SOME HIGHLIGHTS OF THE DECREE ON TAX PAYMENT DEADLINE EXTENSION

TUE DANG

On June 17, 2024, the Government issued Decree 64/2024/ND-CP regulating the extension of the deadline for paying value-added tax, corporate income tax, personal income tax, and land rent in 2024 (**Decree 64**). Decree 64 includes some typical contents for several individuals and businesses engaged in production and business activities in Vietnam as follows:

Firstly, Decree 64 stipulates many types of taxpayers whose tax payment deadlines are extended:

1. Enterprises, organizations, households, business households, and individuals engaged in *production activities* in agriculture, forestry, and fisheries; food production and processing; costumes weaving and production; production of paper, rubber and plastics, metals, mechanical processing, electronics, computers, and optical products; production of automobiles and other motor vehicles; production of beds, cabinets, tables, chairs; construction; publishing; cinematographic activities, television program production, recording, and music publishing; crude oil and natural gas exploitation; beverage production; record printing and reproduction; production of coke, refined petroleum products, chemicals, etc. (See further in Article 3, clause 1)
2. Enterprises, organizations, households, business households, and individuals engaged in the *business* of transportation and warehousing; accommodation and food services; education and training; health and social assistance activities; real estate business activities; labor and employment services; tourism; creative composition, art, and entertainment; libraries, archives, museums, and other cultural activities; sport; broadcasting; television; coding; information services and mining support, etc. (See further in Article 3, clause 2)
3. Enterprises, organizations, households, business households, and individuals engaged in the *production* of **(i)** prioritized supporting industrial products, **(ii)** key mechanical products; small- and

micro-sized enterprises (See further in Article 3, clause 3, clause 4)

Secondly, Decree 64 stipulates the tax payment extension deadlines for each tax type as follows:

1. For value-added tax (except value-added tax at the import phase): Extend the tax payment deadline for the payable value-added tax of **(i)** tax period from May to September 2024 (in case of monthly declaring value-added tax) and **(ii)** tax period of the second and third quarter of 2024 (in case of quarterly declaring value added tax). Below are the specific extension periods:
   - 5 months for value-added tax amounts of May and June 2024 and the second quarter of 2024;
   - 4 months for value-added tax amounts of July 2024;
   - 3 months for value-added tax amounts of August 2024;
   - 2 months for value-added tax amounts of September 2024 and the third quarter of 2024.
2. For corporate income tax: Extend the tax payment deadline by 3 months for the temporarily paid corporate income tax amount of the second quarter of the corporate income tax period in 2024. If businesses and organizations have branches or affiliated units that declare corporate income tax separately to their direct managing tax authority, those branches and units are also eligible for corporate income tax payment extension.
3. For value-added tax and personal income tax of business households and individual businesses: Extend the deadline for paying value-added tax and personal income tax for the payable tax amounts arising in 2024 no later than December 30, 2024.
4. For land rent: Extend the land rent payment deadline by 2 months from October 31, 2024 for 50% of the land rent payable arising in 2024

(the payable amount in the second period of 2024) of businesses, organizations, households, and individuals that are directly renting land from the State according to a Decision or Contract of a competent state agency with annual land rental payment method.

Thirdly, taxpayers eligible for tax payment deadline extension need to send a request for an extension of tax and land rent payment (Request for extension) to the tax authority according to the form in the Appendix of Decree 64. If a taxpayer has amounts eligible for extension in several areas managed by different tax authorities, the tax authority directly managing the taxpayer is responsible for forwarding the Request for extension to other relevant tax authorities.

COMMENTS AND RECOMMENDATIONS

Decree 64 has provided several detailed regulations on (i) taxpayers whose tax payment deadlines are extended, (ii) tax payment extension deadlines for each type of tax, and (iii) procedures to apply for tax payment extension to facilitate businesses and individuals for reference and implementation. However, businesses and individuals should further study other relevant legal documents, such as Decision 27/2018/QD-TTg on promulgating Vietnam's economic sector system, Decree 111/2015/ND-CP on development of supporting industries; Law on support for small and medium-sized enterprises 2017, to know how to determine the regulated subjects and apply Decree 64 accordingly.