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## Lacking funds to pay VAT?

Today is the deadline for filing VAT returns for the monthly tax reporting period of February 2020, and the deadline for paying the tax. Lacking funds to pay the VAT due to emergency measures adopted by government to stop the spread of COVID-19? Today, you can still apply with the tax administrator for tax deferral or payment by installments. Although the tax administrator has a certain period of time to decide (a maximum of 30 days from the application), the decision may apply retroactively (i.e. from the original maturity date) if your financial position is not really good.

The Minister of Finance has already waived the administration fee for filing an application for tax deferral as part of the adoption of the first Tax Liberation Package. The application for tax deferral must contain certain essential elements. Also, the taxpayer has to produce evidence that immediate payment of the tax would cause him serious harm. We will be happy to assist you in preparing your application.

Together with the application for tax deferral, you can apply for the remission of interest on the deferred amount. The administration fee charged on the application for interest remission has also been waived under the Liberation Package. The tax administrator is, however, authorized to decide on the remission of interest only after the deferred amount has been paid in full. The application for interest remission can thus be postponed, which will help to better formulate justifiable grounds for remission. The Chamber of Tax Advisors of the Czech Republic has also proposed that at least a certain portion of the interest be generally waived for all.

If your financial situation does not improve over the coming month, you have the option to apply for the remission or tax deferral for the next tax reporting period (March 2020) or, alternatively, you can apply for an extended tax deferral for February 2020, if necessary.



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