

ATOZ ALERT

COVID-19 crisis: New draft law to extend deadlines in fiscal matters

8 April 2020

On 8 April 2020, Luxembourg Parliament released the [draft law n°7555](#) addressing the extension of deadlines in fiscal, financial and budgetary matters in the context of the state of COVID-19 crisis. The draft law follows the newsletter released by the Luxembourg tax authorities on 18 March 2020 which deals with the cancellation of tax advances and the extension of deadlines for the filing of tax returns (for more details, please [click here](#)), but has a broader scope.

The purpose of the draft law is to introduce, for a limited period of time, a certain number of deadline extensions for certain legislative provisions in fiscal, financial and budgetary matters. However, the draft law does not cover the deadlines applicable in respect of indirect taxes such as VAT (filing of tax returns and recapitulative statements which are not covered by informal announcements by the [Administration de l'Enregistrement, des Domaines et de la TVA](#), and deadlines for appealing against amending assessment or automatic taxation).

The main provisions related to fiscal matters are:

Tax returns

- The deadline for filing the 2019 income tax, corporate income tax and municipal business tax returns is extended to **30 June 2020** (§167 (3) AO).
- The deadline for opting for the individual taxation (as the collective taxation applies by default to partners and married couples) or for amending or cancelling the choice originally made is extended to **30 June 2020**.
- Regarding the income allocated for 2019, the option exercise period for the direct debit by the beneficial owner provided for in article 6bis, number 2, 2nd indent of the amended law of 23 December 2005 introducing a withholding tax on certain interest earned on savings in movable property is fixed at **30 June 2020**.
- According to the law of 23 December 2005 introducing a withholding tax on certain interests produced by savings in movable property, the beneficial owners referred to therein which receive interest payments defined therein, the allocation of which is made by certain paying agents established outside Luxembourg, can opt for a final levy of 20% instead of a taxation made on an assessment base. The deadline until when the option can be exercised for the income allocated for the 2019 taxation year is extended to **30 June 2020**.

Administrative and judicial proceedings

- The 3-month deadline applicable to "*réclamations*" (§ 228 AO) is suspended until 30 June 2020.
- The 3-month deadline applicable to "*recours hiérarchiques formels*" (§ 237 AO) is also suspended until 30 June 2020.

These measures follow the Grand Ducal Decree dated 25 March 2020 suspending the deadline prescribed in the proceedings before the constitutional, judicial, administrative courts during the crisis.

Statute of limitation

- Statutes of limitation ("*délais de prescription*") ending on 31 December 2020 will be extended to **31 December 2021**. This will apply to any type of statute of limitation and will apply for all taxes payable to the Treasury as well as for all tax receivables, the collection of which is entrusted to the [*Administration des Contributions Directes*](#).

Privileges and guarantees

- The privileges and guarantees provided for by the provisions of the amended law of 27 November 1933 concerning the collection of direct taxes whose effects cease before 31 December 2020 are extended to **31 December 2021**.

Do you have further questions?



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