

Tax Newsflash

GEO 89/2025 – Fiscal measures set out in the “train ordinance” adopted in late 2025

Government Emergency Ordinance no. 89/2025 (the “Ordinance”) was published in the Official Journal of Romania no. 1203 of 24 December 2025, setting out amendments to the Fiscal Code (Law no. 227/2015).

Among other modifications, the Ordinance makes changes to the minimum turnover tax, the additional tax for activities in the oil and natural gas sectors, income tax for microenterprises, as well as to excises. At the same time, the method of granting medical leave has been modified, new obligations in relation to the e-Invoice system have been introduced, and the tax on special constructions has been eliminated from 2027.

In a separate development, a few days after the adoption of Law 239/2025 (Fiscal Measures Package 2), Government Emergency Ordinance 78/2025 entered into force. This postponed the elimination of the reduced tax rate applicable to the calculation of tax for residential buildings owned by legal entities (which could have increased the tax on apartments owned by companies up to 10 times) by one year. Hence the elimination is now due to take effect from 2027, not 2026.

Minimum Turnover Tax; Additional Tax for Legal Entities Operating in the Oil and Natural Gas Sectors, and Construction Tax

For the fiscal year 2026 (or a modified fiscal year starting in 2026), the **minimum turnover tax rate (IMCA)** has been reduced to 0.5%, compared to 1%, the rate applicable until the end of 2025. The Ordinance also states that the application of the IMCA is temporary, and that it will apply only until 31 December 2026 (or the last day of a modified fiscal year ending in 2027).

The anticipated elimination has also led to the inclusion in the Fiscal Code of certain technical correlation measures in relation to assets for which values were deducted when IMCA was calculated, which must be kept in the ownership of the taxable entity for a period equal to half of their economically useful life, but for no more than 5 years. Otherwise, the tax is recalculated and penalties are due. Recalculation does not apply to assets transferred through reorganization, liquidation, destruction, proven theft, or removal from ownership according to the law.

The additional tax for legal entities operating in the oil and natural gas sectors (ICAS) will now continue to apply in 2026 or the modified fiscal year ending in 2027, even though Law 239/2025 had originally eliminated ICAS from 2026.

The construction tax, known as the “pillar tax”, will be payable only in 2026, and will be eliminated starting from 2027.

Increase of the Income Tax Rate for Benefits Granted to Shareholders in Legal Entities

An important change in the taxation regime of income from other sources is the increase of the tax rate from 10% to 16% for benefits granted to shareholders in legal entities, such as goods or services provided for personal purposes, as well as amounts paid to them above the market price for goods or services supplied to their own company. In practice, starting from 1 January 2026, the tax rate for these benefits will be the same as that for dividends, which has also been increased to 16%.

This measure thus eliminates the differences in tax treatment between dividends and indirect forms of remuneration for shareholders.

The impact for shareholders and entrepreneurs is a clear increase in the tax cost for any form of value withdrawal from the company that does not comply with market rules.

Microenterprise Income Tax

Starting from 2026, the 3% tax rate is eliminated and a single tax rate of 1% remains for microenterprises, regardless of the type of activity carried out or the income level, as long as it falls within the ceiling of 100,000 euros.

Local Taxes and Duties

The Ordinance introduces the following changes to local taxes and duties:

1. Exemptions and Reductions for Certain Agricultural Buildings

• Period 1 January – 31 December 2026:

Buildings used as greenhouses, solariums, seedbeds, mushroom farms, silos for fodder, silos and/or barns for the storage and preservation of cereals (except for rooms used for other economic activities) are exempt from building tax.

• Starting from 2027:

For these buildings, the building tax is reduced by 50%.

2. Exemption for Buildings with Protected Status

Buildings that have been granted protected status (other than historical monuments), located in the protected areas of historical monuments and in protected built areas, benefit from a tax exemption for 2 years, starting from 1 January of the year following the completion of renovation works (except for rooms used for other economic activities).

Excises

The Ordinance introduces significant changes in the field of excises. The main changes, effective from 1 March 2026, are:

- The requirement to hold an **“authorized importer”** authorization to import excisable products (except for authorized warehouse keepers) has been introduced – previously this requirement had existed only for the import of excisable products subject to marking by paper stickers or stamps.
- The requirement to hold a **“registered exporter”** certificate to export **energy products** has been introduced (except for authorized warehouse keepers); the certificate will be valid for 12 months.
- To obtain a **wholesale trading certificate for energy products**, with or without storage, a requirement has been introduced to provide a guarantee of 2,500,000 lei, as well as to own tangible fixed assets worth at least 2,500,000 lei, as established by an expert/evaluation report.
- To obtain a wholesale **trading certificate for alcoholic beverages and processed tobacco**, a requirement has been introduced to provide a guarantee of 250,000 lei.
- Between 1 March 2026 and 31 May 2026, entities with authorizations such as for tax warehouses, as registered consignees/consignors, as authorized importers, and as holders of certificates for trading alcohol, tobacco, and energy products must request reauthorization. The validity of authorizations/certificates for entities which have not requested reauthorization within the prescribed period ceases by law on 1 June 2026.
- A **commission will be established** within **ANAF** to authorize traders in products subject to harmonized excises (operators of tax warehouses, registered consignees, registered consignors, and authorized importers), as well as for the issuing of distribution and trading certificates, which will include, in addition to ANAF representatives, a representative of the National Office for the Prevention and Combating of Money Laundering and a representative of the Romanian Customs Authority.
- Additional requirements relating to the establishment of **guarantees** by authorized warehouse keepers presenting high fiscal risk have been introduced.
- Several **definitions** have been introduced in the field of excises, such as “energy product wholesaler with storage” and “energy product wholesaler without storage”. The latter may not wholesale energy products to another wholesaler without storage, but only to final consumers or fuel distribution stations. The concept of **“distributor” of energy products** and “distributor certificate for energy products” is also defined.

VAT

RO e-Invoice System

The requirement to send invoices issued by taxable persons established in Romania to recipients which are non-resident taxable persons but registered for VAT purposes in Romania is clarified;
The deadline for sending electronic invoices has been extended to 5 working days from 5 calendar days.

RO e-VAT System

The requirement for taxpayers to present the result of checks carried out on the differences communicated through the *RO e-VAT Compliance Notification* issued by ANAF has been eliminated.

Non-provision/partial provision of information to clarify differences between the values pre-filled via the pre-filled return and the values completed by the taxable person is no longer a fiscal risk indicator in relation to the VAT declaration level.

Payroll and Personnel Administration

The year 2025 ended with the publication of legislation which made significant changes affecting payroll calculation and the management of medical leave. In addition to GEO no. 89/2025, which amended the Fiscal Code, the following were also adopted:

- Government Emergency Ordinance 91/2025 concerning the establishment of measures within the health system
- Law 245/2025 to amend Art. 32 para. (7) of Law no. 273/2006 concerning local public finances.

Changes made under the legislation introduced on payroll and personnel administration during 2025 include the following:

1. Fiscal facilities for employees earning the national gross minimum wage

• Period 1 January – 30 June 2026:

- A non-taxable amount will be deducted from the calculation base of minimum mandatory social contributions: **300 lei/month**.
- Conditions:
 - The monthly gross base salary must be equal to the national gross minimum wage.
 - The total gross income (excluding vouchers, holiday vouchers, meal allowance) must be at most **4,300 lei/month**.

• Period 1 July – 31 December 2026:

- The non-taxable amount which is deducted from the calculation base of minimum mandatory social contributions will be reduced to **200 lei/month**
- Conditions:
 - The monthly gross base salary must be equal to the national gross minimum wage.
 - The total gross income (excluding vouchers, holiday vouchers, meal allowance) must be at most **4,600 lei/month**.

• Important:

Reducing the base salary below the gross minimum level during the period between the entry into force of Ordinance 89/2025 and 31 December 2026 cancels the facility.

The facility also applies to service relationships (public servants).

The amounts of 300 lei and 200 lei are adjusted proportionally for fractions of a month

(employment/termination/period of employment at a salary level equal to the national gross minimum wage).

2. Changes to medical leave (from 1 July 2026) as a result of Ordinance 89/2025

• **Context:** The current form of Art. 17 of GEO 158/2005 establishes the indemnity percentages depending on the duration of the medical leave (55%, 65%, 75%, and 100% for certain illnesses).

• **What changes:** If a period of medical leave is extended into the following month and exceeds one of the periods set out in Art. 17 para. (1) letters a) and b), leading to a change in the applicable indemnity percentage:



- Indemnity differences related to the previous month are included in the income of the month in which they are determined.
- Such determined indemnity differences are declared in Statement 112 for that month.

The new provisions also apply to periods of medical leave which start before 1 July 2026 and which continue after this date.

3. New measures relating to medical leave and its control, made by Ordinance 91/2025

• Control of medical leave:

- CNAS and state insurance authorities can verify the legality and validity of medical certificates, on their own initiative or at the request of employers.
- The control includes the analysis of medical documents, as well as verification of the duration of the medical leave, and the correctness of certificate completion.
- Non-compliant certificates will be sent to work capacity assessment offices.
- If non-compliance with legal provisions is found, the insured person will not benefit from the related indemnity.
- The detailed procedure will be established by a Government Decision.
- Penalties for doctors – The Disciplinary Committee of the College of Physicians applies penalties according to Art. 455 of Law no. 95/2006 for non-compliance with rules on medical leave.

• **New rules for payment of medical leave indemnities – for medical leave certificates issued between 1 February 2026 and 31 December 2027**, health social insurance indemnities are calculated and paid with a reduction of one day and are supported as follows:

- Day 1 is not paid.
- Days 2–6: supported by the employer or, as appropriate, from the budget of the National Health Insurance Fund for indemnities fully supported by law from this fund.
- From Day 7: supported from the budget of the National Health Insurance Fund.
- The periods of reduction of health social insurance indemnity as above (i.e., the first day of medical leave for which no indemnity is paid) constitute insurance seniority for medical leave and health social insurance indemnities, maintaining the status of the insured person within the health social insurance system.

4. Suspension of the application of Art. 582 of Law no. 448/2006

In 2026, the provisions of Art. 582 concerning support points for pensioners with severe, accentuated, or severe visual disabilities no longer apply.

5. Change in the minimum number of employees required for fiscal registration of a place of business

Under Law 245/2025 to amend Art. 32 para. (7) of Law no. 273/2006 on local public finances, the requirement is introduced for any entity (company, public institution, local public institution, entity with or without legal status) which **effectively carries out activity at an address other than the registered office and where at least one person is employed with a salary or similar income** to request fiscal registration of that location. (Previously, the minimum number of employees for which the above requirement existed was 5). The request for registration of the place of business must be submitted to the ANAF office in the area where the activity is carried out, **within 30 days of the start of the activity or from the date of entry into force of this legal provision**. After the fiscal registration certificate for the address is obtained, it is sent by the tax authority to the city hall of the local authority where the location/address is situated. Salary payers are required to organize accounting so that salary income and related taxes are recorded and transferred for each location separately, according to the actual activity carried out.

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