

TAXATION AND THE COST OF LEASING IN ROMANIA: AN ANALYTIC EXAMINATION

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Abstract

The leasing agreements represent an important share within the operations of capital assets financing. However, from the standpoint of the user, the nominal costs implied by lease may appear as superior to those incurred in case of financing through the buy-and-borrow alternative. Based on the provisions of the Romanian Fiscal Code, the paper tries to analyze the influence of taxation over the implied costs from the user's viewpoint. Considering financial lease as an alternative to long-term borrowing, the first part of the article tries to point out the influence of tax regulations upon the cost of the financial leasing. The second part of the paper is dedicated to the features and fiscal implications of the operating lease, presenting various situations, the cash flows related to taxation influencing the amount of the requested rental payments.

Key words: financial leasing, operating leasing, profit tax, fiscal depreciation, tax on incomes of micro-enterprises.

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