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Breaking News Tax

Consistent with our commitment to provide [updated information](#) on current tax issues, we summarize below changes introduced in relation to Income Tax Code (Law 4172/2013), Law 4321/2015 that regulates the Settlement of Debts to the State as well as Investment Laws 3209/2004 and 3908/2011. These changes were included in Law 4328/2015 (ΦΕΚ 51 Α'/14.05.2015) on "Urgent measures for the Sustainability of the Greek Sugar Industry S.A."

Specifically, the following amendments are introduced:

Income Tax Code (Law 4172/2013)

- A 2% discount shall be granted on the gross income tax amount calculated along with any additional liabilities (e.g. solidarity contribution, luxury tax, entrepreneurship duty), to individuals who pay their income tax liability in one lump-sum, prior to the expiration of the deadline regarding the first installment of the fiscal year concerned.
- A 2% discount on the income tax liability of legal entities is provided on condition that it is paid in one lump-sum, prior to the expiration of the deadline for the filing of the tax return of the fiscal year concerned.

- Deemed income from the lease of real estate may be excluded from gross taxable income from real estate, provided that the following conditions are cumulatively fulfilled:
 - (a) For rental amounts considered paid, it is evidenced that they have not actually been collected by the lessor;
 - (b) they are assigned to the State without consideration;
 - (c) the assignment to the State is effected based on a declaration to the competent Tax Office by the taxpayer, prior to the timely filing of the income tax return of the fiscal year concerned.
- A tax deduction may be provided on the gross profits from sales, generated by the enterprises of professionals of the Organization of Football Matches' Prognostics, as bad debt provisions, according to the scale below:
 - 1.5% deduction for the amounts from EUR 1 to 500 000
 - 1% deduction for the amounts from EUR 500 001 to 1 000 000

The above amendments shall be applicable for fiscal years commencing on or after 1 January 2014.

Settlement of Debts to the State

- Debtors who submit an application for their admission to the beneficial provisions of Law 4321/2015 and whose bank accounts have been confiscated by the State, may use the amount deposited in the said accounts in order to pay the first installment of the debt settlement.

The implementation of the said provision aims to facilitate debtors who, although willing to pay the first installment of the payment in order to benefit from the beneficial provisions of Law 4321/2015 have not been able to, due to the fact that their deposits are blocked given that their bank accounts have been already confiscated in favor of the State.

This provision comes into effect on 22 March 2015.

Investment Law

- The deadline for the submission of documentation regarding a bank loan is granted a 6 months extension for any investment projects that have been placed under Law 3908/2011 on or before 30 September 2015.
- It is explicitly clarified that any letters of guarantee shall be returned without interest to those investors who submitted them for the performance of investment plans based on Law 3908/2011.

The above provision concerns cases where the amount of the grant that has been paid in advance, is higher than the final amount included in the relevant decision issued for the implementation of the investment and the commencement of the productive operation.

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This Newsletter aims to provide the reader with general information on the above-mentioned matters. No action should be taken without first obtaining professional advice specifically relating to the factual circumstances of each case.

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