

August Decree: provisions on tax payments, tax advances and enforced collection

Focus on

Further division into instalments of suspended payments and non-applied withholdings - art. 97

The August Decree has introduced the possibility to further divide into instalments suspended tax payments and non-applied withholding pursuant to articles art. 126 and 127 of Law Decree no. 34/2020 (*Rilancio Decree*) turned into Law dated 17/07/2020 no. 77.

Suspended tax payments can be fulfilled without applying any interest or penalties for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020.

The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021.

These payment methods are also applicable to withholdings for those individuals who availed themselves of the possibility to require their withholding agents to be excluded from said withholdings with reference to revenues and considerations obtained in the period included between 17 March and 31 May 2020. Payment already made cannot be refunded.

Below is a chart summarizing the most relevant cases.



| Taxpayer categories | Withholdings pursuant to articles 23 and 24 of Presidential Decree no. 600/1973 | Social security contributions | VAT |
|--|---|-------------------------------|-----|
| Subjects managing stadiums, sports facilities, gyms, dance/fitness/body-building clubs and facilities, sports centres, swimming pools and centres | | | |
| Subjects managing theatres, concert halls, movie theatres, including ticket services and performance supporting activities, as well as discos, ballrooms, nightclubs, amusement arcades and billiard halls | | | |
| Subjects managing lottery and betting centres, including the management of related machines and equipment | | | |
| Subjects organizing courses, fairs and events, including artistic, cultural, game, sports, and religious ones | | | |
| Subjects managing restaurants, ice-cream shops, bakeries, bars and pubs | | | |
| Subjects managing museums, libraries, archives, historical places and monuments, botanical gardens, zoos and nature reserves | | | |
| Subjects managing nurseries and daily assistance services for disabled minors, education services and schools for children, first and second level education services, professional training courses, sailing/navigation/flying schools, which issue licenses or commercial licenses, professional driving schools | | | |
| Subjects carrying out social assistance activities without accommodation for the elderly and disabled people | | | |
| Thermal companies under law dated 24 October 2000, no. 323, wellness centres | | | |
| Subjects managing amusement parks or theme parks | | | |
| Subjects managing bus/train/underground stations, ports, or airports | | | |
| Subjects managing land/air/sea/river/lake/lagoon transport services of goods and people, including the management of funiculars, cableways, cable railways, chairlifts, and ski-lifts | | | |
| Subjects managing the hire of land/sea/river/lake/lagoon transport means | | | |
| Subjects managing hire services of sports and recreational equipment, or structures and equipment for exhibitions and shows | | | |
| Subjects carrying out touristic guide and assistance activities | | | |
| social utility not-for-profit organizations under art. 10 of legislative decree no. 460/1997 registered in the proper registers, volunteering organizations registered with the regional and provincial under Law no. 266/1991, and social promotion associations registered with the national, regional and Trento and Bolzano provincial registers under art. 7 of Law no. 383/2000, which exclusively or mainly carry out one or more activities of general interest provided under art. 5, para. 1 of legislative decree no.117/2017 | | | |
| Touristic and accommodation entities, travel and tourism agencies, and tour operators | | | |
| National sports federations, sports promotion entities, sports associations and companies, either professional or amateur | | | |

Tax payments relevant to the period between 2 March 2020 and 30 April 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021.

| Taxpayer categories | Withholdings pursuant to articles 23 and 24 of Presidential Decree no. 600/1973 | Social security contributions | VAT |
|---|---|-------------------------------|-----|
| Subjects carrying out business activities, arts or professional activities having their tax domicile, registered office or operating office in Italy and having registered revenues or considerations up to 2 million Euros in the FY preceding that in which the Decree came into force | Tax payments from self-calculation relevant to the period between 8 March 2020 and 31 March 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |
| Subjects carrying out business activities, arts or professional activities having their tax domicile, registered office or operating office in the provinces of Bergamo, Cremona, Lodi and Piacenza | Tax payments due in the period between 8 March 2020 and 31 March 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |
| Subjects having their tax domicile, registered office or operating office in the following towns: Bertinico, Casalpusterlengo, Castelgerundo, Castiglione D'Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini, Vo' | Tax payments due in the period between 21 February 2020 and 31 March can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |
| Subjects who registered a decrease in turnover or considerations by at least 33% (if their revenues or considerations in 2019 were up to 50 million Euros) or by at least 50% (if their revenues or considerations in 2019 were higher than 50 million Euros) in March and April 2020 compared to the same months in 2019 | Tax payments due in the period between 01 April 2020 and 31 May 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |
| Subjects carrying out business activities, arts or professional activities having their tax domicile, registered office or operating office in the provinces of Bergamo, Cremona, Lodi and Piacenza who registered a decrease in turnover or considerations by at least 33% in March and April 2020 compared to the same months in 2019 | Tax payments due in the period between 01 April 2020 and 31 May 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |
| Subjects who have been carrying out their business activity, art or professional activity starting from 01/04/2019 | Tax payments due in the period between 01 April 2020 and 31 May 2020 can be fulfilled for an amount equal to 50 percent of total suspended amounts, either through a single payment by 16 September 2020, or through no more than four equal monthly instalments, the first of which being due by 16 September 2020. The remaining 50 percent of total amounts due can be paid without applying any interest or penalties through up to 24 monthly equal instalments, the first of which being due by 16 January 2021. | | |

Extension of the second advance payment of the synthetic tax reliability indicators (ISA) - art. 98

Taxpayers, subject to the synthetic tax reliability indicators (ISA) who reported considerations not exceeding the threshold set forth in the decree approving each indicator (generally equal to Euro 5,164,569), who reported at least a 33% reduction in turnover in the first 6 months of 2020 compared to the same period of 2019, can benefit from an extension until 30/04/2021 of the payment of second IRPEF/IRES and IRAP advance payments due for the tax period following the one underway at 31/12/2019.

Further to the specific reference to art. 1, para. 2 of Decree of the President of the Council of Ministers of 27 June 2020 (in the Official Gazette n. 162 dated 29 June 2020), the measure is to be intended extended to the following categories:

- taxpayers adopting a flat-rate taxation regime
- taxpayers in the so-called *minimi* regime, i.e. facilitated tax regime for lower earners

- all taxpayers who report causes for being excluded from the synthetic tax reliability indicators (ISA) reporting other than the abovementioned ones concerning revenues;
- subjects who participate in companies, associations and businesses pursuant to articles 5, 115 and 116 of the Consolidated Text on Income Taxes, as per Presidential Decree n. 917 dated 22 December 1986 (generally members of partnerships and shareholders of Italian limited liability companies under a fiscally transparent regime).

Extended suspension of enforced collection - art. 99

The August Decree introduces an extension of the terms for the payment of tax debts assigned to a Collection Agent, an extension of executive and precautionary measures and an extension of the suspension of inspections ex art. 48-bis of Presidential Decree 602/1973 on the blocking of Public Administration payments.

| Type | Regulation previously in force | August Decree |
|---|---|--|
| Suspension of the terms for the payment of tax debts assigned to a Collection Agent | <p>Art. 68 of the so-called "Cura Italia" Decree, as amended by art. 154 of the Relaunch Decree.</p> <p>A suspension of the terms for the settlement of tax bills and INPS debit notices has been provided and, without prejudice to different interpretations by the local Administrations, of executive tax assessment notices issued by local Entities and expiring between 08.03.2020 and 31.08.2020.</p> <p>The suspended payments are to be settled in a single instalment within the end of the month following the suspension term. No amounts already paid will be refunded.</p> | <p>The final term for the suspension of payments terms of tax debts assigned to a Collection Agent is postponed from 31/08/2020 to 15/10/2020.</p> <p>Consequently, the payment is to be made by 30/11/2020. It will be possible to apply for an extension of payment term of amounts due and entered in taxpayers' lists (lists of taxpayers ordered to pay due arrears and fines) by 20/11/2020.</p> |

| Type | Regulation previously in force | August Decree |
|---|---|---|
| <p>Extension of the terms to settle amounts entered in taxpayers' lists and revocation of the possibility to pay in instalments</p> | <p>Art. 68 of the so-called "Cura Italia" Decree, as amended by art. 154 of the Relaunch Decree. For extension plans underway at 08.03.2020 and acceptance provisions issued with reference to applications submitted up to 31.08.2020, the forfeiture of the possibility to pay by instalments as granted by the Collection Agent occurs in case of non-payment of ten instalments instead of five. This is a favourable measure applied for the entire extension period, i.e. for 72 months (ordinary extension) or 120 months (extraordinary extension).</p> | <p>The final deadline for submitting the extension applications, according to which the forfeiture of the possibility for the taxpayer to pay in instalments as granted by the Collection Agent occurs after the non-payment of ten instalments, instead of five, is postponed from 31/08/2020 to 15/10/2020.</p> |
| <p>Suspension of garnishments by the Collection Agent on wages and pensions</p> | <p>Art. 152 Relaunch Decree It is provided for that in the period between 19/05/2020 and 31/08/2020, the garnishee is not required to set aside the amounts requested through garnishments enforced before the latter date by the Collection Agent, if these are relevant to amounts due as wages, salaries, other indemnities relevant to the working or employment relationship, including those due in case of dismissal, as well as pensions and similar allowances. The amounts which should have been set aside in the period above are not subject to any obligation and the garnishee makes them available to the debtor subject to enforcement, also in the case in which the relevant order by the Judge in charge of the execution was received before 19/05/2020.</p> | <p>The final deadline for the suspension of collection and precautionary activities (garnishments, attachments, seizures), as well as for the fulfilment of obligations deriving from garnishments of salaries, wages and pensions is postponed from 31/08/2020 to 15/10/2020.</p> |
| <p>Suspension of the block of Public Administration payments</p> | <p>Art. 153 Relaunch Decree. A suspension of the procedure blocking Public Administration payments, in case of amounts entered in taxpayers' lists exceeding € 5,000 is provided for the period included between 08/03/2020 and 31/08/2020.</p> | <p>The final term for the suspension of blocked Public Administration payments is postponed from 31/08/2020 to 15/10/2020.</p> |

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