



Italian Digital Services Tax: the Italian Tax Authority publishes a draft implementing decree and calls for a consultation phase

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On 17 December 2020 the Italian Tax Authority ('ITA') published the text (currently available only in Italian) of a draft implementing decree for the Italian Digital Services Tax ('DST'). The draft text clarifies several definitions and concepts which were included in the original legislation introduced by the Budget Law for 2020 (see our alert [here](#)) and also provides further details of the compliance and accounting responsibilities of businesses which become subject to DST.

In particular, the Decree includes:

- clarifications on the definition of taxable persons and taxable services;
- further details of the place of taxation and user's location;
- explanations of the tax calculation procedure;
- details of the registration process, the monthly accounting procedure and the tax payment process, together with a description of the content and structure of the monthly ledger.

The ITA has also launched a consultation phase lasting until 31 December 2020. During the consultation process, taxpayers and other interested parties may email their proposed changes or additions to the current draft. The proposals will be published on the ITA's website at the end of the consultation process unless the sender expressly asks for the observations to be withheld from publication.

KPMG Italy is currently reviewing the draft text, to identify the main issues and challenges arising from it, and will submit its own observations to the ITA in due course. KPMG Italy is also available to discuss the draft with its clients, collect their observations and proposals, and pass them on to the ITA before the consultation process ends.

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