



# GMS Flash Alert

## Immigration Edition

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# Lithuania - COVID-19: Travel Restrictions and Tax Filing, Social Security Extensions

In response to the coronavirus (COVID-19) pandemic, the Lithuanian government and tax authorities extended the deadline for submission of the 2019 Lithuanian income tax return for individuals to **1 July 2020** (from 4 May 2020).<sup>1</sup> To control the spread of COVID-19, the Lithuanian government established a quarantine effective 16 March 2020 until 30 March 2020.<sup>2</sup>

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## WHY THIS MATTERS

Due to the deferred deadline for submission of the annual returns, individuals should have more time to prepare and submit their Lithuanian income tax returns for 2019 given the current restrictions. Businesses may also defer payment of taxes without delay interest or penalties.

The travel restrictions will have immense impact on internationally-mobile individuals as well as their family members. Considering the applicable restrictions, individuals should return (if they need to) to their country of residence as soon as possible since it could become impossible to do so in the near future.

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## Tax Authority Announcements

In addition to the return filing extension, the tax declaration season will not be initiated at least until April. The electronic version of the new annual income tax return (form GPM311), that will apply for reporting income received in 2019, will not be released until at least April 2020. Based on the previous information from the tax authorities, the new electronic form along with pre-filled tax returns should have been released in the beginning of March.

Furthermore, the Lithuanian tax authorities have published a list of taxpayers (individuals and companies) who were directly affected by the consequences of COVID-19.<sup>3</sup> The following reliefs will automatically apply to these taxpayers:

- Suspended recovery of tax under-payments (from 16 March 2020 until the end of restrictions);
- Relief from penalties and late payment interest (from 16 March 2020 until end of restrictions);
- Possibility to apply for tax instalment (loan) agreement to defer tax under-payments (interest-free).

The aforementioned reliefs will apply to all taxes collected by the tax authorities, as well as social security contributions. Taxpayers not included in the list although affected by the COVID-19, may apply to become eligible for these reliefs as well.

## Movement of Individuals

During the quarantine period, cross-border movement of individuals will be restricted:

- Foreigners will not be able to enter to Lithuania, unless they have permission to reside in Lithuania (certain other exceptions also apply);
- Lithuanian nationals will not be able to leave Lithuanian unless they leave their country of residence or work (certain other exceptions also apply);
- Individuals returning to their country of residence are allowed to transit through Lithuania without a stop-over until 26 March 2020, 00:00;
- Free movement of goods is not restricted.

## FOOTNOTES:

- 1 [Notification](#) (in Lithuanian) from the Lithuanian tax authorities regarding extended deadline for submission of the 2019 Lithuanian income tax return.
- 2 Government [announcement](#) 15 March 2020.
- 3 [Notification](#) (in Lithuanian) from the Lithuanian tax authorities regarding relief for businesses affected by COVID-19.

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## Contact us

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*\* Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

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