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TAX BRIEFING

Government Emergency Ordinance no. 59/2010 on the amendments to the Fiscal Code, published in the Official Gazette of Romania, Part I, no. 442 dated June 30, 2010

Increase of the tax on buildings

Starting with July 1, 2010 the tax on buildings (other than the buildings registered as domicile) owned by natural persons was increased.

The first additional building is charged at an increased tax rate of 65% (previously 15%), the second additional building is charged at an increased tax rate of 150% (previously 50%), and for the third or more additional building(s) an increased tax rate of 300% (previously 100%) will be applied.

The exception according to which the increased rates were applied only for not rented dwellings was repealed so that the new increased tax rates on

additional buildings are applied to all buildings, irrespective of the destination of the buildings.

The exception regarding the buildings inherited through legal legacy procedure is maintained.

The chronological order of properties' acquisition represents the criterion of determining the relevant applicable additional buildings tax.

Attention! The time limit for the payment of balances resulting from the application of the new increased tax rates, for the current financial year, is December 31, 2010. Should the tax balance be entirely paid prior to September 30, 2010, the ordinary bonus will be granted.

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