

**Alert | Health Emergency Preparedness Task Force:  
Coronavirus Disease 2019**



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## **COVID-19: Existing and Planned Tax Relief for Businesses in Poland**

The COVID-19 outbreak in Poland and the governmental restrictions imposed in order to prevent uncontrollable spreading of the virus affect many businesses in various sectors of the economy. On March 18, 2020, the administration of Polish President Andrzej Duda held a press conference to unveil a planned governmental aid package titled “Economic and Social Crisis Shield for the Safety of Enterprises and Employees in the SARS-CoV-2 Virus Pandemic”. This package encompasses a number of initiatives intended to mitigate the adverse effects of the outbreak on businesses, including initiatives aimed at facilitating tax settlements. Notwithstanding these new solutions, taxpayers may also use the already available reliefs and preferential treatments in settling their tax liabilities.

### **Solutions Planned by the Ministry of Finance for the “Crisis Shield”**

According to a communique from the Ministry of Finance, the tax-related solutions of the “Crisis Shield” will include:

- Retroactive deduction of Personal Income Tax (**PIT**) and Corporate Income Tax (**CIT**) losses. According to the presented assumptions, taxpayers will be allowed to deduct their losses incurred in 2020 from their income reported for 2019 by filing a correction of the 2019 annual tax return. This relief will be available to those businesses whose turnover in 2020 will fall by 50 percent or more as compared to 2019. The maximum amount of losses that can be deducted from the 2019 income is PLN 5 million (losses above this amount can be deducted in the following years).

- Payment deadline for real estate tax on commercial properties for March 2020 to May 2020 is postponed until July 20, 2020. According to the Ministry of Finance, this relief will be available to those taxpayers whose revenues in the given month fall by 50 percent or more as compared to the same month of the previous tax year, and those who did not generate revenues in the previous year, but suffered adverse economic consequences of the COVID-19 outbreak in the period from March 2020 to May 2020.
- Suspended application of bad debt income tax regulations with respect to those debtors who should account for unpaid liabilities in their calculation of income tax advances. According to this proposal, this obligation would be waived for those businesses whose revenues in particular settlement periods (monthly or quarterly) will fall by 50 percent or more in comparison to the revenues in the corresponding periods of 2019, as well as the taxpayers who did not generate revenues in the previous year, but suffered adverse economic consequences of the COVID-19 outbreak in 2020.
- Option to cancel simplified tax advances in 2020 and to calculate monthly advances on actual income. The option to cancel simplified tax advances will be available to “small taxpayers”. The taxpayers who cancel simplified tax advances for the period from March to December 2020 will calculate monthly advances based on their actual income.
- Option for communes to offer relief from real estate tax to the businesses suffering from adverse economic consequences of the COVID-19 outbreak.
- Extended deadline for filing CIT-8 returns for NGOs.
- Added possibility to deduct from PIT and CIT the donations (in cash and in kind) for purposes related to preventing and combating the COVID-19 outbreak, for certain medical care entities, including medical transportation operators.
- Extended deadline for tax remitters to remit tax advances on remunerations collected for March and April. It is planned that the due date for remitting these advances will be June 1, 2020.
- Temporary waiver of prolongation fee for spreading into installments or deferring payment deadlines of the taxes and tax arrears which constitute the State budget income, for the duration of the epidemic outbreak law.
- Postponing the obligation to submit the new Standard Audit File for Value Added Tax (VAT), i.e. JPK\_VAT declarations (the declaration and the source documents) for large enterprises until July 1, 2020.

Implementing these solutions will require legislative amendments. Drafts of the relevant bills implementing the “Crisis Shield” solutions are expected to be presented soon.

The Ministry of Finance also declared that the National Revenue Administration will offer greater flexibility in its duties performed during the crisis. This flexibility may be expressed in suspending tax inspections, tax proceedings, tax and customs inspections for the period of the outbreak, as well as staying administrative enforcement of monetary liabilities.

### **Postponing the Collection of the Retail Sales Tax**

In addition to the measures discussed in the communique of the Ministry of Finance, the Minister of Finance Tadeusz Kościński also announced at a press conference on March 18, 2020, that the government is planning to postpone the collection of the retail sales tax until the end of 2020.

## Available Relief in Payment of Tax Liabilities

In addition to the expected solutions under the crisis management program, taxpayers who experience difficulties with payment of their tax liabilities may apply for the already available reliefs.

The Ministry of Finance declared that where businesses experience adverse consequences of the COVID-19 outbreak, tax offices will take into account these special circumstances in considering applications for relief in payment of tax liabilities. Even under the current wording of the Tax Code, a taxpayer may apply for an extension of the tax payment deadline, spreading tax arrears into installments, or for their cancellation.

For more information and updates on the developing COVID-19 situation, visit [GT's Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#).

*This GT Alert is limited to non-U.S. matters and law.*

## Authors

This GT Alert was prepared by:

- [Marek Kozaczuk](#) | +48 22 690 6113 | [KozaczukM@gtlaw.com](mailto:KozaczukM@gtlaw.com)
- [Maciej Kacymirow](#) | +48 22 690 6175 | [KacymirowM@gtlaw.com](mailto:KacymirowM@gtlaw.com)
- [Wojciech Ostapowicz](#) | +48 22 690 6101 | [OstapowiczW@gtlaw.com](mailto:OstapowiczW@gtlaw.com)

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