

||| Covid-19 outbreak: government emergency tax measures

In brief

Following Covid-19 outbreak, the Government passed a decree implementing extraordinary measures of economic support for families, workers and enterprises (Decree "Cura Italia").

Measures include a series of extensions or suspensions of deadlines related to tax compliance, payments and inspection/litigation activities. Also executive notice of payments due dates are extended. The scenario is unfortunately very articulated and complex to say the least.

Furthermore, the ordinary terms for the approval of 2019 Financial Statements are extended and it will be possible to hold Annual General Meetings entirely by teleconference.

The details

Suspension and extension of tax compliance and payment deadlines

The following measures apply to all tax payers with legal address, domicile or operational address in Italy who reported in the last FY **revenues higher than Euro 2M**:

- || Extension of payments deadlines due on March 16th to March 20th;

- || Suspension of tax compliance (other than payments and withholding tax obligations), falling in the period March 8th - May 31st.

The following measures apply to all tax payers with legal address, domicile or operational address in Italy who reported in the last FY **revenues up to Euro 2M**:

- || Suspension of tax payments (VAT, payroll withholding taxes and social charges), falling in the period March 8th - March 31st

- || Extension of payments deadlines (other than VAT payroll withholding taxes and social charges) due on March 16th to March 20th

- || Suspension of tax compliance (other than payments and withholding tax obligations), falling in the period March 8th - May 31st.

The following measures apply to the **most affected tax payers** (hotel & leisure, transport etc plus residents in the first "Red Zone"):

- || Suspension of tax payments (VAT, payroll withholding taxes and social charges), falling in

the period March 8th - April 30th

- || Extension of payments deadlines (other than VAT payroll withholding taxes and social charges) due on March 16th to March 20th

- || Suspension of tax compliance (other than payments and withholding tax obligations), falling in the period March 8th - May 31st.

The following measures apply to **professionals and agents** who in the last FY reported revenues up to Euro 400k (provided in the last month they have not incurred employment expenses):

- || Possibility to ask the non application of withholding tax on income or commissions paid between March 8th - March 31st

The *new deadlines for suspended tax compliance and payments* are detailed below:

|| Suspended payments will have to be executed by May 31st either in one instalment or in 5 monthly instalments between May and September;

|| Professionals and agents who request suspension of the withholding taxes will have to pay them directly by May 31st

|| Suspended tax compliance other than payments (eg. 2019 VAT return) will have to be filed by June 30th (withholding tax certifications are excluded).

Payment suspensions of withholding tax does not apply to withholding tax on professional income, interest, dividend, short term real estate leases, for which the only extension is the one to March 20th.

Suspension of inspections and litigations

All activities related to inspections, assessment, ruling responses, collection and litigation are suspended from March 8th to May 31st.

Suspension of executive notice payments and assessments

The following payment terms falling between March 8th and May 31st are suspended:

|| Notice of payments from the Collection Agency (Cartelle esattoriali)

|| Assessment notices from Tax Authorities

|| Payment notices from social security entities

|| Assessment notice issued from Custom agencies

|| Notice of payments from local bodies

All these payments will have to be executed in one instalment by June 30th.

Tax Court litigation hearings

All court hearings scheduled between March 9th and April 15th are suspended.

The same suspension applies to all procedural acts of tax court litigations.

Approval of 2019 Financial Statements

2019 Financial Statements approvals can be deferred to 180 days from year end (e.g. end of June).

Annual General meeting approving the accounts can be held fully by teleconference, without being necessary the presence of the Chairman and the Secretary in the same place.

For any further information, please contact us at studio@ctep.it

The above tax information illustrates some tax measures of particular interest; however, it does not contain a full description of the topics dealt with and does not represent a professional opinion.