Modeling the Adoption and Fiscal Effects of Romania's 2024 Tax Amnesty

Florina Burdeț[1, 2]

[1]Faculty of Economics and Business Administration, Babeș-Bolyai University, Romania

[2]DECDI, World Bank Romania

Abstract

Romania's 2024 fiscal amnesty offers a timely case for examining how debt-relief policies are implemented across local public authorities and whether they improve short-run fiscal collection. The national measure allowed eligible individual debtors to obtain partial cancellation of outstanding budget obligations conditional on repayment. For obligations owed to local budgets, however, application depended on decisions adopted by local councils. This creates variation in implementation across administrative-territorial units. The paper uses Stata to construct a municipality-period panel, code local council adoption dates, and estimate the determinants of implementation using discrete-time event-history models. Explanatory variables include local fiscal pressure, own-source revenue, arrears, population size, socioeconomic indicators, and political alignment. The second part of the paper compares local fiscal outcomes before and after implementation, focusing on changes in tax collection and arrears around the adoption date. The paper contributes early evidence on how Romania's 2024 fiscal amnesty was implemented locally and whether it was associated with improved fiscal collection.

Preferred format: short 15-minute presentation.