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Small but significant changes

**Fines for non-publishing of financial statements
Extension of the deadline for filing tax returns
Levy for electricity from solar power**

1. Approval of amendment to the VAT Act

The long-debated amendment to the VAT Act was approved by the Chamber of Deputies last week and should come into effect on 1 April 2011. The Chamber of Deputies rejected the amendments of the Senate and insisted on the original text of the amendment. Before the amendment can take effect, it must be signed by the President and published in the Collection of Law.

2. Obligation to publish the financial statements in the Commercial Register

On January 2011, tax authorities started within the scope of income tax audit to control also compliance with the obligation to deposit financial statements in the registry of documents, which is a part of the publicly accessible information of the Commercial Register. If entities are found to have failed this legal obligation, a fine of up to 3% of total assets declared in the financial statements for the accounting period, in which the breach of duty occurred, may be imposed.

3. Extension of time periods for submission of tax returns

In respect with the approval of the new Tax Administration Act, a change in the calculation of time periods in the tax law has occurred. The time periods settled in weeks, months and years begin to run from the day following the day on which the event determining their origin has happened. As a result of this change, the deadline for submission of tax returns as well as for payment of the due tax was extended by one day. Therefore, income tax returns sent on 1 April 2011, or in the case of statutory extended periods on 1 July 2011 are considered as submitted on time. Likewise, it is necessary to submit the statement of withholding income tax by 1 May 2011 and the statement of the income tax from employment by 1 March 2011.

This change does not concern time periods calculated by days, i.e. time period for submission of VAT returns which is still necessary to submit as well as to pay the relevant due tax within 25 calendar days after the end of taxable period.

4. Levy on electricity from solar power

General Financial Directorate published an announcement in respect with practical application of the amendment to the Act on Support to Electricity from Renewable Sources of Energy, which is effective from 1 January 2011 and has introduced a levy on electricity produced from solar power. The payer of the levy is the operator of the transmission or distribution system, who is obliged to declare the levy and within 25 days - after the end of period for paying the levy (i.e. calendar month) – pay the levy and submit a prescribed statement to the relevant local tax authority.

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