

# Upcoming changes in corporate taxation

As of 1.11.2017 there will be several changes regarding taxes of corporations. The online tax service MyTax will be reformed, and consequently, online tax services for corporations will be expanded and e-filing will be required even more often.



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As of November 2017 following changes will become effective:

- E-filing will be required for annual corporate income tax return in MyTax
- The supplementary advance payment will be replaced by an additional prepayment
- Changes to the calculation of interest on the income taxes of corporations

Furthermore, new functionalities will be added to MyTax:

- Submit a claim for adjustment relating to corporate income taxes and self-assessed taxes
- Apply for a preliminary ruling on income tax and self-assessed taxes
- Apply for written guidance concerning value-added tax
- Apply for an exemption for deducting losses

## Filing of corporate income tax return

As of 1.11.2017, e-filing is required for the annual corporate income tax return that must be filed in MyTax service. The current Corporation Tax Online will be replaced by MyTax.

Based on the tax administration's guidance, in the future, using a paper form to file a tax return will only be permitted for a special reason, such as technical failure. No special permission is needed in such cases, and the reason for filing on paper does not need to be notified in advance. However, the deadline for paper tax return will change, and in the future, paper returns must arrive at the Tax Administration by the due date.

There is also a new tax return form 6U that has been issued for foreign corporations (e.g. branches of foreign enterprises) operating in Finland.

## A new procedure for prepayments

The supplementary advance payment will be replaced by an additional tax prepayment i.e. prepayment that will be determined after the end of the tax year. For the purposes of supplementing prepayments after the end of the tax year, applying changes to prepayments or applying additional prepayments, as of November 2017 an application must be submitted online in MyTax or via other online service providers. Interest will not be accrued and paid with the prepayment if the prepayment due date falls within the tax year or the first month following the tax year, and the prepayment is made on the due date at the latest.

## Changes to the calculation of interest on the income taxes of corporations

Interest will be calculated for a longer period of time than before. If the tax year of a corporation ended on 31 December 2017, discounted late payment interest would be calculated for the remaining tax due starting from February 1, 2018. Interest will be calculated on the basis of the actual number of days in a year and per tax year.

Additionally, names of different interest types will change but this will not have effect on the tax percentages.

- Corporate interest will replace discounted late payment interest
- Corporate interest refunds will replace interest on returns
- Late payment interest will replace penalty interest and surtax