

# GMS Flash Alert

2019-138 | September 6, 2019



## Greece – No Changes to Income Tax and Special Solidarity Contributions for 2020

Based on the recently voted Law 4618/2019<sup>1</sup>, the changes planned for Greece's income tax and special solidarity contributions rates as of 1 January 2020 have been abolished. (We reported on these measures in GMS [Flash Alert 2019-084](#), 26 April 2019.)

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### WHY THIS MATTERS

This change will affect taxpayers' and employers' expectations as well as any plans made according to the anticipated measures that were announced earlier in the year. Taxpayers and their tax professionals should be aware of the reversal in the plans for tax rates and the special solidarity contribution given the impact this could have on their liability, budgeting, and compliance.

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### As Previously Reported and Now Reversed

#### Income Tax/Social Solidarity Contributions

As previously reported, the income tax and special solidarity contributions progressive rates were to be amended as of 1 January 2020 depending on the level of income in accordance to the Article 12 L. 4472/2017. (See Tables 1 and 2 in our earlier [report](#).)

These measures have now been reversed and no change will take place.

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## KPMG NOTE

This reversal came about due to a disagreement within the Greek government concerning the measure reducing the tax-free threshold as previously imposed by the International Monetary Fund (IMF). The move has been mostly interpreted as political.

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## FOOTNOTE:

1 You can find Law N. 4618/2019 on the Taxheaven Web site (in Greek) at: <https://www.taxheaven.gr/laws/law/index/law/934> . *Please note this is a 3<sup>rd</sup> party (non-governmental, non-KPMG) website. Provision of this URL does not represent an endorsement of this website by KPMG.*

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## Contact us

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**The information contained in this newsletter was submitted by the KPMG International member firm in Greece.**

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