



GMS Flash Alert

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Poland - 'Anti-Crisis Shield' Project Counters COVID-19's Fiscal Impact

On 18 March 2020, at the meeting of the Cabinet Council, the Polish government presented the key assumptions of the project entitled "The Economic and Social Anti-Crisis Shield for the Security of Companies and Employees in the Face of the COVID-19 Virus Pandemic."¹

The project extends the proposals of the Ministry of Development made last week.

While there are several corporate-related tax measures, below we highlight the key tax-related proposals impacting individuals – including international assignees – and their employers, which, as per this and previous announcements, are to be included in the package.

WHY THIS MATTERS

Due to COVID-19 and in order to protect individual and company taxpayers facing administrative challenges and liquidity/cash-flow issues, Poland's government is providing relief in respect of social security in terms of deferrals of payments for entrepreneurs and special arrangements for making arrears payments. In addition, Personal Income Tax (PIT) return filing has been postponed – the new (initial) filing due date is 30 May (normally 30 April). The social security relief and return extension should give taxpayers and tax service providers more time to organise their tax affairs and relieve certain taxpayers' cash-flow/liquidity pressures in light of the impact of COVID-19.

Social Security Contributions

On 17 March 2020, the President of the Polish Social Security Administration ("ZUS") issued a special order. Under the order, "entrepreneurs" (this can also be self-employed individuals) who have found themselves in a difficult situation

may submit a **simplified application for deferment of the payment of contributions for February, March, and April 2020** (for which the payment deadline expires on 10 or 15 March, April, and May respectively) by **three months**.

It must be stressed, however, that it will be subject to discretionary assessment.

Moreover, if the entrepreneur is in arrears in the payment of contributions and cannot repay them in one instalment, he or she can **apply for instalment settlement**. Once the settlement is signed, the enforcement proceedings will be suspended.

Moreover, enforcement of receivables from the period February - April 2020 will be suspended for taxpayers who until the end of January 2020 were not in arrears with their social security contributions.

Other Changes

Other changes covered by the project are noted below:

- Postponed deadline for filing PIT returns (the initial deadline is 31 May (normally 30 April)) – we are waiting for further details;
- Facilitations related to split-payment mechanism;
- The Minister of Finance announced that the tax on retail sales is to be deferred until the end of the year.

Next Steps

As announced at the press conference, a bill providing detailed information on the solutions forming the package is expected to be presented in due course. KPMG in Poland will endeavour to keep readers of GMS Flash Alert apprised of any important developments.

KPMG NOTE

Taxpayers who may be concerned by these measures should contact their qualified tax professional. The tax team with the KPMG International member firm in Poland (see the Contact Us section) can assist with the preparation of appropriate applications for deferred payment or instalment settlements in the area of social contributions, personal income tax returns, and can address your questions about these modified tax compliance obligations.

FOOTNOTE:

1 For more information on what's contained in the project (in Polish), see "Rozwiązania MF w pakiecie działań tarczy antykryzysowej," (19 March 2020) on the Polish government website at: <https://www.gov.pl/web/kas/rozwiązania-mf-w-pakiecie-dzialan-tarczy-antykryzysowej> or <https://www.gov.pl/web/coronavirus> .

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Poland:



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