# Applicative study of the calculation of microenterprise tax at SC DECONCAVA SRL

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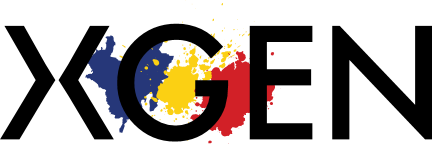
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Email: lavinia\_s15@yahoo.com**Abstract**

This paper presents an applied study of the calculation of the tax on microenterprises in Romania by analyzing the case of SC DECONCAVA SRL during the period 2020-2023. The tax regime for microenterprises provides a simplified framework for SMEs by replacing the profit tax with the income tax. The study examines the eligibility criteria, the differentiated tax rates (1% and 3%) and the quarterly declaration obligations. The analysis of the financial data demonstrates that the company benefited from the reduced rate of 1%, recording fully taxable income between 1,480,329 lei and 1,853,293 lei. The results highlight a stable evolution with a peak performance in 2022, confirming the advantages of the simplified tax regime for Romanian microenterprises.

**Keywords:** microenterprises, income tax, tax regime, Tax Code, quarterly declaration



## Introduction

The tax regime for micro-enterprises in Romania is a key element in the architecture of the national tax system, designed to support the functioning and development of small and medium-sized enterprises (SMEs). It provides a simplified and more predictable tax framework, replacing the corporate tax with an income tax, which reduces the administrative burden on eligible taxpayers. Through this approach, the state aims to facilitate tax compliance and stimulate the small-scale entrepreneurial environment.

The calculation of the tax due by micro-enterprises is carried out in accordance with the specific provisions of the Fiscal Code, involving the determination of a taxable base in relation to the income generated, the application of the quotas established by law and, in certain cases, the benefit of tax exemptions or reductions. In addition, it is necessary to verify compliance with the eligibility criteria for inclusion in such a regime, such as the maximum annual income ceiling, the composition of the shareholder structure, the existence of a minimum number of employees and the nature of the economic activities carried out by the entity.

This section aims to systematically outline the steps to be followed for calculating the income tax of microenterprises, focusing on the correct application of tax rates, reporting obligations to tax authorities and compliance with legal payment deadlines. It will also analyze recent changes in tax legislation, which have a direct impact on the tax calculation mechanism and the fiscal responsibilities assumed by microenterprises under this regime.

## Literature review

According to the Romanian Fiscal Code, a micro-enterprise is defined as a company incorporated under Romanian law that cumulatively meets certain conditions at the end of the previous fiscal year. As for income, the legislation expressly establishes which of these are not taxable, the rest being considered taxable income such as dividends from other Romanian companies, recoveries of previously non-deductible expenses and adjustments related to provisions. At the same time, tax-deductible expenses are those that directly support the economic activity, are justified by documents and are not restricted by law. Profit tax is declared and paid quarterly, by the 25th of the month following each quarter, with the final regularization carried out, as a rule, by June 25 of the following year.[1]

A micro-enterprise reactivated in the trade register can be included in the income tax regime starting from the date of re-registration, provided that some essential criteria are met: holding the minimum legal share capital, submitting the annual financial statements on time and hiring an employee within a maximum of 30 calendar days. In addition, companies paying profit tax can opt for the micro-enterprise regime starting from January 1 of a new fiscal year, if they have not applied this system after 2023, respectively after 2024 for companies in the HORECA sector. For this change, it is mandatory to submit form 700, which aims to update the tax vector. At the same time, newly established companies can opt for the micro-enterprise tax regime from the beginning of their activity, provided that the same legal requirements regarding capital and employed personnel are met. [2]

The option between the micro-enterprise tax regime and the one based on profit taxation is established at the beginning of each financial year. Starting with January 1, 2025, companies carrying out activities related to the NACE codes in the field of hotels, public catering and related services (such as restaurants, bars and catering units) may apply the micro-enterprise tax regime only if they fully comply with the required legal criteria.

Also, a company temporarily registered as inactive in the trade register retains the possibility of being subject to taxation on the micro-enterprise income after resuming activity, provided that it meets essential requirements: not to have the state among its shareholders, not to hold more than 25% of the shares in other micro-enterprises, to comply with the deadlines for submitting financial statements and to employ at least one person within 30 days of resuming activity. [2]

Micro-enterprises in Romania are taxed differently depending on the level of income and the nature of the activities carried out. Thus, a 1% rate applies to companies that achieve annual income of up to 60,000 euros and that do not carry out restrictive activities provided for in the Fiscal Code. In contrast, a 3% rate becomes applicable when the reference income is exceeded or if the company carries out activities classified under certain CAEN codes, such as those in the fields of consulting, banking, insurance or gambling. [3]

According to the legislation in force, the change in the tax rate can occur even during the same fiscal year. If, during the year, a micro-enterprise exceeds the ceiling of 60,000 euros (calculated at the NBR exchange rate at the beginning of the financial year) or initiates exempt activities, it will be obliged to apply the increased rate of 3% starting with the quarter in which the change took place.[4]

**Methodology**

This research adopts a mixed approach, combining the case study method with longitudinal quantitative analysis to examine the practical application of the tax regime for microenterprises in Romania. The research design is descriptive-analytical, aiming to identify and explain the mechanisms of calculating the tax on microenterprises through the lens of a concrete application.

The research uses the single case study strategy, focusing on the in-depth analysis of SC DECONCAVA SRL during the period 2020-2023. The choice of this company was based on strict selection criteria: constant inclusion in the microenterprise regime throughout the analyzed period, the availability of complete and verifiable financial data, representativeness for the category of microenterprises in Romania, and the absence of major changes in activity that could distort the analysis. In order to capture the evolution of fiscal indicators over time, a longitudinal analysis was chosen for a period of four consecutive years, allowing the identification of trends and variations in the application of the fiscal regime, as well as the assessment of the impact of legislative changes on the fiscal performance of the company.

Data collection was carried out using a wide range of primary and secondary sources, ensuring the comprehensiveness and validity of the information. Primary sources included the annual trial balance for the period 2020-2023, the annual balance sheet and profit and loss account, quarterly tax returns (Form 100) and the journal with supporting documents related to income and expenses. From the category of secondary sources, the Romanian Fiscal Code (Law no. 227/2015) and subsequent amendments, the methodological rules for the application of the Fiscal Code, specialized literature in the field of microenterprise taxation and reports of the Ministry of Public Finance were used. The collection process was carried out in three distinct stages: the inventory stage to identify and catalog all available documents, the extraction stage to select and codify relevant data for research and the validation stage to verify the coherence and completeness of the collected data, while respecting the principles of confidentiality and partial anonymization of sensitive information.

Data processing and analysis were carried out using a combination of tools and methods specific to quantitative research. The collected data were centralized and processed using Microsoft.

At the same time, we used Declaration 100 – an electronically submitted tax form – to make a comparison between the two tax rates applicable to microenterprises, respectively 1% and 3%.

**Result**

The analysis of the financial data of SC DECONCAVA SRL for the period 2020-2023 generated a series of significant findings regarding the practical application of the tax regime for micro-enterprises in the Romanian economic context. The results obtained through the systematic processing of accounting and tax information provide a perspective on the evolution of key performance indicators and the impact of specific tax legislation on the activity of the analyzed company. The detailed examination of the income structure highlighted particular characteristics of the economic activity carried out by the company, with direct implications on the calculation of the tax due. By processing the financial data, it was found that all income recorded during the analyzed period was taxable, the absence of exempt or exempt income significantly simplifying the application of tax calculation formulas.

Analysis of taxable and non-taxable income:

Table 1. Analysis of taxable and non-taxable income at SC DECONCAVA SRL

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator (RON)** | **2020** | **2021** | **2022** | **2023** |
| Total income | 1.480.329 | 1.612.954 | 1.853.293 | 1.641.786 |
| Non-taxable income | 0 | 0 | 0 | 0 |
| Taxable income | 1.480.329 | 1.612.954 | 1.853.293 | 1.641.786 |

*Source: own processing*

The data in the table confirms that SC DECONCAVA SRL recorded fully taxable income throughout the analyzed period, which simplifies the application of the tax regime and reflects a stable economic activity, with a peak performance in 2022.

Evolution of income and expenses over the 4 years:

Figure 1: Evolution of income and expenses at SC DECONCAVA SRL

*Source: own processing*

The analysis of the evolution of income and expenses recorded by SC DECONCAVA SRL during the period 2020–2023 highlights a relatively stable economic activity, characterized by progressive growth until 2022, followed by a slight decrease in 2023. Total income experienced a constant advance in the first three years, reaching a maximum of 1,853,293 lei in 2022, but decreased the following year to 1,641,786 lei, most likely as a result of reduced demand, external factors or changes in internal strategies.

Total expenses followed a similar path, with a significant increase until 2022 and an adjustment in 2023. Merchandise expenses were the main operating cost, reflecting the company's commercial profile. They increased steadily throughout the period under review, from 905,325 lei in 2020 to 1,068,938 lei in 2023. Personnel expenses remained stable in the first three years, but decreased considerably in 2023, possibly as a result of efficiency or restructuring measures. At the same time, 2022 saw a peak in other operating expenses and adjustments to fixed assets, which may indicate significant investments or accounting revaluations.

Despite these variations, the company recorded gross profit in each year analyzed, which indicates good resource management and a capacity to adapt to market dynamics. This financial balance creates favorable premises for the consolidation and expansion of the activity in the future.

Tax rate applied:

Table 2: Applicable quota for each year at SC DECONCAVA SRL

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **2020** | **2021** | **2022** | **2023** |
| Total number of employees | 10 | 10 | 12 | 5 |
| Applicable quota | 1% | 1% | 1% | 1% |

*Source*: own processing

During the period 2020–2023, the company benefited from the application of a fixed tax rate of 1% on income, as it met the legal criteria necessary to be included in the micro-enterprise tax regime, according to the provisions in force.

Quarterly tax calculation:

Table 3: Quarterly tax for 2022 at SC DECONCAVA SRL

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarter** | **Income (RON)** | **Non-taxable income (RON)** | **Taxable income (RON)** | **Rate (%)** | **Tax (RON)** |
| Quarter I | 331.848 | 0 | 331.848 | 1% | 3.319 |
| Quarter II | 613.137 | 0 | 613.137 | 1% | 6.131 |
| Quarter III | 613.137 | 0 | 613.137 | 1% | 6.131 |
| Quarter IV | 295.171 | 0 | 295.171 | 1% | 2.952 |
| **Total 2022** | **1.853.293** | **0** | **1.853.293** | **1%** | **18.533** |

*Source: own processing*

Table 4: Quarterly tax for 2023 at SC DECONCAVA SRL

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarter** | **Income (RON)** | **Non-taxable income (RON)** | **Taxable income (RON)** | **Rate (%)** | **Tax (RON)** |
| Quarter I | 323.122 | 0 | 323.122 | 1% | 3.231 |
| Quarter II | 381.932 | 0 | 381.932 | 1% | 3.819 |
| Quarter III | 422.000 | 0 | 422.000 | 1% | 4.220 |
| Quarter IV | 514.732 | 0 | 514.732 | 1% | 5.148 |
| Total 2023 | 1.641.786 | 0 | 1.641.786 | 1% | 16.418 |

*Source: own processing*

The analyzed tables highlight the evolution of income and tax owed by a microenterprise during the period 2022–2023, with details by quarters. In both financial years, income was fully taxable, and the tax rate applied was 1%, according to the specific tax regime for microenterprises.

In 2022, total revenues amounted to 1,853,293 lei, which generated a tax of 18,533 lei. The highest levels of revenue were recorded in the second and third quarters, followed by a notable decrease in the last quarter.

For 2023, total revenues were lower, reaching 1,641,786 lei. However, the quarterly distribution shows an upward trend, reflecting a constant increase from Q1 to the end of the year. This dynamics suggests a gradual improvement in performance, possibly the result of more efficient adaptation to economic conditions or operational optimization.

Tax declaration and payment:

Table 5: Tax declaration and payment calendar

|  |  |  |  |
| --- | --- | --- | --- |
| **Quarter** | **Period** | **Declaration deadline** | **Form used** |
| Quarter I | January - March | 25 april 2023 | Statement 100 |
| Quarter II | April - June | 25 july 2023 | Statement 100 |
| Quarter III | July - September | 25 october 2023 | Statement 100 |
| Quarter IV | October - December | 25 january 2024 | Statement 100 |

*Source: own processing*

The table illustrates the sequence of declaration and payment deadlines for fiscal year 2023, in the context of using Declaration 100. The information is organized quarterly, highlighting both the reporting period and the deadline for submitting the form.

## Conclusion

The analysis presented is subject to methodological constraints that may influence the interpretation of the results. First, the four-year period analyzed is relatively short to highlight long-term trends or complete economic cycles, and it is possible that the variations identified reflect cyclical factors rather than structural transformations. Also, certain relevant macroeconomic factors, such as inflation, legislative changes or exchange rate volatility, which may have a significant impact on financial performance, especially in the unstable context of the period 2021–2023, are not taken into account.

Another limitation is the lack of comparison with other companies in the same sector, which reduces the ability to assess the relative performance of the company. At the same time, the use of aggregated data prevents detailed analysis by activity segments or product categories, which limits the understanding of the exact sources of economic and financial developments.

The company has demonstrated a remarkable capacity to adapt to economic changes, clearly reflected in the significant recovery recorded in 2023. This recovery indicates the existence of efficient management and solid operational mechanisms, capable of promptly responding to challenges in the external environment. In the coming period, the main challenge will be to preserve the balance between activity growth and cost efficiency, while avoiding the repetition of the strategic errors of 2022. The experience gained during the adjustment period constitutes an important competitive advantage in the current economic context, characterized by instability and uncertainty.

In the medium term, the company has real chances for sustainable development, provided it maintains financial discipline and constantly adapts to market dynamics.

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