Tax Agenda Romania

March 2025

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EY

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No.	Fact	Action
1	**Domestic minimum tax on turnover** Starting 1 January 2024, a minimum tax on turnover is introduced for taxpayers who record a turnover higher than EUR 50,000,000 during the previous year. The minimum tax on turnover is generally 1% of total revenues less a limited number of deductions, and it is payable if it is higher than the regular corporate income tax. As an exception, for credit institutions and legal persons carrying out activities in oil and gas sectors, special rules are applied and the minimum tax on turnover is payable on top of regular corporate income tax, at a rate of 0.5%-2% depending on the case. In many cases, for group accounting purposes, this is booked as Other expenses, not as Income tax, thus affecting group's EBITDA.	Check if the minimum turnover tax is applicable and, if so, the expected impact. Also, consider the potential planning opportunities.
2	**BEPS 2.0 Pillar Two implementation** The global minimum tax, providinged for a minimum effective tax rate of 15% in each jurisdiction, was implemented in Romania, thus entering into force starting 1 January 2024. This applies to multinational groups, as well as purely domestic groups, with total revenues exceeding EUR 750 million. Romanian domestic implementation provides for IIR and UTPR, as well as QDMTT.	Assess whether the global minimum tax is applicable, the entities impacted and the expected financial impact. Also, analyze the necessary financial statement disclosures, as well as the Romanian local particularities for determining potential top-up tax under QDMTT (i.e., likely based on Romanian local GAAP which does not recognize deferred tax or the treatment of the domestic minimum tax on turnover).
3	**Early implementation of Public CbCR reporting in Romania** The Public CbCR Directive was implemented in the local law that entered into force on 1 January 2023. The first publication should have taken place within 12 months from the date of the balance sheet of the first FY (e.g., no later than 31 December 2024, for an aligned financial year ended 31 December 2023). The requirement to file the public CbCR applies to qualifying Romanian subsidiaries or branches of non-EU headquartered MNEs with total consolidated revenue of more than 3,700 million lei (approx. EUR 747 million) in each of the last two consecutive financial years.	Assess whether there is a Public CbCR public reporting obligation in Romania.

Mar Apr May Jun

Use text boxes above the timeline to plan your actions for coming months

Compliance Risk management Cash-flow and ETR impact

No.	Fact	Action
4	**Tax on constructions introduced starting 2025** Starting 1 January 2025, companies which own constructions, other than the ones for which tax on buildings is due, will owe tax on constructions computed as 1% per year of the value of constructions existing in their patrimony as of 31st of December of the previous year.	Check if the tax on constructions is applicable and, if so, the expected impact. Also, consider the potential tax considerations.
5	**Application of available tax incentives** Romania offers tax incentives (e.g., R&D-related tax incentives, tax exemption for reinvested profits in various categories of assets, tax incentives for sponsorship), which have broad applicability and may be available in various circumstances. The R&D tax incentive recently became available for companies paying minimum tax on turnover and could soon become a qualified refundable tax credit under BEPS Pillar Two. In the same time, certain previously applicable tax incentives (e.g., salary tax exemption for IT, food and construction sectors) were repealed as of 1st of January, 2025.	Check if all incentives available were identified and applied (possible also with respect to previous periods, up to five years back). Consider feasibility in the context of the minimum tax on turnover and BEPS 2.0 Pillar Two, if applicable.
6	**Cash flow improvement possibilities** Cash flow improvement possibilities exist, such as recovery of receivables from tax office which are not applied for or are refunded with delay (e.g., excess input VAT, contribution for sick leave and medical leave benefits to be refunded by the National Health Insurance House), as well as late payment interest (i.e., 7-8% per annum) to be requested.	Identify any outstanding receivables from the tax authorities and apply for refund or take action for delayed refunds to get completed and late payment interest be claimed.

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