

Last weeks to settle CIT for 2020

I. CIT-8 return must be filed by legal persons and tax capital groups

The annual CIT-8 return must be filed by legal persons and capital companies in organization, as well as organizational units without legal personality, except for unincorporated companies (i.e. civil law partnerships, general partnerships, partnerships; in the case of the 2020 return, this also applies to limited partnerships and limited joint-stock partnerships, but it should be remembered that as of 2021 limited partnerships and some general partnerships have become CIT payers). The obligation also applies to companies without legal personality that are seated in or managed from another country, if they are treated as legal persons under that other country's tax law and the whole or their income is subject to taxation there irrespective of the place where such income is generated. Also obliged to submit the return are groups of at least two equity-linked shareholding companies (so-called tax capital groups). The provisions also specify a group of entities not obliged to submit the return by way of an exception (as e.g. church corporate entities).

II. The extended deadline to file the return expires on 30 June for most companies

By way of exception, taxpayers whose tax year coincides with the calendar year may file their annual CIT return for 2020 by 30 June instead of 31 March. That same deadline is to apply to taxpayers whose tax year ended between 1 December 2020 and 20 February 2021. In connection with the extension of the deadline for filing the annual CIT return, the time for submitting revenue, costs and income data resulting from the annual return has also been extended until 30 June 2021 for taxpayers using lump-sum taxation on income of capital companies (so-called Estonian CIT) (see Article 9 point 2 of the CIT Act). The new deadline applies to the CIT taxpayers for whom the first year of lump-sum taxation begins in the period from 1 January 2021 to 1 March 2021. It is worth reminding here that taxpayers who opt for the lump-sum taxation will, starting next year, submit their tax returns using a separate form CIT-8E (the first such returns will be submitted for 2021; completion of appendix CIT/EZ will also be required).

III. Appropriate form and timely filing of the return

The current form templates to be used for CIT settlement for 2020 were published in the Regulation of the Minister of Finance, Funds and Regional Policy of 26 February 2021 amending the Regulation on determination of template income statements, tax returns, declarations and tax information applicable to corporate income tax (Journal of Laws of 2021, item 409). The tax return forms include: CIT-8 (version 30), i.e. a return stating income earned (loss incurred) and corporate income tax due from legal persons, and CIT-8AB (version 5), i.e. a return stating income earned (loss incurred) by a tax capital group and corporate income tax due. Also filed along the tax return should be attachments: CIT-8/O (version 17); CIT/BR (version 8); CIT/8S (version 5); CIT-8SP (version 5); CIT/IP (version 3); CIT/WW (version 3); CIT/WZ (version 2); CIT/WZG (version 2). The Regulation also provides for the introduction of a new form template of CIT/KW return (version 1), containing information on revenues, costs, income from transformation and tax due in connection with the choice of a lump sum taxation on income of capital companies.

These are the last weeks to settle CIT for 2020. Completed CIT-8 form should be signed and sent no later than 30 June 2021. This deadline is extended from the statutory deadline, which is 3 months after the end of the tax year.



IV. The annual return is filed electronically with a certified signature

The return is filed by taxpayers subject to corporate income tax, also in case when in a given year they did not earn any revenue or only earned exempt revenue. The obligation to file an annual return is not waived, either, by the absence of revenue or tax deductible costs in the settlement period. In this latter case, the taxpayer files so-called nil return CIT-8. This is because CIT-8 is a return stating the amount of income earned or loss incurred, and not the amount of tax. CIT payers are currently obliged to file the annual return electronically. Moreover, the electronically filed CIT-8 may not be signed with free electronic signature (within ePUAP) or a verification data set (as is the case with the PIT return). A secure electronic signature, verified with a valid certificate, is required to file an electronic CIT return.

V. Some taxpayers may file a paper return

In the 2020 settlement, some taxpayers will be allowed to file paper CIT-8 returns and to sign financial statements without using a qualified signature. This applies to taxpayers who earn solely CIT exempt revenues under Article 17 clause 1, and who, at the same time, do not act as personal income tax remitters with respect to employees. Therefore, this concerns primarily foundations and associations that allocate their revenue to statutory purposes, as well as other organizations acting on pro bono basis. It is worth remembering that starting from this year, CIT payers who are not entered in the companies register of the National Court Register (KRS) (or who are entered in other KRS registers) prepare their statements in a structured form compliant with the logical structures published in the Public Information Bulletin of the Ministry of Finance - National Tax Administration (KAS) and submit them to the Head of KAS. Instead, taxpayers entered in the KRS companies register continue to submit their financial statements to KRS only.

VI. Any tax surcharges resulting from the return must be paid by 30 June

Beside the CIT-8 return with the relevant attachments, the taxpayer must pay, no later than 30 June 2021, the tax due or any difference between the tax due and any advance payments made. The tax due is the difference between revenue, expenses, deductions and tax advance payments made by the entity during the tax year. During the year taxpayers are obliged to make, depending on the adopted rules, monthly or quarterly advance payments amounting to the difference between due tax on income earned from the beginning of the tax year and the sum of advance payments due for previous months or quarters. Importantly, tax does not have to be paid on the day when the CIT-8 tax return is filed. However, both obligations must be fulfilled not later than 30 June 2021. In the case of taxpayers whose tax year ends on a date other than 31 December 2020, tax must be paid within six months after the end of their tax year (deadline extended from the basic one of three months).

VII. COVID-related deductions, credits and exemptions

When making your 2020 settlement, CIT allowances and simplifications introduced under the Anti-crisis Shields are worth remembering. This includes e.g.: the deduction from income of donations received for the struggle with COVID-19 (depending on the date when the donation was made, taxpayers may be entitled to 100%, 150% or 200% of the value of the donation); the possibility to treat as tax deductible expenses any penalties paid for delayed delivery and defects of goods caused by the COVID-19 situation; exemption from tax on revenue from buildings; the possibility to treat as tax deductible expenses, by way of a one-time write-down, the value of fixed assets acquired for the purpose of manufacture of goods related to COVID-19; modifications to regulations on the so-called „bad debt relief“ in CIT.

POLTAX		
POLA JASNE WYPELNIĄ SKŁADAJĄCY, POLA CIEMNE WYPELNIĄ URZĄD. WYPELNIĆ DUŻYMI, DRUKOWANYMI LITERAMI, CZARNYM LUB NIEBIESKIM KOLOREM		
Składanie w wersji elektronicznej: www.podatki.gov.pl		
1. Identyfikator podatkowy NIP podatnika	2. Nr dokumentu	3. Status
CIT-8		
ZEZNAНИЕ O WYSOKOŚCI OSIĄGNIĘTEGO DOCHODU (PONIESIONEJ STRATY) I NALEŻNEGO PODATKU DOCHODOWEGO OD OSÓB PRAWNYCH		
za rok podatkowy ¹⁾		
4. Od (dzień - miesiąc - rok)		5. Do (dzień - miesiąc - rok)
Podstawa prawna:	Art. 27 ust. 1 ustawy z dnia 15 lutego 1992 r. o podatku dochodowym od osób prawnych (Dz. U. z 2020 r. poz. 1406, z późn. zm.), zwanej dalej „ustawą“.	
Składający:	Podatnicy wymienieni w art. 1 ustawy, w zakresie dochodów określonych w art. 3 ust. 1 (mający siedzibę na terytorium RP) oraz w art. 3 ust. 2 (niemający siedziby na terytorium RP) ustawy, z wyjątkiem: - podatników uzyskujących przychody wyłącznie z tytułów wymienionych w art. 2 ust. 1 ustawy, - podatników zwolnionych od składania zeznania - art. 27 ust. 1 ustawy, - podatników niemających siedziby na terytorium RP, uzyskujących przychody, o których mowa w art. 21 i art. 22 ustawy wyłącznie od płatników wymienionych w art. 26 ust. 1 ustawy oraz podatników wymienieni w art. 7aa ustawy (składający informacje CIT/KW).	
Termin składania:	Do końca trzeciego miesiąca następnego roku (art. 27 ust. 1 ustawy).	
Miejsce składania:	Urząd skarbowy.	
A. MIEJSCE I CEL SKŁADANIA ZEZNANIA		
6. Urząd skarbowy, do którego jest adresowane zeznanie ²⁾		
7. Cel złożenia formularza (zaznaczyć właściwy kwadrat): <input type="checkbox"/> 1. złożenie zeznania <input type="checkbox"/> 2. korekta zeznania		
8. Rodzaj korekty (zaznaczyć właściwy kwadrat): <input type="checkbox"/> 1. korekta zeznania, o której mowa w art. 81 Ordynacji podatkowej ³⁾ <input type="checkbox"/> 2. korekta zeznania, o której mowa w art. 81b § 1a Ordynacji podatkowej ⁴⁾		
B. DANE PODATNIKA		
B.1. DANE IDENTYFIKACYJNE		
9. Nazwa pełna		
B.2. ADRES SIEDZIBY		
10. Kraj	11. Województwo	12. Powiat
13. Gmina	14. Ulica	15. Nr domu 16. Nr lokalu
17. Miejscowość		18. Kod pocztowy
B.3. DANE DODATKOWE (wypełnić właściwie)		
19. Podatnik wybrał metodę ustalania daty powstawania przychodów na podstawie art. 12 ust. 3g ustawy <input type="checkbox"/> 1. tak		
20. Podatnik uwzględnia odsetki w kosztach uzyskania przychodów zgodnie z art. 15c ustawy w brzmieniu obowiązującym do dnia 31 grudnia 2017 r., w roku podatkowym wskazanym w poz. 4 i 5 <input type="checkbox"/> 1. tak		

VIII. The return must include COVID-related changes to the settlement of bad debt relief

The modified bad debt relief is disclosed in attachment CIT/WZ. Pursuant to regulations applicable to 2020 settlement, the CIT tax base may be reduced (optional tax relief) by the value, shown as amount due, of receivables on account of payment of a cash benefit that was not settled or disposed, and the reduction is to be made in CIT-8 filed for the tax year in which 90 days passed from the payment deadline specified in the invoice (bill) or contract. Adequately, increased (on obligatory basis) is the value of the obligation, classified as tax-deductible, to pay an outstanding monetary consideration, and the increase is made in CIT-8 filed for the tax year in which 90 days have passed since the due date specified in the invoice (bill) or contract. During the pandemic, a debtor who discloses a decrease in revenue of at least 50% is allowed not to show the value of outstanding payments under revenues. In contrast, a creditor may in the pandemic situation reduce expenses already 30 (rather than 90) days after the due date specified in the contract or invoice.

IX. A new attachment for companies that choose the Estonian CIT taxation

The new attachment to the CIT return is the CIT/KW form containing information on revenues, costs, income from transformation and tax due in connection with the choice of a lump sum taxation on income of capital companies. It is to be filed by taxpayers who opt for lump-sum taxation of the income of capital companies, as defined in Chapter 6b of the CIT Act (so-called Estonian CIT) and who will be obliged under Article 7aa clause 7 of that Act to account for revenues and tax-deductible costs, and to determine the income from transformation. The obligation to file this statement will also be imposed (under Article 7 clause 8 of the CIT Act) on taxpayers established by way of transformation into a company of a business operator who is a natural person and pursues business activity in his/her own name, or a company that is not a legal person. The same applies to taxpayers after restructuring, in cases specified in the act.





RAFAL KOWALSKI
Head of Tax Department
tel.: +48 22 543 16 00
Rafal.Kowalski@bdo.pl

X. Settlement using the new return form and attachment templates

It is worth remembering that on 28 March 2021, the Minister of Finance, Funds and Regional Policy signed a regulation extending the deadlines for preparing financial statements for the fiscal year 2020 for private sector entities and non-profit organizations – by 3 months and for public finance sector entities – by 1 month. In the case of entities whose financial year is the calendar year, this meant a shift of the deadline from 31 March 2021 to 30 June and 30 April 2021, respectively. The formal extension of the deadline by three months relates to the closing of accounts, which should normally take place by the end of the financial year, and to preparation of financial statements, which should normally take place by the end of March. The deadline for approval of financial statements, which normally is 6 months from the balance sheet date, is also extended to the same extent, i.e. to the end of June for entities whose financial year is the same as the calendar year. The calculation is easy: the extended deadline will expire on 30 September. Other reporting deadlines have been extended by 90 days. This applies to inventory taking (which should be completed by 15 January at the latest) and to preparation of the trial balance for the financial year, which should normally be done no later than on the 85th day after the balance sheet date. The new regulation also extended, to 31 July 2021, the deadline for PIT payers obliged to keep books of account to submit their financial statements to the Head of the National Tax Administration by means of electronic communication. The amended deadlines apply to the financial year ending after 29 September 2020, but no later than 30 April 2021, unless the deadline for fulfilling such obligations expired before 31 March 2021.

The information presented herein does not constitute comprehensive information or opinion. Consult your adviser before making any decisions.

BDO is an international network of independent audit and advisory firms. Service provision within the BDO network is coordinated from the Brussels global office. BDO's beginnings go back to 1963. We have been present in Poland since 1991. We have 5 offices in: Warsaw, Kraków, Poznań, Wrocław and Katowice.

BDO has for years been recognized in prestigious rankings of the activities performed by its Audit and Tax Advisory Departments, including most recently:

The last distinctions for the company are related to the Rankings:

Companies and Tax Advisors of Dziennik Gazeta Prawna for 2020:

■ 1st place The Best Tax Advisor in the category of medium-sized companies

The 2020 rankings prepared by the Rzeczpospolita and Parkiet dailies:

■ 1st Most Active Firm on the Stock Exchange

■ 3rd Best Auditor of Listed Companies

■ 5th Best Audit Firm

BDO spółka z ograniczoną odpowiedzialnością sp.k., ul. Postępu 12, 02-676 Warszawa;
tel.: +48 22 543 1600, fax: +48 22 543 1601, e-mail: office@bdo.pl