

The tax measures that our government has not taken

The OECD estimates that the fall in economic activity in Spain, during the weeks of confinement, may be more than 25 percent (www.oecd.org). Likewise, it is expected that, GDP may fall around -8% in annual terms.

Given a disaster of this magnitude, it is surprising that the Spanish Government has not adopted substantive fiscal measures to help companies and families overcome the crisis, also from this perspective. The Government has limited itself to suspending certain periods during the validity of the State of alarm and offering term extensions (with interest) to companies and individuals that bill less than 6 million euros. This suspension of terms does not affect the filing of VAT, PAYE withholdings or the payment on account of the corporate tax due on April 20 (except for SMEs and individuals). The payment delay does not either cover the personal income tax campaign that is now beginning.

This lack of measures hints at a certain insensitivity not only about the financial reality of the companies but also about the situation of the administrative managers of the companies who have to fulfill the fiscal obligations from the confinement, with all the complications and difficulties that this implies.

Let us now review some of the measures, exclusively of a fiscal nature, that have been adopted in other jurisdictions.

■ DEADLINES AND PAYMENTS

- Extension of the deadlines for filing declarations (EU, Switzerland, Japan, UK, USA)
- Facilities for payment of current taxes, debts and tax assessments,
- Acceleration of refunds
- Postponement of payments on account (Austria, Greece)

■ CASH-FLOW IMPROVEMENTS

- Extension of the limits to the deduction of financial expenses (USA)
- Loss carry-back provisions (USA, Czech Republic, Norway, Poland)
- Free or accelerated asset depreciation (Australia, New Zealand)

■ OTHER MEASURES

- Reduction of VAT rates (Greece, UK, Norway, China, Russia)
- Reduction of personal income tax on overtime or to health personnel
- Additional deductions for professional training

The possibilities offered by the various jurisdictions are very wide and, some of them, without tax revenue cost.

If the AEAT wants to help society, it can start doing so without the need for any regulatory change, simply by executing the huge returns that are pending and avoiding maximalist positions in its inspections and controls. The first will give immediate liquidity and the second will reduce uncertainty for citizens and companies at such a delicate moment.

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