

# Tax & Legal Alert

ROMANIA 30 July 2009

## Procedure for determining and paying tax on cash revenues from agriculture

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Ministry of Agriculture, Forestry and Rural Development Order no. 190/2009 ("Order") has been published.

The Order covers agricultural products obtained after harvest in their natural state, on land privately owned or under lease ("the Products").

It approves the procedure for determining and paying tax on cash revenues from selling the Products to specialist collection units, industrial processing units or to other similar units ("Acquiring units").

The Order applies paragraph (4), art. 74 of Law nr. 571/2003 of the Fiscal Code and specifies:

### Affected taxpayers

The affected taxpayers, individuals and leaseholders, are subject to 2% tax on cash revenues from agriculture.

This tax does not apply to individuals assessed based on income norms or on single-entry bookkeeping, as they are subject to normal taxation rules. Acquiring units have to obtain a copy of Form 260 "Tax assessment for advanced payments in consideration of income tax" from such taxpayers.

### Who pays the tax

The 2% tax on cash revenues from agricultural activities is computed, withheld and paid by units acquiring the Products:

- specialist collection units, such as warehouses, silos and storerooms;
- industrial processing units for vegetable products (cereals,

industrial plants, vegetables, fruits, etc.);

- other units using agricultural products, such as livestock farms.

### Taxable Base

The taxable base is the revenue obtained by taxpayers from selling the Products.

The accounting document on which the computation of this tax is based is the purchase diary.

### Declarative obligations

This tax has to be declared, by the due date, in the form 100 "Statement regarding payment obligations to the state budget", line "Tax on income from agricultural activities".

Acquiring units have to submit a statement regarding computation and withholding of the tax for each income beneficiary by 30 June of the current fiscal year for the previous fiscal year.

[Source: Official Gazette no. 464 dated 6 July 2009]

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