



Italy: new Italian Tax Authority guidance on the Digital Services Tax in the online gaming and betting sector

Tax & Legal Alert
6 June 2025

Office

Milan

Via Vittor Pisani 31, 20124
T: +39 02 676441

Ancona

Via Sandro Totti, 11, 60131
T: +39 071 2916378

Bologna

Via Innocenzo Malvasia 6, 40131
T: +39 051 4392711

Florence

Viale Niccolò Machiavelli 29, 50125
T: +39 055 261961

Genoa

P.zza della Vittoria 15/12, 16121
T: +39 010 5702225

Naples

Via F. Caracciolo 17, 80122
T: +39 081 662617

Padua

Piazza Salvemini 2, 35131
T: +39 049 8239611

Perugia

Via Campo di Marte 19, 06124
T: +39 075 5734518

Pescara

P.zza Duca D'Aosta 31, 65121
T: +39 085 4210479

Rome

Via Curtatone 3, 00185
T: +39 06 809631

Turin

C.so Vittorio Emanuele II 48, 10123
T: +39 011 883166

Verona

Via Leone Pancaldo 68, 37138
T: +39 045 8114111

On 3 June 2025, the Italian Tax Authority ("ITA") published guidance on a point of tax law (Tax Law Principle no. 6/2025 - the "Guidance"), explaining how to determine the tax base for the Digital Services Tax ("DST") in the online gaming and betting sector.

Background

The DST is a 3 percent tax on taxable revenues deriving from the provision of digital services by relevant taxable persons during a calendar year.

A **taxable person** is defined for DST purposes as any business that generates revenues in Italy from digital services and that, individually or group-wide, in the calendar year preceding that in which the taxable revenues are earned, has total worldwide revenues of at least EUR750 million (the Guidance mentions a "double threshold" but this has not applied since 1 January 2025 – see our previous alert [here](#)).

The **taxable services** include the provision of targeted advertising on a digital platform, the provision of a digital multilateral interface that enables interaction between users, and the transfer of data collected from users and generated by their use of a digital interface.

The Guidance specifically concerns the provision of a digital multilateral interface when it is used for online gaming and betting.

Determination of taxable revenues in the online gaming and betting sector

In the context of online betting and gaming, a point of contention has arisen as to whether gross revenues should be used as the tax base or whether, instead, the tax base should be net of the bonuses granted to players and net of the total winnings – even in cases where the winnings exceed the stakes collected from the players in a single tournament.

This uncertainty stems from difficulty in interpreting Implementing Decree no. 15185/2021 (the "Implementing Decree"), published on 15 January 2021. While generally recognising the relevance of considerations attributable to services connected to Italy, this decree excludes considerations for supplies of goods and/or services that, economically, constitute transactions independent of access to or use of the relevant digital service. In the online gaming and betting sector, businesses have been unable to determine whether the collection of takings and the payment of winnings constitute "independent transactions".

Point of tax law: exclusion from the DST base

According to the Guidance, the relevant legislation (article 1(37) of the 2019 Budget Law and articles 3.1 and 3.6 of the Implementing Decree) and the clarifications provided in section 4.2 of Circular no. 3/E/2021 confirm that a platform operator acting as an intermediary should consider, as taxable revenue for DST purposes, only commission earned from the use of the platform, which varies depending on the type of game.

In such cases, the taxable person – acting as an intermediary – does not bear any of the risks related to the users' activities but merely operates as an interface, managing the technology. Therefore, the bets themselves are expressly excluded from the scope of the DST, while the taxable revenue for DST purposes is the remuneration of the intermediary, generally represented by the collected stakes, net of payouts and betting duty.

Accordingly, the winnings to be paid out must be deducted from the DST base, even when they exceed the stakes of a single tournament. Similarly, bonuses offered to players to entice them to place a bet – resulting in higher stakes but no actual payment or remuneration for the platform – are irrelevant for DST purposes and must be excluded from the total amount of bets when calculating the DST base.

KPMG comments

How to determine the tax base is one of the most complex DST topics, especially in the case of complex businesses or the intervention of several intermediaries in the value chain. In light of the new Guidance, we recommend that operators of online gaming and betting platforms carefully review the accuracy of their calculations of DST-relevant revenues, to avoid overstating the DST base.

We are ready to help you understand how this clarification may affect your current DST base calculation mechanism and to advise on further action that will ensure the correct declaration of past and future DST liabilities.

Document prepared by [Lorenzo Bellavite](#), [Riccardo Tognettini](#) and [Martina De Nardin](#).

Contacts

KPMG in Italy, Tax & Legal

Tax & Legal Professional Practice Team

E: it-fm-tpp@kpmg.it

kpmg.com/it

kpmg.com/it/socialmedia



Tax & Legal Alert / KPMG in Italy / 6 June 2025

© 2025 Studio Associato - Consulenza legale e tributaria, an Italian professional partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Studio Associato - Consulenza legale e tributaria is a leading Italian law firm and a member firm of KPMG International for tax and legal services.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.