



# Italy: Tax amnesties

## Tax Alert

29 January 2019



### Offices

#### Milan

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

#### Ancona

Via I° Maggio 150/a, 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 Adelaide Ristori 38, 00197  
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

The tax amnesties introduced last year (see our [Tax Alert](#) of 31 October 2018) have been finalized and converted into law.

This Tax Alert recaps the package of tax measures dubbed the peace deal (*pace fiscale* in Italian). The changes introduced since our previous Tax Alert are shown in **orange**.

### The legislative process

The tax amnesties were introduced by Law Decree no. 119 of 23 October 2018, which was published in the Official Gazette on the same date and came into force the next day. The decree was converted into Law no. 136 of 17 December 2018, which was published in Official Gazette no. 293 of 18 December 2018 and came into force the day after.

So far, two implementing regulations have been introduced by the Italian Revenue Agency.

### The most important amnesties

Amnesty	Relief	Procedure and deadlines
Settlement of a tax audit report <b>provided that no notice of assessment was served by 24 October 2018</b> (article 1)	– Full payment of the taxes demanded in the tax audit report, <b>without any penalties or interest</b> – If the tax audit report refers to more than one fiscal year, it is possible to select the year to be settled	– Submission of a supplementary tax return and payment of taxes (at least the first installment) by 31 May 2019 – The application of article 1 is governed by Italian Revenue Agency Regulation no. 17776/2019 of 23 January 2019
Settlement of a notice of assessment or other tax demand before appealing to the tax court (article 2)	Full payment of the taxes indicated in the notice of assessment or other tax demand, <b>without any penalties or interest</b>	– Tax payment (at least the first installment) by 23 November 2018 or, under certain conditions, 22 December 2018 – The application of article 2 is governed by Italian Revenue Agency Regulation no. 298724/2018 of 9 November 2018

Settlement of liabilities dating from FY 2000 to FY 2017 and already assigned to the tax collector (articles 3 and 5)	Payment in full of the liabilities assigned to the tax collector, <b>without any penalties or interest</b> (with the exception of EU taxes and import VAT, for both of which interest is due)	<ul style="list-style-type: none"> <li>– Special application to be submitted to the tax collector by 30 April 2019</li> <li>– Abandonment by the taxpayer of any pending litigation</li> <li>– Tax payment (at least the first installment) by 31 July 2019</li> </ul>
Cancellation of debts of under EUR1,000 assigned to the tax collection agent from FY 2000 to FY 2010 (article 4)	Cancellation of taxes, penalties and interest totaling less than EUR1,000	Automatic
Settlement of pending tax disputes with the Italian tax authorities (article 6)	<p><b>Litigation about taxes and related penalties</b></p> <p><i>If, by 24 October 2018:</i></p> <ul style="list-style-type: none"> <li>– <i>the dispute was pending before the court of first instance: no penalties or interest, and payment of only 90% of the taxes</i></li> <li>– <i>the last decision rendered by any court was in favor of the Italian tax authorities: no penalties or interest, i.e. payment of 100% of the taxes only</i></li> <li>– <i>there was a court of first instance ruling in favor of the taxpayer: no penalties or interest, and payment of only 40% of the taxes</i></li> <li>– <i>there was a court of appeal ruling in favor of the taxpayer: no penalties or interest, and payment of only 15% of the taxes</i></li> </ul> <p><i>If, by 19 December 2018:</i></p> <ul style="list-style-type: none"> <li>– <i>the tax dispute was pending before the Supreme Court after two rulings favorable to the taxpayer: no penalties or interest, and payment of only 5% of the taxes</i></li> </ul> <p><b>Litigation about penalties only</b></p> <ul style="list-style-type: none"> <li>– <i>If there was a court of first instance or court of appeal ruling in favor of the taxpayer by 24 October 2018: payment of only 15% of the penalties</i></li> <li>– <i>If there was no ruling by any court in favor of the taxpayer: payment of only 40% of the penalties</i></li> </ul>	<ul style="list-style-type: none"> <li>– Special application to be submitted by 31 May 2019, together with the tax payment (at least the first installment)</li> <li>– Special procedures apply to pending litigation</li> </ul>

## Other amnesties

Other amnesties have also been introduced:

- amnesties for sports clubs or associations
- an excise duty amnesty
- an amnesty for 'formal' violations (i.e. not affecting tax payments) committed before 24 October 2018.

Document prepared and written with the help of Giulia Valacca

## Contacts

### KPMG, Tax & Legal

#### Gianluca Stancati

Partner in charge,  
Global Tax Dispute Resolution  
and Controversy Services

T: +39 06 809631

E: [gstancati@kpmg.it](mailto:gstancati@kpmg.it)

[kpmg.com/it](http://kpmg.com/it)

[kpmg.com/it/socialmedia](http://kpmg.com/it/socialmedia)

#### Giorgio Dal Corso

Senior Manager,  
Global Tax Dispute Resolution  
and Controversy Services

T: +39 045 8114111

E: [gdalcorso@kpmg.it](mailto:gdalcorso@kpmg.it)

[kpmg.com/app](http://kpmg.com/app)

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