

Tax Alert

July 2024

TAX PAYMENT DEFERRAL CONTINUES IN 2024

On 17 June 2024, the Government released Decree 64/2024/ND-CP regarding the extension of deadlines for payment of taxes and land rental fee applicable for tax year 2024. On the same day, Decree 65/2024/ND-CP is promulgated to extend the deadline for payment of Special Consumption Tax in 2024 applicable to domestically manufactured or assembled automobiles.

The applicable objects for tax payment deferral are mostly the same with those under Decree 12/2023/ND-CP covering Corporate Income Tax (“**CIT**”), Value Added Tax (“**VAT**”), Personal Income Tax (“**PIT**”) and land rental fee, and Decree 31/2023/ND-CP for Special Consumption Tax (“**SCT**”) in 2023.

Detailed timelines of the tax payment deferral are as follows:

1. Corporate income tax (“**CIT**”) payments

- The deadline for provisional CIT payment for Quarter II of 2024 will be extended for three months from the statutory deadline.
- The deferral also applies to dependent units or branches of qualified taxpayers, except where such dependent units or branches do not carry out any business activities entitled to tax payment deferral.

2. Value-added tax (“**VAT**”) payments, excluding import VAT

- The deadlines for VAT payments are extended for qualified taxpayers as follows:
 - A five-month extension is granted for the monthly reporting periods of May and June 2024 and for the quarterly reporting period of Quarter II of 2024.
 - An extension of four, three, and two months is granted for the monthly reporting periods of July, August and September 2024.
 - A two-month extension is granted for the quarterly reporting period of Quarter III of 2024.
- The deferral of VAT payments (including the tax amount allocated to other provincial-level localities where the taxpayer is headquartered, the tax amount to be paid in each occurrence) also applies to dependent units and branches of qualified taxpayers, except where such dependent units or branches do not carry out any business activities entitled to tax payment deferral.

3. Land rental payments

- An extension of two months, counting from 31 October 2024, is granted for the payment of 50% of land rental fees payable in 2024 (the second half of the payment), applicable to qualified taxpayers directly leasing land from the Government and paying land rental fees annually.

- The deferral also applies to businesses, organizations, households and individuals having more than one direct land leasing agreement with the Government and conducting various business activities, including in-scope business activities.

4. **Personal income tax (“PIT”) and Value Added Tax (“VAT”) payments by business households and individuals conducting business**

- Defer PIT and VAT payments until 31 December 2024, which is applicable to business households or individuals conducting businesses qualified for tax deferral.

5. **Special consumption tax (“SCT”) for domestically manufactured or assembled automobiles in Vietnam**

- The deadlines for SCT payments with regard to reporting periods of May, June, July, August and September 2024 are extended up to 20 November 2024.
- The deferral also applies to dependent units and branches of qualified taxpayers, except where such dependent units and branches do not carry out business activities entitled to a tax deferral.

6. **Extension procedures**

- The qualified taxpayers shall self-determine and submit the Application for extension, together with the submission of periodical tax declaration, to the direct managing tax authority once for the entire tax and land rental fee amount arising in the extended tax periods. The deadline for submission of requests for CIT, VAT and PIT payment deferral is 30 September 2024. Meanwhile, the deadline for SCT payment deferral requests shall be by 20 November 2024.
- Late payment interest shall not be charged on the tax and land rental fee amounts subject to payment extension during the extension period.

Decree 64 and Decree 65 take effect from 17 June 2024 to 31 December 2024.

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