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Tax Alert
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The Emergency Ordinance amending the construction tax

Emergency Ordinance no. 21/2025 for amending and supplementing Title X of Law no. 227/2015 on the Fiscal Code, as well as for the modification and completion of some normative acts, introduces changes regarding the tax on constructions, including the reduction of the tax rate, the introduction of a special rate for constructions in the public/private domain of the state or the TAUs, clarifications regarding the taxable base and bonuses for advance payment.

I. Amendments and additions regarding the construction tax.

On April 4, 2025, in the Official Gazette no. 300, Part I, the Emergency Ordinance for amending and supplementing Title X of Law no. 227/2015 on the Fiscal Code, as well as for the modification and completion of some normative acts has been published, in order to amend and complete the provisions regarding the construction tax.

I. Reduction of the tax rate

The tax rate has been reduced from 1% to 0.5% and it has been clarified that will be applied to the net value of constructions, other than those for which building tax is due, according to Title IX.

In addition, a reduced rate of 0.25% is introduced for constructions in the public or private domain of the state or administrative-territorial units, in the situation where they are managed, concessioned, used free of charge or rented and are not already subject to the building tax.

II. Further definitions and clarifications

- ✓ Constructions located within Romania's borders are concerned. Constructions in the territorial sea, defined according to Law no. 17/1990.
- ✓ The net value of constructions is defined as the debit balance in the related accounting accounts, reduced by cumulative depreciation.
- ✓ The taxable base does not include investments that have not been completed or those that have not materialized in constructions, respectively the assets provided in group 1 *of the Catalog on the classification and normal operating times of fixed assets.*
- ✓ The exemption is maintained for those constructions that already benefit from the building tax exemption.

III. Other changes

- ✓ For taxpayers who cease their activity during the year, the tax will be recalculated proportionally to the actual period of activity.
- ✓ In the case of newly established taxpayers, the payment obligation arises if they own buildings on the 30th day after establishment, with recalculation until the end of the year.
- ✓ For taxpayers who fall under art. 16 para. (5) (with a modified fiscal year), special rules are introduced:
  - calculation and declaration of the construction tax up to and including the 25th of the fifth month of the amended fiscal year for which the tax is due;
  - payment of the construction tax in two equal installments, up to: (i) the last day of the sixth month of the amended fiscal year, (ii) the last day of the tenth month of the amended fiscal year.
- ✓ Taxpayers who cease to exist during the year, declare and pay the tax until the end of the period of the year in which they actually existed. If taxpayers cease to exist after the general declaration deadline (May 25), they will submit a corrective return.
- ✓ At the same time, for newly established taxpayers, the obligation to declare and pay the construction tax by January 25 of the year following the year in which they were established is established. For taxpayers with a modified fiscal year, the deadline is until the 25th of the first month of the modified fiscal year following the one in which the establishment took place.
- ✓ A 10% bonus is introduced for the full advance payment of the tax by May 25 of the fiscal year for which the tax is due.
- ✓ It regulates the obligation of owners of constructions in the public/private domain to communicate their value to taxpayers (administrator/concessionaire, etc.) by May 15, 2025, if their value is not already recorded in the contracts/agreements or other legal acts by which administration/concession/use rights are constituted free of charge/rental.
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For more details, please feel free to contact us.

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