Informative Guide on Supporting the Activity of Non-Profit Legal Entities in Romania

- 2025 -

Residents in Romania, both individuals and legal entities, can support the activity of non-profit entities in Romania through two main legal mechanisms:

A. Sponsorship – based on a sponsorship contract
B. Redirection of tax paid to the state budget

A. Sponsorship – based on a sponsorship contract

1. General Conditions

Sponsorship involves the voluntary transfer of material goods or financial resources from a sponsor to an eligible beneficiary, with no commercial purpose and based on a written contract, without requiring notarization.

2. Eligible Beneficiaries

Beneficiaries may be:

- **NGOs (associations, foundations, federations) carrying out activities in fields such as: education, culture, arts, health, environment, social services, sports, human rights protection, philanthropy, humanitarian causes, etc.**
- **Public institutions and authorities active in the above-mentioned fields;**
- **TV programs, radio shows, publications, or books with cultural, educational, or social themes;**

- **Individuals in Romania, whose activity in these fields is recognized by an NGO or a public institution.**

Important: The beneficiary of the sponsorship must be registered in the Register of entities/units of worship at the date of signing the contract.

3. Eligible Sponsors

a) Legal entities:

- Corporate income tax payers (including those within a consolidated tax group);
- Microenterprise income tax payers.

b) Individuals:

- May sponsor without benefiting from direct tax facilities (see Section B for tax redirection).

4. Tax Facilities for Legal Entities

I. If the sponsor is a corporate income tax payer:

- Sponsorship expenses are NOT tax deductible;
- A tax credit is granted, limited to the lower of:
  - **20% of the corporate income tax due, and**
  - **0.75% of turnover;**
- The tax credit applies quarterly or annually, depending on the reporting system.

II. If the sponsor is a microenterprise income tax payer:

- Starting with fiscal year 2024, microenterprises still have the legal possibility to make sponsorships; however, it should be noted that they can NO longer be able to benefit from the tax facility consisting of deducting the sponsored amounts from the income tax due on the revenues obtained.

III. Conditions for applying the tax facility:

- Sponsorship must comply with Law no. 32/1994 (Sponsorship Law);
- The beneficiary is registered in the Register of entities/units of worship;
- No control relationship exists between sponsor and beneficiary;
- Sponsorship cannot involve any form of advertising, promotion, or consideration in return.

5. Carry-Forward of Unused Tax Credits

- **For sponsorships made before January 1, 2022: unused amounts can be carried forward for up to 7 years, but no later than fiscal year 2028;**
- **For sponsorships made from 2022 onwards: unused amounts can no longer be carried forward.**

6. Reporting Obligations

Form 107 – "Informative declaration regarding beneficiaries of sponsorships / patronage / private scholarships":

- Must be filed electronically by all legal entity sponsors;
- **Deadlines: corporate income tax payers – together with the annual corporate income tax return (by June 25).**

B. Redirection of tax paid to the state budget

1. Legal Entities – Redirection via Form 177

If sponsorships made during a year do not reach the maximum deductible limit, the difference can be redirected from the tax already paid.

Conditions:

- Redirection is possible only if the maximum ceiling (0.75% of turnover and 20% of tax) was not reached;
- Form 177 – "Request for the redirection of corporate income tax / microenterprise income tax" must be filed;
- The form is filed electronically, together with the annual corporate income tax return (by June 25).
- The beneficiary must be registered in the Register of entities/units of worship at the date of actual payment by ANAF.

2. Individuals – Redirection via Form 230 or the Single Tax Return

a) Redirection from personal income tax (salaries, pensions, freelancers, etc.)

- Up to 3.5% of the annual income tax due may be redirected;
- Form 230 must be filed;
- **Filing deadline: May 25 of the following year;**
- Filing methods:
    - in person (ANAF registry office),
    - through the Virtual Private Space (SPV),
    - via www.e-guvernare.ro (with digital certificate).

b) For income from independent activities, copyrights, etc.

- The option is expressed directly in the Single Tax Return, within the legal filing deadline (May 25);
- The option must be checked in the section dedicated to tax allocation.

C. *Example of Calculation (valid for 2025)*

Calculation Element	Ref.	Variant I	Variant II	Variant III
Turnover	(1)	2,000,000	2,000,000	2,000,000
Corporate income tax (16%)	(2)	60,000	60,000	10,000
Limit 0.75% of turnover	(3) = 0.75% * (1)	15,000	15,000	15,000
Limit 20% of corporate income tax	(4) = 20% * (2)	12,000	12,000	2,000
Carried-forward sponsorships (before 2022)	(5)	1,000	0	0
Sponsorship granted in 2025	(6)	10,000	10,000	10,000
Maximum tax credit available	(7) = Min [(3), (4)]	12,000	12,000	2,000
Applicable tax credit in 2025	**(8) = Min [(7) , (5) + (6)]**	**11,000**	**10,000**	**2,000**
Final corporate income tax	(9) = (2) – (8)	49,000	50,000	8,000
Difference that may be redirected (Form 177)	**If (7) > (8) then (10) = (7) – (8)**	**1,000**	**2,000**	**0**

Final Remarks

- Sponsorship does not imply additional costs for the sponsor;
- Tax redirection is a passive but extremely useful mechanism to support the non-profit sector;
- Always check the beneficiary's registration in the Register of entities/units of worship;
- This guide is informative, valid according to legislation in force as of September 2025, and does not replace personalized tax consultancy.