

AN OVERVIEW OF POSSIBLE CORONAVIRUS RELATED RELIEFS

In its session as of March 23, 2020 the Government of the Czech Republic decided on additional measures reacting on COVID-19 Pandemia.

I GENERAL MEASURES

1. Postponement of tax payments or possibility to pay the tax in instalments

- § 156 of the Tax Procedure Code – list of reasons when the Tax Authorities must allow postponement or payment in instalments
- these reasons must be proved by the taxpayer
- general instructions here:

<https://www.financnisprava.cz/assets/cs/prilohy/d-sprava-dani-a-poplatku/2015-Methodicky-pokyn-k-poseckani.pdf>

- information leaflet here:

<https://www.financnisprava.cz/assets/cs/prilohy/d-danovy-system-cr/letak.pdf>

2. Remission of penalty interest due to the late payment of tax

- regulated by §§ 259 – 259c of the Tax Procedure Code
- instructions of the General Financial Directorate regarding remissions here:

https://www.financnisprava.cz/assets/cs/prilohy/d-zakony/Pokyn_GFR_D-21.pdf

II SPECIAL MEASURES – ALREADY APPROVED

1. Package of tax measures of the Ministry of Finance and General Financial Directorate – Liberation package I

- official version here:

https://www.mfcr.cz/assets/cs/media/Financni-zpravodaj_2020-c-04.pdf

2. Main measures:

- possibility to file income tax returns by 1 July without penalties (no penalty for late filing, no penalty interest)
- delayed filing of VAT Control Statement without penalties, if it is filed with the VAT return and the VAT is simultaneously paid, no longer than 4 working days after the due date
- remission of penalty interest in all cases where the connection with coronavirus is proved
- administrative fees for all requests filed to the Tax Authorities are waived
- postponement of 3rd and 4th wave of Electronic Sales Records by three months (for now)
- details here:

Ministry of Finance:

<https://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2020/pruvodce-pro-danove-poplatniky-v-souvisl-37856>

General Financial Directorate:

https://www.financnisprava.cz/cs/financni-sprava/novinky/2020/Pruvodce_pro_danove_poplatniky_v_souvislosti_s_koronavirem-10500

3. Liberation package MF II

- loss carryback – possibility to apply the tax loss recorded in the year 2020 towards the tax bases recorded in 2018 and 2019, the Tax Authorities will refund any overpayment (**requires an amendment to the law**)
- cancellation of the income tax advance payment due on 15 June 2020
- suspension of the Electronic Sales Records for the duration of the state of emergency plus three months (**requires an amendment to the law, approved by the parliament**)
<https://www.psp.cz/sqw/historie.sqw?o=8&t=788>
- remission of penalties for late filing of the real estate acquisition tax return or of the penalty interest for the late payment of this tax

- details here:

<https://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2020/ulevy-v-danove-oblasti-se-rozsiri-37943>

4. Postponement of advance payments and partial waiver of social security and health insurance premiums (requires an amendment to the law, approved by the parliament)

- **social security** - <https://www.psp.cz/sqw/historie.sqw?o=8&t=787>
- **health insurance** - <https://www.psp.cz/sqw/historie.sqw?o=8&t=785>
- self-employed individuals don't have to pay advance payments for social security and health insurance from March to August 2020
- in the annual settlement for 2020 an amount equivalent to 6 minimum advance payments for social security and health insurance will be waived
- the due date for filing of the 2019 social security report is 4 May 2020, there is no extension, but a penalty waiver was announced
- the due date for health insurance report was extended to 3 August 2020

- details here:

<https://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2020/zivnostnici-usetri-na-pojistnem-37960>

- explanation and examples here:

<https://www.podnikatel.cz/clanky/osvc-se-na-pul-roku-odpusti-minimalni-socialni-i-zdravotni-pojisteni/>

5. Extension of attendance allowance (ošetřování člena rodiny) for employees (requires amendment to the law, approved by the parliament)

<https://www.psp.cz/sqw/historie.sqw?o=8&t=784>

- extension of the attendance allowance for the entire duration of the school closure
- for children up to 13 years of age or dependent on the care of other persons at least at degree I
- parents can swap several times (the swap isn't possible within one calendar day)
- retroactive from 1 March 2020
- details here:

<https://www.mpsv.cz/web/cz/-/lide-budou-moct-cerpat-nahradu-za-osetrovne-po-celou-dobu-uzavreni-skol-pro-deti-az-do-13-let>

6. Attendance allowance for self-employed individuals – Program of the Ministry of Industry and Trade

- Government resolution from 19. 3. 2020 No. 262, published as No. 109/2020 Coll.
- self-employed individuals are entitled to attendance allowance
- for children up to 13 years of age, for the whole duration of the school closure
- unless the attendance allowance is already claimed by the other parent
- in the amount of 424 Kč / day
- paid by the Trade Licensing Office (živnostenský úřad)

7. Program ANTIVIRUS (will be announced on 1. April 2020, valid from March)

A – payment of wage compensation to employees in quarantine

- employer pays 60 % of average wage
- the state will refund the full amount payed to the employee

B – payment of wage compensation to employees who cannot work because of limited activity of the employer due to the government anti-crisis measures

- employer pays 100 % of average wage
- the state will refund 80 % of the amount paid to the employee

C – payment of wage compensation to employees who cannot work due to a significant part of employees being absent from the workplace because they are in quarantine or looking after children

- significant part is at least 30 % of employees
- the employer pays 100 % of average wage
- the state will refund 80 % of the amount paid to the employee

D – payment of wage compensation to employees who cannot work due to limited availability of inputs (material, products, services) from subcontractors

- the employer pays 80 % of average wage

- the state will refund 50 % of the amount paid to the employee

E – payment of wage compensation to employees who cannot work due to limited demand for services and products of the employer (in the Czech

Republic or abroad) caused by the quarantine measures in the employer's place of business

- the employer pays 60 % of average wage
- the state will refund 50 % of the amount paid to the employee

- details here:

A+B: <https://www.mpsv.cz/web/cz/-/ministryne-malacova-prosadila-program-antivirus-ma-pomoci-firmam-ochranit-pracovni-mista>

C – E: <https://www.mpsv.cz/web/cz/-/podpora-firem-v-programu-antivirus-pokracuje-vlada-schvalila-dalsi-navrhy-ministryne-malacove>

https://www.mpsv.cz/documents/20142/1443715/Desatero_tabulka.pdf/b415b933-f717-6936-df03-0fccd8ee6c16

- practical issues regarding obstacles on the part of the employer:

<https://www.podnikatel.cz/clanky/castecna-zamestnanost-nebo-plne-hrazena-prekazka-v-praci/>

8. Measures adopted by the health insurance companies

- postponement of the due date for filing of the yearly reports for self-employer individuals to 3. 8. 2020
- adopted by: VZP, OZP, VoZP, ZPMV

- details here:

<https://www.vzp.cz/o-nas/aktuality/aktualni-terminy-pro-podani-prehledu-osvc>

9. Interest free loans COVID I

- possibility of obtaining an interest free loan to cover operating costs through ČMZRB (Czech-Moravian Guarantee and Development Bank)
- provision of guarantees and interest subsidies on loans from commercial banks by ČMZRB

- details here:

<https://www.cmzrb.cz/podnikatele/uvery/uver-covid/>

- a practical guide:

<https://grantthornton.eu/covid-19/>

10. Provision of guarantees for commercial loans COVID II

- guarantees for operating loans from commercial banks

- the minimum limit will be set at CZK 10.000
- the guarantees will be provided together with a financial contribution for interest payments

- details here:

<https://www.cmzrb.cz/cmzrb-rozdeli-dalsich-5-miliard-na-covid-ii/>

III. Compensation according to § 36 of the Crisis Act No. 240/200 Coll.

- details here:

<https://www.pravniprostor.cz/clanky/ostatni-pravo/krizova-opatreni-a-nahrada-skody-opatrnny-vyklad>

<https://www.podnikatel.cz/clanky/nahrada-skody-od-statu-v-dusledku-krizovych-opatreni/>

<https://www.info.cz/pravo/kdy-a-jak-muzete-zadat-nahradu-skody-kvuli-pandemii-podle-krizoveho-zakona-44621.html>

<https://www.epravo.cz/top/clanky/odpovednost-statu-za-skodu-zpusobenou-opatrenimi-prijatymi-v-boji-s-koronavirem-110841.html>

- sample application here:

<https://drive.google.com/file/d/19uUugmyJcf0aEUde3VdNaubVdA1KIZff/view>