

TAX BRIEFING: Monthly Insight

## Recent Developments in Tax Legislation

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**Law 5036/2023 has Introduced New Tax Provisions, Including the Following:**

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### **A. Joint and Several Liability Exemption for Uniform Real Estate Property Tax (ENFIA) Payments**

1. Purchasers of real estate are jointly and severally liable with sellers for the payment of the Uniform Real Estate Property Tax (ENFIA) unless the property in question was acquired against a consideration.
2. In these cases, if the Tax Authorities issue the new owners with a tax payment notification, they can lodge an action for annulment of the payment notice within 60 days.

### **B. Deadline Extension for Alternative Taxation Applications Under Article 5A of Law 4172/2013**

1. For the 2023 tax year, natural persons falling within the criteria set out in Article 5A of Law 4172/2013 who wish to relocate to Greece for investment purposes, can file applications with the Tax Authorities by 30 September 2023 to avail themselves of the alternative taxation provisions in respect of their non-Greek sourced income.
2. The Tax Authorities must examine applications and issue a decision by the last working day of December 2023.

### **C. Fines No Longer Imposed in Specific Cases of Late Filing of Annual Income Tax Returns**

1. Fine enforcement acts issued for late filing of:
  - a. initial income tax returns of natural or legal persons or entities, from which the amount of tax due is up to €100; and
  - b. amended income tax returns of legal persons or entities, from which the amount of tax due, when compared to that of the initial income tax return, is up to €100; are cancelled.
2. If fines have already been collected, they will be set off against any outstanding debts, in the absence of which they will be refunded.
3. This also applies to pending fines for income tax due up to the amount of €100.
4. The following conditions must be met in order for the tax relief to be applicable:
  - a. the time limit for lodging an appeal before the Dispute Resolution Directorate (DRD) has not expired;
  - b. a decision on the appeal lodged with the DRD is pending;
  - c. the time limit for lodging a judicial appeal against the decision of the DRD to reject the appeal has not expired; or
  - d. a timely appeal against the decision or the implied rejection of the appeal by the DRD is pending before the administrative courts.

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## D. Administrative Fines for Late Filing of Short-Term Lease Declarations No Longer Payable

1. In cases of late filing of short-term lease declarations relating to AirBnB or similar platforms, an administrative fine of €100 is imposed. However, a fine is no longer imposed if the income resulting from the overdue short-term lease declaration has been included in the income tax return of the respective tax year.
2. Administrative acts imposing fines issued from 1 January 2018 onwards for late submission of short-term lease declarations are cancelled or, if fines have already been collected, they will be set off or refunded as applicable.

## E. Obligation of Legal Entities to Digitally Issue Dispatch Notes

1. Legal entities must keep track of goods received and dispatched, stock held in third party premises, or third-party stock held in their own premises, by digitally issuing respective dispatch notes.
2. A decision of the Director of the Independent Authority for Public Revenue (IAPR) is yet to be issued for the 2023 tax year regarding the specifications, content and format of the digital movement certificate and the procedure and online platform for its submission to the IAPR.

## F. Payment Instalments for Income Tax for the 2022 Tax Year

1. Income tax payments by legal persons and entities for the 2022 tax year, with the exception of legal persons and entities that have been dissolved or liquidated, are payable in 8 equal monthly instalments. The first instalment is payable by the last working day of the following month from the deadline for submission of income tax returns, which is 31 July 2023. The remaining 7 instalments are payable by the last working day of the following 7 months.
2. The payment of income tax of natural persons for the 2022 tax year is payable in 8 equal monthly instalments, the first of which is payable by 31 July 2023, with each subsequent instalment payable by the last working day of the following 7 months.

3. The payment of the tax resulting from the returns of taxpayers who participate in legal entities and entities that keep revenues/expenses, is payable in 6 equal monthly instalments, the first of which is payable by the last business day of September 2023, with each subsequent instalment payable by the last working day of the following 5 months.
4. When the tax arising from returns filed on time is paid by way of a lump sum by 31 July 2023, a 3% discount applies on the total amount of the tax due and its related debts.
5. This discount does not apply to individuals who have been subject to the alternative taxation provided for by Article 5B Law 4172/2013 (the special tax regime for pensioners and non-Greek tax residents relocating to Greece).

## G. VAT Exemption on the Provision of Services and Supply of Goods within the Greek Territory by Non-Profit Organisations

1. The provision of services and supply of goods by non-profit organisations governed by public law which have, inter alia, a political, trade union, religious, philosophical, philanthropic or national scope, is VAT exempted, provided that:
  - a. the actions are part of events conducted by these organisations for their exclusive benefit; and
  - b. a solemn declaration is submitted to the competent Tax Authority within 5 working days before the event.
2. The exemption may be applied to up to 4 events per year.

## H. Circular E.2023/2023 on the Income Tax Treatment of VAT on Rebates Refunded to Pharmaceutical Companies

1. Pursuant to the IAPR's Circular E.2023/2023, the refunded amount of VAT on rebates which has been deducted from companies' gross revenues in previous fiscal years, is treated as revenue for income tax purposes in the year in which the refund of the VAT becomes certain (eg when the relevant court judgment is published or the decision of the DRD or competent Tax Authority is issued).
2. The amount of refunded VAT must be included in the companies' accounting books as extraordinary revenue / profit during the same period.

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