
CHANGES IN TAX DEADLINES FOLLOWING THE HEALTH CRISIS

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1. GENERAL

We are currently experiencing an unprecedented situation that is leading to the paralysis of the world and, to a lesser extent, of our country and the tax services and jurisdictions.

With regard to taxation, emergency tax measures have been taken to help companies currently experiencing major difficulties.

A series of ordinances, published on March 26, 2020, completed these measures, in particular by providing for the adjustment of certain tax deadlines.

These ordinances give us the opportunity to make an overall assessment of the consequences of containment on current tax procedures and delays in tax matters in this period of health crisis.

The tax authorities have recently published their official administrative comments on the consequences of these orders.

- Impact on DGFIP missions (BOFIP-BOI-DJC-COVID19-10);
- Implications for tax audits (BOFIP-BOI-DJC-COVID19-20);
- Implications in terms of approvals and rescripts (BOFIP-BOI-DJC-COVID19-30).

2. WITH REGARD TO TAX CONTROLS

The Directorate General of Public Finance announced that, save exceptions, it would not undertake any new controls during the period of the health crisis and that, with regard to ongoing controls, all non-urgent operations would be postponed.

The sending of proposals for rectification is therefore stopped, as well as the sending of notices of assessment.

With regard to ongoing controls, most of them are in practice suspended. However, some customers have reported to us that some services have continued control operations after March 17, 2020 (start of containment). It seems to us that this practice is likely to taint the control of substantial irregularity and we invite taxpayers who may have been subject to it to contact us.

In any event, all current deadlines under these procedures shall be suspended for the period between 12 March 2020 and the expiry of one month from the end of the state of public health emergency. In practical terms this means that the deadlines cease to run for this entire period and will resume one month after the end of the state of public health emergency.

For collection notices already received, Article 11 of Order 2020-306 stipulates that the deadlines applicable to the collection and contestation of public claims are suspended for the duration of the state of health emergency, increased by 3 months.

However, it is still necessary to file a contentious claim accompanied by a request for a stay of payment to avoid any forced enforcement measures and to benefit from the stay of payment under Article L 277 of the LPF.

However, public accountants are invited to take into account the serious difficulties encountered by some companies, and an order (2020-326) has in fact been issued to relieve them of their responsibility in the event of regulatory breaches.

Finally, the aforementioned ordinance suspends the limitation periods for the right of repossession, which expire on 31 December 2020. Thus, the right of repossession available to the administration to control, in particular, the profit and loss statements of companies for the financial year ending in 2017, or the income of individuals received in 2017, will be extended beyond 31 December, for a period equal to that of the state of health crisis (period running between 12 March 2020 and the end of the state of health emergency), increased by one month.

3. WITH REGARD TO LEGAL TAX DISPUTES

Adjustments are also provided for in the context of ongoing litigation before the administrative or judicial courts.

In the first place, the orders are intended to simplify exchanges by providing for the possibility of communicating acts and documents by any means.

Secondly, an automatic extension is provided for a number of administrative or jurisdictional measures whose term expires during the period of health emergency, for a period of two months starting at the end of that period.

Finally, the investigation closures whose term expires on 12 March 2020 until the end of the state of health emergency are automatically extended until the end of a period of one month following the end of the said period, unless this term is postponed by the judge.

4. WITH REGARD TO OTHER TAX DEADLINES

The extension of the deadlines during the state of health emergency and the following month concerns all tax deadlines in general.

If the rescripts are expressly referred to, this extension should also apply to all tax option periods (e.g. option for corporation tax or for tax consolidation).

Clarifications are hoped for in more specific situations.

We remain available for the entire duration of the crisis and remain at your disposal to assist you.