

Specific tax rules introduced in relation to COVID-19

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Norms included in the Law on the Suppression of Consequences of the Spread of COVID-19 Infection

In calculating the tax from income from economic activity, in 2020 and 2021 the restrictions laid down in the law On Personal Income Tax in relation to the amount of expenditure on economic activity (not more than 80 % of income from economic activity) and taxable income (not less than 20% of income from economic activity) shall not be applied.

The taxpayer shall not make advance payments of tax from the income of economic activity for the taxation years 2020, 2021 and 2022. Advance payments of tax from income from economic activity for the taxation years 2020, 2021 and 2022 may be made voluntarily.

Support for compensating the remuneration of idle employees, self-employed persons (natural persons who have registered as performers of economic activity or receive royalties without registering as performers of economic activity), individual merchants and patent payers (aid for idle time) shall not be taxed with personal income tax and compulsory State social security contributions.

In 2021 there is no obligation to make personal income tax payments and compulsory State social security contributions from the presumed income of a member of the board of directors (which corresponds to the minimum monthly salary of approximately 500 *euro*), if the monthly turnover of the capital company exceeds 2500 euro and there has been no employee or board member in the capital company this month who obtains remuneration in the amount of at least the minimum monthly salary.

<https://www.fm.gov.lv/en/specific-tax-rules-introduced-relation-covid-19>