

Covid-19: Tax support measures for companies

In order to help companies overcome the difficulties they are encountering in the context of the exceptional restrictions applied to curb the spread of the epidemic, many measures have been taken. The tax support measures are unprecedented in scale. Like the other measures, they are subject to change and clarification at any time.

An amending finance bill for 2020 has just been adopted.

Deferral without penalty or remittance of direct tax payments

The companies can request, without justification, the deferral without penalty of the settlement of their next direct tax due dates: corporate tax, payroll tax, property tax and business property tax, and block their SEPA direct debits with their bank. They do not have to take into account any reminder letters that may be sent to them automatically. It is also possible to ask for the reimbursement of payments already made.

Finally, "in the event of specific difficulties that a deferral of payment is not sufficient to overcome", companies may apply for a remission of direct taxes (corporate income tax, CFE, CVAE). These difficulties must be justified in particular by the decline in turnover, the existence of other debts to be honored, or the company's cash flow. The requests for deferral or remission must be made using the form available at <https://www.impots.gouv.fr/portail/node/13465>.

At the end of the crisis, the situation of the companies will be assessed, and this deferral may turn into a cancellation for some of them, on a case-by-case basis.

Other taxes are not concerned up to date.

The other taxes are not concerned: VAT and assimilated taxes, withholding tax, special tax on insurance agreements. They should therefore not lead to a deferral or remission. The Government services are mobilized to facilitate formalities and reimbursements in the interest of companies and within very short deadlines. The companies in difficulty which are subject to the simplified regime may contact their tax authorities in order to consider, on a case-by-case basis, appropriate solutions. Spreading and accompanying measures will be implemented by the Tax Administration with "efficiency and goodwill".

Acceleration of tax credit refunds

The services have been instructed to speed up tax credit refunds (VAT, CICE, CIR/CII etc.) as much as possible. The companies can use the simplified form to inform their tax authorities about invoices outstanding for payment by the State or local authorities.

Self-employed persons

Self-employed persons may change the rate at which their income tax is withheld in order to reduce their advance payments or request the deferral of their advance payments via their personal online space [impots.gouv.fr](https://www.impots.gouv.fr).

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Social security charges

The payment due on March 20th has not been collected and will be smoothed over subsequent due dates.

Impact on tax audits and ongoing proceedings

Specific procedural modalities should be adopted by the Government in the form of an ordinance:

- Upcoming tax audits: no audits or proceedings will be initiated during this period; possibility for companies to invoke the impossibility of replying;
- Possible extension of deadlines for tax returns;
- Possible suspension of the deadlines for the Administration's right of takeover and of the time limit for companies' complaints;
- Moratorium on deadlines, appeals and limitation periods;
- Retroactive effect possible from March 12th 2020.

Useful links

- Guide to support measures and useful contacts for companies: <https://www.economie.gouv.fr/files/files/PDF/2020/Coronavirus-MINEFI-10032020.pdf>
- Ministry of Finance - Covid-19 - Cell: <https://www.economie.gouv.fr/coronavirus-soutien-entreprises>
- Portail URSSAF : <https://www.urssaf.fr/portail/home/actualites/toute-lactualite-employeur/mesures-exceptionnelles-pour-les.html>
- Simplified application for deferral or remission of payments for companies in difficulty in relation to Coronavirus Covid-19 (ODT): <https://www.impots.gouv.fr/portail/node/9751>

We stay at your disposal to answer your questions and, in particular to identify the options available and to assist you in their implementation.

FOR MORE INFORMATION, DO NOT HESITATE TO CONTACT US. WE CONTINUE MORE THAN EVER TO ACCOMPANY YOU IN THIS UNPRECEDENTED PERIOD OF TIME.

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