

## President Iohannis promulgates law reducing tax on buildings, plots of land used in tourism by 50pct

### **President Klaus Iohannis on Wednesday promulgated the normative act on modifying Law No. 227/2015 regarding the Tax Code.**

According to the law, the tax on buildings owned by individuals and legal entities that are used for providing tourist services, for a maximum of 180 consecutive or cumulative days, during a calendar year, is reduced by 50 per cent. The cut is applied in the fiscal year following the one in which this condition is fulfilled. The same provisions are stipulated for the tax on the plots of land owned by individuals and legal entities that are used for the provision of tourist services.

"This law comes into force on January 1, 2021," the law that was initiated by PSD (Social Democratic Party) Senator Eugen Dogaru also stipulates.

The normative act has as object of regulation the modification of the Tax Code in order to eliminate the ambiguities regarding the interpretation of the establishment of the exemptions for the buildings and lands used for the provision of tourist services. The changes brought in support of those who, due to the nature of the activity, collect income only during a limited period of time.