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The 2% mechanism becomes more and more popular. The total amount designated in 2018 is twice as high as last year

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The 2% mechanism gains recognition in the Republic of Moldova. According to the statistical report published by the State Tax Service in 2018, the total amount designated is twice as high as in 2017, and the number of beneficiaries of the 2% mechanism has grown by 30% – from 302 to 393 beneficiaries.

According to published data, in 2018, 28,388 taxpayers, that is 34% more than in 2017, chose to designate 2% of income tax to a non-governmental organization or religious entity. The total amount validated in 2018 is 5,631,042.36 lei (about 287,886 Euro or 335,781 USD) and represents twice the amount validated in 2017. 92% of the total amount validated was directed to non-governmental organizations, and religious entities and their component parts received around 8% of the total amount.

Of the total number of designations made, 90% (that is 25,518 designations) were validated compared to 76% in the previous year and only 10% (2,869 designations) were declared invalid for various reasons, compared to 24% invalidated last year. The main reasons for invalidating the amounts were similar to those of last year: taxpayers had income tax arrears in previous years or had arrears for the income tax in the current year, impossibility to identify the beneficiary of the amounts according to the List of 2% Beneficiaries by the Ministry of Justice.

The largest designated amount reached this year again the Association of Veterans and Pensioners of the Ministry of Internal Affairs of the Republic of Moldova and represents about 30% (1,691,298.75 Lei) of the total amount validated in 2018, and the lowest amount is 1.13 lei received by the Religious Community “Saint Hierarch Nicholas” from Flore?ti.

The most active taxpayers were home-based persons in Chisinau, accounting for about 26% (7,296 taxpayers) of the total number of taxpayers who designated 2% and whose designation was validated.

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