

## Oman Tax Authority announces initiatives to reduce economic impact of COVID-19 for businesses

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### Executive summary

On 8 July 2020, the Oman Tax Authority (Tax Authority) announced initiatives to postpone taxes, suspend fines and penalties and extend tax filing deadlines in response to the adverse economic impact on businesses resulting from the COVID-19 pandemic.

### Detailed discussion

The Tax Authority has announced the following measures intended to provide relief to businesses under the Income Tax Law:

- ▶ Suspension of levy of additional tax resulting from non-payment of income tax payable for the year ended 31 December 2019 for a period not exceeding the end of September 2020 (in cases where the financial year does not end on 31 December, levy of additional tax will be suspended for a period of up to nine months from the end of the financial year)
- ▶ Suspension of fines and penalties for non-submission of returns and accounts for tax year 2019 for a maximum period up to the end of September 2020
- ▶ Suspension of the additional tax due on taxes payable for the years prior to 2019 during the period from 1 January 2020 up to 30 September 2020

- ▶ Allowing the payment of tax due for tax year 2019 in installments and allowing the rescheduling of tax installments for previous tax years earlier approved for payment in installments, according to the circumstances presented by the taxpayer
- ▶ Considering requests to postpone the payment of disputed tax at the objection stage until a decision is issued on the objection
- ▶ Providing the taxpayers with the opportunity to request an additional deadline for submitting the required documents and clarifications, whether for the purposes of completing a tax assessment or supporting an objection decision
- ▶ Additional time shall be granted for submitting any information relating to ongoing tax assessments or objections

It is important to note that while suspension of fines, penalties and additional tax do not require an application or request from the taxpayer, cases dealing with payment of tax in installments, postponement of payment of disputed tax and extension of deadlines to submit information as part of assessments or objection proceedings, have to be expressly sought by the taxpayer from the Tax Authority.

## Implications

The initiatives introduced by the Tax Authority are aimed at contributing to the recovery of economic and commercial activities in Oman. Taxpayers in Oman should review these initiatives and assess their eligibility.

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