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DECREE ON TAX OBLIGATIONS

The Italian legislative decree no. 1 of 8 January 2024 implementing the tax reform on the rationalisation and simplification of tax obligations (so-called "*DLgs. Adempimenti*") was published in the Italian Official Gazette. The decree is in force since 13 January 2024.

Please find below the latest news.

REVISED DEADLINES FOR TAX RETURN FILING

As of 2024, the deadline for the filing of income and regional tax on productive activities (IRAP) tax returns of individuals, partnerships or associations is brought forward to 30 September (no longer 30 November). Similarly, the deadline for the filing of income tax returns for corporate taxpayers is brought forward to the last day of the ninth (and no longer the eleventh) month following the end of the tax period.

As of 2025, the initial deadline for the filing of the income tax returns, IRAP tax returns and the 770 form is also brought forward to 1 April.

The filing deadlines in force before the above amendment apply provisionally to those taxpayers, whose tax period is not identical to the calendar year, and for which the filing deadline for income tax and IRAP tax returns relating to the tax period before the tax period ongoing on 31 December 2023 expires after 2 May 2024.

EXTENDED USE OF 770 FORM

As of 2024, the use of the simplified 730 tax return form is extended to all individuals (non-VAT payers), even if they are holders of other income than income from employment and similar income.

The types of income that may be reported gradually by using such form in each tax period shall be set forth by a decree to be released by the Italian tax authority.

The holders of income from employment and similar income may fulfil their reporting obligations by using the 730 form, even if a withholding agent is required to offset taxes. If the tax return reports a tax debt, payment must be made within the deadlines set forth for the payment of the final income tax balance (usually by 30 June). If the tax return is filed directly with the Italian tax authority, the software application will generate the F24 payment form for the payment of taxes.

SUBMISSION OF ITALIAN HEALTH CARD DATA

As of 2024, those required to submit data on health expenses incurred via the Italian health card system to the Italian tax authority for the preparation of pre-filled out income tax returns will submit such data half-yearly (not monthly anymore).

The Italian Ministry of Economy and Finance will set forth the submission deadlines in a decree still to be issued.

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CERTIFICATIONS ON INCOME FOR FLAT-TAX PAYERS

As of 2024, withholding agents that pay fees (however named) to flat-tax payers (*regime forfettario* under the Italian law 190/2014 and *regime di vantaggio* under article 27 of the Italian law decree 98/2011) are not obliged to issue and to submit a certificate on income (*certificazione unica*) to the Italian tax authority.

SIMPLIFIED FILING FORMS FOR INCOME TAXES, REGIONAL TAX ON PRODUCTIVE ACTIVITIES (IRAP) AND VAT

As of the tax period ongoing on 31 December 2023, it was ordered to gradually eliminate from each filing form information that is not relevant for the payment of tax or that the Italian tax authority may acquire through their databases or from other authorities.

Information on tax credits from incentives granted to business operators that must be reported in the filing forms will also be gradually reduced. The Italian tax authority confirmed in its answers during the Telefisco 2024 event that in 2024 for the first time it is planned to use simplified filing forms relating to the 2023 tax period. The Italian tax authority specified that the most significant simplification in this first year will relate to the RU tax credits field.

FAILURE TO REPORT INCENTIVE-RELATED TAX CREDITS IN THE TAX RETURN

As to the tax returns relating to tax periods following the one ongoing on 31 December 2022, the failure to report tax credits from incentives granted to business operators does not result in the loss of the tax benefit if it is actually owed.

The duty to register with the Italian Register on State Aid (*RNA - Registro nazionale degli aiuti di Stato*) remains unchanged for tax credits qualifying as state aid or as de minimis aid.

SIMPLIFIED 770 FORM

An experimental use of a simplified 770 form is planned to start with the payments relating to the withholding agents' tax returns for the tax year 2025 (i.e. 770/2026 form for 2025).

Concomitantly with the payment of withholding taxes and

retentions, withholding agents may now report the following information and use the Italian tax authority's services for the preparation of F24 payment forms:

- the amount of withholding taxes and retentions;
- allowances, if any;
- other data specified in the Italian tax authority's implementing measure.

The above data, if reported as set forth by the Italian tax authority's implementing measure, is treated to all effects in the same way as data reported in the 770 form. This simplification can be benefited from by withholding agents that:

- are required to retain withholding taxes on fees that form income from employment or from self-employment;
- with a total number of no more than 5 employees on 31 December of the previous year (such limit may be raised by a measure of the Italian tax authority).

The simplified scheme is adhered to by conclusive behaviour and is binding for the entire tax year for which this such option is exercised.

OPTION FOR THE SPECIAL SCHEME FOR LISTED AND NON-LISTED REITS

The option for the special scheme for listed REITs may now be exercised at the time of filing of the tax return for the tax period before the one in which the taxpayer intends to use such scheme.

This provision applies as of the options to be exercised for the tax periods following the one ongoing on 31 December 2024.

On the contrary, the rules previously in force (according to which the option needed to be exercised by the end of the tax period before the one in which the taxpayers intends to use such scheme) continue to apply for the exercise of the option for the tax period ongoing on 31 December 2024 (i.e. by the end of the business year as at 31 December 2023).

Non-listed REITs also benefit from the same special scheme, if they are controlled (even indirectly) by a listed REIT, as provided for under article 117 (1) and article 120 of the Italian Tax Code (TUIR).

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TAX RELIABILITY PARAMETERS (TRP) AMENDED

Some changes to the rules on tax reliability parameters (*ISA - indici sintetici di affidabilità fiscale*) were introduced to make it easier to fill-out the tax forms and to implement the incentives scheme.

TRP reorganisation

TRPs are periodically revised considering the analysis made to reorganize them in such a way as to reasonably reflect the economic realities they refer to and to account for ATECO classification evolutions.

More systems available to reduce the burden of filling out TRP forms

To make it easier for taxpayers to fill out TRP forms,

- data and information on taxpayers acquired directly or obtained from third parties for the acquisition of data relevant for the application of the TRPs is made available;
- information that is not essential to calculate, to prepare or to update the TRPs is deleted;
- pre-filled out data submission by the Italian tax authority is implemented.

Release of a software for filling out TRP forms

The IT programme for filling out TRP forms will be made available by the end of April, as regards 2024 (by 15 March, starting from 2025).

Raised limit for the exemption from the tax compliance certificate or the granting of a guarantee

The amount up to which (depending on the different levels of tax reliability based on the TRPs) taxpayers are exempted from enclosing a tax compliance certificate was raised.

More specifically, the limit up to which no tax compliance certificate is required for forms reporting a tax credit is raised:

- from EUR 20,000.00 to EUR 50,000.00 relating to the offsetting of direct tax credits and IRAP credits to pay taxes and contributions due (*compensazione orizzontale*);
- from EUR 50,000.00 to EUR 70,000.00 relating to the offsetting of VAT credits to pay taxes and contributions due (*compensazione orizzontale*).

Moreover, the limit up to which no tax compliance certificate is needed, and no guarantee must be granted for VAT refunds, is raised from EUR 50,000.00 to EUR 70,000.00.

The new limits shall apply further to the issuance of an implementing measure by the Italian tax authority setting forth the applicable levels of tax reliability.

MINIMUM AMOUNT FOR VAT PAYMENTS RAISED

As of the sums due with reference to periodic VAT settlements relating to the 2024 tax year, the limit above which VAT resulting from periodic VAT settlements is due was raised from EUR 25.82 to EUR 100.00.

If the amount owed does not exceed the limit of EUR 100.00, payment must be made concomitantly with the one relating to the subsequent month or quarter, and in any case by 16 December of the same year.

CUMULATIVE PAYMENT OF AMOUNTS WITHHELD ON SELF-EMPLOYED INCOME, OTHER INCOME AND COMMISSIONS

Starting from the fees paid in January 2024, amounts withheld on self-employment income, other income, and commissions pursuant to article 25 and article 25-bis of the Italian DPR 600/73 may be paid as follows, if the amount does not exceed EUR 100.00:

- concomitantly with the payment relating to the subsequent month;
- in any case by 16 December of the same year.

Amounts withheld in December must be paid by 16 January of the following year.

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DELIVERY OF PENALTY-FREE TAX NOTICES AND COMPLIANCE LETTERS SUSPENDED

During the months of August and December of each year, the delivery of

- penalty-free tax notices (further to automatic tax settlement and/or formal tax assessment);
- notices on the settlement of income subject to separate taxation;
- compliance letters and/or notices on irregularities is now suspended, unless under urgent and undelayable circumstances.

The suspension for vacation from 1 August to 4 September of each year continues to apply to penalty-free notices and notices on the settlement of taxes subject to separate taxation as regards the 30 days deadline for the payment of sums due or of the first instalment.

Additionally, the suspension from 1 August to 4 September of each year for the submission of documents and information required from taxpayers by the Italian tax authority or other tax offices continues to be applicable, save for requests made further to accesses, inspections and assessments, and VAT refund procedures.

DEADLINES FOR THE PAYMENT OF TAXES BY INSTALMENTS AMENDED

As of the payment of sums due as final balance for taxes relating to the tax period ongoing on 31 December 2023, taxpayers that intend to pay the sums owed as final balance and as first prepayment on taxes, as specified in the tax returns (income tax, regional tax on productive activities (IRAP) and VAT), by instalments, may benefit from:

- the extended deadline for the drafting of an instalment plan until 16 December (not the end of November anymore) and the addition of one more instalment;
- the same deadline set forth on the 16th day of each month for all taxpayers for the payment of instalments after the first one (no different deadlines for VAT payers and non-VAT payers anymore).

ELECTRONIC RECORDING AND SUBMISSION OF DAILY PROCEEDS

The daily proceeds' total amount may be electronically stored and submitted also by software solutions ensuring that stored and submitted data are safe and may not be altered (instead of by electronic data acquisition devices and the web-based procedure made available by the Italian tax authority, as it is currently the case).

These software programmes must allow for full integration and interaction of the daily proceeds' registration process with the electronic payment process if the above payment method is used to settle the trade transaction.

For this purpose, the above software solutions may be installed on any device, including advanced electronic payment devices.

The technical specifications for the creation, the approval and the release of the software solutions shall be set forth by the Italian tax authority in one or more measures.

NOTICE ON TERMINATION OF A CUSTODY ENGAGEMENT FOR ACCOUNTING RECORDS

If third parties are engaged to keep and store legally required books, registers, accounting records and documents, the custodian may submit a notice on termination of the custody engagement to the Italian tax authority. However, the custodian must inform their clients thereof beforehand (by certified mail (PEC) or registered letter).

The Italian tax authority shall adopt a specific measure and provide a template for such termination notice.