

Romanian Government Adopts Urgent Package of Fiscal Measures

The Romanian Government has adopted an emergency fiscal legislative package to mitigate the widening budget deficit, with the primary objective of boosting tax revenues. The new law is not yet in effect, as it awaits promulgation by the President. Key changes are outlined below:

Effective 1 August 2025

Increase of Standard VAT Rate

From **19%** to **21%**

Consolidation of Reduced VAT Rates

- The current reduced rates of **5%** and **9%** will be replaced with a single reduced rate of **11%**, applying to:
- Food and beverages (human/animal consumption)
Excluding:
 - a. Alcoholic drinks
 - b. Non-alcoholic drinks under code NC2202
 - c. High-sugar foods ($\geq 10\text{g}/100\text{g}$, except infant milk powder)
 - d. Food supplements (as defined by Law no. 56/2021)
- Medicinal products for human use
- Agricultural irrigation, fertilizers, and pesticides
- Books, newspapers, and magazines (excluding advertising materials)
- Access to museums, castles, historic sites, zoos, and botanical gardens
- Water supply and sewage services
- Firewood for households, hospitals, schools, NGOs, etc.
- Thermal energy provided to vulnerable consumers during the cold season

- Hotel accommodation, restaurant, and catering services

▲ Increase of Excise Duties

On alcohol, tobacco, and fuel

▲ Health Insurance Contribution on Pensions

- Applies to pension amounts exceeding **3,000 lei/month**
- Effective **August 2025 – December 2027**
- Several exemptions to health contributions will be removed

▲ Higher Taxation for Gambling Sector

- Increased tax on gambling income and additional taxes for organizers

Effective 1 January 2026

▲ Increase of Tax on Dividends

- From **10% to 16%** for all dividends distributed as of **1 January 2026**
- Applies also to non-resident recipients

Publication of the legislative package is expected imminently.

For any information or in case of uncertainties, do not hesitate to contact us.

Best regards,

The STALFORT Legal. Tax. Audit. – Team

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