

Romania's new tax architecture 2026: Tax reform for businesses

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2026 begins with a significant change in Romania's tax landscape. Through Emergency Ordinance 8/2026 ("EO"), the Romanian government has adopted a comprehensive package of measures to support economic recovery. The reform seeks to increase tax revenues and combat tax evasion while promoting investment and voluntary compliance. This represents one of the most extensive tax reforms in recent years, with direct implications for companies.

What's new?

Bonus for tax compliance

A tax credit of 3% has been introduced for companies that declare and pay their corporate or micro-enterprise tax correctly and on time.

The reduction is credited directly against the tax due and is intended to encourage tax compliance. In practice, it provides an immediate financial benefit for compliant companies.

Depreciation and assets

The minimum threshold for recognizing fixed assets has been raised to RON 5,000. This means that all assets whose value is at least equal to this threshold and which meet the other criteria for recognition as fixed assets must be capitalized and depreciated in the accounts; the related expenses are tax deductible. This allows companies to more accurately reflect their investments in assets and reduce the taxable base.

Additionally, accelerated depreciation is introduced for technological equipment and other production assets. Companies can apply faster depreciation methods than the standard straight-line method.

This applies to production assets such as:

- machinery
- tools
- specialized software
- other tangible or intangible assets required for business activities

In practice, this allows for a higher depreciation value in a fiscal year and a corresponding reduction in corporate income tax.

Microenterprise

The microenterprise system has been made more flexible.

- Companies are now allowed to return to the microenterprise regime starting January 1 of each year, provided they meet the required conditions.
- The deadline for hiring employees to meet the minimum staffing requirement has been extended to 90 days.

Revenues from the sale of fixed assets and land are no longer included when calculating the EUR 100,000 turnover threshold for micro-enterprises, protecting small businesses from exceeding the limit through extraordinary legal transactions.

Extension of VAT cash accounting

There are significant changes to the VAT cash accounting system that are intended to support companies' cash flow management. The turnover threshold for applying this system will be gradually raised as follows:

- from March 1 to December 31, 2026, from RON 4.5 million to RON 5 million;
- from January 1, 2027, further to RON 5.5 million.

This enables companies with higher turnover to use the VAT cash accounting system without having to switch to the standard system immediately, thereby reducing liquidity pressure. It also gives growing companies additional time to adapt to the new tax requirements.

This change is particularly relevant for SMEs and companies with long payment terms for customers, as it allows them to defer VAT liability until actual payment is received.

New tax credit for research and development

A new optional **refundable tax credit** has been introduced for R&D expenses, as an alternative to the previous additional deduction of 50%. If the tax credit exceeds the corporate income tax due, the excess is refunded to the company, and any unused amounts are treated as non-taxable income.

The measure supports investment in innovation, reduces net R&D costs, and improves competitiveness.

Conclusion

For the business environment, the new regulations create a clearer and more predictable tax framework, combining incentives for investment and innovation with stricter rules on corporate tax, VAT, and microenterprise taxation.

The measures enable companies to reduce tax costs, modernize fixed assets, and invest in research and development. This ultimately strengthens competitiveness and supports economic growth. If used effectively, the ordinance provides companies with practical tools for investment planning and tax compliance, thereby strengthening the business environment for 2026.

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