

||| Settlement of disputes pending before the Italian Supreme Tax Court

In brief

Article 5 of Italian Law 130 of 31 August 2022 introduced a settlement procedure for disputes pending before the Italian Supreme Tax Court regarding proceedings to which the Italian Revenue Agency is party.

The settlement consists in writing off a portion of the higher taxes assessed, as well as the penalties and interest.

Details

|| Settlement of pending disputes

Pending disputes mean those for which:

- | the appeal to the Italian Supreme Tax Court was served on the opposing party by 16 September 2022;
- | at the date the application for settlement was filed, a final judgment had not yet been entered.

|| Exclusion from settlement

The facilitated settlement does not apply to disputes with tax authorities other than the Italian Revenue Agency. Furthermore, it does not apply to disputes concerning:

- | customs duties or rates and VAT levied upon importation;
- | sums due for recovery of State aid;

- | disputes arising from refund applications filed by taxpayers.

|| Settlement procedures

To implement the settlement, it will be necessary to:

- | file an application by 14 January 2023 (i.e., within 120 days of entry into force of the Law on 16 September 2022), using a specific form currently being approved by the Italian Revenue Agency;
- | pay the amounts due and specifically:
 - an amount equal to 5% of the value of the dispute for litigation of which the value does not exceed EUR 100,000 and the Italian Revenue Agency has been entirely unsuccessful in all the previous stages of proceedings;
 - an amount equal to 20% of the value of the dispute for litigation of

which the value does not exceed EUR 50,000 and the Italian Revenue Agency has been entirely or partially unsuccessful in one of the earlier stages of proceedings;

- if no amounts are to be paid, in order to implement the settlement it will be sufficient to file an application.

- | The calculation of the sums payable will take into consideration any payments already made on any account during proceedings. However, sums paid in excess of the amount due for settlement will not be refunded.

|| Effects of settlement

- | The effects of the settlement will prevail over the effects of any court rulings that have not become final before the date of entry into force.
- | Disputes will not be automatically suspended.

For this purpose, taxpayers will have to file a specific application to the court declaring their intention to make use of the provisions on settlement. If suspension is granted, proceedings will

be suspended until the expiry of the time limit for filing applications and paying the amounts due (i.e., until 14 January 2023).

Once the application for settlement has been served,

the Agency will have 30 days to serve a refusal notice, against which an appeal to the Italian Supreme Tax Court may be filed within 60 days.

To keep in contact with us or to receive further information please write to studio@ctep.it

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