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Decree "Cura Italia": deferral of payment deadlines

For all VAT-subjects

With the approval of the Decree 18/2020 (Decree „Cura Italia“, "Cure Italy") a complex system for the deferral of the payment deadlines is introduced, in a differentiated way according to the type of tax, the geographical location of the taxpayer, and his achieved turnover threshold.

The deferral of payment deadlines, already foreseen for certain sectors, is extended to other sectors independently from their geographical position.

Such extension concerns:

- certain sectors: the provision already contained in Law Decree 9/2020 regarding accommodation establishments, travel and tourism agencies and tour operators, has now been extended to numerous other sectors, including pubs and restaurants as well as transportation companies;
- certain type of deferred payments: in addition to withholding tax on wages and equivalent and to social security contributions, a suspension of VAT due in March is provided for; such mentioned payments shall be made within 31 May 2020, with the possibility of splitting them into five monthly instalments.

With regard to the provision mentioned above, the Revenue Agency, with its resolution 12/E/2020 released on 18 March (access in the internet at the following link: <https://www.agenziaentrate.gov.it/portale/documents/20143/2369968/RIS+sospensione+versamenti+filiera+COVID-19+v6.pdf/d7ada077-6478-a650-55b5-3cd9af6b7009>), has provided, indicatively, the ATECO-codes of the economic activities which can draw upon such deferral.

Another provision expressly concerns the world of sport: limited to national sports federations, sports promotion bodies, associations, professional and amateur sports federations, the suspension will apply until 31 May 2020. Payments suspended in accordance with the previous section may be paid without penalty and interest as a single sum within 30 June 2020 or by instalments with a maximum of five equal monthly instalments starting from June 2020.

For all taxpayers tax obligations (other than payments and the obligation to apply withholding taxes) which fall in the period between 8 March 2020 and 31 May 2020 are suspended (for example the presentation of the VAT declaration 2020 due on 30 April 2020, the presentation of the INTRA forms related to the month of February, March, April, due on 25 March, 27 April and 25 May, the presentation of the VAT liquidation data of the first trimester 2020 due on 30 April 2020).

The obligations with respect to the pre-compiled tax declaration remain unchanged (in particular the unitary declarations CU have to be presented within 31 March 2020 according to their original deadline). The suspended obligations can be carried out until 30 June 2020 without any penalty.

For subjects with entrepreneurial, artisan or freelance activity (i.e. companies, craftsmen and freelance professionals) with tax domicile, registered office or place of business in Italy with income or remuneration up to max. 2 million Euros (with reference to fiscal year 2019), payments from self-liquidation due in the period between 8 March 2020 and 31 March 2020 and concerning tax withholdings on wage-related income and equivalent VAT income, contribution and social security payments, as well as premiums for compulsory accident insurance, are suspended.

Also included is the suspension of VAT payments due in March for all companies and professionals with tax domicile or registered office in the Provinces of Bergamo, Cremona, Lodi and Piacenza, irrespective of the amount of their income or remuneration.

In both the above-mentioned cases, the suspended payments shall be made without penalty and interest as a single amount within 31 May 2020 or by instalments with a maximum of five equal monthly instalments starting from May 2020. Payments already made will not be reimbursed.

The postponement for the municipalities of the former "red zone" is confirmed: for the subjects with tax residence, registered office or principal place of business in one of the municipalities listed in Annex 1 of the Presidential Decree of 2 March 2020 (in Lombardy, this concerns Bertonico, Casalpuusterlengo, Castelgerundo, Castiglione D'Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini; in the Region of Venice: Vo') the provisions of article 1 of the Ministerial Decree of 24.02.2020 (suspension of the payment deadlines for contributions and tax obligations due by 31 March 2020) remain in force.

Also for these subjects, payments are to be made as a single amount within 31 May 2020 or by instalments with a maximum of five equal monthly instalments starting from May 2020 (the original payment deadline was the end of April, by means of a single payment).

In the following a summary of the main payment deadlines

Subjects	Obligation/payment obligation	New deadline as deferred
All taxpayers (private individuals, companies, commercial and non-commercial entities)	Payment obligations (VAT, tax withholdings, payment of social security contributions, payment of accident insurance contributions, municipal property tax, flat-rate VAT.) due within 16.03.2020	20.03.2020
	Tax obligations for the period 08.03.2020 - 31.05.2020	30.06.2020
Companies in the hospitality industry and other specific sectors (restaurants, bars, pubs, cafés and ice-cream parlours, theatres, cinemas, fitness centres, swimming pools, etc.)	Payment obligations (withholding taxes on income related to wages and salaries and equivalent income, social security contributions, accident insurance contributions INAIL) due in the period 02.03.2020 - 30.04.2020	01.06.2020 (*)
	VAT-payment as of 16.03.2020	01.06.2020 (*)
National sports associations, bodies promoting sports activities, sports clubs	Payment obligations (withholding taxes on income related to wages and salaries and equivalent income, social security contributions, accident insurance contributions INAIL) due in the period 02.03.2020 - 31.05.2020	30.06.2020 (*)
	VAT-payment as of 16.03.2020	01.06.2020 (*)
Companies/freelancers with	Payment obligations (withhold-	01.06.2020 (*)

revenues/remunerations up to Euro 2 million	ing taxes on income related to wages and salaries and equivalent income, social security contributions, accident insurance contributions INAIL) due in the period 08.03.2020 - 31.03.2020	
Subjects according to the ministerial decree of 24.02.2020 (municipalities ex "red zones" Lombardy/Venice Region)	Tax payment obligations in the period 21.02.2020 - 31.03.2020	01.06.2020 (*)
Companies/freelancers in the Provinces of Bergamo, Cremona, Lodi and Piacenza	VAT payments in the period 08.03.2020 - 31.03.2020	01.06.2020 (*)
Companies/freelancers with 2019 revenues/remunerations up to Euro 400,000	Exemption from withholding for the tax substitute on remuneration/commissions paid in the period 17.03 - 31.03.2020, provided that the recipient of such remuneration/commissions has not made any expenditure in February on salary-related employees or assimilated	01.06.2020 (*) The payment is made directly by the recipient (freelancer, sales representative)

(*) Single payment/first instalment (max. 5 instalments)

We would like to point out that only with reference to the deferral, with respect to the first line of the table above (general deferral), payment of withholding tax on professional fees, commissions, interest, royalties, dividends, etc. (especially according to tax keys 1040 and 1035) is also deferred. This does not apply to certain sectors, sports and in case of revenue/compensation up to two million Euros. The outcome of this is that within 20 March 2020, withholding tax on professional fees, commissions, interest, royalties, dividends, etc. (in particular according to tax keys 1040 and 1035) shall be paid.

Also the annual authentication fee must be paid by all taxpayers within 20 March 2020 (tax key 7085), exception made for the subjects located in the former "red zones".

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Exemption from withholding tax payments for freelancers and commercial agents

For all VAT-subjects

Another provision exempts certain subjects from withholding tax: subjects who declare an income or remuneration not exceeding Euro 400,000 (to be verified on the basis of 2019) are exempted from withholding tax on income and remuneration earned in the period between the entry into force of the Decree and 31 March 2020, in accordance with articles 25 (freelancers) and 25*bis* (commissions) of D.P.R. 600/1973, on condition that they have not incurred expenses for salary-related employees or assimilated during the previous month.

To this purpose a declaration must be issued; these subjects will pay the amount of the withholding tax not paid by the tax substitute in a single amount within 31 May 2020 or with a maximum of five equal monthly instalments starting from May 2020, without penalties or interest.



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