

# TAX ALERT

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## TAX AND OTHER MEASURES ADOPTED DUE TO THE CORONAVIRUS SITUATION

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Dear clients and business partners,

we would like to inform you about the following measures adopted by the government in connection with coronavirus situation.

Tax measures already taken:

- Late submission of the income tax return 2019 as well as payment of the tax for 2019 will be tolerated for all persons (both individuals and legal entities), who are obligated to submit their tax return by 1st April 2020, if the submission of the tax return and payment is no later than 1.7.2020.
- A waiver of the penalty for late submission (without having to prove a coronavirus link) also applies to the withholding tax statement for 2019 (in Czech "Vyúčtování srážkové daně"), for which the period for 2019 is 1st April 2020.
- However, the waiver of the penalty for the late submission does not apply to the income tax advances statement for 2019 (in Czech "Vyúčtování zálohové daně"), where the deadline was 2nd March, 2020 (or 20th March 2020 if submitted electronically).
- A waiver of the penalty CZK 1,000 for late submission of a VAT control report in the period from 1st March 2020 to 31st July 2020 (without having to prove a coronavirus link).
- Generally, the taxpayers may ask for a delay in tax payment or for tax installments due to the emergency situation declared by the government. The application is not subject to an administrative fee, if submitted by 31st July 2020. If the tax administrator allows a later payment of tax or tax instalments, the penalty for late submission of the tax return related to such a tax will automatically be forgiven.



Moreover, the following measures regarding **compensation of costs to employers** were introduced by the Ministry of Social Affairs:

- Wage compensation paid to employees in quarantine (60% of average earnings) should be fully compensated.
- Wage compensation (100% of average earnings) paid to employees of the employer who was ordered to close down his premises should be compensated by 80%.

The following measures are currently being discussed by the government:

- The waiver of advances for social security and health insurance for entrepreneurs should apply from March to August 2020.
- Kurzarbeit: In the situation the employer has to reduce working hours of their employees, the wages of employees shall be compensated by the state.

We will inform you about all the changes and the news.

Should you need any further information, please Contact us any time.

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