Executive summary

On 1 December 2016, the Italian Parliament enacted Law no. 255, (the Fiscal Law),¹ which provides for new measures to tackle tax evasion. The new law is mainly aimed at encouraging electronic invoicing and the recovery of unpaid value added tax (VAT) through the introduction of new reports including:

- Communication of VAT invoices data - related to invoices issued and received (including Custom bills and credit notes) to be filed by taxpayers on a quarterly basis (*Quarterly Spesometro*).
- Communication of calculations data - related to the periodic VAT calculations to be filed by taxpayers on a quarterly basis.

As a direct consequence of the introduction of these new VAT filing obligations, the Fiscal Law repeals some previous VAT filing requirements including the following:

- The Annual Communication of customer and supplier data (*Spesometro*).
- Intrastat declarations for intra-European Union (EU) acquisitions of goods and purchase of services.
- The report Communication of transactions with counter parties established in “Black List” countries.

The Fiscal Law also sets out new filing deadlines for Annual VAT returns and it has postponed the entry into force of the mandatory transmission of data related to payments carried out by businesses operating vending machines and other automatic distribution machines.
Detailed discussion

New deadlines for the Annual VAT Return
New deadlines have been introduced for the filing of the Annual VAT return:

- The Annual VAT return for fiscal year (FY) 2016 must be filed by 28 February 2017.
- The Annual VAT returns for subsequent fiscal years, including FY2017, must be filed during 1 February and 30 April of the year following the tax year in question (e.g., the Annual VAT return for FY2017 must be filed between 1 February and 30 April 2018).

Quarterly Communication of VAT invoices data
A new quarterly report, Communication of VAT invoices data (the Quarterly Spesometro) has been introduced for transactions carried out with effect from FY2017. At the same time, the yearly VAT report Communication of customer and supplier data (known as Spesometro) has been repealed.

However, the annual Spesometro filing obligation still applies for transactions that occurred during FY2016 (with an obligation to file the report by 11 or 20 April 2017 depending on the specific taxpayer’s position).

The deadline for the new quarterly VAT filing obligation is the last day of the second month following each calendar quarter. Therefore, new quarterly VAT filings will be due for Italian taxpayers (except for a very few categories of business) as follows:

- 31 May for the period January – March
- 16 September for the period April – June
- 30 November for the period July – September
- 28 February for the period October – December

To allow taxpayers time to set up all the necessary accounting systems in compliance with the technical features of the new reporting obligation (which will be specified by the Italian Tax Authorities in the future), the ordinary filing deadlines for the first two quarters of 2017 are postponed to 25 July 2017.

A specific order is expected to be issued by the Italian Tax Authorities in the coming weeks that will define the information about the invoices issued and received (including Custom bills and credit notes) that must be officially communicated. This information is likely to include the following:

- Details of the parties
- Date and number of the invoice
- VAT tax base (value)
- VAT rate applied
- VAT amount
- Type of transaction

The Italian Tax Authorities will also specify the operational filing procedures for the new VAT obligation, to allow taxpayers to set up their systems in accordance with these requirements.

Quarterly Communication of VAT calculations data
Effective 1 January 2017, Italian VAT taxpayers (except for very few business categories) will also be required to report on a quarterly basis the accounting data related to their periodic VAT calculations.

Filing deadlines are the same as provided for the Quarterly Spesometro:

- 31 May for the period January – March
- 16 September for the period April – June
- 30 November for the period July – September
- 28 February for the period October – December

However, no special postponement provision has been issued for the first two quarters of FY2017 and consequently the first official filing deadline will be 31 May 2017.

Following the filing, the Italian Tax Authorities will match the data of the invoices issued and received, the data of the VAT periodic calculations and the data of relevant VAT payments (if any) and they will perform consistency checks. If discrepancies between the data communicated and the actual data are found, the Tax Authorities will inform taxpayers accordingly allowing them to provide clarifications or to make voluntary payments under regularization procedures, if necessary.

Again, a specific order will be issued by the Italian Tax Authorities that will define the information requirements and technical features that taxpayers will need to comply with to meet the new VAT filing obligation.
New penalty regime
The Fiscal Law has introduced a specific administrative penalty regime for violations related to the new quarterly VAT filings as follows:

- Quarterly Communication of VAT invoices data: a penalty of €2 for each omitted or incorrect invoice data filing, up a maximum of €1,000 for each quarter. However, if the taxpayer regularizes the position within 15 days from the deadline (either through a late filing of the missing invoice data or a re-filing of the correct data), the penalty can be reduced to half of the amount (i.e., €1), up to a maximum of €500 for each quarter.

- Quarterly Communication of VAT calculations data: a penalty ranging from €500 to €2,000 for incorrect, incomplete or omitted filings per each quarter. However, if the taxpayer regularizes the position within 15 days from the deadline (either through a late filing of the missing invoice data or a re-filing of the correct data), the penalty can be reduced to half of the amount (i.e., €250), up to a maximum of €1,000 for each quarter.

Future alerts will report on any further developments.
For additional information with respect to this Alert, please contact the following:

**Studio Legale Tributario in association with Ernst & Young, Rome**
- Nicoletta Mazzitelli +39 06 855 67323 nicoletta.mazzitelli@it.ey.com
- Valentina Casale +39 06 855 67280 valentina.casale@it.ey.com
- Emma Greco +39 06 855 67327 emma.greco@it.ey.com

**Studio Legale Tributario in association with Ernst & Young, Milan**
- Stefano Pavesi +39 02 851 43646 stefano.pavesi@it.ey.com
- Emanuele Muolo +39 02 851 43458 emanuele.muolo@it.ey.com
- Marco Cantisani +39 02 851 43635 marco.cantisani@it.ey.com
- Anselmo Martellotta +39 02 851 43485 anselmo.martellotta@it.ey.com

**Studio Legale Tributario in association with Ernst & Young, Treviso**
- Fabio Babolin +39 0422 625 150 fabio.babolin@it.ey.com

**Studio Legale Tributario in association with Ernst & Young, Turin**
- Anna Paola Deiana +39 011 516 5293 anna-paola.deiana@it.ey.com
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Indirect Tax

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