



Italy: COVID-19 extraordinary national measures on rules governing time limits in tax proceedings

Tax Alert

10 March 2020



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Law Decree no. 11 of 8 March 2020 has introduced extraordinary measures to enable the judicial system to face the COVID-19 emergency. The measures, which are designed to combat the spread of the virus through the courts while ensuring that the judicial system can still operate and handle certain proceedings and business, also affect tax litigation.

From 9 to 22 March 2020:

- tax litigation hearings have been postponed (except in certain cases where postponement could cause serious damage, e.g. hearings about the suspension of provisional tax collection);
- court deadlines (such as those for submissions of documents) have been postponed;
- court fees must be paid electronically.

According to some academics, this postponement could also be interpreted as a suspension of the deadline for submission of appeals to tax courts against tax assessments (even while a pre-hearing compromise procedure is underway) and for initiation of appeals to the second-tier tax court and to the supreme court (like the suspension of time limits during the August holiday closure of the courts).

In our opinion, this interpretation is too liberal. The primary aim of the law decree is to tackle the epidemic by stopping hearings from taking place; its effects should therefore be restricted to proceedings in which hearings have been scheduled to be held between 9 and 22 March.

However, the different decrees issued in swift succession by the Prime Minister (the most recent was published on 9 March 2020) have specified different areas in which the general suspension of (substantive and procedural) time limits introduced by article 10(4) of Law Decree no. 9 of 2 March 2020 might apply. It would therefore be advisable to wait for explicit rules or, in any event, official clarifications defining the scope of application of this very recent general suspension of the time limits.

From 23 March 2020 to 31 May 2020, to prevent close contact between people, access to the courts may be restricted (by reducing public opening hours, making online or telephone bookings obligatory, etc.).

Certain tax courts have already introduced additional restrictions, such as postponing scheduled hearings until after 3 April 2020 and prohibiting representatives of taxpayers and of the tax authorities from attending hearings about the suspension of provisional tax collection.

Further details will follow as soon as official clarifications are available.

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Tax Alert / KPMG in Italy / 10 March 2020

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