



COVID-19: 'Relaunch Decree'

Urgent measures to support healthcare, employment and the economy, and social policies

Tax & Legal Alert

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This Tax Alert summarizes the main measures introduced by Law Decree no. 34 of 19 May 2020, which was published in Official Gazette no. 128 of 19 May 2020 and came into force the same day (the 'Relaunch Decree').

The Relaunch Decree has to be converted into law within 60 days of publication. Amendments might be made during the conversion process.

This Tax Alert covers the following topics:

1. **IRAP exemption**
2. **Tax credit relief**
3. **VAT measures and tax payment deferrals**
4. **Tax litigation and tax authority procedures**
5. **Export and excise measures**
6. **Step-up in the tax basis of business assets.**

The 'Cure Italy Decree' cited in this Tax Alert is Law Decree no. 18/2020 of 17 March 2020; the 'Liquidity Decree' is Law Decree no. 23/2020 of 8 April 2020.

1. IRAP exemption

Article 24 of the Relaunch Decree introduces an IRAP (local business tax) exemption for (i) companies with revenues of up to EUR250 million and (ii) self-employed workers with revenues of up to EUR250 million. These parties will not have to pay the following.

- The IRAP balance for FY 2019 (this exemption does not affect the advance IRAP payments for FY 2019).
- The first IRAP instalment for FY 2020: 40 percent of the total advance payment theoretically due for 2020 or - in the case of taxpayers to which a special forecast tax compliance regime applies - 50 percent. This first instalment is excluded from the calculation of the final IRAP balance for 2020.

This exemption does not apply to banks, financial institution, insurance companies, public administrations or public entities.

2. Tax credit relief

2.1 Incentives for energy retrofits, anti-seismic reinforcements, installation of photovoltaic systems and charging stations for electric vehicles (Article 119)

2.1.1 Energy retrofits ('*Ecobonus*') and anti-seismic reinforcements ('*Sismabonus*')

Article 119 of the Relaunch Decree increases the tax relief for energy retrofits and anti-seismic reinforcements made between 1 July 2020 and 31 December 2021 to 110 percent. This tax incentive applies to work carried out on (i) condominiums (and is thus available to all apartment owners and tenants, whether individuals or companies), (ii) detached one-family houses classed as an individual's primary residence and not used for business purposes, (iii) apartments used as second homes within a condominium. The 110 percent deduction for anti-seismic reinforcements also applies to detached houses even if they are not the primary residence.

The tax deduction is 110 percent because the state steps up the actual costs by 10 percent, thus allowing taxpayers to deduct more than they have actually spent.

The tax relief - to be split between the property owners/tenants (in the case of apartments in a condominium) and to be taken in equal instalments over five years - may be used for:

1. insulating external walls covering at least 25 percent of the building (*Ecobonus*);
2. replacing old heating, hot water and air conditioning systems with certain new systems (*Ecobonus*);
3. for rendering buildings in earthquake-prone areas more quake-resistant and also for purchasing earthquake-proof homes (*Sismabonus*).

To qualify for the tax relief, these improvements must raise the property's energy efficiency ratings by at least two bands or bring it into the top band. The energy efficiency rating must be certified by a qualified technician before and after the work takes place.

2.2.2 Photovoltaic systems and charging systems for electric vehicles

Provided they are combined with one or more of the energy retrofit or earthquake-proofing measures listed in above, all the energy-efficiency improvements indicated in article 14 of Law Decree no. 63/2013 are also eligible for 110 percent tax relief, subject to the existing caps explained below. These improvements include the installation of photovoltaic panels and their connection to the national grid, as well as the installation of charging systems for electric vehicles in buildings.

In the case of photovoltaic systems, expenses of up to EUR48,000 can be deducted, as is the case under previously existing legislation. In any event, the maximum deduction allowed is EUR2,400/kW (nominal capacity).

If an integrated storage system is installed at the same time as the photovoltaic system (or afterwards), this qualifies for the same amount of tax relief. In this case, however, the maximum deduction allowed is EUR1,000/KWh (storage capacity).

In the case of photovoltaic plants installed separately from an energy retrofit or earthquake proofing but as part of the renovation of an existing property or construction of a new one, the maximum deduction allowed is EUR1,600/kW (nominal capacity).

2.2 Conversion of tax deductions into a discount and into a transferable tax credit (Article 121)

Deductions can be made directly by taxpayers through their tax returns. Alternatively, article 121 of the Relaunch Decree introduces two other options.

1. Taxpayers can opt for a discount (equal to the deduction) on the price of the improvements. The discount is applied in the invoice of the supplier, who can then recover the amount by claiming it as a tax credit, which can be transferred afterwards to other parties, including banks and financial intermediaries.
2. Taxpayers can convert the tax deduction into a tax credit, to be used in the same number of instalments as the deduction would have been. Again, this tax credit can be subsequently transferred to other parties, including banks and financial intermediaries.

To qualify for an immediate discount or the tax credit, the taxpayer must have all the necessary details and documentation endorsed by a qualified tax adviser⁽¹⁾ or tax service center (CAF).

Moreover, improvements qualifying for *Ecobonus* tax relief must be certified by authorized technicians, who should confirm that they meet the necessary standards and that the costs are reasonable. In the case of improvements qualifying for the *Sismabonus* relief, their efficacy must be certified by the qualified professionals in charge of planning, directing and inspecting the work. These professionals must also certify that the costs are reasonable.

(1) Those referred to in article 3(3)(a) and (b) of Presidential Decree no. 322/1998.

Anyone who issues false statements or certificates for 110 percent deductions will be given a fine ranging from EUR2,000 to EUR15,000 for each one issued. False statements or certificates will result in loss of the tax relief.

Transfers of tax credits and payment discounts are also extended to all construction work done under pre-existing legislation in order to renovate properties⁽²⁾, retrofit properties and make them more earthquake proof⁽³⁾, restore facades of existing buildings⁽⁴⁾, install 'stand-alone' photovoltaic systems⁽⁵⁾, and install charging stations for electric vehicles inside buildings.

In all cases (110 percent deduction or deductions made under pre-existing schemes), if the tax deduction requirements are not met, even partially, the Revenue Agency will recover the corresponding tax credit from the beneficiary/ies of the tax relief, plus interest and penalties. If one or more beneficiaries breaches the rules, the supplier who has applied the discount and the tax credit transferee will be jointly and severally liable as well. If, instead, the tax credit is unlawfully used, even partially, by the supplier or the transferee, the relevant amount - plus interest and penalties - will be recovered from them alone.

Individuals must give online notification of their election to the Revenue Agency, following the guidance to be issued, with other implementation measures, by the Director of the Revenue Agency within 30 days of the entry into force of the Relaunch Decree.

2.3 Tax credit for advertising expenses (Article 187)

The Cure Italy Decree raised the tax credit for advertising expenses incurred in 2020 to 30 percent. The Relaunch Decree has increased this further, to 50 percent.

2.4 Transfers of tax credits arising from measures issued in the context of the COVID-19 outbreak (Article 122)

Between 19 May 2020 and 31 December 2021, taxpayers that have taken one of the tax credits introduced by the Cure Italy Decree and by the Liquidity Decree are entitled to transfer them (totally or partially, at the taxpayer's option) to third-party buyers, including banks, financial institutions and financial intermediaries.

The tax credits covered by this measure are the following:

- i. Rental/lease/concession fees for buildings:** the tax credit⁽⁶⁾ amounts to 60 percent of the monthly fees for real estate used to pursue industrial, commercial, artisan, agricultural, tourism or professional activities. The beneficiaries are enterprises or the self-employed, provided that⁽⁷⁾ their income from such activities did not exceed EUR5 million during the tax

period preceding that in force on 19 May 2020 (this requirement does not apply to hotels or holiday farms). The tax relief also covers monthly fees for real estate used by non-commercial entities, listed third-sector entities⁽⁸⁾ and religious organizations to pursue their institutional activities. The tax relief applies to fees for March, April and May 2020⁽⁹⁾, provided that the turnover of the renter/lessee/licensee fell by at least 50 percent in April 2020 compared with April 2019.

- ii. Investments to adapt production facilities and workplaces to COVID-19 health legislation:** the tax credit amounts to 60 percent of the costs of such health and safety improvements⁽¹⁰⁾ in 2020 and is capped at EUR 80,000.
- iii. Sanitization of workplaces and purchase of COVID-19 protection devices:** the tax credit amounts to 60 percent of the costs indicated in article 125 of the Relaunch Decree and is capped at EUR60,000. The beneficiaries of the tax relief are enterprises, professions, associations, foundations and other private entities (including third-sector and religious organizations).

These tax credits can, at the taxpayer's discretion, be:

- used directly by the taxpayer; or
- wholly/partially transferred to third parties, including banks and financial intermediaries.

The transferee can use the tax credit to offset its own tax payments, just like the original beneficiary of the tax credit could have done. Any portion of the tax credits that is not used in the tax year can be carried forward to the subsequent tax year but cannot be claimed as a refund.

The transfer of the tax credit does not prevent the tax authorities from assessing whether all the preconditions for the tax credit were met by the original beneficiary. Transferees are liable only for the use of the tax credit and not for its amount.

3. VAT measures and tax payment deferrals

3.1 No VAT rate increase in 2021 (Article 123)

The Budget Law for 2020 established that the VAT rates in Italy - both the 22 percent standard rate and the 10 percent reduced rate - would automatically increase as of 1 January 2021⁽¹¹⁾, unless certain budgetary targets were reached by that date. The Relaunch Decree repeals this mechanism: unless the law is changed in the meantime, the 22 percent standard and 10 percent reduced VAT rates will remain in force in 2021.

(2) As per article 16-bis (1)(a) and b) of the Italian Income Tax Code.

(3) As per articles 14 and 16 of Law Decree no. 63/2013.

(4) As per article 1 (219) of Law no. 160/2019.

(5) As per article 16-bis (1)(h) of the Italian Income Tax Code.

(6) The tax credit cannot be combined with that indicated in article 65 of the Cure Italy Decree, for the same costs.

(7) As stipulated in article 28 of the Relaunch Decree.

(8) This means entities registered in a special public register.

(9) In the case of taxpayers operating in the tourism industry, the tax relief applies to fees for April, May and June.

(10) This means certain listed investments to implement health and safety requirements and measures to contain the spread of the COVID-19 virus, pursuant to article 120 of the Relaunch Decree.

(11) See our [Tax Alert](#) dated 8 January 2020.

3.2 Reduced VAT rate for supplies of medical devices (Article 124)

The Relaunch Decree introduces a super-reduced 5 percent VAT rate for supplies of certain goods needed to tackle the COVID-19 outbreak. These goods include: ventilators for use in intensive and sub-intensive care; multi-parameter monitoring systems (also portable ones); infusion pumps for drugs and peristaltic pumps for enteral nutrition; endotracheal tubes; helmets for assisted positive pressure ventilation; masks for non-invasive ventilation; suction systems; humidifiers; laryngoscopes; vascular-access devices; electric vacuum cleaners; intensive care monitoring systems; portable echotomography machines; electrocardiographic machines; digital tomography machines; surgical masks; FFP2 and FFP3 masks; protective clothing such as latex, vinyl and nitrile gloves, visors and protective glasses, protective suits, protective shoes and overshoes, headgear, waterproof gowns, and surgical gowns; thermometers; hand-sanitizer detergents; wall-mounted disinfectant dispensers; hydroalcoholic solutions; 3 percent peroxide; emergency trolleys; RNA extractors; COVID-19 diagnostic equipment; swabs for clinical analysis; sterile test tubes; equipment for the construction of field hospitals.

However, supplies of the above products made by 31 December 2020 will be VAT-exempt, with the right to recover VAT.

3.3 Further deferral of tax payments and social security contributions (Articles 126 and 127)

The Relaunch Decree has further extended certain tax payment deadlines (which had already been extended by the Cure Italy Decree and the Liquidity Decree - see our Tax Alert dated [20 March 2020](#) and [15 April 2020](#))

3.3.1 Tax payment deferral for falls in turnover

This deferral applies to certain taxpayers whose fiscal domicile, registered office or operations center is in Italy.

- Businesses or professionals with **revenues of less than EUR50 million** in the previous fiscal year: if they have suffered a **fall in turnover of at least 33 percent** in March 2020 compared to March 2019 and in April 2020 compared to April 2019.
- Businesses or professionals with **revenues of more than EUR50 million** in the previous fiscal year: if they have suffered a **fall in turnover of at least 50 percent** in March 2020 compared to March 2019 and in April 2020 compared to April 2019.
- Businesses or professionals that started up after 31 March 2019.

If the above conditions are met for March and April 2020, the deadlines for payments due in **April and May 2020** respectively are extended for:

- withholding and similar taxes
- VAT
- social security contributions and mandatory insurance premiums.

For payments of withholding and similar taxes and of social security contributions and mandatory insurance premiums,

non-profit entities - including charities and recognized religious bodies pursuing their institutional, non-business activities - are eligible for the deferral.

For VAT payments due in April and May 2020, businesses and professionals whose fiscal domicile, registered office or operations center is in the provinces of Bergamo, Brescia, Cremona, Lodi or Piacenza are eligible for the deferral on one condition only: that they have suffered a fall in turnover of at least 33 percent in March 2020 compared to March 2019 and in April 2020 compared to April 2019 (no revenue thresholds).

In all the above cases, the deferred payments can be made either in a lump sum **by 16 September 2020** or in up to four equal monthly instalments (the first instalment is due by 16 September 2020). Any amounts already paid are not refundable.

3.3.2 Payment deferral for taxpayers in the 'red zone'

This deferral applies to payments of social security contributions and mandatory insurance premiums falling due between 23 February 2020 and 30 April 2020 and to be made by taxpayers whose fiscal domicile, registered office or operations center is in one of the municipalities within the 'red zone' (*Casalpusterlengo, Codogno, Vò Euganeo*, etc.⁽¹²⁾). These payments are now due either in a **lump sum by 16 September** or in up to **four equal monthly instalments** (the first instalment is due by 16 September 2020). Any amounts already paid are not refundable.

The same applies to payments for withholding taxes due by the same taxpayers and falling due between 21 February 2020 and 31 March 2020.

3.3.3 Tax payment deferral for taxpayers operating in industries heavily impacted by the COVID-19 outbreak

Under the Cure Italy Decree and the Liquidity Decree, sports associations, sports clubs, operators of sports facilities, gyms, swimming pools, fitness centers and similar facilities, operators in the tourism and hotel industry, travel agents, tour operators, event organizers, providers of vehicle hire and passenger transport, cultural entities (museums, nature reserves etc.), betting offices, non-profit organizations etc., expressly listed in article 61 of the Cure Italy Decree, could benefit from the suspension (until 31 May 2020) of:

- payments of withholding tax on wages and suchlike, falling due between 2 March and 30 April 2020;
- payments and compliance deadlines for social security contributions, mandatory insurance premiums and related obligations, falling due between 2 March and 30 April 2020;
- VAT payments due in March 2020.

Sports associations and sports clubs now benefit from a longer suspension period, until 30 June 2020.

In all the above cases, the deferred payments can now be made either in a **lump sum** (and the related compliance obligations fulfilled) by **16 September 2020** or in up to **four equal monthly instalments**. The first instalment is due by 16 September 2020. Any amounts already paid are not refundable.

(12) See Attachment 1 to the Prime Ministerial Decree of 1 March 2020.

3.3.4 Tax payment deferral for taxpayers with a turnover of below EUR2 million

The Cure Italy Decree extended to 31 May 2020 (for taxpayers with a turnover of below EUR2 million in the previous fiscal year and fiscal domicile, registered office or operations center in Italy) the deadlines falling between 8 and 31 March 2020 for:

- payments of withholding taxes on wages and suchlike
- VAT payments
- payments of social security contributions and mandatory insurance premiums.

In the case of VAT payments, there is no turnover threshold for businesses and professionals whose fiscal domicile, registered office or operations center is in the Provinces of Bergamo, Brescia, Cremona, Lodi or Piacenza.

Under the Relaunch Decree, these deferred payments can be made either in a **lump sum** by **16 September 2020** or in up to **four equal monthly instalments** (the first instalment is due by 16 September 2020). Any amounts already paid are not refundable.

3.3.5 Withholding tax payment deferral for taxpayers with a turnover of less than EUR400,000

The Cure Italy Decree provided that taxpayers with (i) a fiscal domicile, registered office or operations center in Italy, and (ii) a turnover of less than EUR400,000 in the fiscal year preceding that in which the decree came into effect, would not be subject to withholding tax on revenue or equivalent income received between 17 March 2020 and 31 May 2020 (provided they had no employee or employee-equivalent costs/expenses in the previous month).

Under the Relaunch Decree, the tax not levied by withholding agents can be paid directly by the taxpayer in one lump sum by 16 September 2020 or in up to **four equal monthly instalments** (the first instalment is due by 16 September 2020). Any amounts already paid are not refundable.

3.4 Transmission of daily payment details by retailers (Article 140)

In April 2019⁽¹³⁾ a new obligation was introduced, requiring retailers to electronically report their daily takings to the tax authorities, within 12 days of the date of sale. There was also a six-month grace period, during which retailers could report these details by the end of the following month, without facing any penalties.

The Relaunch Decree extends this grace period to 1 January 2021 for retailers whose turnover does not exceed EUR400,000.

3.5 Tax receipt lottery (Article 141)

The start of the tax receipt lottery⁽¹⁴⁾ has been postponed from 1 July 2020 to 1 January 2021.

(13) Law Decree no. 34 of 30 April 2019 - See our [Tax Alert](#) dated 2 July 2019.

(14) Introduced by Law no. 232 of 11 December 2016.

3.6 Prepopulated VAT ledgers and VAT returns (Article 142)

The entry into force of the rules⁽¹⁵⁾ on prepopulated VAT ledgers has been postponed from 1 July 2020 to 1 January 2021. Under these rules, the Revenue Agency will prepopulate the (i) input and output VAT ledgers and (ii) quarterly VAT settlement reports due by VAT taxpayers established in Italy and will make them available inside the taxpayer's personal tax account on the Revenue Agency website.

The Relaunch Decree also confirms that, starting with the annual VAT return for 2020 (the IVA 2021 return), the Revenue Agency will prepopulate the annual VAT return and make it available inside the taxpayer's personal tax account on the Revenue Agency website.

3.7 Stamp duty on e-invoices (Article 143)

The Relaunch Decree postpones, from 1 January 2020 to 1 January 2021, the entry into force of the new rule on stamp duty introduced last year⁽¹⁶⁾. Under this rule the Italian Revenue Agency will automatically check that e-invoices comply with stamp duty requirements and could apply penalties ranging from 100 percent to 500 percent of the stamp duty for non-compliant e-invoices.

3.8 Offsetting of a credit for one kind of tax against liabilities for another kind (Article 147)

For fiscal year 2020, the annual cap on the offsetting of a credit for one kind of tax against liabilities for another kind has been increased to EUR1,000,000 (it was EUR700,000 previously).

3.9 Trading of daily newspapers, periodicals, and their respective inserts and supplements (Article 187)

As an exception to the ordinary rules, and just for 2020, VAT on sales of daily newspapers, periodicals, and their respective inserts and supplements⁽¹⁷⁾ will be calculated on the number of delivered or dispatched copies, reduced by 95 per cent (instead of 80 per cent). Article 187 does not cover (i) pornographic material or (ii) newspapers and periodicals supplied with products other than inserts/supplements.

4. Tax litigation and tax authority procedures

4.1 New rules for tax court hearings and specific provisions for stamp duty (Article 135)

The Relaunch Decree has introduced new regulations regarding tax court hearings, which can be held from a remote location via videoconferencing.

From 8 March to 31 May 2020, the deadline for tax courts to apply penalties or to ask for the settlement of omitted or delayed stamp duty payments has been suspended.

(15) Introduced by Law Decree no. 124 of 26 October 2019 - see our [Tax Alert](#) dated 30 October 2019.

(16) By Law Decree no. 34 of 30 April 2019 - see our [Tax Alert](#) dated 2 July 2019.

(17) Those indicated in article 74(1)(c) of the Italian VAT Act (Presidential Decree no. 633/72).

4.2 Increase in the services offered by the tax authorities to encourage taxpayer compliance (Article 139)

To increase tax compliance, the Ministry of Finance will introduce new specific targets for tax authorities to be met in FYs 2020-22, aimed at optimizing assistance and consultancy services offered to taxpayers. The new services will include boosting online assistance and speeding up the payment of tax refunds.

4.3 Suspension of any amounts due for tax bills (so-called 'avvisi bonari') (Article 144)

The Relaunch Decree provides that tax payments due between 8 March and 31 May 2020, following the service of tax bills (after automatic checks of tax returns), can be paid by 16 September 2020, as either a one-off payment or in four monthly instalments.

4.4 Suspension of the offsetting of tax credits against tax debts (Article 145)

In 2020 the Italian tax authorities will refund the full amount of tax credits to taxpayers, without offsetting existing tax debts. This is to inject liquidity into the economy.

4.5 Postponement of the deadline to pay any amounts due following tax assessments and postponement of the deadline to appeal before the first-level tax court (Article 149)

For tax assessment notices, whose deadline to pay or to appeal expires between 9 March and 31 May 2020, the following new deadlines apply:

- 16 September 2020 for payment (as full acceptance) of the assessment notice;
- 16 September 2020 to appeal against the assessment notice in court;
- 16 September 2020 for payment of instalments related to pre-hearing compromise, mediation or judicial conciliation procedures.

4.6 Suspension of checks pursuant to article 48-bis of Presidential Decree no. 602 of 1973 – payments by public administrations (Article 153)

From 8 March until 31 August 2020 certain measures, usually applied by public administrations or public companies when paying invoices, are suspended. For instance, authorities cannot suspend or block the payment of invoices to taxpayers even if they have tax debts.

4.7 Extension of the payment deadlines for items assigned to tax authority collection agents (Article 154)

The Relaunch Decree has extended certain deadlines introduced by Cure Decree, providing that:

- from 8 March until 31 August 2020, all payments due to tax authority collection agents have been suspended;

- from 8 March until 31 August 2020, the instalment plans for taxpayers are still valid even if the taxpayer fails to pay a maximum of ten, and not necessarily consecutive, instalments;
- until 10 December 2020, the taxpayer is entitled to settle payments due under the 'amnesty program'.

4.8 Extension of the deadlines to serve notices of tax assessments, penalties, tax credit recovery and tax irregularities (Article 157)

Tax notices issued by the tax authorities with a 31 December 2020 deadline will not be served to the taxpayer until the following year (between 1 January and 31 December 2021).

These notices - which include notices of tax assessments, penalties, undue tax credit recovery and tax irregularities - will not accrue interest in the postponement period.

4.9 Suspension of the pre-hearing compromise procedure (Article 158)

The Relaunch Decree has clarified that the 90-day suspension period for a pre-hearing compromise procedure is added on to the COVID-19 suspension of 64 days (from 9 March to 11 May 2020).

5. Export and excise measures

5.1 Measures to promote Italian export and the internationalisation of the economy (Article 48)

There are three main measures:

- The 'Integrated Promotion Fund'⁽¹⁸⁾ has been boosted by EUR250 million. The Ministry of Foreign Affairs and International Cooperation can use these funds to contract with public and private bodies and purchase specialist advice on how to promote internationalization of the national economy.
- The reference to the limits imposed by the Cure Italy Decree⁽¹⁹⁾ on *de minimis* aid for non-repayable co-financing⁽²⁰⁾ has been deleted. This means that it can exceed the maximum amount established by European law, although the obligation to notify the European Commission remains.
- The Relaunch Decree ratifies the UAE's decision, in the wake of the COVID-19 pandemic, to postpone Dubai Expo 2020 to 2021. At the same time, extra funding has been provided for Italy's stand and for the workers to be engaged for the event.

(18) Set up in accordance with article 72 of the Cure Italy Decree.

(19) Article 72(1)(d) and (d-bis) of the Cure Italy Decree.

(20) As regulated by articles 107 and 108 of the Treaty on the Functioning of the European Union and subsequent legislation.

(21) Legislative Decree no. 504 of 26 October 1995.

5.2 Payments on account for excise duty on natural gas and electricity (Article 129)

Monthly payments on account for excise duty on natural gas and electricity for the period May-September 2020 may be made by paying 90 percent of the ordinary amount.

The balance must be paid in a single instalment by 31 March 2021, in the case of natural gas, and by 16 March 2021, in the case of electricity. Alternatively, it is possible to split the balance into 10 equal monthly rates, to be settled between March and December 2021, without any interest. Any credit will be deducted, in the ordinary way, from payments on account made after submission of the annual return.

Instead, payments on account for the period October-December 2020 must be calculated and paid in the usual way, as per articles 26 and 56 of the Excise Act.⁽²¹⁾

5.3 Postponement of certain new excise duty requirements (Article 130)

The operation of certain rules, introduced⁽²²⁾ at the end of last year, has been deferred.

- The date by which it will become compulsory for certain additional parties to apply to the Customs Agency (*Agenzia delle dogane e dei monopoli*) for an operating licence has been moved to 1 January 2021 (from 30 June 2020). The additional parties in question are operators of private, agricultural or industrial warehouses that are larger than 10m³ and operators of dispensers of fuel used for private, agricultural or industrial purposes, connected to tanks whose total capacity exceeds 5m³ (in addition to those already specified in article 25(1) and (2)(b) of the Excise Act).
- From 1 January 2021, it will be necessary for:
 - i. the holders of storage facilities⁽²³⁾ with a capacity of more than 10m³ but not more than 25m³;
 - ii. the operators of distribution equipment⁽²⁴⁾ connected to tanks whose total capacity is more than 5m³ but no more than 10m³;

to keep the fuel loading and unloading records in accordance with simplified procedures to be established by the Director of the Customs Agency.

- The start of the new system to track the circulation of lubrication oils⁽²⁵⁾ (and certain other NC 3403 products, transported in bulk or in containers larger than 20 liters) has been postponed to 1 October 2020⁽²⁶⁾. The tracking system will involve the compulsory issue of a new administrative code (*codice amministrativo di riscontro*) by the Customs Agency.

- The introduction of the compulsory installation of INFOIL - a computerized management system for the holding and handling of petrol and diesel fuel - by the operators of tax warehouses⁽²⁷⁾ with a storage capacity of not less than 3,000m³ has been postponed to 31 December 2020.
- The date by which it will become necessary to submit online consignment notes⁽²⁸⁾ for products subject to excise duties has been moved to 30 September 2020.
- The date by which the Director of the Customs Agency must publish⁽²⁹⁾ details of the procedures and deadlines for the online reporting of the quantities of electricity and natural gas transported and consumed has been postponed to 31 December 2020.

Moreover, article 130(2) of the Relaunch Decree:

- introduces changes to make the monitoring of small quantities of lubrication oils, transport and packaging more efficient;
- replaces article 25(4) of the Excise Act with the following: *operators of private, agricultural and industrial warehouses, with a capacity of more than 10m³ and not more than 25m³, and operators of automated dispensers of fuel used for private, agricultural or industrial purposes, connected to tanks whose total capacity exceeds 5m³ but not more than 10m³, shall, from 1 January 2021, be required, instead of submitting an activity start-up declaration, to give notification of their activities to the local office of the Customs Agency. These operators shall be issued with an identification code. They shall keep loading and unloading records in accordance with simplified procedures to be established by the Director of the Customs Agency.*

5.4 Deferred payment of excise duty on energy products released in March (Article 131)

The payment of excise duty on energy products released for consumption in March 2020 will be considered timely and, therefore, not subject to penalties or interest charges for late payment if made by 25 May 2020.

5.5 Payment of excise duty on energy products (Article 132)

In view of the COVID-19 emergency, monthly payments on account may be made - for April, May, June, July and August 2020 only - by paying 80 percent of the ordinary amount within the normal deadlines. The payment for energy products released for consumption in April must be made by 25 May 2020. The residual 20 percent for each month must be paid by 16 November 2020, together with the excise duty on energy products released for consumption in October. No interest will be charged.

(27) Those indicated in article 23(3) and (4) of the Excise Code.

(28) Those indicated in article 12 of the Excise Code.

(29) In accordance with article 12 of Law Decree no. 124 of 26 October 2019.

(22) By Law Decree no. 124 of 26 October 2019, converted - with amendments - into law by Law no. 157 of 19 December 2019 (the '2020 Budget Law').

(23) The holders referred to in article 25(2)(a) of the Excise Act.

(24) The operators referred to in article 25(2)(c) of the Excise Act.

(25) Regulated by article 7-bis of the Excise Code (which was introduced by article 7 of Law Decree no. 124/2019).

(26) Article 130(1)(b) of the Relaunch Decree.

5.6 Postponement of the plastic tax and sugar tax (Article 133)

1 January 2021 is now the start date for application of the rules introducing (i) the tax on 'MACSI' (the Italian term for single-use products that are used for packaging, protection or delivery of goods or foodstuffs and that are made, totally or partially, out of synthetic organic polymers), and (ii) the tax on the consumption of sugary drinks.

5.7 Deferred payment of customs duties (Article 161)

There is a 60-day extension, without any interest or penalties, for customs duty payments falling due between 1 May 2020 and 31 July 2020 and made in accordance with the procedures laid down by articles 78 and 79 of Presidential Decree no. 43 of 23 January 1973. In cases of serious economic or social difficulties, this extension can be granted, on request, to customs debit account holders covered by article 61(2)(o) of the Cure Italy Decree or article 18(1) and (3) of the Liquidity Decree, e.g. companies providing transport services, companies that - among other conditions - have seen a 33 percent or 50 percent fall in turnover.

5.8 Payment of excise duty in different instalments (Article 162)

This new rule allows the keepers of energy tax warehouses and of alcohol/alcoholic beverage tax warehouses, who must normally pay excise duty in monthly instalments, to alter the frequency of the payments between the date of the Relaunch Decree and 30 November 2020 (which is the due date for the payment of excise duty on products released for consumption in November). To pay at shorter or longer intervals, warehouse keepers must apply to the Customs Agency, explaining the reasons for their financial difficulties. These must be supported by documentary evidence and be verifiable. The new arrangement is subject to the Customs Agency's acceptance of the application and the excise duty for the whole of the above period must be paid in full by 30 November.

6. Step-up in the tax basis of business assets

The Relaunch Decree renews the possibility for individuals and non-commercial entities to step up the tax basis of business assets and to pay substitute tax on the difference. The assets covered by this measure are (i) investments held in non-listed entities and (ii) land (both building and agricultural). These assets must be owned on 1 July 2020.

The 11 percent substitute tax can be paid in a maximum of three equal annual instalments, the first of which is due on 30 September 2020. Late payment interest of 3 percent per annum is charged on the other instalments.

To support the step-up in the tax basis of the above assets a sworn appraisal must be prepared and certified by 30 September 2020.

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