



NEWSLETTER NO. 7-2019

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CERTIFICATIONS ON INCOME 2019

Dear clients,

herewith we would like to remind you that certifications on income of employees and self-employed workers as well as on other income ("certificazione unica – CU") must be submitted online to the Italian tax authority by 7 March 2019 at the latest. With decision no. 10644 of 15 January 2019, the Italian tax authority has approved the certification forms for the year 2018 ("CU 2019"), together with the respective fill-in instructions and taxpayers information.

INTRODUCTION

In order to fulfil the above-mentioned obligation, withholding agents must:

- file online a detailed "regular" form with the Italian tax authority no later than by 7 March 2019 in order for the Italian tax authority to collect all data required for pre-filling the individuals' tax returns (730/2019 and RED-DITI 2019 PF forms) and the withholding agents reports (770/2019 forms);
- hand over the "summary" of certification, which contains less detailed information than the "regular" form, to the income recipients no later than by 1 April 2019 (since 31 March 2019 is a Sunday).

Section 1 (933) of the Italian law 205 as of 27 December

2017 (2018 Budget Law) sets forth that certifications on income that do not contain any data to be used for the pre-filling of tax returns may be submitted to the Italian tax authority no later than by the deadline set forth for the online filing of the 770 forms (31 October).

1.1. Personal and material scope of application

This certification must be submitted by all those who, in 2018, paid sums or valuables subject to withholding tax as:

- wages and salaries and similar income;
- self-employment income under section 53 of the Italian Tax Code (TUIR);
- commissions of any kind, subject to withholding tax under section 25-bis of the Italian DPR 600/1973;
- provisions from doorstep selling under section 19 of the Italian legislative decree 114/98;
- considerations for procurement contracts subject to withholding tax under section 25-ter of the Italian DPR 600/1973;
- other income under section 67 of the Italian Tax Code (TUIR) (e.g. non-regular self-employment, remuneration for amateur sporting participants, etc.);
- fees and rental income for short-term leases, including subleases and concession of use to third parties effected for consideration by the user;
- compensation due on termination of agency contracts, on termination from the office of notary and on the termination of sporting activities, if exercised under a self-



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- employed working relationship;
- remuneration paid further to third party seizure pursuant to section 21(15) of the Italian law 449 as of 27 December 1997;
- sums paid further to expropriation procedures under section 11 of the Italian law 413 as of 30 December 1991;
- withholding taxes and deductions;
- social security contributions and insurance premiums to the National Institute for Insurance against Accidents at Work (INAIL).

The 2019 certifications on income must be used also to certify any amount of income paid in 2018 that is not to be included in the tax base and in the social security base.

However, certifications on income do not apply in order to certify:

- dividends and similar income as well as withholding or substitute taxes applied, which must continue to be certified by using the relevant CUPE form (as approved by decision 10663 of 15 January 2018 by the Italian tax authority);
- capital gains for which a plain paper certification containing the following continues to apply: general data and tax code of the taxpayer; type, subject and date of transaction; quantity of the transaction's financial assets; any contingent fees, differences and bonuses (section 10 of the Italian legislative decree 461/97);
- interest and other financial income which continues to be certified on plain paper, as long as the amount of the sums and valuables paid, gross and net of any contingent deductions due, and withholding taxes applied, are certified (section 8, ministerial decree as of 9 January 1998).

Please bear in mind that certifications on income must be used also to certify the amount of income received by individuals (i) under special taxation schemes (minimum or flat tax payers) and that (ii) were not subjected to any withholding tax.

1.2 2019 News

Please find below the most important news on the new form to be used for the 2019 certification on income:

- a new section "Special types of income": to report some income types comparable to employed income under section 50 (1) of the Italian Tax Code (TUIR) and to separately state those types of income that for tax purposes are classified differently than for social security purposes (i.e.: income from continuous and coordinated contractual relationships; income from self-employed work of professionals employed by the Italian Health Service ("attività libero professionale intramuraria"); indemnity payments, attendance allowances and other fees paid by the State, the Regions, the Provinces and the Municipalities for carrying out public duties; income paid to members of tax commissions and supervisory court experts; annuities and fixed-term annuities for which payments have been made other than pension payments; periodical payments of any kind which are not obtained currently due to equity or labour contribution;
- a new field in which to report the value of any contingent benefits in kind and any contingent remuneration in kind paid in the course of a relationship, regardless of their amount;
- new fields in order to report sums paid for performance bonuses to be filled out if the benefit includes benefits in kind by stating the relevant amount;
- the introduction of new codes to state new expenses that give right to a 19 percent income tax deduction (IRPEF) (expenses paid for the purchase of local, regional and inter-regional public transport subscriptions; insurance premiums for policies aimed at covering the risk of natural disasters; medical expenses incurred for individuals with learning disabilities;
- new fields to report the period during which temporary early supplementary income (RITA) paid by a supplementary pension scheme is received;
- new fields to report the tax credit recognized by the Italian Social Security Institute (INPS) to retired people who benefited from the early retirement mechanism ("APE volontario") under section 1 (166-178) of the Ital-

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ian law no. 232/2016 against the payment of interest on the loan and insurance premiums on the risk of early death.

Please be advised that the 2019 certification on income comprises:

- a detailed "regular" form to be filed online with the Italian tax authority in order to collect all data required for pre-filing the individuals' tax returns and the withholding agents reports (770 forms);
- a "summary" to be handed over to the taxpayer.

1.3 Filing deadline

Herewith we would like to remind our clients that withholding agents must submit income certifications for the tax year 2018 online **by 7 March 2019**. To this purpose, the Italian tax authority has published a form contained in decision no. 10664/2019.

This certification replaces the certification on self-employed income released on plain paper. Withholding agents must hand over the income certification 2019 (tax year 2018) to income recipients **by 31 March (1 April in 2019)** at the latest.

Pursuant to the Italian law 205/2017 certifications on income relating solely to income which is not taxable or declarable via a pre-filled income tax return may be filed no later than on the deadline for the filing of the 770 income tax return (set forth on **31 October**), without any penalties.

We would like to ask our clients that intend to have the certifications on income filed by us as an authorized intermediary to provide us with their consent **as soon as possible**.

Please do not hesitate to contact us if you have any further questions.

Yours sincerely,

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