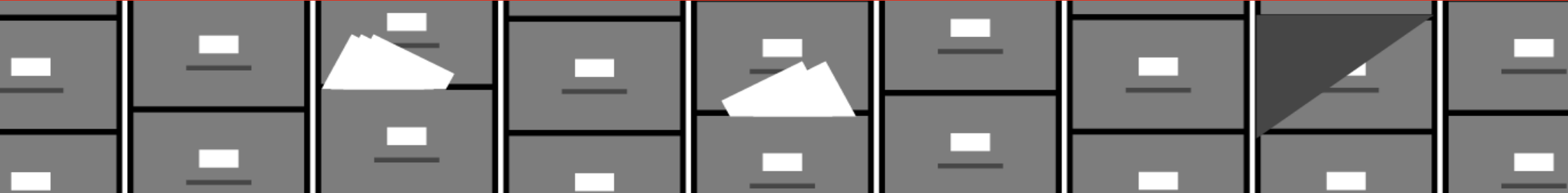


Decree 12/2023 extending deadline for tax payments and land rental fee in 2023



21 April 2023

At a glance...

On 14 April 2023, the Government released Decree 12 regarding the extension of deadlines for payments of taxes and land rental fee applicable for the 2023 tax year. The Decree took effect from the signing date to 31 December 2023.



In detail...

- Decree 12 is applicable to companies engaging in various business activities and which have generated revenue from such activities in 2022 or 2023.
- The eligible business activities for payment extension are as below:

Manufacturing sector

- Agriculture, forestry and fishery;
- Food production and processing; weaving; producing clothes; producing leather and related products;
- Wood processing and producing products from wood, bamboo of various species (except beds, wardrobes, tables, chairs); producing products from straw and plaiting materials; producing paper and paper-related products; producing products from rubber and plastic; producing products from other non-metallic minerals, metal production;
- Mechanical processing, handling and coating metal; manufacturing electronic products, computers and optical products; manufacturing automobiles and other motor vehicles;
- Production of beds, wardrobes, tables, chairs;
- Construction;
- Publishing activities; cinematographic activities, television program production, music recording and publishing;
- Exploiting crude oil and natural gas (no extension for corporate income tax on crude oil, condensate, natural gas collected under agreements or contracts)
- Manufacturing of beverages; printing, copying records of all kinds; production of coke coal, refined petroleum products; chemical production and chemical products; manufacturing of products from prefabricated metal (except for machinery and equipment); motorbike manufacturing; repair, maintenance and installation of machines and equipment; and
- Drainage and wastewater treatment.

Service sector

- Transportation and warehousing; accommodation and catering services; education and training; health and social assistance activities; real estate business;
- Labour and employment service activities; activities of travel agents, tour operators and support services related to advertising and organizing tours;
- Composing, artistic, entertainment activities; library activities, conservation, museums and other cultural activities; sports activities, entertainment activities; movies;
- Radio and television activities; computer programming, consulting services and other activities related to computers; information service activities; and
- Supporting services for mining activities.

Other in-scope sectors/activities

- Production of supporting industry products given priority for development; key mechanical products as defined;
- Small and micro enterprises as defined.

Specifically, the below would be applied for those eligible:

1. Extension of deadline to pay VAT and CIT

Generally, the deadline for payments of VAT and CIT are extended as below:

- The deadline for VAT payments for March, April, May 2023 (for companies declaring VAT on monthly basis) and Quarter 1 of 2023 (for companies declaring VAT on quarterly basis) will be extended by 6 months, for example, payment of March 2023 VAT return will be due by 20 October 2023; VAT payments for June 2023 and Quarter 2 of 2023 will be extended by 5 months; VAT payments for July and August 2023 will be extended by 4 months and 3 months, respectively.
- The deadline for provisional CIT payment for Quarter 1 and Quarter 2 of 2023 will be extended by 3 months from the statutory deadlines.

Dependent units and branches of in-scope companies which separately file VAT and CIT returns at local tax departments will also be entitled to the above extensions. However, if the branches and dependent units do not conduct in-scope business activities, they are not entitled to extensions.

2. Extension of deadline to pay VAT and PIT for individuals and business households

- Similar to Decree 34/2022, the deadline for payment of VAT & PIT for 2023 will be extended to 30 December 2023, applicable to individuals and business households which engage in in-scope business activities.

3. Extension of deadline to pay annual land rental fee

- An extension of 6 months, i.e. from 31 May 2023 to 30 November 2023 for 50% of the land rental payment in 2023 will be granted to those who directly lease land from the State, pay land rental fee on an annual basis and conduct in-scope business activities.

4. Other notes

- Companies which engage in multiple business activities shall be entitled to extension of taxes and of land rental payments incurred pertaining to all activities provided that at least one of their business activities falls under the in-scope activities.

5. Administrative requirements

- The Decree requires eligible taxpayers to submit a deferral request (in prescribed form as attached to Decree 12) to their local tax department together with the monthly or quarterly tax return.
- The deadline for submitting the request is 30 September 2023 and failure to meet the deadline will result in forfeiture of these benefits. The submission can be done either electronically, by hard copy directly sent to the local tax department, or by postage and should be done once, covering all types of taxes and land rental fees for all eligible periods.

Contact us

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