Deloitte.

URL: http://www.deloitte-tax-news.de/german-tax-legal-news/mof-issues-decrees-to-extend-various-covid-19-measures.html

04.01.2021

German Tax and Legal News

MOF issues decrees to extend various COVID-19 measures

Germany's Ministry of Finance (MOF) issued decrees on 18 and 22 December 2020 that extend various measures introduced in response to the coronavirus (COVID-19), including administrative measures relating to corporate income tax payments and tax measures to support charitable activities and donations; in addition, a decree issued on 21 December 2020 extends the deadline for filing certain 2019 corporate income tax returns.

Extension of administrative measures

The decree published by the MOF on 22 December 2020 announces the extension of several administrative measures to boost liquidity in response to COVID-19 that originally were provided for in a 19 March 2020 decree (see GTLN dated 03/23/20). The original measures described in the 19 March 2020 decree are set to expire on 31 December 2020, and the new decree extends the measures into 2021.

Under the new decree, taxpayers have the option of applying to defer making corporate income tax payments, with the suspension of enforcement measures and without being charged interest, for taxes that become due on or before 31 March 2021. Taxpayers that are "directly and seriously affected" by COVID-19 may apply for such a deferral/suspension until 31 March 2021, and the deferral/suspension for approved applicants will be granted until 30 June 2021. An additional extension of the deferral/suspension until 31 December 2021 may be granted in connection with an installment payment plan. As described in the original decree, approval for the measures will be granted even if affected taxpayers cannot yet quantify the economic damage resulting from COVID-19. However, taxpayers that are affected only indirectly still will not be able to rely on the measures in the decree.

In addition, the possibility to apply for an adjustment of advance payments of corporate income tax under a simplified procedure for taxpayers that are "directly and seriously affected" by COVID-19 is extended until 31 December 2021. Similar to the deferral for income tax payments, approval for an adjustment will be granted even if affected taxpayers cannot yet quantify the economic damage resulting from COVID-19.

The original 19 March 2020 decree from the MOF was supplemented by a joint decree issued by the state tax authorities that provided similar guidance with regard to the municipal trade tax. Although such a supplemental decree has not yet been issued, it can be expected that the measures described above will soon be extended in a similar way for purposes of the municipal trade tax.

Extension of measures to support charitable activities and donations

In its decree dated 18 December 2020, the MOF extended certain measures originally provided for in a 9 April 2020 decree (see GTLN dated 04/14/20) and a 26 May 2020 decree to make financial support payments and donations to charities more attractive from a tax perspective. The measures include, among other things, simplified documentation requirements, more flexibility for charitable organizations to raise funds for COVID-19-related purposes, and relaxed requirements for favorable tax treatment of support payments from corporate taxpayers and individuals. The measures are extended for donations that are made until 31 December 2021.

Extension of 2019 corporate income tax return filing deadline

In its decree dated 21 December 2020, the MOF extended the general filing deadline for 2019 corporate income tax returns that are prepared by certified tax advisors from 28 February 2021 to 31 March 2021. An additional extension can be granted upon request under certain circumstances. Based on unofficial information, it seems likely that the 31 March 2021 filing deadline for 2019 tax returns may be further extended to 31 August 2021; the government is expected to announce the additional extension in the beginning of 2021.

www.deloitte-tax-news.de

Diese Mandanteninformation enthält ausschließlich allgemeine Informationen, die nicht geeignet sind, den besonderen Umständen eines Einzelfalles gerecht zu werden. Sie hat nicht den Sinn, Grundlage für wirtschaftliche oder sonstige Entscheidungen jedweder Art zu sein. Sie stellt keine Beratung, Auskunft oder ein rechtsverbindliches Angebot dar und ist auch nicht geeignet, eine persönliche Beratung zu ersetzen. Sollte jemand Entscheidungen jedweder Art auf Inhalte dieser Mandanteninformation oder Teile davon stützen, handelt dieser ausschließlich auf eigenes Risiko. Deloitte GmbH übernimmt keinerlei Garantie oder Gewährleistung noch haftet sie in irgendeiner anderen Weise für den Inhalt dieser Mandanteninformation. Aus diesem Grunde empfehlen wir stets, eine persönliche Beratung einzuholen.

This client information exclusively contains general information not suitable for addressing the particular circumstances of any individual case. Its purpose is not to be used as a basis for commercial decisions or decisions of any other kind. This client information does neither constitute any advice nor any legally binding information or offer and shall not be deemed suitable for substituting personal advice under any circumstances. Should you base decisions of any kind on the contents of this client information or extracts therefrom, you act solely at your own risk. Deloitte GmbH will not assume any guarantee nor warranty and will not be liable in any other form for the content of this client information. Therefore, we always recommend to obtain personal advice.