualifying children.
- ✓ The legislation includes several important tax benefits, including a 3-month extension from April 15 to July 15 for individuals to file and pay their federal income taxes, extensions for the payment of payroll taxes and corporate estimated tax payments, elimination of penalties for early withdrawal of retirement funds, and liberalization of tax loss utilization (including carry back of losses to prior years to claim tax refunds) and business interest deductions.
- ✓ In addition, the U.S. Federal Reserve has lowered interest rates to 0% - 0.25% and has committed to purchase over \$6 billion in Treasury and mortgage securities to provide liquidity to the banking system.

## 3. Travel Restrictions

- ✓ The U.S. has imposed travel restrictions on both U.S. and non-U.S. persons, including non-U.S. persons arriving from China, Iran and certain parts of Europe and mandated self-quarantines for U.S. persons arriving from impacted areas.



# Covid-19 Pandemic: Emergency & Tax measures 2020

The Netherlands  
By Guus Poelen

ETG Member

## Introduction - Health Measures and Economic Effects in The Netherlands

- ✓ The Dutch cabinet decided to take exceptional economic measures because of the coronavirus. The aim is to protect health, jobs and incomes and to cushion the consequences for self-employed persons, SME entrepreneurs and large companies. This package will provide support worth billions of euros each month for as long as necessary.

### 1. Setting up a temporary scheme for the reimbursement of wage costs

- ✓ An entrepreneur who expects a loss of turnover (at least 20%) can apply to the UWV (part of the Dutch Social Security Authorities) for a period of three months for an allowance for wage costs (maximum 90% of the wage bill, depending on the loss of turnover). The UWV will provide an advance payment of 80% of the requested allowance. This will enable companies to continue to pay their staff. A condition is that no staff may be dismissed for business economic reasons during the subsidy period. This Temporary Emergency Measure Bridging Work for the Preservation of Work (NOW) will be opened as soon as possible and will replace the current scheme for reducing working hours. Entrepreneurs will be able to apply for compensation for a reduction in turnover as from 1 March.

### 2. Extra support for independent entrepreneurs

- ✓ The scheme will be implemented by municipalities. Self-employed persons can receive additional income support for living expenses for a period of three months, via an accelerated procedure. This supplements the income up to the social minimum and does not have to be repaid. Support under this temporary scheme is also possible in the form of a loan for working capital, at a reduced interest rate.

### 3. Relaxation of tax deferrals and reduction of fines

- ✓ Affected entrepreneurs can more easily apply for tax deferrals. The Dutch Tax Authorities (Belastingdienst) will then stop the collections immediately. This applies to income, corporation, wage and turnover taxes (VAT). Any penalties for failure to pay on time do not have to be paid. Moreover, it is not necessary to send evidence immediately. The entrepreneur is given more time for this. The collection interest that normally takes effect after the expiry of the payment term is temporarily reduced from 4% to almost 0%. This applies to all tax debts. The tax interest rate is also temporarily reduced to almost 0%. This reduction will apply to all taxes for which tax interest applies. The government will adjust the tax rate as soon as possible.

# Covid-19 Pandemic: Emergency & Tax measures 2020

## The Netherlands By Guus Poelen

ETG Member  
*Guest author*

#### 4. Extension of the Guarantee Scheme for Business Financing

- ✓ Companies experiencing difficulties in obtaining bank loans and bank guarantees can make use of the Entrepreneur Finance Guarantee Scheme (GO). The Cabinet proposes to increase the guarantee ceiling of the GO from 400 million euro to 1,5 billion euro. With the GO, EZK helps both SMEs and large enterprises by providing a 50% guarantee on bank loans and bank guarantees, (minimum 1.5 million - maximum EUR 50 million per enterprise). The maximum per company is temporarily increased to 150 million euros.

#### 5. Interest discount for small entrepreneurs on microcredits Qredits

- ✓ Microcredit provider Qredits finances and coaches a large group of small and starting entrepreneurs, who often find it difficult to obtain financing through the bank. Examples are entrepreneurs in the hospitality industry, retail trade, personal care, construction and business services. Qredits opens up a temporary crisis measure: for small entrepreneurs who are affected by the corona problem, deferral of repayment is offered for a period of six months and the interest rate is automatically reduced to 2% during this period. The Dutch government will support Qredits with a maximum of 6 million euros for this measure.

#### 6. Consultation on tourist tax (central government / municipalities)

- ✓ In consultation with the Association of Netherlands Municipalities (Vereniging Nederlandse Gemeenten, VNG), the Cabinet is discussing the possibility of stopping (provisional) local attacks on businesses and withdrawing attacks already imposed on businesses. This concerns in particular the tourist tax.

#### 7. Compensation scheme for sectors affected

- ✓ The government's health measures have enormous consequences for income in a number of sectors in particular. Such as, for example, the (compulsory) closure of eating and drinking establishments and cancellations in the travel sector. Moreover, these revenues are difficult to catch up with when the coronavirus is over. The Cabinet will therefore come up with a compensation scheme with appropriate measures for businesses in the sectors mentioned. This will now be worked out and submitted to the European Commission as a matter of urgency for the assessment of (lawful) state aid.