

The Ministry of Finance Proposes to Extend the Deadline for Tax and Land Rent Payment by Nearly VND 84 trillion in 2024

The Ministry of Finance (MoF) has submitted a report to the Prime Minister proposing the extension of the deadline for paying value-added tax (VAT), corporate income tax (CIT), personal income tax (PIT), and land rent in 2024. The total amount involved in this extension is nearly VND 84 trillion.

Background

In response to the government's directives, the Ministry of Finance has assessed, summarized, and researched proposals to extend and reduce various taxes and fees to support businesses in overcoming difficulties and supporting the economy. In 2024, the Ministry of Finance will continue to coordinate with ministries and sectors to closely monitor the actual situation and forecast socio-economic development to propose solutions to competent authorities.

Accordingly, regarding the Decree on extending the deadline for paying VAT, CIT, PIT, excise tax, and land rent, the Ministry of Finance has issued Official Dispatch No. 4232/BTC-TCT to report to the Prime Minister on the permission to draft a Decree extending the deadlines for paying these taxes in 2024. The agency also proposes to extend the deadline for paying excise tax on domestically manufactured or assembled automobiles. These decrees are expected to be considered and approved through streamlined procedures and take effect upon signing.

The Ministry is urgently coordinating with the Ministry of Justice and relevant ministries and agencies to finalize these draft decrees and submit them to the Government by May 2024. The total amount of tax and land rent to be extended is estimated at nearly VND 84 trillion.

Proposed Extension

VAT:

Extend the deadline for paying VAT for May and June 2024 by 5 months for businesses that pay VAT monthly and for Quarter 2 of 2024 for businesses that pay VAT quarterly.

Extend the deadline for paying VAT for July 2024 by 4 months, for August 2024 by 3 months, and for September 2024 by 2 months for businesses that pay VAT monthly and for Quarter 3 of 2024 for businesses that pay VAT quarterly.

The total VAT extended from May to September 2024 and Quarter 2 and Quarter 3 of 2024 is estimated to be approximately VND 52,400 billion.

CIT:

Extend the deadline for paying CIT for the provisional CIT payment of Quarter 2 of the 2024 CIT calculation period by 3 months from the original deadline.

The amount of provisional CIT payment for Quarter 2 of the 2024 CIT calculation period to be extended is estimated to be approximately VND 27,600 billion.

Individual Businesses:

Extend the deadline for paying VAT and PIT for the tax payable in 2024 for individual businesses. Individual businesses must pay the extended tax amount by December 31, 2024. The tax extended for individual businesses is estimated to be VND 440 billion.

Land Rent:

Extend the deadline for paying land rent for 50% of the land rent payable in 2024 for businesses, organizations, households, and individual business households covered by the regulations.

The extension period is 6 months from May 31, 2024. The amount of land rent to be extended is approximately VND 3,200 billion.

Impact on the State Budget

The total amount of tax and land rent to be extended is estimated to be nearly VND 84 trillion. However, the state budget revenue for 2024 will not be affected as taxpayers must fulfill their obligations by the end of 2024.

Overall, the Ministry of Finance's proposed tax and land rental deferrals aim to provide much-needed relief to businesses and individuals while ensuring minimal impact on state budget revenue.