

Tax and Legal Alert

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Clarifications regarding fiscal obligations for income from independent activities

An Order was published on 22 February regarding taxation of income from independent activities.

The Order brings clarifications regarding advance tax payments for some types of income from independent activities, in the context of the new provisions of the Civil Code applicable as of 1 October 2011.

It is now clarified that individuals performing independent activities as freelancers or individual / family enterprises and individuals who derive income from liberal professions will continue to make quarterly advance tax payments based on the estimated annual income or on the net income obtained in the previous year, just as they have been required to do in the past. As such, the income payer will not be required to withhold the 10% advance tax. Similar clarifications are also provided for rental income obtained by such people.

[Source: Order of the Ministry of Public Finance no. 247/2012, published in the Official Gazette of Romania no. 129/22.02.2012]

For more information, please contact Peter de Ruiters, Mihaela Mitroi, Ionut Simion, Daniel Anghel or Brian Arnold.

Contacts:

Peter de Ruiters
Partner
E-mail: Peter.deRuiters@ro.pwc.com

Mihaela Mitroi
Partner
E-mail: Mihaela.Mitroi@ro.pwc.com

Ionut Simion
Partner
E-mail: Ionut.Simion@ro.pwc.com

Daniel Anghel
Partner
E-mail: Daniel.Anghel@ro.pwc.com

Brian Arnold
Partner
E-mail: Brian.Arnold@ro.pwc.com

PricewaterhouseCoopers Romania
Lakeview Building
301-311 Barbu Vacarescu Street
2nd District, Bucharest
Tel.: + 40 21 225 3000
Fax: + 40 21 225 3600