



Tax news

July 2018

Urgent tax measures – Law Decree published

On 14 July 2018, Law Decree No. 87 of 12 July 2018 has come into force following its publication in Official Gazette No. 161 of 13 July 2018. The major measures included in the Law Decree are summarized here below.

Incentives

Under article 7 of the Law Decree, the temporary enhanced accelerated depreciation regime introduced by Law No. 232 of 11 December 2016 (Budget Law for 2017) and amended by Law No. 205 of 27 December 2017 (Budget Law for 2018) only applies provided that qualifying assets are allocated to production facilities located in Italy.

Furthermore, where qualifying assets are sold or allocated to production facilities abroad during the period in which the favourable regime applies, the amount of benefit will be recovered (without penalties or interest).

The amendments apply with respect to investments made after 14 July 2018.

Under article 8 of the Law Decree, with effect from tax year 2018, costs incurred to purchase or in-license qualifying patents and know-how deriving from transactions between related enterprises are not included in the calculation of the tax credit available for research and development (R&D) activities, introduced by the Stability Law for 2015 and the Budget Law for 2017.

Communication of data of invoices

Under article 11 of the Law Decree, the communication of data on invoices related to quarter 3 of 2018 can be submitted by 28 February 2019. Taxable persons may also choose to submit the communication on a semestral basis:

- by 30 September of the same year, for communications related to semester 1; and
- by 28 February of the following year, for communications related to semester 2.

Split payment system

Under article 12 of the Law Decree, the split payment system does not apply to supplies of services to qualifying public bodies and public entities carried on by self-employed individuals whose payments are subject to withholding tax for income tax purposes. The amendment applies with respect to supplies for which invoices are issued after 14 July 2018.

Amateur sports companies

Under article 13 of the Law Decree, the corporate income tax and VAT measures related to (for-profit) amateur sports companies, as introduced by the Budget Law for 2018, have been repealed.

Flash News

Favourable tax regime for inward expatriates – resolution published

On 6 July 2018, the Italian Tax Authorities issued Resolution No. 51/E providing clarifications on the favourable tax regime available to qualifying inward expatriates.

Under article 16 of Legislative Decree No. 147 of 14 September 2015, EU citizens and citizens of third countries that have an effective tax treaty or exchange of tax information agreement in force with Italy may benefit from a 50% exemption from income tax on their employment and self-employment income, for the tax year in which their transfer of residence occurs and the following 4 tax years, provided that:

- they have a university degree and continuously worked in a country other than Italy in the previous 24 months; or
- they continuously studied in a country other than Italy in the previous 24 months and obtained a university degree or a specialization post *lauream*.

Italian Tax Authorities have clarified that qualifying individuals must have also been resident abroad for the previous 24 months.

IPA between Georgia and Italy – negotiations

Following a meeting between officials from Georgia and Italy, held in Tbilisi on 17 July 2018, Georgia has expressed its will to negotiate an investment protection agreement (IPA) with Italy.

European Commission issues letter of formal notice to Italy regarding VAT treatment of services related to importation of goods

On 19 July 2018, the European Commission issued a letter of formal notice to Italy. According to the European Commission, Italy imposes additional requirements for the application of a VAT exemption to ancillary services relating to the importation of goods, because Italian legislation requires not only that the value of those services be included in the taxable amount of the goods imported, but also that VAT be actually charged on them at the time of importation of those goods. If Italy does not act within the next 2 months, the European Commission may send a reasoned opinion to Italy.



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Clients are encouraged to seek appropriate professional advice.

We will be pleased to discuss with you the particular application of the changes to your own circumstances. To this end please contact Alessandro Dragonetti or Gabriele Labombarda at their e-mail address below:
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Some pieces of news herein contained may be material to Advisory Services issues. Clients who are interested in delving into these items are encouraged to contact Stefano Salvadeo, Advisory Services specialist, at the following email address: stefano.salvadeo@bgt.it.gt.com

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