

# COVID-19 subsidies: VAT returns may not show a real decrease in turnover

It may not be easy for some companies to receive subsidies - if the STI under the Ministry of Finance and other institutions will evaluate applications only on the basis of VAT declaration data.

According to the legal act, whether the average monthly turnover of the company's VAT-paying activity has decreased by more than 30% during the established period is assessed on the basis of VAT declaration data.

There are activities whose income is not subject to VAT - they do not need to be shown in VAT returns under the VAT law. However, it is precisely such revenues that can be reduced as a result of a pandemic, and companies should be entitled to a non-refundable subsidy. Although VAT return figures may not show this.

The question of whether the institutions will really be able to analyze the data smoothly and the requests will not be rejected automatically on the basis of VAT declarations automatically on the side of the STI under the Ministry of Finance. For example, whether the annexes attached to the applications with explanations of the revenue figures will be read and taken into account.

For companies in this situation, it is worth preparing and attaching annexes to the applications with explanations of their total income. Also, in order not to leave requests to themselves, to ensure that the authorities take into account additional explanations, they will not only assess the number of VAT returns.