

COVID-19 – Tax response measures

A summary of the tax response measures for major
territories

20 March 2020



Australia

COVID-19 – Tax response measures

General

As at **18 March 2020**:

- All below are enforced are at a Federal Level:
 - The instant asset write off threshold will be increased from **\$30,000 to \$150,000** and access to it will be expanded to include businesses with aggregated annual turnover of less than **\$500 million** (up from **\$50 million**) until **30 June 2020**.
 - A **15 month** investment incentive (through to **30 June 2021**) will be provided in the form of accelerating depreciation deductions.
 - Businesses with a turnover of less than **\$500 million** will be able to deduct an additional **50%** of the asset cost in the year of purchase.
- In addition, the Government will provide cashflow assistance to business:
 - Eligible small and medium-sized employers will be provided with cash flow assistance of up to **\$25,000** (equal to **50%** of the amount withheld on salary and wages, but a minimum of **\$2,000**). It will apply to businesses with a turnover of less than **\$50 million** that employ staff, between **1 January 2020 and 30 June 2020**. The payment will be tax free and delivered by the ATO as a credit in the activity statement system from **28 April 2020** upon businesses lodging eligible upcoming activity statements.
 - Eligible employers can apply for a wage subsidy of **50%** of apprentice or trainee wages for up to **9 months** from **1 January 2020 to 30 September 2020** (up to a maximum of **\$21,000** per eligible apprentice or trainee). Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice.
 - Deferring by up to **4 months** the payment date of amounts due through the business activity statement (including PAYG instalments), income tax assessments, fringe benefits tax assessments and excise.
 - Allow businesses on a quarterly reporting cycle to opt into monthly GST reporting in order to get quicker access to GST refunds they may be entitled to.
 - Allowing businesses to vary Pay As You Go (PAYG) instalment amounts to **zero** for the **31 March 2020 quarter**. Businesses that vary their PAYG instalment to zero can also claim a refund for any instalments made for the **September 2019 and December 2019 quarters**.
 - Remitting any interest and penalties, incurred on or after **23 January 2020**, that have been applied to tax liabilities.
 - Working with affected businesses to help them pay their existing and ongoing tax liabilities by allowing them to enter into low interest payment plans.

Other (local tax, procedure, etc)

As at **18 March 2020**:

- The following are state based measures that have just been released for businesses that pay Payroll Tax:
- **Western Australia**: Businesses paying payroll tax, with a payroll between **\$1 million and \$4 million** will receive a one-off grant of **\$17,500**. In addition, the increase of the payroll tax threshold to **\$1 million** will be fast-tracked to **1 July 2020, 6 months** before the originally planned date. This means smaller businesses will potentially be able to fall out of the payroll tax regime sooner than before. Small and medium-sized businesses, who pay **\$7.5 million** or less in Australian taxable wages and have been affected by COVID-19, can apply for a deferral of their **2019/20** payroll tax payment until **21 July 2020**.
- **Queensland**: The Government will offer **\$500 million** in loans, and extend payroll tax deferral to all affected businesses. The **\$500 million** concessional loan facility will comprise of loans up to **\$250,000** with an initial **12-month** interest-free period. Judging from the popularity of its initial payroll tax deferral available to small and medium businesses, it may potentially be the case that QLD Government will extend the offer of a **six-month** payroll tax deferral to all affected QLD businesses.
- **New South Wales**: The Government has announced the waiver of payroll tax for businesses with payrolls of up to **\$10 million**, for the months from **April to June 2020**. Also, the payroll tax threshold will be raised to **\$1 million** in **2020/21**, thereby bringing forward another round of payroll tax cuts for eligible businesses. As part of its support package, additional measures include waiving of fees and charges for small businesses, employment of additional cleaners of public infrastructure, and bringing forward maintenance of public assets and capital works.

Brazil

COVID-19 – Tax response measures

General	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• Legislative changes to reduce social charges relative to government supported professional and social policies agencies (Sesi, Senai, Incra etc. - locally named the "S" System)• Several Federal Judicial Courts have decided to extend their ordinary procedural terms (e.g. for responses, appeals etc.)• Considerations in the Congress for Calamity Condition are under discussion. Approval is potentially anticipated on 19 March 2020, but awaiting confirmation of this.
Corporate Income Tax	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">• TBC
ITX (VAT and Customs)	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• Legislative changes to reduce importation duties for medical items.
PIT (Individual Taxes and Labour)	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• Anticipation of public pensions relative to 13th salaries• Intended suspension of severance fund contribution
Other (local tax, procedure, etc)	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• Intention to expand social income distribution benefit (Bolsa Família).
Tax payments/ penalties amnesty	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">• tbc
Economic measures	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• Reduction of nominal public bonds referential interest rate Selic to 3.75% aa• Legislation enforced measures anticipating public pensions payments, release of funds to housing aid programs.

Canada

COVID-19 – Tax response measures

General	<p>As at 19 March 2020</p> <ul style="list-style-type: none">• The Government of Canada just released its package of economic incentives in response to COVID-19.<ul style="list-style-type: none">- The link to the package is below. https://www.canada.ca/en/departement-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html• Tax and other related measures include:<ul style="list-style-type: none">- Extending the income tax return filing due dates, and taxes payable deadlines for individuals and certain trusts.- Deferring for all taxpayers, until after August 31, 2020, the payment deadline for most income tax amounts that become owing after March 17, 2020, and before September 2020.- Reducing the required minimum withdrawals from Registered Retirement Income Funds by 25% for 2020.- Providing various income supports for workers and parents, such as relaxing rules to qualify for Employment Insurance and introducing an Emergency Care Benefit and Emergency Support Benefit.- In addition, on 17 March 2020, Québec announced similar extensions to various individual, trust and business tax filing and payment deadlines. The measures above are not yet passed in legislation.
PIT (Individual Taxes and Labour)	<p>As at 19 March 2020</p> <ul style="list-style-type: none">• The government is proposing to provide eligible small employers a temporary wage subsidy for a period of 3 months.• The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer (legislation not yet enacted).• Relaxation of requirements to qualify for Employment Insurance; this includes waiving the one-week waiting period to claim the benefit. There will also be care benefits for workers who have to work reduced hours or whose employer is forced to close.• Emergency Care Benefit: this is a \$900 bi-weekly payment for up to 15 weeks for workers who are quarantined or sick with COVID-19 but do not qualify for EI, or who are taking care of family who are sick. It is also provided to people who cannot work due to closures. The benefit will be administered by the CRA on-line.• Goods and Services Tax credit (GSTC): The Government is proposing to provide a one-time special payment by early May 2020 that will double the maximum annual GSTC payment amounts for the 2019-20 benefit year.• The average boost to income: \$400 for single individuals and \$600 for couples.
Other (local tax, procedure, etc)	<p>As at 19 March 2020</p> <ul style="list-style-type: none">• For the vast majority of businesses, the Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives.• Electronic signatures: effective immediately the Canada Revenue Agency will recognize electronic signatures as having met the signature requirements of the Income Tax Act, as a temporary administrative measure. This provision applies to authorization forms T183 or T183CORP.• The Business Credit Availability Program will allow the Business Development Bank of Canada and Export Development Canada to provide more than \$10 billion of additional support, largely targeting small and medium-sized businesses.
Tax payments/ penalties amnesty	<p>As at 19 March 2020</p> <ul style="list-style-type: none">• The Canada Revenue Agency will allow all taxpayers to defer, until after 31 August 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments.• Company tax payments: the CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments.• No interest or penalties will accumulate on these amounts during this period.

This document gathers together information on matters of general guidance and provides a high-level overview of the nature and extent of measures local Tax authorities are taking in response to the COVID-19 pandemic as at the date set out herein. This is made available for information purposes only and no PwC Member Firm accepts any liability or responsibility whatsoever for the accuracy or completeness of this information or any use you may make of it. While best efforts from PwC Member Firms across the PwC Network have been used to compile this information, from reliable sources, matters are moving and evolving at a fast pace as governments respond. Accordingly, you are on notice that any use you make of this information, or any reliance you place on it, is solely your responsibility. For professional advice and assistance, please contact your usual PwC contact.

China

COVID-19 – Tax response measures

General	<ul style="list-style-type: none">As at 11 March 2020 the State Taxation Administration (“STA”) issued a notice to require all the tax authorities to make full use of the taxation function to help win the outbreak of Coronavirus prevention and control, including but not limited to the following tax measures:<ul style="list-style-type: none">Conscientiously implement preferential tax policies to help prevent and control epidemics and increase the capacity of enterprises production;Further expand the "non-contact" tax services and tax filing and payment to effectively reduce the risk of epidemic transmission;Vigorously optimize the on-site tax services to create a safe, efficient and convenient environment of tax services;Actively adjust tax management measures to help enterprises affected by the epidemic.In addition to state-level policies, there are many new local level polices (especially in Hubei province where Wuhan city is located).
Corporate Income Tax	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">Manufacturers of key materials for epidemic prevention and control are allowed to include newly purchased equipment to expand their production capacity in the current costs and expenses on a one-off basis for pre-corporate income tax deduction.The maximum carry forward period for losses incurred by enterprises in difficult industries seriously affected by the epidemic in 2020, may be extended from five years to eight years.Enterprises or individuals who donate cash or articles to cope with the coronavirus epidemic situation (through non-profit social organizations, the government at or above the county level, and their departments or other state organisations), will be allowed a full deduction for these donations from taxable income.Where enterprises and individuals directly donate articles to hospitals undertaking epidemic prevention tasks to cope with coronavirus, such donations are allowed to be fully deducted from taxable income.
ITX (VAT and Customs)	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">Manufacturers of key materials for epidemic prevention and control may apply to the competent tax authority for a full refund of the incremental overpaid VATTaxpayers are exempt from VAT on their income from transporting key materials for the epidemic prevention and control.Income derived by taxpayers from provision of public transportation services and living services, as well as express delivery services involving residents' necessities, shall be exempted from VAT.During the period from 1 March 2020 to 31 May 2020;<ul style="list-style-type: none">the taxable sales income of small-scale VAT taxpayers in Hubei Province to which a levy rate of 3% is applicable is exempted from VATthe pre-payment VAT on pre-payment VAT items subject to a pre-levy rate of 3% is suspended for small-scale VAT taxpayers in Hubei Provinceexcept for those in Hubei Province, small-scale VAT payers in other provinces, autonomous regions and centrally-administered municipalities may pay VAT at the reduced levy rate of 1% for their taxable sales revenue subject to a levy rate of 3%; they may also prepay VAT at the reduced pre-levy rate of 1% for their pre-payment VAT items subject to a pre-levy rate of 3%.where entities and individual businesses donate goods self-produced, processed on a commission basis, or purchased to public welfare social organisations, directly (or through the people's governments at the county level or above) to hospitals undertaking epidemic prevention and control tasks to cope with the epidemic situation, the VAT, consumption tax, urban maintenance and construction tax, education surcharge and local education surcharge shall be exempted.The imported materials donated for epidemic prevention are exempted from Import Customs Duty, import VAT and Consumption Tax.The materials imported by the competent health department directly used for epidemic prevention are exempted from Import Customs Duty.

China (cont'd)

COVID-19 – Tax response measures

PIT (Individual Taxes and Labour)	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">Where enterprises or individuals donate cash or articles to cope with the epidemic situation through non-profit social organisations, the people's governments at or above the county level and their departments or other state organs, such donations are allowed to be fully deducted from taxable income.Where enterprises and individuals directly donate articles to hospitals undertaking epidemic prevention tasks to cope with coronavirus, such donations are allowed to be fully deducted from taxable income.The temporary subsidies and bonuses obtained by medical staff and epidemic prevention workers participating in epidemic prevention and control according to the government specified standards are exempt from individual income tax.Drugs, medical supplies, protective equipment, etc (not including cash) distributed by entities to individuals to prevent novel coronavirus infection will not be included in the income from wages and salaries and will be exempted from individual income tax.During the period from 1 March 2020 to 31 May 2020, individually-owned businesses, sole proprietorship enterprises and partnership enterprises in Hubei Province shall, at the time of issuance of VAT invoices for freight transport services, be temporarily exempted from pre-levying of individual income tax; the aforesaid taxpayers in other regions shall be subject to pre-levying of individual income tax based on 0.5% of the invoice amount issued on their behalf.
Other (local tax, procedure, etc)	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">With effect from February 2020, all provinces, autonomous regions and centrally-administered municipalities may, (based on the epidemic impact and the fund threshold) exempt premium contribution by medium, small and micro enterprises for the three social security items. The exemption period shall not exceed five months. In addition, the premium contribution for the three social security items made by other social security participating organisations (excluding State agencies and institutions) such as large enterprises may be halved. The relevant reduction period shall not exceed three months.With effect from February 2020, Hubei Province may exempt premium contribution for the three social security items by all types of social security participating organisations (excluding State agencies and institutions). The reduction period shall not exceed five months.Enterprises which encounter serious difficulties in their production and business operation due to the epidemic may apply for deferred contribution of social security premiums. The deferred period shall in principle, not exceed six months, and late payment fine shall be waived for the deferred period.
Tax payments/ penalties amnesty	<ul style="list-style-type: none">February 2020 filings and payments:<ul style="list-style-type: none">For taxpayers filing on a monthly basis (except Hubei province), the statutory deadline for filing tax returns will be extended to 28 February 2020.Taxpayers affected by the epidemic situation who are still unable to process tax returns or deferred returns on 28 February, can promptly explain the reasons in writing to the tax authorities in a timely manner and making up the deferred declaration procedures and handling tax declaration at the same time. The tax authorities shall not impose late payment of taxes, administrative penalties, adjust tax credit evaluations, and shall not recognise them as abnormal taxpayers.March 2020 filings and payments:<ul style="list-style-type: none">For taxpayers filing on a monthly basis, the tax filing deadline will be extended nationwide from 16 March to 23 March; for regions that are still in the first-level response to epidemic prevention and control on 23 March, the tax filing deadline can be appropriately extended. The deadline shall be determined by the Provincial Taxation Bureau in accordance with the law and the applicable scope and deadline;Taxpayers affected by the epidemic situation who still have difficulty in filing tax returns within the tax declaration period in March 2020 may apply to the tax authorities for extension of declaration in accordance with the law.

China (cont'd)

COVID-19 – Tax response measures

Tax payments/ penalties amnesty (cont'd)	<ul style="list-style-type: none">• Customs Filing and Payment by Customs<ul style="list-style-type: none">• For consolidated tax declaration forms filed in January 2020, the enterprise can complete the collective electronic payment of taxable payments by 24 February.• The tax payment letter from the expiration date of 3 February 2020 to the resumption date determined and announced by the people's governments of provinces, autonomous regions and municipalities may be postponed to 15 days after the date of resumption of work.• If the people's governments of provinces, autonomous regions and municipalities determined and announced the date of resumption of work, the starting date of levy shall be postponed to the date of resumption of work for the delayed payment of related imported goods.
Economic measures	<p>As at 18 March 2020:</p> <ul style="list-style-type: none">• Financial Support by Finance Ministry<ul style="list-style-type: none">• Financial subsidy for key epidemic prevention and control enterprises on corporate loans• Increasing support for discounted interest on start-up guarantee loans for individuals and businesses affected by the epidemic;• Financing guarantee services - exemption of administrative and institutional fees and government funds by Finance Ministry and National Development and Reform Commission• For the qualified prevention and control products and drugs, the registration fees for medical devices and drugs shall be exempted;• Exemption of civil aviation development fund payable by airlines.• Exemption of Credit Information Service Charges by National Development and Reform Commission• Exemption of registration charge, change registration, and opposition registration fee for enterprise receivables;• Exemption of credit inquiry service fees, including inquiry of corporate credit reports and personal credit report service fees, by Rural Commercial Banks, Rural Cooperative Banks, Rural Credit Cooperatives, Village Banks, Microfinance Companies, Consumer Finance Companies, Financial Leasing Companies, Financial guarantee companies, private banks, independent legal person direct-sales banks and other 10 types of financial institutions.
Other measures	<p>Subsidy Policy for Coronavirus patients, medical and prevention institutions and staff by Finance Ministry and National Health commission</p> <ul style="list-style-type: none">• Subsidy policy for patients' treatment costs• Temporary work subsidies shall be given to the medical staff and epidemic prevention workers participating in the prevention and control work;• The funds for the purchase of special equipment for protection, diagnosis and treatment and rapid diagnosis reagents needed by medical and health institutions for epidemic prevention and control shall be arranged by the local finance and subsidized by the central finance as appropriate.

France

COVID-19 – Tax response measures

General	<ul style="list-style-type: none">• Deferrals granted for all direct tax payments (corporate income tax, payroll tax ("taxe sur les salaires"), local taxes ("CFE" and "CVAE").• In case deferrals are not sufficient given the financial difficulties of the company, it is possible to request tax rebates, subject to providing adequate documentation of the situation.
Corporate Income Tax	<ul style="list-style-type: none">• The CIT instalment due on 15 March 2020 is delayed until 15 June 2020 for all companies without any condition. If already paid, a refund may be requested.• Tax deferrals or rebates must be requested using a specific form. In addition, the French tax authorities are committed to accelerating the repayment of outstanding receivables, in particular R&D tax credits.
ITX (VAT and Customs)	<ul style="list-style-type: none">• No deferral is granted for VAT or excise taxes payments. However, the tax authorities are committed to accelerating the repayment of outstanding receivables in particular VAT credits.
PIT (Individual Taxes and Labour)	<ul style="list-style-type: none">• Social security contributions due to "Urssaf" on 15 March 2020 (this deadline applies mostly to companies with less than 50 employees) can be paid with a maximum 3 months deferral, without any justification and without any penalties.• For larger companies, with a payment deadline on 5 April 2020, additional measures may be announced at a later stage.• Supplementary pension contributions ("Agirc-Arrco") due on 25 March 2020 by all companies, whatever their size, can also be deferred.• Employees personal income tax withheld at source by the employer cannot benefit from any deferral.• Independent workers can request the deferral of their social security contributions (due to "Urssaf") due on 20 March 2020.
Other (local tax, procedure, etc)	<ul style="list-style-type: none">• Local taxes ("CFE" and "CVAE") monthly payments will be suspended. The deferred amounts will be paid when the balance of the tax is due, by the end of 2020.• For undergoing tax audits, the tax inspector can still request documents or suggest a telephone call but the company can answer that it is not able to answer such requests for the moment. Mail which must normally be sent by registered letter can be sent by email.• New tax audits will not be initiated.• Legislation "freezing" the consequences of non-compliance with time limits in the various tax procedures should be proposed very soon.
Tax payments/ penalties amnesty	<ul style="list-style-type: none">• No penalties for payments deferred under the conditions set forth by the French government.
Economic measures	<ul style="list-style-type: none">• Support from the State and the Banque de France (credit mediation) to negotiate with banks a rescheduling of bank credits;• Mobilization of Bpifrance to guarantee bank cash lines which companies may need because of the epidemic;• Maintaining employment in companies through a simplified and reinforced short-time working measures whereby the State will fully compensate indemnities paid by companies to their workers, with a cap of 4.5 times the French Minimum wage.• Consequently, for all State public contracts, the delay penalties will not be applied

Germany

COVID-19 – Tax response measures

ITX (VAT and customs)	<p>As at 16 March 2020:</p> <ul style="list-style-type: none">• The Government has published plans to postpone the due date for tax payments upon application of the taxpayer, free of charge.<ul style="list-style-type: none">- It will be easier to grant tax deferrals- It will be easier to adapt tax prepayments- Enforcement measures (e.g. attachment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.
PIT (Individual Taxes and Labour)	<ul style="list-style-type: none">• Germany will make it easier for companies to claim subsidies to support workers on reduced working hours to counter the effects of the pandemic. This is the same measure which was used to help prevent large-scale layoffs during the 2008 financial crisis.• The government has also discussed having a reform to the solidarity tax (a 5.5% surcharge on high-income earners) apply in 2020 rather than in 2021 as previously planned.
Tax payments/ penalties amnesty	<p>As at 16 March 2020:</p> <ul style="list-style-type: none">• The Government has published plans to postpone the due date for tax payments upon application of the taxpayer, free of charge.<ul style="list-style-type: none">- It will be easier to grant tax deferrals- It will be easier to adapt tax prepayments- Enforcement measures (e.g. attachment of bank accounts) and late-payment penalties will be waived until 31 December 2020 if the debtor of a pending tax payment is directly affected by the coronavirus.
Economic measures	<p>As at 14 March 2020:</p> <ul style="list-style-type: none">• Facilitation for short-time work - the threshold of employees that need to be affected by it was lowered from 1/3 to 10%• Already in January the possible period for short-time work was extended from 12 to 24 months• The government will cover 60% of the net salary in case of short term working and will reimburse the social contributions for the lost working hours to the employer• There is a plan to come up with an investment package of €12.4 billion• Particularly hit companies will get liquidity aid (IOE Business Europe)

India

COVID-19 – Tax response measures

General	<ul style="list-style-type: none">• To contain the spread of COVID-19 the Government of India's Ministry of Personnel, Public Grievances and Pensions issued an Office Memorandum on 17 March 2020 with some precautionary measures that are required to be taken by all the employees and the Ministries/ Departments.• These measures are also required to be taken by the Ministry of Finance, Department of Revenue.
CIT (Corporate Income Tax)	As at 17 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard
ITX (VAT and Customs)	As at 12 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard
PIT (Individual Taxes and Labour)	As at 17 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard
Other (local tax, procedure, etc)	As at 17 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard
Tax payments/ penalties amnesty	As at 17 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard
Economic measures	As at 17 March 2020 <ul style="list-style-type: none">• India has taken no tax measures in this regard

Italy

COVID-19 – Tax response measures

Corporate Income Tax	<p>As at 20 March 2020</p> <ul style="list-style-type: none">• Conversion of Deferred Tax Assets (DTA) on tax losses and notional interest deduction carrying forward into a tax credit in case of transfer by 31 December 2020 of receivables claimed against defaulting debtors. Tax credit equal to 50% expenses for sanitizing of the environment and work tools Tax credit for shops and stores equal to 60% of the monthly rental for real estate properties.
ITX (VAT and Customs)	<p>As at 15 March 2020:</p> <ul style="list-style-type: none">• All the tax payments (among them VAT) due by 16 March 2020 will be postponed.
PIT (Individual Taxes and Labour)	<p>As at 20 March 2020:</p> <ul style="list-style-type: none">• Measures to support families, employees and self-employed workers and to strengthen social safety nets for the production units operating in the "red zone".• Wage supplementation and redundancy fund by way of derogation• Ordinary allowance for employers with ongoing solidarity allowance treatments.• Allowance 50% of salary for parental leave• Leave and allowances for workers, bonus for the purchase of baby-sitting services• Compensation for professionals and workers with a coordinated and continuous relationship of collaboration• Compensation for self-employed persons enrolled in the General Compulsory Insurance scheme• Allowances/Compensations for seasonal workers in tourism, agricultural, sport, cinema and performing arts sectors• Implementation of the first home loan solidarity fund for individuals• Employee monthly bonus €100 in relation to the number of days worked at the place of work, (only for employees whose total annual income does not exceed € 40.000 per year and can't work from home).
Tax payments/ penalties amnesty	<p>As at 20 March 2020:</p> <ul style="list-style-type: none">• Suspension of the terms related to the activities of the offices of the tax authorities• Suspension of the terms for payments entrusted to the collection agent, falling due in the period from 8 March to 31 May• Suspension of terms for the payment of social security contributions and compulsory insurance premiums• Postponement of payments to public administrations due within March 16, 2020 to March 20, 2020 (for both individuals and companies)• Postponement of (payment of withholding taxes on employment income and similar, social security contributions and compulsory insurance premiums due within April 20, 2020.• Only for enterprises with revenues realized in the prior tax period not exceeding € 2 million: postponement of VAT, withholding taxes on employment income and similar, social security contributions and compulsory insurance payments for which ordinary deadline expires between March 8, 2020 and March 31, 2020.

Italy (cont'd)

COVID-19 – Tax response measures

Economic measures

As at **20 March 2020**:

- Contributions to enterprises for security and health care and strengthening of health care facilities
- Incentive for smart working in the public sector, through authorization to purchase goods, IT services and connectivity services without prior tenders publications - public sector
- Support to the liquidity of companies with guarantees in favour of banks and other financial entities that grant loans to companies
- Financial support measures for SMEs: revocation of loans, mortgages and other financing instruments
- Containment of costs of the assurance of trust for SMEs
- Strengthening the Customs and Monopolies Agency
- Export credit - State guarantee in favour of SACE Spa (Italian Export Credit Agency) for operations in the cruise sector and allocation of funds for the internationalization
- Agricultural sector: establishment of a fund of € 100 million to cover the interest payable on bank loans for working capital and debt restructuring
- Air Transport sector: establishment of a fund of € 500 million for emergency measures
- Cinema and Audio-visual Entertainment industry: establishment of a fund of € 130mln for the emergency
- Public Transport: establishment of a € 2 million fund for non-scheduled services

Japan

COVID-19 – Tax response measures

CIT (Corporate Income Tax)	As at 18 March 2020 <ul style="list-style-type: none">No measures or legislation updates are expected
ITX (VAT and Customs)	As at 18 March 2020 <ul style="list-style-type: none">No measures or legislation updates are expected
PIT (Individual Taxes and Labour)	As at 18 March 2020 <ul style="list-style-type: none">Individual income tax (resident and non-resident individual income tax returns), gift income and local and national consumption tax, as well as other forms connected to these returns are delayed until 16 April https://www.pwc.com/jp/en/taxnews-international-assignment/assets/gms-20200309-en.pdf
Tax payments/ penalties amnesty	As at 18 March 2020 <ul style="list-style-type: none">The filing and payment due date for individual gift tax return has been extended from 16 March to 16 April.
Economic measures	As at 18 March 2020 <ul style="list-style-type: none">Japan has taken no tax measures in this regard to date

Mexico

COVID-19 – Tax response measures

General	As at 17 March 2020 : <ul style="list-style-type: none">The tax authorities are still evaluating whether tax incentives will be issued.
Corporate Income Tax	As at 17 March 2020 : <ul style="list-style-type: none">TBC
ITX (VAT and Customs)	As at 17 March 2020 : <ul style="list-style-type: none">TBC
PIT (Individual Taxes and Labour)	As at 17 March 2020 : <ul style="list-style-type: none">TBC
Tax payments/ penalties amnesty	As at 17 March 2020 : <ul style="list-style-type: none">TBC
Economic measures	As at 17 March 2020 : <ul style="list-style-type: none">TBC

Netherlands

COVID-19 – Tax response measures

General	As at 19 March 2020 : <ul style="list-style-type: none">• Immediate deferral of payment for tax upon request (VAT, payroll tax, CIT, PIT).
Corporate Income Tax	As at 19 March 2020 : <ul style="list-style-type: none">• There will be adjustment preliminary tax assessments resulting in less payable CIT or refund.
ITX (VAT and Customs)	As at 19 March 2020 : <ul style="list-style-type: none">• N/A
PIT (Individual Taxes and Labour)	As at 19 March 2020 : <ul style="list-style-type: none">• There are no specific measures except of the deferral of payment for payroll tax. However, there is an extensive package of non-tax economic measures aimed at people keeping their jobs (see economic measures).
Other (local tax, procedure, etc)	As at 19 March 2020 : <p>Tax interest will be decreased to 0.01% (instead of 4% or in some cases even 8%).</p> <p>Municipalities may decide to provide deferral of payment for (preliminary) tourist tax assessments to support entrepreneurs offering overnight stay (hotels and other leisure businesses).</p>
Tax payments/ penalties amnesty	As at 19 March 2020 : <ul style="list-style-type: none">• There are currently no penalties for late payment.
Economic measures	As at 19 March 2020 : <ul style="list-style-type: none">• The Dutch government has issued a large package of economic measures to help Dutch enterprises (small, mid-sized and large) to counter COVID-19.• The measures are meant to preserve jobs and to help enterprises with their liquidity.<ul style="list-style-type: none">• Compensation wage cost up to 90% of total wage sum per enterprise.• Temporary minimum welfare allowance for small businesses and independent workers.• Increased governmental guarantees to facilitate bank financing.• Gift for businesses in heavy-affected economic sectors (e.g. hospitality industry) of €4,000 once (for a 3 month period).• All these measures do not have a cap for total government spending.

Singapore

COVID-19 – Tax response measures

CIT (Corporate Income Tax)	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• In the Singapore Budget 2020, the following measures were proposed:• For year of assessment 2020:<ul style="list-style-type: none">- 25% tax rebate capped at S\$15,000- Two months' interest-free extension of tax instalment payments on estimated income.- Enhancement of loss carry-back relief scheme. In addition, taxpayers are allowed to accelerate capital allowance claims for fixed assets acquired in financial year 2020 and deductions for renovation and refurbishment expenses incurred in financial year 2020.
ITX (VAT and Customs)	<p>As at 13 March 2020:</p> <ul style="list-style-type: none">• In the Singapore Budget 2020 this February, the government announced that the GST rate hike that is planned to be implemented some time between 2021 to 2025, will not take effect in 2021.• The GST rate is to be increased from 7% to 9%.
Other (local tax, procedure, etc)	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• In the Singapore Budget 2020, property tax rebates ranging from 10% to 30% were proposed for calendar year 2020, for qualifying commercial properties such as licensed hotels, serviced apartments, and prescribed Meetings, Incentive, Conferences and Events (MICE) venues.
Economic measures	<p>As at 19 March 2020:</p> <ul style="list-style-type: none">• In the Singapore Budget 2020 the Singapore government introduced a Stabilisation and Support Package - a series of schemes and initiatives aimed at helping business sectors hit by the COVID-19 outbreak.• On 11 March 2020, it was announced that the government is working on a second stimulus package.<ul style="list-style-type: none">- Details have yet to be released.

South Africa

COVID-19 – Tax response measures

General	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
CIT (Corporate Income Tax)	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
ITX (VAT and Customs)	As at 12 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
PIT (Individual Taxes and Labour)	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
Other (local tax, procedure, etc)	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
Tax payments/ penalties amnesty	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard
Economic measures	As at 17 March 2020 <ul style="list-style-type: none">• South Africa has taken no tax measures in this regard

Sweden

COVID-19 – Tax response measures

CIT (Corporate Income Tax)	<p>As at 16 March 2020:</p> <ul style="list-style-type: none">• Extended deadlines and payment refund of payroll taxes, preliminary tax (on salary) and VAT.• Businesses that have paid the above taxes to their tax account from 1 January 2020 to March 2020 are eligible to have that tax refunded.• The taxes must however be repaid, including interest, by the taxpayer within 12 months.<ul style="list-style-type: none">- The rules will apply to companies with an acceptable financial track record.- The rules will furthermore not apply to companies with larger tax debts.- The rules are expected to come into force on 7 April 2020, but can be applied retrospectively from 1 January 2020.
PIT (Individual Taxes and Labour)	<p>As at 16 March 2020:</p> <ul style="list-style-type: none">• Short term working hours additional support:<ul style="list-style-type: none">- The government will be able to account for a larger amount of an employer's salary costs if an agreement of reduced working hours is made between the employer and the employee.- An employer can thereby reduce their salary costs by half.- The construction is similar to short-term work, but the degree of subsidy is greatly increased.- In addition, an employee will receive more than 90% of their salary.- The proposal will come into force on 7 April 2020 and be valid during 2020, but it will apply from 16 March 2020.• Responsibility for sick pay:<ul style="list-style-type: none">- The government is proposing to temporarily take over the responsibility for all sick pay-costs during April and May 2020.- Self-employed people will also be compensated by receiving a standardized sickness benefit for day 1-14.

Switzerland

COVID-19 – Tax response measures

General	As at 8 March 2020 : <ul style="list-style-type: none">• Tax authorities are working with reduced personal or closing
CIT (Corporate Income Tax)	As at 18 March 2020 : <ul style="list-style-type: none">• 26 Cantonal tax authorities are collecting CIT.• Some are starting to introduce measures.
Other (local tax, procedure, etc)	As at 18 March 2020 : <ul style="list-style-type: none">• TBC
Tax payments/penalties amnesty	As at 18 March 2020 : <ul style="list-style-type: none">• TBC
Economic measures	As at 8 March 2020 : <ul style="list-style-type: none">• Credit default guarantee for small and medium-sized enterprises; Support for non-profit culture; Unbureaucratic help for self-employed persons, etc

United Arab Emirates (Dubai only)

COVID-19 – Tax response measures

General	<p>As at 16 March 2020</p> <ul style="list-style-type: none">• The UAE Central Bank has introduced the following:<ul style="list-style-type: none">• Urged banks to consider loan forbearance• AED 50B in zero interest loans for banks to support SMEs• Reduced banks' voluntary capital buffers to free up AED50B in capital• Lower real estate LTV ratios; limits on bank fees for interest/credit cards
CIT	<ul style="list-style-type: none">• TBC
ITX (VAT and Customs)	<p>As at 16 March 2020</p> <ul style="list-style-type: none">• The Dubai Government has released a stimulus package including a refund of 20% on the customs duties paid for locally sold imported goods, cancellation of bank guarantees required to clear goods, and a 90% reduction of customs clearance fees.
Other (local tax, procedure, etc)	<p>As at 16 March 2020</p> <ul style="list-style-type: none">• Dubai customs have put audits on hold for now.
Tax payments/ penalties amnesty	<ul style="list-style-type: none">• TBC
Economic measures	<ul style="list-style-type: none">• TBC

United Kingdom

COVID-19 – Tax response measures

General	<ul style="list-style-type: none">• In the Budget on 13 March 2020, the Government announced a number of tax measures to help businesses deal with the COVID-19:• Statutory sick pay, small business grant funding, business rates relief and Time To Pay (TTP)• As at 18 March 2020 – Large Firms<ul style="list-style-type: none">• New measures have been introduced which will provide support for liquidity in large firms via a new lending facility agreed with the Bank of England – The Covid Corporate Financing Facility (CCFF, the Facility).• The Bank of England will purchase commercial paper of up to 1-year maturity, issued by firms making a material contribution to the UK economy.• The scheme will operate for a minimum 12 months• Only firms that were in sound financial health prior to COVID-19 will be eligible.• Further details about the CCFF, including application forms, terms and conditions and operating procedures will be published on the Bank of England website on 23 March 2020.
CIT	<ul style="list-style-type: none">• Instead of the main rate moving towards to 17% as was previously planned, the rate is staying at 19% for now.
Tax payments/ penalties amnesty	<ul style="list-style-type: none">• All businesses and self employed people in distress with outstanding tax liabilities may be eligible for support and deferral with outstanding tax liabilities - Corporation Tax, VAT and PAYE• A dedicated helpline has been set up by HMRC through which arrangements will be tailored to specific circumstances on a case by case basis• Companies should approach their Customer Compliance Manager (CCM) where "large" in the first instance. Where a company does not have a CCM they should contact the COVID-19 helpline number (0800 0159 559)• Time To Pay is to assist with challenges around liquidity but HMRC will want to see that other options have been considered and will request evidence of this• The usual information requirements for the HMRC to consider adoption of the Time To Pay regime will be relaxed but there will be a review process of historic tax payments and compliance• Late payment penalties are waived where Time To Pay has been agreed• It was announced on 20 March that all VAT payments are deferred until at least 30 June
Economic measures	<ul style="list-style-type: none">• The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020/21.• The government will provide an additional £2.2 billion funding for local authorities to support small businesses that already pay little or no Business Rates because of Small Business Rate Relief (SBBR). This will provide a one-off grant of £3,000 to around 700,000 business currently eligible for SBBR or Rural Rate Relief, to help meet their ongoing business costs. For a property with a rateable value of £12,000, this is one quarter of their rateable value, or comparable to 3 months of rent.• A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch in a matter of weeks to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £1.2 million in value. This new guarantee will initially support up to £1 billion of lending on top of current support offered through the British Business Bank.

United Kingdom (cont'd)

COVID-19 – Tax response measures

Economic measures (cont'd)

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. These businesses can contact HMRC's new dedicated COVID-19 helpline from **11 March 2020** for advice and support. To ensure ongoing support, HMRC have made a further **2,000** experienced call handlers available to support firms and individuals when needed.
- The government will bring forward legislation to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:
 - This refund will cover up to **2 weeks'** SSP per eligible employee who has been off work because of COVID-19
 - Employers with fewer than **250** employees will be eligible.
 - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
 - Employers should maintain records of staff absences, but employees will not need to provide a GP fit note
 - The eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to self-isolators comes into force
 - The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.
- On 20 March 2020 the government announced that 80% of wages of non-working workers up to £2500 per month would be paid by the government from 1 March 2020 for at least three months.

United States

COVID-19 – Tax response measures

General	<p>As at 17 March 2020:</p> <ul style="list-style-type: none">• Tax payments up to \$1 million for individuals can be deferred for 90 days under part of a new economic stimulus plan unveiled by the Trump administration on 17 March 2020. Corporations can defer up to \$10 million in tax payments for 90 days, Treasury Secretary Steven Mnuchin announced during the White House's daily coronavirus briefing.• In addition, the Trump administration is discussing a plan that could amount to as much as \$1.2 trillion in spending -- including direct payments of \$1,000 or more to Americans within two weeks -- to blunt some of the economic impact of the widening coronavirus outbreak.• The Families First Coronavirus Response Act (H.R. 6201) was passed overwhelmingly by the US House of Representatives on 14 March 2020, but has not yet passed the US Senate.• The House bill as passed included refundable tax credits for small and medium-size businesses to cover paid sick leave for employees affected by the coronavirus.<ul style="list-style-type: none">- The credits would also be available to eligible workers who are self-employed.• The payroll tax credit would give employers 100% of the sick leave wages paid to employees who are under self-quarantine or getting tested for the coronavirus, with a maximum wage of \$511 per day.• For employees caring for a family member affected by the coronavirus, the credit covers up to \$200 a day.• The U.S. Chamber of Commerce recommended in a 17 March 2020 letter to House and Senate leadership cancelling the payment of all payroll taxes paid by employers from March 2020 through May 2020.
CIT (Corporate Income Tax)	<p>As at 13 March 2020:</p> <ul style="list-style-type: none">• President Trump declared a national emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in response to the coronavirus.<ul style="list-style-type: none">- This declaration allows the Treasury Department and the IRS to extend the deadline for certain taxpayers and small businesses to pay taxes until 31 December 2020 as Treasury Secretary Steven Mnuchin suggested in mid-March.• An IRS FAQ indicates that the Stafford Act allows the IRS to provide taxpayers and tax practitioners in federally designated disaster areas with tax relief, including extending deadlines for tax return filing and tax payments, waiving penalties for late payments and interest, and expediting amended tax return processing.• The IRS has also established a special section focused on steps to help taxpayers, businesses and others affected by the coronavirus: https://www.irs.gov/coronavirus
Economic measures	<p>As at 17 March 2020:</p> <ul style="list-style-type: none">• Treasury Secretary Steven Mnuchin pitched \$250 billion in checks to be sent at the end of April with a second set of checks totalling \$500 billion four weeks later if there's still a national emergency, according to a person familiar with the matter.

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