

VAT Alert

KR Group | VAT Compliance Services | 22 November 2023

VAT statute of limitations at the end of 2023

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As of December 31st, 2023, the right to deduct input VAT accrued in earlier years will be time-barred.

On December 31st, 2023, the following shall become statute-barred:

- the right to deduct input VAT, which arose in 2019 and 2018 in the case of intra-Community acquisition of goods (ICA) and the reverse charge mechanism (RCh)
- liabilities due to the excess of output VAT over the input VAT, the payment obligation of which arose in 2018

If the taxpayer fails to reduce the amount of tax due by the amount of input tax within the time limits specified in art. 86 sec. 10, 10d, 10e and 11, the taxpayer may, in accordance with art. 86 sec. 13 of the VAT Act, reduce the amount of due tax by correcting the tax return for the period in which the right to reduce the output tax arose. This correction may only be done no later than 5 years from the year when the right to reduce the amount of tax arose.

This provision shows that the input tax from which the right to reduce the output tax arose in 2019, and for ICA and RCh in 2018, may be settled by correcting the relevant declaration and submitting it to the Tax Office by the end of 2023 at the latest.

According to the Tax Ordinance, the the statute of limitations expires five years from the end of the calendar year in which the tax payment deadline expired. This means that all liabilities arising from the tax due in 2018 (excluding December for which the due date is January 2019) expire by the end of 2023.

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Remark!

The tax statute of limitations expiring on December 31st, 2023 (Sunday) is postponed to Monday, January 2nd, 2024, i.e., the first business day.

We recommend verifying whether all invoices giving the right to reduce the tax due by the input tax for the aforementioned periods have been included in the client's settlements. We would also like to inform you that if you need to submit an application for overpayment, this application must be submitted by the end of the year. Submitting the application in the following year will result in its rejection (Art. 79 of the Tax Ordinance).

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About KR Group

KR Group was established in Poland in 2000. Over the years the company has built a considerable position on the highly competitive market of accounting, tax, audit, payroll and HR services. KR Group applies an excellent understanding of business realities to its core services, thus attracting the most renowned companies in its portfolio of clients.

Expanding in the CEE region? Choose a single regional provider

Instead of looking for service providers in each country and multiplying your expenses, cooperate with us. We can help you unleash your regional synergy by cutting unnecessary costs and speeding up your processes.

Our offer includes a variety of integrated services for pan-regional groups in CEE, such as:

- Single point of contact, including dedicated account manager and team to facilitate cooperation across KR Group offices
- Harmonization of VAT compliance processes and one-stop shop for settlement of VAT in the CEE-5
- One-time reporting system, including unified management reporting and HR & payroll reporting
- Centralized payment process management services
- Pan-regional tax team capable of dealing with cross-border transfer-pricing projects and accounting software localization
- Interfaces and integration developed for most accounting and reporting software
- Knowledge-sharing tools and procedures ensuring time efficiency
- In-house developed accounting data warehouse connected with local accounting software.

For more information visit our website at www.krgroup.eu



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