

# Guide to the '*Decreto Liquidità*' decree

## Tax issues

10 April 2020



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# Taxation in the times of the Coronavirus, part II

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## Introduction

On 8 April 2020, the Italian Council of Ministers approved Law Decree no. 23, published in the Official Gazette (General Series no. 94, Extraordinary Edition of 8 April, 2020), containing “*Urgent measures related to access to credit and tax obligations for businesses, special powers in strategic industry sectors, as well as healthcare and employment interventions, prorogation of administrative and procedural deadlines*”, the so-called ‘*Decreto Liquidità*’.

This guide summarises the main measures adopted in terms of taxation in consideration of the ongoing Covid-19 emergency.

Please do not hesitate to contact us should you require any further information or clarification.

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## Taxation in the times of the Coronavirus, part II

Article	Summary
<p>Postponement of due dates for payments of taxes and social security contributions <i>(article 18)</i></p>	<p>The deadlines for payments by tax payers who in March and April 2020 suffered a fall in turnover as a result of the Covid-19 pandemic are suspended.</p> <p>In particular:</p> <p>a) subjects with revenues or fees <b>not exceeding 50 million</b> Euro in 2019, are entitled to postpone payments due relating to March and falling due on 16 April 2020, if, during March 2020, they suffered a fall in turnover of <b>at least 33%</b> with respect to that in March 2019.</p> <p>The same comparison must be applied with regards to turnover in April 2020, in which case a similar postponement of payments relating to April and falling due on 16 May 2020.</p> <p>b) subjects with revenues or fees <b>exceeding 50 million</b> Euro in 2019 are entitled to postpone payments due relating to March and falling due on 16 April 2020, if, during March 2020, they suffered a fall in turnover of <b>at least 50%</b> with respect to that in March 2019.</p> <p>The same comparison must be applied with regards to turnover in April 2020, in which case a similar postponement of payments relating to April and falling due on 16 May 2020.</p> <p>The suspensions in question relate to payment of <b>VAT, additional income tax, and withholdings at source (<i>ritenute alla fonte</i>)</b> for employees, <b>social security contributions and obligatory insurance premiums.</b></p> <p>c) For businesses and professional having a tax domicile, registered office or operational headquarters in the Provinces of <b>Bergamo, Brescia, Cremona, Piacenza or Lodi</b> the due date for the payment of <b>VAT alone</b> relating to March and falling due on 16 April 2020 is postponed, during March 2020, they suffered a fall in turnover of <b>at least 33%</b> with respect to that in March 2019.</p> <p>The same comparison must be applied with regards to turnover in April 2020, in which case a similar postponement of payments of VAT alone relating to April and falling due on 16 May 2020.</p> <p>The payments in question must be made in a lump sum <b>within 30 June</b> but there is also the possibility to make payment in up to 5 equal monthly instalments (without penalties or interest) starting from 31 June 2020.</p>
<p>Postponement of the due dates for payment of withholdings on income from freelance work and commissions, agency, mediation, and sales representatives or brokers <i>(article 19)</i></p>	<p>For subjects having a tax domicile, registered office or operational headquarters in Italy with revenues or fees for the previous year not exceeding 400,000 Euro, the amounts received in the period between 17 March 2020 and 31 May 2020 are not subject to withholding tax pursuant to articles 25 and 25-bis of DPR 600/1973, provided that in the previous month they did not incur costs relating to employees or collaborators.</p> <p>The subjects who opt for the non-application of the withholding tax must submit a specific declaration certifying the presence of the above requisites.</p> <p>The withholdings in question must however be paid in a lump sum <b>within 31 July</b> by the recipient but there is also the possibility to make payment in up to 5 equal monthly instalments (without penalties or interest) starting from <b>31 July 2020</b>.</p>

## Taxation in the times of the Coronavirus, part II

<p>Advances due in June on forecast for the following year (<i>article 20</i>)</p>	<p>The provisions relating to penalties and interest in the event of omission or insufficient payment of advances due for the tax period following that in progress on 31 December 2019 of:</p> <ul style="list-style-type: none"> <li>- IRPEF (income tax)</li> <li>- IRES (Corporate tax)</li> <li>- IRAP (Regional Business tax)</li> </ul> <p>provided that the amount paid is <b>not lower than 80%</b> of the amount due by way of advance for 2020, as shown in the tax return for the current year, thus allowing a margin of error of 20%.</p>
<p>Postponement of deadlines for payments (<i>article 21</i>)</p>	<p>All payments to public administrations originally falling due on 16 March, previously postponed to 20 March, 2020 pursuant to Legislative Decree n. 18 of 17 March 2020, are considered timely made if paid by <b>16 April 2020</b>.</p>
<p>Deadlines for sending the online <i>Certificazione Unica 2020</i> (<i>article 22</i>)</p>	<p>The deadline for submitting the <i>Certificazione Unica 2020</i> form has been postponed to <b>30 April 2020</b>.</p>
<p>Extended validity of certificates pursuant to article 17-bis, parag 5 D.lgs 241/1997, issue din February 2020 (<i>article 23</i>)</p>	<p>The certifications issued by contracting companies (or subcontractors) to the principals in February 2020, and relating to the staff employed on the relevant contract as well as the due completion of the administrative tasks and the absence of inspections, <b>remain valid until 30 June 2020</b> , without the need for monthly renewal.</p>
<p>Main home (<i>article 24</i>)</p>	<p>In consideration of the difficulties people encounter in travelling and completing real estate transactions, the terms provided for in note II-bis of article 1 of the Tariff of the Consolidated Tax Act (Presidential Decree 131/1986) requiring the undertaking by the buyer of the "principle home" to transfer his residence within 18 months from the date of completion, to the municipality where the new property is located, <b>are suspended for the period from 23 February to 31 December 2020</b>.. The 1-year terms for those who buy back their "principle home" and intend to benefit from the tax credit pursuant to Law 448/1998 is subject to the same suspension.</p>
<p>Tax assistance (<i>article 25</i>)</p>	<p>As long as the health emergency persists, and in order to allow the timely submission of the tax return of natural persons using the 730 form, <b>streamline procedures for granting a proxy by the taxpaying citizen to the CAF (<i>Centro di Assistenza Fiscale</i>) tax assistance centre (or to the qualified professional) are allowed</b>. In particular, the individuals is permitted (given the possible lack of tools such as printers and scanners) to send an email with their photograph or a video message attached, indicating the details of the proxy. Once the emergency is over, the correct documentation will have to be presented.</p>
<p>Simplification in payment of stamp duty on electronic invoices (<i>article 26</i>)</p>	<p>The payment of stamp duty on electronic invoices can be made without applying interest or fines:</p> <ul style="list-style-type: none"> <li>• For the first quarter 2020: within <b>20 July 2020</b> if the tax due on electronic invoices issued in the first quarter is less than 250 Euro.</li> <li>• For the first and second 2020: within <b>20 October 2020</b> if the tax due on electronic invoices issued in the first and second quarter 2020 is less than 250 Euro per quarter.</li> </ul>

## Taxation in the times of the Coronavirus, part II

<p>Amendment to art. 32- quater of law decree 124 of 2019</p> <p>(article 28)</p>	<p>This provision changes the way in which the profits distributed to partnership (<i>società semplice</i>) are attributed. The changes are aimed at:</p> <p>a) including within the scope of the discipline the profits from foreign sources, with the exclusion of profits coming from <i>tax havens</i> (and similar), which will continue to be subject to the provisions of the TUIR (Income Tax Code);</p> <p>b) clarifying the methods of application of withholding tax and substitute tax on the portion of profits due to partners of the beneficiary partnership ,</p> <p>c) regulating the tax regime applying to profits due to members of non-commercial entities and non-resident shareholders;</p> <p>d) <b>regulating a transitional regime for profits produced in the financial year as of 31 December 2019</b>, the distribution of which is resolved upon within by 31 December 2022. Those profits are subject to the tax regime in force before the amendments made by the 2018 budget law.</p>
<p>Tax credit in relation to the purchase of PPE for use in the workplace (article 30)</p>	<p>The tax credit already provided for by art. 64 of the ‘<i>Cura Italia</i>’ Decree of 17 March 2020 n. 18 (according to which a <b>tax credit of 50%</b> on expenses incurred for the sanitation of environments and work tools was attributed to businesses, arts or professional up to a <b>maximum of 20,000 Euro</b> for each beneficiary and until the maximum amount of 50 million Euros allocated for the year 2020 is exhausted) is extended to the purchase of personal protective equipment and other safety devices designed to protect workers from accidental exposure to biological agents and to guarantee the interpersonal safety distance.</p> <p>The implementing provisions will be detailed in a forthcoming decree.</p>
<p>Suspension of hearings and postponement of deadlines</p> <p>(article 36)</p>	<p>The suspension provided for in parags. 1 and 2 of art. 83 of the ‘<i>Cura Italia</i>’ Decree of 17 March 2020 n. 18 has been extended until <b>11 May 2020</b>.</p> <p>Proceedings governed by the Code of Administrative Procedure are suspended from <b>16 April to 3 May</b>, and this includes the deadline for the original filing.</p>
<p>Postponement of deadlines in administrative hearings</p> <p>(article 37)</p>	<p>With regard to administrative procedures the deadline is postponed to <b>15 May 2020</b>.</p>

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