

CDR: Fiscal facilities for early childhood education - beneficial for increasing the education level

The representatives of the Coalition for Romania's Development (CDR) consider that the grant of fiscal facilities for early childhood education is beneficial for increasing the level of education in Romania and mentions that dialogue can help find alternative solutions, following a transparent impact analysis.

"Regarding the fiscal facilities for early childhood education, the business environment welcomed the measure adopted last year by the Parliament of Romania and expressed its interest in contributing to the elaboration of the enforcement regulations, given that a part of the companies have granted these facilities to their employees right from the beginning of 2021. CDR considers that the measure is beneficial for increasing the level of education in Romania and for stimulating employees with children and considers that, through dialogue, alternative solutions can be found following a transparent impact analysis," CDR said in a release on Monday.

At the same time, CDR experts point to the lack of clarity of the legislation on the tax treatment of gift vouchers and consider that the tax authorities need to take a clear position on how these incentives are to be taxed now and in the future. According to the representatives of the business environment, these clarifications are necessary for a unitary enforcement of the taxation of these benefits, eliminating the current unfair competition arising from fiscal criteria.

The Finance Ministry announced on March 22 that the tax deductibility of expenditures for early childhood education, specifically 1,500 lei for nurseries or kindergartens, will be suspended until the end of the year.

According to the substantiation of the draft ordinance which provides for the suspension of these facilities, "the new regulated fiscal rules have proved insufficient to allow their application".

CDR is a private initiative built as a cooperation agreement through the collective participation of its members and brings together organizations such as the American Chamber of Commerce in Romania (AmCham), the French Chamber of Commerce in Romania (CCIFER), the Romanian Businesspeople's Association (AOAR), the Romanian - German Chamber of Commerce and Industry (AHK), Romanian Business Leaders (RBL), the Foreign Investors Council (FIC), the 'Concordia' Employers' Confederation (CPC) and the National Council of Small and Medium-sized Private Enterprises in Romania (CNIPMMR).

The companies represented by the 25 CDR member business organizations employ over one million people and generate approximately 50 percent of GDP.