

Informative Note

Main tax measures approved in relation to COVID-19 adopted by Royal Decree Law 8/2020

18th March 2020

Regarding Royal Decree-Law 8/2020 on urgent extraordinary measures to deal with the economic and social impact of COVID-19

The Spanish Government has approved the 17th March 2020 [Royal Decree Law 8/2020](#), adopting exceptional emergency measures to deal with the economic and social impact of COVID-19

The regulation, which comes into force when it is published in the BOE (Official State Gazette) on March 18th, contains measures of different types and scope aimed at mitigating the effects on the production structure, demand and citizens caused by the health emergency caused by the COVID-19 pandemic and will be in force until April 18th, unless a different deadline is set for any of them. This deadline may be extended by the Government by Decree-Law if necessary.

Below is a summary of the main new features included in the Royal Decree-Law 8/2020 on tax and customs matters.

Extension of deadlines in the tax field

Royal Decree 463/2020 agreed on the suspension of terms and interruption of time limits for the processing of procedures by public sector entities. However, in the area of taxation, the following regime was agreed upon:

- (a) The following deadlines are extended until 30 April 2020 (provided they have not expired by 18/3/2020):
 - Payment of the tax debt in the voluntary or executive period resulting from settlements made by the Administration. This section includes debts for which a request for suspension, postponement or instalments has previously been rejected. This extension of deadlines does not cover self-assessments, i.e. debts arising from periodic self-assessments of VAT, withholdings, etc. This extension does not apply to the payment of debts owed by other States or international or supranational entities, or to customs and tax debts arising from foreign trade operations.
 - Expiry of terms and fractions of the agreements of postponement and fractioning granted.
 - Deadlines for making electronic bids at auctions and for the different procedures related to the awarding of goods (payment of the difference between the total price awarded and the deposit made and communication of the identity of the assignee in whose name the public sale document will be granted).
 - Attention to requirements, seizure proceedings and requests for information with tax implications.



- Formulation of allegations in procedures for the application of taxes, penalties, declaration of nullity, return of undue income, correction of material errors and revocation.
- Attention to requirements and requests for information formulated by the General Directorate of Cadastre.

If any of these periods start on 18th March 2020, they are extended until 20 May 2020, unless the period granted is generally longer.

In any case, the taxpayer may dispense with this extension of time and comply with the requirement, request for information or presentation of arguments.

It is important to note that the deadlines for filing tax returns and self-assessments are not suspended or extended by this rule, so the dates set out in the taxpayer's calendar are maintained.

b) Under the procedure for enforced recovery, no security shall be forfeited on property during the period from 18 March to 30 April 2020.

c) Regarding the duration of the procedures, and for the period from 18 March to 30 April 2020:

- It shall not count for the purposes of the maximum duration of the procedures for the application of taxes, penalties and reviews processed by the State Tax Administration Agency. Since this measure is limited to the Central Administration, it will be necessary to check whether the corresponding regional and local tax administrations make similar decisions.
- It will not count for the purposes of prescription or expiry periods.

d) Resolutions resolving appeals for reversal or economic-administrative claims shall be deemed to have been notified, for the sole purpose of calculating the limitation periods, when evidence is provided of an attempt to notify the resolution made between 18 March and 30 April 2020.

e) The calculation of the period to file administrative appeals (reset, economic-administrative, appeal...) does not begin until April 30, 2020 or until the date of effective notification of the corresponding act, if this takes place after April 30, 2020.

Tax debt deferral

In connection with the suspension of deadlines, we recall the main tax measure approved so far, consisting of a relaxation of **tax debt deferment** for small businesses, approved by Royal Decree Law 7/2020:

- As previously mentioned, the deadlines for filing periodic self-assessments (VAT, deductions, etc.) have not been extended. However, certain groups have been given the possibility of deferring tax debts with more flexible requirements than those generally provided for.
- This possibility is expressly included in Article 14 of Royal Decree Law 7/2020 and only affects individuals or companies that are SMEs, i.e. that have a volume of transactions of less than 6,010,121.041 euros in 2019.

- The rule establishes that the aforementioned deferral will be granted for the payment of the tax debt corresponding to those tax returns-settlements and self-assessments whose amount does not exceed 30,000 euros and whose deadline for presentation and payment ends from the date of entry into force of the aforementioned Royal Decree, i.e. 13 March, up to and including 30 May 2020.
- In addition to debts that are in the voluntary or executive payment period, the regulation also provides that deferrals may be requested for the following debts: those corresponding to tax obligations that must be met by the withholder or the party obliged to make payments on account; those deriving from taxes that must be legally charged unless it is duly justified that the charges charged have not been effectively paid, and; those corresponding to tax obligations that must be met by the party obliged to make payments in instalments of Corporation Tax.
- Likewise, two conditions are established for the deferment: i) it will be for six months and; ii) no interest will be accrued for late payment during the first three months of the deferment.
- For its part, the website of the State Agency of the Tax Administration (hereinafter, AEAT) has established provisional instructions to request the deferrals in accordance with the Royal Decree-Law.

You may view the provisional instructions [here](#).

Changes in the customs field

Regarding the customs area, firstly, customs formalities for imports in the industrial sector **are streamlined**. One of the most important risks at the moment is that the supply chain of goods from third countries could be affected and, to a lesser extent, that exports could be halted by the closure of Customs and Excise offices and administrations because one or more of their officials were affected by COVID-19 and the measures planned for this case would have to be taken.

The solution to this potential problem consists in attributing to the head of the Customs and Special Taxes Department of the AEAT the competence to agree that the customs clearance, exceptionally due to service needs derived from the current situation, be carried out through the existing computer applications for customs clearance without the need to modify them by any body or official of the Customs and Special Taxes Area.

Secondly, with regard to the **time limits in the customs area**, although nothing has been said about this, we understand that the suspension of the time limits for the declaration of the State of Alarm does not apply, since this does not affect the regulatory provisions of a European nature. Given that deadlines in the customs field are regulated by Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the European Union Customs Code (EUCC) and its implementing regulations, we understand that the deadlines laid down for all customs procedures, including those related to ex officio customs decisions, i.e. proposals for clearance or, where applicable, provisional settlements, remain in force. Therefore, our recommendation is to submit all types of pleadings related to customs decisions within the time limits currently provided for in the applicable customs regulations.

Other tax-related measures

Finally, other types of tax measures approved in Royal Decree Law 8/2020 are listed below:

- The revised text of the Law on Transfer Tax and Stamp Duty (Royal Legislative Decree 1/1993) is amended to include an **exemption from the gradual payment** of notarial documents in the form of Stamp Duty in deeds formalising contractual novations of loans and mortgage credits under Royal Decree Law 8/2020.
- Use of expired electronic certificates: In relation to those taxpayers whose electronic certificate is expired or about to expire, the AEAT (Central Tax Agency) has published on its website that it allows the use of expired certificates in its ONLINE SITE in accordance with the provisions of Royal Decree 463/2020, of 14 March. You can read the news item [here](#).

Similarly, the fourth additional provision of Royal Decree Law 8/2020 provides for the extension of the validity of the national identity card for one year, until 13 March 2021, for adults holding a document that expires on 14 March 2020. This extension will allow for the renewal, according to the current procedure, of the recognized certificates incorporated in it for the same period.

We hope the information is useful and of your interest. At Andersen Tax & Legal we have created a multidisciplinary team to attend to all the questions that may arise on this aspect or related to COVID-19.

For more information please contact:

[Jaime Escribano](#) | Director in the Tax area
jaime.escribano@andersentaxlegal.es

[Nicolás Díaz](#) | Senior Tax Associate
nicolas.diaz@andersentaxlegal.es

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