Agenzia Entrate

Revenue Agency

VAT

VAT Return 2015

2014 Tax period

INSTRUCTIONS FOR THE COMPILATION

NOTE: unless otherwise specified, the articles of law mentioned refer to Presidential Decree no. 633 of October 26, 1972 and subsequent amendments

VAT 2015

1. VAT RETURN FORMS FOR THE YEAR 2014 - GENERAL INSTRUCTIONS

Foreword

The 2015 annual VAT return form concerning the tax year 2014 must be used both by the taxpayers required to file this form autonomously and by the taxpayers who are required to include their annual VAT return in their UNICO (Personal Income Tax Return) 2015 form.
It is pointed out that for the annual VAT return the VAT/BASE 2015 form may be used instead of this one. For information regarding which taxpayers may use the VAT/BASE 2015 form please consult the completion instructions.
The amounts must be reported in units of euro by rounding up if the decimal fraction is equal to or higher than 50 cents of a euro and by rounding down if the amount is lower than this limit. To this end, in the spaces reserved for the amounts, two zeros have been preprinted after the comma.

Main amendments to the forms

Reported below are the main general amendments introduced in the 2015 VAT return forms.

ANNUAL VAT RETURN FORM

FRONT COVER

Data reserved for non-resident people were removed from the box **Taxpayer's data**.
Data referring to foreign residence were removed from the box **Declarant other than the taxpayer**.

FORM

PART VA

Line **VA14** was re-named "Flat-rate method for individuals carrying on business activities, arts and professions (art. 1, paragraphs 54 to 89, law no. 190/2014)". Starting from this year, this form addresses to the individuals who submit the last VAT return before joining the system provided by article 1, paragraphs 54 to 89, of law no. 190, of 23 December 2014. **Section 3** was removed.

PART VB

This new established part includes the data which, last year, were comprised in the Section 3 of PART VA. It is designed for the insertion of data referring to the identification details of financial relationships by the individuals who want to avail of the provisions of article 2, paragraph 36s ter, of Decree no. 138 of 13 August 2011.

PART VE

The line to describe operations with 21% tax rate was removed from **section 2**. As a result, the lines in **section 3** were renumbered. In **section 4** line VE30 is implemented with the introduction of the new field 5, called "Transactions treated as supply of exports". Starting from this year, in the same section, line **VE34** is called "Non-taxable transactions, as provided by articles 7 to 7-septies". It refers to the transactions that last year were reported in line VE39. Following lines were renumbered.

PART VF

The line to describe operations with 21% tax rate was removed from **section 1**. As a result, lines in **section 1** and **section 2** were renumbered. In **section 3-A** line **VF34** was implemented with the introduction of field 8, called "Transactions without right of deduction, as provided by articles 7 to 7-septies". The new field was designed in order to keep into account non-subject transactions, already included in line VE34, which do not provide the right of deduction, when determining the deductible proportion.

PART VX

Line **VX4** was changed in order to adopt the method with which refunds are processed, as provided by the new text of article 38-bis, introduced by the Legislative Decree no. 175 of 21 November 2014. Fields reserved for virtuous taxpayers were removed and the new field 6 was introduced, which is reserved to taxpayers who are not subjected to present the guarantee. Declarations in lieu of an affidavit attesting the operational condition and financial strength were introduced.

PART VO

In **section 2**, in lines **VO23** and **VO24** some boxes were introduced in order to report options as provided by article 1, paragraphs 1093 and 1094, of law no. 296 of 2006, exercised by agricultural companies.

VAT Prospectus 26/PR

In **part VS** the field 8 was designed in order to signal that the return of the controlled company has the certified conformity or the subscription of the supervisory body and the declaration in lieu of an affidavit attesting the presence of the conditions provided by article 38-bis, paragraph 3, letters a), b) and c). As a result, thefollowing fields were renumbered. Fields reserved to virtuous taxpayers were removed.

1.1 Taxpayers autonomously filing their VAT return

The "autonomous filing" (non unified) of the **VAT return form for the year 2014 (2015 VAT form)** is reserved for some categories of taxpayers, namely:
– joint-stock companies and the bodies subject to IRES (Corporation Income Tax) with tax period not coinciding with the calendar year; and subjects, other than physical persons, with a tax period that came to a close prior to 31 December 2014;
– controlling and controlled companies, which report their VAT liquidation as part of a group according to Art. 73, also for periods shorter than a year;
– the subjects resulting from extraordinary operations or other substantial subjective transformations which are required to include in their annual statement also the form concerning the operations of the merged, incorporated, transformed subjects etc., that have participated during the year in the procedure for VAT liquidation as a group;
– official receivers and court-appointed liquidators, for the statements filed by them on behalf of subjects that have gone bankrupt or have been submitted to forced administrative liquidation, for each tax period until the end of the relevant bankruptcy proceedings;
– non-resident subjects who appoint a tax representative to file their VAT return on their behalf;
– non resident subjects identified directly pursuant to Art. 35-ter (see paragraph 2.3, letter C);
– special subjects (e.g. "door to door" salespeople) if they are not required to file a unified statement as their income is not subject to the filing of an income;
– the subjects resulting from extraordinary operations or other substantial subjective transformations that occurred in the period between 01 January 2015 and the date of filing the return for 2014, who are required to file this annual statement on behalf of the subjects extinguished following the operation in question (merger, division, etc., see paragraph 3.3, lett. B).

In addition, the following may submit the return autonomously:
– subjects who intend to offset the tax credit resulting from the annual return (article 3, paragraph 1, of Presidential Decree no. 322 of 1998);
– subjects who submit the return by February in order to take advantage of the exemption from the requirement to submit the Annual communication of VAT data as clarified in Circular no. 1 of 25 January 2011.

1.2 Layout of the form

The VAT return form features a **modular structure** and is made up of:
– The **front cover** consists of two sides which ***must be used exclusively if the VAT return is submitted "autonomously". On the other hand, if a unified statement is filed, the front cover of the UNICO 2015 form (Personal Income Tax Return) must be used;***
– a **form**, consisting of several parts (VA-VB- C-VD-VE-VF-VJ-VH-VK-VL-VT-VX-VO), which must be filled in by any taxpayer to indicate accounting details and other data con-

cerning the activity performed.

Please note that part VX, "Calculation of VAT to be paid or credit tax", must be completed exclusively by taxpayers required to submit the annual VAT return independently, while taxpayers submitting the unified return must indicate the required information in that part in section III of part RX of the UNICO 2015 form.

Controlling bodies or companies must include in their statement also the **prospectus VAT 26 PR/2015** (parts VS-VV-VW-VY-VZ) for the indication of the data concerning VAT payment as a group pursuant to art. 73 and Ministerial Decree of 13 December 1979.

The taxpayers with **separate accounts** (art. 36) must file the front cover and a form for each separate account. Parts VB, VC, VD, VH, VK, VT, VX and VO and section 2 of part VA and sections 2 and 3 of part VL must be filled in once on the first form with the indication of the data summarizing all activities.
In the particular case of a taxpayer adopting, even if in different periods of the year, different tax systems (e.g. a normal VAT system and a special system for agriculture), it is necessary to fill in several forms to distinctly indicate the operations concerning each system (see also the instructions in sub-part VF).
The top part of all the pages making up each form must report the taxpayer's tax code and the progressive number of the form to which the page belongs.
In case of a return including just one form, the number "01" must be reported on all the pages.
Furthermore, for each filled in form, the boxes (at the bottom of Part VL) concerning the filled in parts must be crossed.

NOTICE: for the correct filling in of the return it is hereby specified that if there are no significant data or values to be indicated in a part, that part must not be filled in; the value zero is to be considered as an insignificant value for data purchase purposes. Consequently, the boxes concerning the filled in parts (at the foot of part VL) relating to parts with values equal to zero or without any other requested data must not be crossed.

In case of mergers, divisions, conferring of company or other **extraordinary operations** or substantial subjective transformations, the declarant (incorporating, beneficiary, conferring company etc.) must produce, in addition to one (or more) forms for the indication of his/her data, also one (or more) forms for the indication of the data concerning the other subjects participating in the transformation (see paragraph 3.3 "Taxpayers with extraordinary operations").

1.3 Methods and terms for filing the return

1.3.1 – METHODS AND TERMS FOR FILING

The filing of the annual VAT return by individuals obliged to do so must be carried out electronically only. Therefore, returns filed through a post office shall be considered compiled on a form that does not comply with the approved one and, consequently, a penalty ranging from 258 to 2,065 euros shall be applicable pursuant to art. 8, paragraph 1, of Legislative Decree no. 471 of 1997 (cp. Circular Letter no. 54/E of 19 June 2002).
In accordance with article 8 of Presidential Decree no. 322 of 1998, the VAT return for 2014 must be submitted between **1 February** and **30 September 2015** if the taxpayer is obliged to submit the return **independently** or by **30 September 2015** if the taxpayer is obliged to include the VAT return in the **unified return.**

NOTICE: the return is deemed to have been submitted on the day on which it is sent electronically and, specifically, on the day on which receipt of the information by the Revenue Agency is completed (see Circular Letter no. 6/E of 25 January 2002).

Presidential Decree no. 322 of 1998 does not establish a deadline for delivery of the return to the intermediaries, who must then send it electronically. However, it does establish the deadline by which the returns must be filed electronically with the Revenue Agency.
Pursuant to articles 2 and 8 of Presidential Decree no. 322 of 22 July 1998 and subsequent amendments, returns filed **within 90 days** of the aforementioned deadlines are valid, but penalties are applicable in accordance with the law. Those, however, filed more than ninety days late are considered omitted but in any case impose the collection of the resulting tax owed.

1.3.2 – RETURN FILED THROUGH THE ELECTRONIC SERVICE

The electronically filed return can be forwarded:
a) directly;
b) through authorized intermediaries.
Entranel and Fisconline, the Revenue Agency's electronic services, can be accessed on the internet at http://telematici.agenziaentrate.gov.it. It is still possible to access Entranel through virtual private network for users who still use this.

a) Direct electronic filing
The taxpayers who prepare their own return can file it directly; in this case the return is considered to be filed on the day of completion of receipt by the Revenue Agency.
The filing of the return is proven by the communication issued by the Revenue Agency acknowledging receipt.
The taxpayers who choose to file their return directly must use:
– **the electronic Entratel service**, whenever the obligation exists to file the return of the withholding agents (Form 770, simplified or ordinary), in relation to more than twenty persons;
– **the electronic Fisconline service**, whenever the obligation exists to file the return of withholding agents for no more than twenty persons or, despite the obligation to electronically file the other statements as laid down by Presidential Decree no. 322 of 22 July 1998 and subsequent amendments, they are not required to file the statement of withholding agents.
Taxpayers different from individuals must submit the current return electronically through their own appointed agents, appointed as provided by Circular n. 30/E of 25 June 2009 and the relevant technical annex.

NOTICE: non-resident taxpayers who have directly identified themselves for VAT purposes in the territory of the State pursuant to art. 35-ter shall file their return through the Entratel electronic service. As regards the methods for logging onto Entratel electronic service, please refer to the paragraph "Methods of authorization".

b) Electronic filing through authorized intermediaries (entrusted subjects and companies of the group)

Appointed subjects (article 3, paragraph 3 of Presidential Decree no. 322 of 22 July 1998 and subsequent amendments)
The intermediaries reported in art. 3, par. 3, Presidential Decree no. 322 of 22 July 1998 and subsequent amendments, are required to electronically forward to the Revenue Agency, using the Entratel electronic service, both the returns prepared by them on behalf of the declarant and the statements prepared by the taxpayer for which they have taken on the obligation of electronic filing.
The authorized intermediaries belonging to the following categories are required to electronically file the statements they have prepared:
• those enrolled in the register of business consultants, accountants, commercial experts and labour consultants;
• those enrolled, since 30 September 1993, in the roll of experts kept by the chambers of commerce for the tax category, holding a degree in law or economics or equivalent degree and diploma in accountancy;
• those registered in the roll of lawyers;
• those enrolled in the register of accounting auditors under Legislative Decree no. 88 of 21 January 1992;
• trade union associations of entrepreneurs under art. 32, par. 1, letters a), b) and c), of Legislative Decree no. 241 of 1997;
• associations mostly consisting of subjects belonging to ethnic-linguistic minorities;
• Caf - employees;
• Caf - companies;
• those regularly engaged in the tax consulting business;
• notaries registered in the role indicated in article 24 of Law no. 89 of 16 February 1913;
• those registered in the roll of agronomists and forest experts, agro-technicians and agricultural experts.
Other subjects required to electronically file the returns they have prepared, included pro-

fessional firms and service companies in which at least half of the members or more than half of the share capital is owned by subjects enrolled in some registers, boards or rolls as specified in the directing decree of 18 February 1999.
These subjects can fulfil their obligation of electronically filing the statements also by using companies participated by national counsels or by the registers, boards or rolls as specified in the above mentioned decree, by the relevant enrolled subjects, by the associations representing them, by the relevant social securities systems, by the single members of said associations.

Statements filed by companies belonging to a group (art. 3, paragraph 2-bis)
Within a group, the electronic filing of the return of the subject belonging to the group, in which at least one company or body is obliged to perform electronic filing, can be performed by one or more subjects of the same group exclusively through the electronic service Entratel. The body (even if not commercial) or the controlling company (including a partnership) or controlled company are considered to belong to the group.
Controlled are those joint-stock companies, limited partnerships with share capital and limited liability companies whose shares or stock are owned by the parent body or by another controlled of this body with a stake higher than 50 percent in the capital from the beginning of the previous tax period. This provision applies, in any case, to the companies and to the bodies required to issue consolidated fiscal returns pursuant to the Legislative Decree no. 127 of 09 April 1991 and Legislative Decree no. 87 of 27 January 1992, and to the companies subject to IRES (corporate income tax) listed in par. 2, lett. a), of art. 38 of said Legislative Decree no. 127 and in the list of par. 2, lett. a), of art. 40 of said Legislative Decree no. 87.
A company in the group can electronically file the returns of the other companies belonging to the same group by taking on the obligation to file the return. The same filing mode can also apply to those companies belonging to the same group and operating as tax representatives of foreign companies, even if these do not belong to the same group.
It is possible to file, simultaneously or at different times, some returns directly while other returns are filed through the companies of the group or an intermediary.
The companies and the bodies obliged to file their returns electronically through an intermediary or a company of the group are not required to ask for electronic filing permission.
To entrust another company of the group with the electronic filing of the return, the declarant company shall hand out its return, duly signed, to the entrusted company; the latter shall comply with all the regulations provided for electronic filing through authorized intermediaries described in the following paragraph. The subjects other than natural persons perform the electronic filing of the return by their own officers appointed in the manner described in the Circular no. 30 / E on 25 June 2009 and in the relevant technical annex.

Documentation that must be provided to the declarant by the intermediary (the person filing the statement or the company belonging to the group) and proof of the filing of the return.
Based on the provisions contained in the above-mentioned Presidential Decree no. 322 of 22 July 1998 and subsequent amendments, authorized intermediaries and the companies of the group in charge of the electronic filing, shall:

- issue the declarant, (simultaneously with the receipt of the filing or the acceptance of the instruction to prepare it), with an undertaking to electronically post the data contained in the return to the Revenue Agency, specifying whether the return was delivered to him already completed or whether it will be prepared by him; this undertaking must be dated and signed by the intermediary or by the group company, even if issued in an informal manner. The date of the undertaking, together with the personal signature and tax code, must be set out in the aforesaid communications in the section headed: "Undertaking to electronic filing" to appear on the front page of the return;
- issue the declarant, within 30 days of the deadline provided for the electronic filing of the return, with the original return (the details of which were transmitted electronically), drawn up on a form which complies with the one approved by the Revenue Agency. A copy of the notification from the Revenue Agency confirming receipt of the communication must also be provided to the declarant.

This communication proves for the declarant the accomplished filing of the return and shall be kept by the declarant together with the original statement, and the remaining documentation must be kept by the declarant for the period provided for in article 43 of Presidential Decree no. 600 of 29 September 1973 during which period the Revenue Agency may carry out audits

- keep a copy of the communications transmitted (on computerized media), for the same period of time provided for in article 43 of Presidential Decree no. 600 of 29 September 1973, should the Revenue Agency require it to be exhibited in the event of an audit being carried out.

The taxpayer shall therefore verify proper compliance with the above mentioned obligations by the intermediary, reporting any non-fulfilment to any of the Revenue Agency Office in the region where his/her domicile for tax purposes is elected and, if necessary, contact another intermediary for the electronic filing of the return to avoid the non fulfilment of the obligation to file the return.

NOTICE: digital documents relating to tax compliance provisions must be stored in accordance with the Decree of the Ministry of Economy and Finance of 17 June 2014 "Ways of fulfilment of the fiscal duties relative to IT documents and to their reproduction in different types of support - Article 21, paragraph 5, of Legislative Decree no. 82/2005".

Notification of the electronic filing of the return

The notification by the Revenue Agency confirming that the return has been electronically filed via the electronic service is transmitted electronically to the user who filed it. This communi cation can be found in the "Receipts" section of the site http://telematici.agenziaentrate.gov.it. The communication of receipt can be requested with no time limit (by both taxpayers and intermediaries) at any Revenue Agency Office.

In order to verify whether returns have been submitted electronically in good time, returns submitted by the deadlines provided for in Presidential Decree no. 322 of 22 July 1998 and subsequent amendments but rejected by the electronic service will be deemed to have been submitted in good time, provided that they are resubmitted within five days of the date of the notification from the Revenue Agency containing the reasons for their being rejected (see Circular of the Ministry of Finance - Department of Collections no. 195 dated 24.09.1999).

Responsibilities of the authorized intermediary

In case of delay in filing or failure to file the return, in accordance with article 7-bis, Legislative Decree no. 241

of 09 July 1997, a sanction from 516 Euro to 5,164 Euro will be charged to the intermediary, who may make use of the voluntary correction process as provided for by article 13 of Legislative Decree no. 472 of 1997, according to the procedures recently clarified by Circular 52/E of 27 September 2007.

The authorization can be subject to revocation, should serious or repeated irregularities be detected during the filing of the statements, or in case of orders of suspension from the board to which the professional belongs or in case of revocation of the authorization to perform the business by the fiscal support services.

Activation/qualifying procedure

The methods for obtaining the activation of the online service Fisconline or Entratel are available on the website of the Revenue Agency at: www.agenziaentrate.gov.it.

For non-resident taxpayers who have identified themselves directly for VAT purposes in accordance with article 35-ter, authorisation to use the Entratel eService is granted by the Pescara Operational Centre at Via Rio Sparto 21, 65129 Pescara, upon assignment of the VAT registration number in accordance with the details contained in the declaration made for the purposes of direct identification and the copy enclosed printed by the taxpayer other than individual taxpayers after pre-registration with the Entratel eService. The above mentioned office either sends the virtual envelope to the applicant by post or consigns it to an appointed agent (in possession of the required applicant's authorisation and his/her own identity document as well as an identity document of the delegator). The number of the virtual envelope is used to acquire the necessary credentials for generating the secure environment and, if the user is an individual, to access the restricted areas of the website dedicated to eServices.

2. GENERAL INFORMATION

2.1 Availability of forms - Payments and installments

Availability of forms
VAT return forms and relevant instructions are not printed by the financial administration but are made available free of charge in electronic format and can be retrieved from the site of the Revenue Agency **www.agenziaentrate.gov.it** and from the Internet website of the Ministry of the Economy and Finance **www.finanze.gov.it** in compliance with the technical characteristics established in the approval measure. ***These forms can be printed in black and white.***

Payments and installments
The VAT payable according to the annual VAT return must be paid by **16 March** of every year if the relevant amount exceeds euro 10.33 (10.00 euro as a result of the rounding up).
If the payment term falls on a Saturday or on a holiday, this term is extended to the first following working day.
Taxpayers can pay the amount due all at once or by installments. The installments must all be of the same amount and the first installment must be paid by the term set for the payment of the VAT in one go. The installments following the first installment must be paid by the 16th day of every month of payment and in any case the last installments cannot be paid any later than November 16.
A fixed installment rate is due on the amount of the following installments equal to 0.33% a month measure introduced by article 5 of decree of 21 May 2009), therefore the second installment will be increased by 0.33%, the third by 0.66% and so on.
If the taxpayer submits the unified return, the payment may be deferred until the expiry date for payment of the amounts owed according to said unified return, with an increase of 0.40% as interest for each month or part of month after 16 March, in consideration of the payment terms established by article 17 of Presidential Decree no. 435/2001 (see Circular Letter no. 51/E of 14 June 2002 and Resolution no. 69/E of 21 June 2012).
In short, the subjects **autonomously** filing their **VAT return** can:
– pay in one go by 16 March;
– pay by installments by increasing the amount of each installment following the first by 0.33%.

If the taxpayer submits the VAT return as part of the **unified return**, he/she may:
– pay in one go by 16 March;
– pay by installments by the deadline set for the UNICO (Personal Income Tax Return) increasing the amount due by 0.40% for each following month or portion of a month;
– pay by installments starting from 16 March, paying 0.33% a month more on the amount of every installment following the first installment;
– pay by installments starting from the data of payment of the amounts due according to the UNICO form (Personal Income Tax Return), with an initial increase of 0.40% on the amount to be paid for every month or portion of a month following 16 March, increased to 0.33% a month for each installment following the first installment.

2.2 Subjects required to file the return and subjects exempted

As a general rule, the subjects **obliged** to file their annual VAT return are all the taxpayers practising business activities as well as artistic and professional activities under articles 4 and 5 and the holders of a VAT registration number. For the filing of the statement by taxpayers belonging to special categories (official receivers, the taxpayer's heirs, parent companies, beneficiary companies in case of division etc.), please refer to paragraphs 2.3 and 3.3.
The following categories are **exempted** from submitting the VAT return:
– taxpayers who for the fiscal year **only** recorded transactions considered exempt under article 10, as well as taxpayers who, having taken advantage of the exemption from the obligations to invoice and record under article 36-bis, **only** carried out exempt transactions. Obviously the exemption does not apply if the taxpayer has also performed taxable operations (still referring to activities managed with separate accounting systems) or if inter-community operations have been recorded (article 48, paragraph 2, Decree Law no. 331 of 1993) or adjustments have been made according to art. 19-bis2 or purchases have been made for which tax is due from the transferee on the basis of specific dispositions (purchases of gold, pure silver, scrap etc…);
– taxpayers who have opted for the tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 6 July 2012;
– agricultural producers who are exempt from the fulfilment of the obligations under the paragraph 6 of article 34;

– taxpayers who carry out activities relating to the organization of games, entertainment and other activities set out in the tariff enclosed under Presidential Decree no. 640 of 26 October 1972, who are exempt from the fulfilment of VAT obligations under the sixth paragraph of article 74 and who did not opt for the application of VAT in the ordinary manner (see Appendix under "Entertainment and performing activities");
– individual firms that have rented their only company and do not practice any other VAT related activity (see circular letters no. 26 of 19 March 1985 and no. 72 of 04 November 1986);
– taxable persons, who are resident in other member states of the European Union, in the circumstances referred to in the second period of paragraph 3 of article 44 of Decree Law no. 331 of 1993 if, during the tax year they have only carried out transactions, which are not taxable, which are exempt, which are not subject to VAT or which do not carry an obligation to pay the tax;
– subjects who have opted for the applications of the dispositions provided for by Law number 398 of 16 December 1991 regarding VAT exemption for all earnings obtained from commercial activity associated with institutional aims (see Appendix under the entry: "Entertainment and performing activities");
– taxpayers with domicile or residence outside the European Union, unidentified at community level, who have identified themselves for VAT purposes in the territory of the State with the methods under art. 74-quinquies for the fulfilment of their obligations in terms of the services rendered through electronic media to clients who are taxable persons with domicile or residence in Italy or in another member country.

2.3 Special return filing cases

A - Bankruptcy and forced administrative liquidation

Bankruptcy during the 2014 tax period

If the bankruptcy proceedings have started during the year 2014 official receivers and court-appointed liquidators, shall file the VAT return concerning the entire tax year, inclusive of two forms: the first form concerns the transactions recorded in the part of the calendar year preceding the declaration of bankruptcy or forced administrative
liquidation (remembering to cross the box in **line VA3**); the second form concerns the transactions recorded after this date. All the parts must be filled in both forms, including section 2 in part VA and sections 2 and 3 in part VL. Parts VT and VX, on the other hand, must be completed on form no. 01 only.

As regards part VX the following possibilities must be considered:

a) output VAT resulting from the form concerning the transactions performed in the fraction of the year preceding the declaration of bankruptcy or forced administrative liquidation (1st period).
   In this case part VX must mention only the credit or the debt resulting from part VL in the form concerning the period after the declaration of bankruptcy or compulsory administrative liquidation (2nd period), as the balances resulting from section 3 of part VL of the two forms cannot be compensated or added together;
b) input VAT in the 1st period.
   In this case, on the other hand, part VX must report the balances compensated or added together, resulting from section 3 of part VL of each form.

The VAT return must be filed autonomously and electronically.

With regard to the transactions recorded in the part of the calendar year before the declaration of bankruptcy or forced administrative liquidation, the official receivers and court-appointed liquidators are also required to file a relevant return **exclusively to the Revenue Agency Office in charge, also electronically,** within 4 months from the nomination, for the purposes of legally proving the bankruptcy procedure. This return must be completed using the specific **VAT 74-bis form, approved with the measure of 16 January 2012**, which, among other things, does not allow the request of a reimbursement for any input VAT resulting from the form (see resolution no. 181/E of 12 July 1995).

Bankruptcy after the end of the 2014 tax period

If the bankruptcy proceedings have started in the period between 1st January 2015 and the deadline established by the law for the filing of the VAT return form concerning 2014, and if this return is not considered as filed by the taxpayer that has gone bankrupt or has been subject to forced administrative liquidation, said return must be filed by the official receivers or court-appointed liquidators within the ordinary terms, i.e. within four days from nomination if this term expires after the ordinary filing term.

In the latter case the obligation to submit the specific **VAT 74-bis form, as approved by the Provision of 16 January 2012, to the competent office of the Revenue Agency exclusively by electronic means** and within four months of the appointment of the liqui-

dator or trustee.

B - Discontinuation of business

Those subjects who have discontinued their business are required, pursuant to art. 35, paragraph 4, to file their last annual statement in the year following the year of discontinuation of business, within the normal terms.

In particular, for companies the business is considered to have been discontinued on the date of completing the transactions concerning the company's liquidation.

In the special case of a taxpayer discontinuing his or her business in the course of the year 2014 (with consequent closing of the VAT number) and resuming the same or another business in the course of the same year (opening a new VAT number), the taxpayer in question must file one single VAT return consisting of:

– the **front cover**, which must report the VAT number of the last activity practiced in the year 2014 in the part concerning personal details
– a **form** (form no. 01), in which all the parts concerning the last activity practiced must be completed. The part VT and VX must be completed only in form no. 01 in order to summarize the data of both companies;
– a **form**, in which all the parts must be completed by reporting the data concerning the first activity practiced in the year and indicating in particular in line VA1, field 1, the corresponding VAT number.

It is hereby specified that in this case, for the correct filing of the statement, reference can be made to the instructions concerning cases of substantial subjective transformation (par. 3.3).

The above-mentioned indications must be followed both for the VAT return filed autonomously and in unified mode (see Circular Letter no. 68 of 24 March 1999).

C - Non resident taxpayers

Reported below are the instructions to fill in and file the return in relation to the different ways in which the non resident taxpayer may have operated in the territory of the State during the tax year in question.

Non resident taxpayers operating through a tax representative

The statement concerning foreign taxpayers whose details must be reported in the taxpayer's part, is filed autonomously (see paragraph 1.1) by the tax representative who must report his or her own name in the part concerning the taxpayer by reporting appointment code 6.

If the non-resident taxpayer has changed tax representative during the tax year, the return must be filed by the tax representative operating at the time of filing the return. This representative shall report his or her own details in the part concerning the taxpayer and summarize the data of the transactions performed in one single form during the year by the non-resident taxpayer.

Non resident taxpayers operating through direct identification pursuant to art. 35-ter

In this case the return must be filed autonomously (cp. paragraph 1.1), by reporting the details of the non resident taxpayer in the relevant part; for taxpayers who are not individuals this part shall report the representative's details with appointment code 1.

Non resident taxpayer who has operated through a tax representative in the same tax year and has identified him/herself directly

Pursuant to the art. 17, third par., tax representation institutes and direct identification bodies play an alternative role to each other. Therefore, if a non resident taxpayer in the same tax year performs transactions in Italy both through a tax representative and with direct identification, the **annual filing obligation must be fulfilled by the taxpayer on the date of filing the return by means of one single return** consisting of several forms in relation to the institutes that the non resident taxpayer has used throughout the year. For filling in the forms in these particular circumstances, the following instructions are provided by way of example, as an integration to the general instructions.

1) Passing from a tax representative to direct identification

a) if, i**n the course of the year to which the return is referred**, the non resident taxpayer has operated through a tax representative and has subsequently identified him/herself pursuant to art. 35-ter, the return must consist of the front cover and two forms:
  – in the front cover the non resident taxpayer shall report the VAT reg. no. assigned after filing the form ANR and used by the taxpayer to fulfill VAT obligations;
  – form no. 01 shall report the operations performed through direct identification, filling

in only in this form also section 2 in part VA, sections 2 and 3 of part VL and parts VC, VH, VT, VX and VO summarizing all the operations performed by the non resident taxpayer;
– form no. 02 shall report the operations performed using a tax representative. Line VA1, field 5, shall contain the VAT reg. no. originally assigned to the non resident taxpayer after filing the form AA7 or AA9 and used by the representative to fulfill VAT obligations.

b) if the changeover has taken place between 1st January and the date of filing the return, the return made up of one single form shall be filed by reporting the details of the non resident taxpayer in the taxpayer part and the VAT reg. no. assigned to the taxpayer after filing the form ANR. Line VA1, field 5, must contain the VAT reg. no. used by the tax representative to fulfill VAT obligations and subsequently cancelled.

2) Passing from direct identification to the tax representative

a) if in the course of the year to which the return refers, the non resident taxpayer has operated through direct identification pursuant to art. 35-ter and has subsequently availed himself of a tax representative, the return must consist of the front cover and two forms:
– the front cover must report the details of the non resident taxpayer and the VAT reg. no. assigned after filing form AA7 or AA9 and used by the tax representative to fulfill VAT obligations. The part concerning the taxpayer must report the taxpayer's details and appointment code 6;
– form no. 01 shall report the operations performed through the tax representative, filling in only in this form also section 2 in the part VA, sections 2 and 3 of part VL and parts VC, VH, VT, VX and VO summarizing all the operations performed by the non resident taxpayer;
– form no. 02 shall report the operations performed through the institute of direct identification, indicating, in line VA1, field 5, the VAT reg. no. attributed to the non-resident subject and the VAT number used by the same to directly absolve VAT obligations and subsequently extinguished.

b) if the changeover has taken place between 1st January and the date of filing, the return made up of one single form shall be filed by reporting the details of the non resident taxpayer and the VAT number assigned to the taxpayer after filing the form AA7 o AA9 in the taxpayer part.

In the declarant part, the tax representative shall report his/her own details with appointment code 6. Line VA1, field 5, must contain the VAT reg. no. assigned to the non resident taxpayer after filing the form ANR.

Non resident taxpayers operating through a stable organization

The return concerning non resident taxpayers who operated in Italy through a stable organization must be filed as part of the UNICO form (Personal Income Tax Return) (provided that the tax period coincides with the calendar year) and by filling in the relevant front cover on the basis of the instructions provided to complete this form. It is pointed out that permanent organisations established in Italy may not operate through a tax representative or through direct registration in order to meet the VAT obligations pertaining to operations carried out directly by the parent company. As set out in Circular no. 37 of 2011, in fact, for sales of goods and provision of services by non-resident subjects, but with permanent organisation in Italy, to purchasers or their commission agents who are not subject to tax or not residents, VAT must be paid by the seller or service provided using the VAT registration number assigned to the permanent organisation. Such operations, distinguished by a separate series of numbers at the time of issue of the invoices and recorded in a specific register, will be subject to a specific annual return form submitted by the permanent organisation.

It is pointed out, in addition, that Resolution no. 108 of 2011 clarifies that the permanent organisation in Italy of a non-resident subject is entitled to be reimbursed, through deduction, with the VAT credit relating to the operations carried out directly by the parent company with the VAT registration number assigned to the status of direct identification or fiscal representation subsequently terminated following the introduction of the prohibition against operating with dual VAT status. In this case, in fact, a situation of continuity exists that is comparable to the one existing in the case of substantial subjective transformations (see paragraph 3.3).

3. FORMS TO BE USED BY THE DIFFERENT CATEGORIES OF TAXPAYERS

3.1 Taxpayers with unified VAT accounts

As specified above (see paragraph 1.2), taxpayers with unified accounting systems in terms of VAT must complete their modularly structured return form consisting of:
– the **front cover** containing, in particular, the taxpayer's details and the signature of the return;
– a **form**, consisting of several parts (VA - VB - VC - VD - VE - VF - VJ - VH - VK - VL - VT - VX - VO), to be filled in by every subject to report accounting data and other data concerning the business performed;

3.2 Taxpayers with separate accounts (art. 36)

As mentioned in the foreword (sub-paragraph 1.2), those taxpayers who were engaged in more than one business activity for which, by law or by choice, they have kept separate accounting books pursuant to Art. 36, must fill in, in addition to the front cover, as many forms as the accounting systems they follow.

In particular, it is specified that:
– the data to be reported in section 1 of part VA and in section 1 of part VL, as well as parts VE, VF and VJ concern each single separate accounting system and must therefore be filled in each form;
– on the other hand, the data to be reported in section 2 of part VA and in sections 2 and 3 of part VL and parts VB, VC, VD, VH, VK, VT, VX and VO concern the total of the activities performed and therefore must be summarized in just one form, namely in the first form completed.

NOTICE: it is specified that if several activities are performed using separate accounts, with one of these activities being exempt from the obligation of filing the VAT return, for this activity there is no obligation to include the relevant form in the return (e.g. farmers under art. 34, par. 6, proprietors of entertainment businesses under art. 74, par. 6).
Instead, taxpayers performing both taxable and exempt activities with separate accounts shall include the form concerning the exempt activity performed in their return, too. If the taxpayer is exempt from obligations pursuant to art. 36 bis, the form concerning the exempt activity shall include the accounting data concerning purchases and the amount of the exempt operations under nos. 11, 18 and 19 of art. 10, for which the obligation of invoicing and registration remains.

Taxpayers who are legally obliged (art. 36, par. 2 and 4) to keep separate accounts for the activities they perform shall refer to their relevant business turnovers to establish whether their VAT returns **shall be filed monthly or quarterly**.
On the other hand, those taxpayers who voluntarily adopt separate accounts shall refer for this purpose to the total business volume of their activities.
Consequently, if separate accounts are kept by law, the taxpayer may be required to make monthly payments for one (or more) activities and quarterly payments for the other activities. On the other hand, those taxpayers who voluntarily adopt separate accounts shall refer to the total business turnover of their activities (concerning all activities performed) to calculate the frequency of their payments. In relation to this last case, it is specified that if the total business turnover is not higher than the limits established by regulations in force, the quarterly payment system can be adopted only for one or more accounts kept.
Internal changeovers among separate activities do not contribute to form the business turnover. This type of switching included in part VE of the single forms shall be reported in line VE39, as taxable operations to be added to the transfer of depreciable assets, in order to reduce the business turnover.
Internal changeovers of goods related to retail activities under art. 24, par. 3 (activities for which VAT is paid according to the so-called rate breakdown method) to other activities are not subject to taxation and shall be reported in line VE39.
In compliance with the **directives regulating the gold market** pursuant to Law no. 7 of 17 January 2000, the taxpayers who perform gold-related operations, as regulated by art. 19, par. 3, lett. d), and by the following par. 5-bis, must necessarily keep separate accounts and complete two different forms in order to distinctly report the deducted VAT.
Saving management companies, pursuant to art. 8 of Decree Law no. 351 of 25 September 2001, converted into Law no. 410 of 23 November 2001, must calculate and pay the taxes concerning their activity separately from the taxes due for each real estate fund

managed by them. Therefore, these companies shall fill in a front cover, a form containing the data concerning their own activity and as many sheets as the funds they manage.
In the case of **substitution in the management** of a fund from one savings management company to another taking place during the tax year, the form relating to the fund for the aforementioned year must be completed by the savings management company which has taken over management of the fund as part of its own return. This form must indicate all of the operations relating to management of the fund, including those which were carried out during the fraction of the year preceding the moment that the substitution came into effect. In addition, in the same form the VAT registration number of the substituted savings management company must be indicated in **line VA4**, **field 3**.

3.3 Taxpayers with extraordinary transactions (mergers, divisions, etc.) or other substantial subjective transformations

In case of extraordinary operations or other substantial subjective transformations in general, a form of continuity develops among the subjects participating in the transformation (merger, division, conferment, transfer or donation of a company, inheritance etc.). As regards the date on which the transformation of the subjects concerned takes place, two hypotheses can occur. These are illustrated below and for each one of them some indications are provided to fill in the relevant parts.

A) Transformation occurred during the year 2014

1. If during the tax year to which the return is referred extraordinary operations have been performed or substantial subjective transformations have taken place, which have led to the **extinction of the assignor** (incorporated company, divided company, conferring, transferring or donating subject, etc.), the VAT return shall be filed by the subject still in existence (incorporating company, beneficiary, conferee, transferee, assignee, etc.).
   Therefore, the entity resulting from the transformation (conferring, incorporating company etc.) shall file the form consisting of the front cover and two forms (or more forms in relation to the number of subjects participating in the operation):
   – the single **front cover** shall report the company's name, tax code, VAT reg. no. of the entity resulting from the transformation;
   – in the **form concerning the assignee** (form no. 01) all the parts concerning the activity performed must be completed by reporting the data concerning the operations performed by the same taxpayer during 2014, also including the data concerning the operations by the assignor in the portion of month or quarter in the course of which the extraordinary operation or the substantial subjective transformation has taken place. Parts VT and VX must also be completed in order to summarize the data concerning the subjects participating in the operation;
   – in the **form concerning the assignor** all the parts concerning the activity performed must be completed by reporting the data concerning the operations performed by the same taxpayer until the last month or quarter ended before the date of the extraordinary operation or the substantial subjective transformation. Furthermore, in line **VA1, field 1**, the VAT reg. no. of the taxpayer to which the form refers, must be reported.
   Consequently, in this case the conferring or incorporated subject shall not file the VAT return concerning the year 2014.
2. If the extraordinary operation or the substantial subject transformation **has not caused the extinction of the assignor** (partial division, conferment, transfer, or donation of a branch of the company) the VAT return shall be filed:
   – by the assignee, if the operation **involved the transfer of output or input VAT**. This taxpayer will file his or her return following the methods described in point 1), making sure that line **VA1, field 1** reports the VAT reg. no. of the taxpayer to whom the form refers and the **box 2** of the same line is crossed to specify whether the taxpayer is still performing his or her activity for VAT purposes.
     The assignor shall file his or her return with reference to the operations performed in the year 2014 concerning non transferred businesses. In this last statement, **box 3** of **line VA1** must be crossed to indicate that the taxpayer has participated in an extraordinary operation or transformation and the credit resulting from the 2014 annual VAT return, transferred wholly or in part following the operation, must be indicated in **field 4**;
   – by each of the subjects involved in the operation if **output or input VAT has not been transferred**, each reporting the data concerning the operations performed during the entire tax year.

B) Transformation occurred in the period between 1st January 2015 and the date of filing the annual VAT return concerning 2014

In this case, since the activity for the entire year 2014 was performed by the assignor (in-

corporated company, divided company, conferring, transferring or donating subject, etc.), the following hypotheses can occur:
– if the **assignor becomes extinct** following the transformation, the resulting entity (incorporating, beneficiary, conferee company, transferring, donating subject, etc.) shall file for the year 2014 his or her return together with the return on behalf of the assignor (incorporated company, divided company, conferring, transferring or donating subject, etc.), unless the obligation to file has already been fulfilled by this party directly. This return shall report the details of the extinguished subject in the part reserved for the taxpayer and the details of the eligible party in the box reserved for the declarant, reporting the value 9 in the box concerning the appointment code.
The statement filed on behalf of the assignor is included in the cases of autonomous VAT return (see paragraph 1.1);
– in the hypothesis of transformation **without the extinction of the assignor**, each subject involved shall file his or her VAT return concerning the operations performed in the entire tax year 2014 to which the return refers.

3.3.1 – METHODS OF COMPLETION IN CASE OF TRANSFORMATION OF TAXPAYERS WITH UNIFIED VAT ACCOUNTS

In the event of transformations which took place during 2014 with the resulting extinction of the transferring party or transfer, conferment of company branch etc. with output or input VAT transfer, the entity resulting from the transformation shall fill in:
– the **front cover**, reporting his or her personal details;
– a **form** (form n. 01) for itself, completing all of the parts concerning the business activity, including section 2 of part VA and sections 2 and 3 of part VL. In this form, part VT must be completed, as must part VX, summarising the overall details of the annual amount to be paid or to be deducted, with reference to the participants in the operation;
– a **form** for each subject participating in the transformation (e.g. incorporated, divided company etc.) in which all the parts concerning the activity performed must be completed, including section 2 of part VA and sections 2 and 3 of part VL.
For more information on how to complete the parts please refer to *paragraph 3.3.3.* and *paragraph 3.4.2*.

3.3.2 – METHODS OF COMPLETION IN CASE OF TRANSFORMATION OF TAXPAYERS WITH SEPARATED ACCOUNTS (art. 36)

If one or more subjects participating in the transformation have kept various separated accounts pursuant to art. 36, the following cases can occur:

A) Separated accounts kept only by the declaring taxpayer
The declaring taxpayer must use:
1) the front cover reporting personal details;
2) the same number of forms for oneself as the number of separate accounts kept, taking care to indicate only in form no. 01 the summary data for all activities carried out in parts VC, VD, VH, VK and VO, as well as in section 2 of part VA and in sections 2 and 3 of part VL. In the same form the following parts must be completed: part VT, part VX in order to summarise the overall data of the annual amount to be paid or credit amount with reference to the subjects participating in the operation;
3) as many forms as the number of the participants in the transformation. In these forms all the parts concerning the activity performed must be completed, including section 2 of part VA and sections 2 and 3 of part VL, reporting the data concerning the fraction of the year before the transformation.

B) Separated accounts kept by one or more of the other subjects participating in the transformation (rather than the declarant)
The declaring taxpayer must use:
1) the front cover reporting personal details;
2) a form (form n. 01) with completion of the parts concerning the business performed, including section 2 of part VA and sections 2 and 3 of part VL. In this form, also part VT and VX must be filled in, in order to summarize the total annual amount to be paid or to be deducted, with reference to the participants in the operation;
3) as many forms as the number of the accounts kept, for each subject with separated accounts, completing section 2 of part VA and sections 2 and 3 of part VL, as well as VC, VD,

VH, VK and VO in the first form concerning each subject; on the other hand, for each subject with one single account for VAT purposes, just one form must be completed.

C) Separate accounts kept both by the declaring taxpayer and by one or more of the other subjects

The declaring taxpayer must use:
1) the front cover, like in point 1 of hypothesis A);
2) for him/herself, like in point 2 of hypothesis A);
3) for the other subjects, like in point 3 of hypothesis B).

3.3.3 – ADDITIONAL CLARIFICATIONS FOR THE COMPLETION OF THE FORMS IN SOME CASES OF SUBJECTIVE TRANSFORMATION

NOTICE: in case of changes in the data under art. 35 that do not result in substantial changes in the subjects (e.g. transformation from a partnership to a stock company etc.), no special methods are provided for completing and filing the statement. As a general rule, therefore, the return must consist of only one form with the data concerning the entire tax year, following the instructions reported in paragraphs 3.1 and 3.2.

A) Division

Article 16, par. 10 and sub. par. of Law no. 537 of 24 December 1993 regulated division operations for VAT purposes. In particular, par. 11 of art. 16 states that, if the division operation implies the transfer of companies or business complexes, VAT-related obligations and rights concerning the operations performed through the transferred companies or business complexes are assumed by the companies that are the beneficiaries of the transfer.
In particular, article 2506 septies of the civil code provides for two forms of division:
– **total division**, with which the divided company transfers its entire equity to several more pre-existing or newly setup companies (called "beneficiaries") and, therefore, the division company ceases to exist;
– **partial division**, with which the company transfers only part of its equity to one or more pre-existing or newly setup companies and, therefore, the division company does not cease to exist.

In both cases the beneficiaries shall file their VAT return following the methods described in paragraphs 3.3 and following paragraph.
Par. 12 of art. 16 of the above mentioned Law no. 537 of 1993 lays down a specific rule in relation to a particular type of division:
"In case of a **total division that does not imply the transfer of companies or business complexes**, the obligations and rights resulting from applying VAT to the operations performed by the division company, including those concerning the filing of the annual return of the division company and the payment of the resulting tax, shall be
fulfilled with mutual responsibility by the other beneficiary companies, or shall be exercised by the beneficiary company purposely designated at the time of the division; if no such company exists, the designated company is considered to be the beneficiary nominated first at the time of the division". In this case, the beneficiary company shall file the VAT return on behalf of the division company, by reporting the details of the division company in the part reserved for the taxpayer and its own data in the part reserved for the declarant, with appointment code 9.

B) Inheritance

In case of inheritance, the filing obligation shall be fulfilled by the heirs following the instructions below:

Taxpayer deceased in the course of 2014
– if the heir or heirs have not continued the business of the deceased taxpayer, these shall file the return on behalf of the deceased by reporting in the part concerning the declarant their data with **appointment code 7**. The VAT return must be included in the form UNICO 2015 (Personal Income Tax Return) if the deceased filed a unified return;
– if the heir or heirs have continued the business of the deceased taxpayer, the return shall be filed following the instructions reported in paragraph 3.3, point 1.

Taxpayer deceased in the period between 1st January 2015 and the date of filing the return

In this case, since the activity was performed for the entire tax year by the deceased taxpayer, the heir or heirs shall file the return on behalf of the deceased by reporting in the part reserved for the declarant their own data with **appointment code 7**. As specified with

Circular Letter no. 113/E of 31 May 2000, the VAT return shall be included in the form UNICO 2015 (Personal Income Tax Return) if the deceased taxpayers was required to file unified return.

Taxpayers are reminded that pursuant to art. 35-bis the obligations concerning the operations performed by the deceased taxpayer which have not been fulfilled in the last four months before his or her death, also including the annual return too, can be fulfilled by the heirs within six months after this event.

C) Rectification of the deduction for goods purchased following extraordinary operations or subjective substantial transformations

Pursuant to the amendments provided for by art. 19-bis2 for amortizable assets and real estates purchased as a result of extraordinary operations or other substantial transformations, it is specified that these rectifications - relating to the single companies participating in the transformation for which the relevant forms have been filed - must be adjusted to the number of months (or quarters) to which each form refers. The declaring company (e.g. incorporating company) shall rectify these assets by adjusting their amount to the residual number of months (or quarters) (see clarifications contained in Circular Letter no. 50 of 29 February 1996).

D) Reference turnover for the application of VAT in the year following the extraordinary operation or subjective substantial transformation

As regards VAT application in the year following the extraordinary operation or substantial transformation, the total business turnover of the tax year in which the operations resulting from the various forms included in the return, must be considered. This business turnover must be of reference, following the provision of Presidential Decree no. 633/1972, for the application of the regulations related to it, such as the status of customary exporter, the application of the provisional pro-rata, the monthly or quarterly frequency of payments etc.

3.4 Controlling and controlled bodies and companies (art. 73)

3.4.1 – GENERAL INFORMATION

Both controlling and controlled companies that have benefited from the provisions of art. 73, last paragraph, and Ministerial Decree of 13 December 1979 and subsequent amendments during the year to which the return refers, must complete this same form, established for taxpayers in general, to report their own details and the balances transferred to the group.
In particular, filing of the VAT return by the controlling and controlled companies must be carried out using the following methods:

- each **controlled company** must file an annual return, with no attachments, using the methods described in paragraph 1.2;
- **controlling companies or bodies** must file their own annual returns, comprising the VAT Prospectus 26/PR 2015 which summarises the groups' VAT payments. The company or controlling body, in addition, must submit to the competent collection agency:
  – the guarantees provided by the individual companies taking part in the group's payment for the respective credits set off;
  – the guarantee provided by the controlling company for any surplus group credit that is set off.

It is pointed out that article 13 of the Legislative Decree no. 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014 and especially removing the general obligation to provide the guarantee. For further details see Circular no. 32 of 30 December 2014.
The body or controlling company (so-called parent company) shall yearly report to the Revenue Agency Office in charge on a yearly basis, informing the same of the desire to follow, the provisions of the above mentioned Ministerial Decree for the tax year.
The abovementioned communication must be filed by the deadline for settlement and payment of VAT relating to January, using the VAT 26 form approved with the measure of 06 December 2010 which must be signed by all of the companies taking part in the set off.
Pursuant to paragraph 4, article 3 of the Ministerial Decree of 13 December 1979, any change in the details of controlling and controlled companies must be communicated by the controlling company within 30 days of the change.
Stock companies are the only companies that can adopt the VAT compensation procedure as controlled companies, as specified with circular letter no. 16 of 28 February 1986. In addition, as clarified by Resolution no. 22/E of 21 February 2005, it is also possible for fo-

reign companies, residing in European Union member States and with legal statuses equivalent to Italian joint-stock companies operating in the state through a stable organisation, a fiscal representative or direct identification as per article 35-ter, to participate in group VAT payment procedures as provided for by article 73, final paragraph.
The same annual VAT return form must also be used by the companies participating in the group's VAT liquidation for part of the year. These shall file also section 3, part VK to report the data concerning the control period.
In all cases of unified or separated accounts ex art. 36, i.e. mergers, division etc. (see subparagraph 3.3) in general the above mentioned instructions apply for the completion of the forms, with some differences for controlling and controlled companies, as reported below.

NOTICE: the controlled companies shall not enclose their own return, their guarantees or the certification of the controlling company relating to the compensated credit; the amount of the compensated credits shall be reported by the controlling company in part VS of the* VAT *prospectus 26 PR/2015; the guarantees concerning the compensated credits shall be forwarded to the controlling company.

3.4.2 – SPECIFIC INSTRUCTIONS FOR PARTICIPATION IN EXTRAORDINARY OPERATIONS

Incorporation of a company participating in the group VAT payment by a company external to the group

1) Incorporation of a controlling company
If the company external to the group does not meet the requirements for control set by art. 73 with respect to the incorporated controlling company, the following hypotheses can alternatively occur:
– **the procedure for the payment of group VAT is interrupted**, consequently the incorporating company shall file two returns: one concerning its own business performed throughout the entire year and one on behalf of the ex controlling incorporated company. In this second return, the incorporating company shall report its identification data in the box reserved for the declarant with appointment code 9 and in the box reserved for the taxpayer the identification data of the incorporated company; in part VK, in field "Last month of control" (VK1 field 2) shall report the last month in which group payments were made. Any excess credit resulting from part VY in VAT prospectus 26PR/2015 of the ex controlling company shall be reported for the part compensated in the course of the year by the incorporating company in line VA12 of its own return in order to provide the required guarantee, the entire amount of which is reported in line VL8;
– **the procedure for payment of group VAT is not interrupted**, but continues with separated accounts with respect to the incorporating company without the possibility of compensating the excess group credit, according to the instructions provided by Ministerial Order no. 363998 of 26 December 1986. The incorporating company shall file two returns: one concerning its own business performed throughout the entire year and one on behalf of the ex controlling incorporated company. In this second return, the incorporating company shall report its own identification data in the box reserved for the declarant with appointment code 9 and in the box of the taxpayer the identification data of the incorporated company; in part VK, in field "Last month of control" (VK1 field 2) shall report month 13 must be indicated. Any excess credit resulting from part VY in VAT prospectus 26PR/2015 of the ex controlling incorporated company can be used by the incorporating company starting from January 01 of the year following the transformation. Therefore, only in the VAT return concerning the year following the above mentioned transformation shall the incorporating company report the part of credit used in line VA12, for the purpose of presenting the required guarantee, including the entire amount of this excess in line VL8.

In the above mentioned hypotheses the return concerning the ex controlling company must be filed autonomously in any case (see paragraph 1.1).

2) Incorporation of a controlled company
If a company external to the group incorporates a company participating in the group payment as controlled, the incorporating company shall file one single return consisting of the forms concerning its own business as well as the forms concerning the incorporated company, indicating in part VK of the incorporated company, the credits and debts transferred by this company in the period in which it participated in group VAT payment. In this particular hypothesis, as already underlined in paragraph 1.1, the return shall be filed autonomously.

3) Incorporation of the controlling company by a company participating in group payment

Resolution no. 367/E of 22 November 2002 provides instructions about this case (so-called inverse merger) for the filing of the VAT return by the incorporated company ex controlled. As clarified with this resolution, in such a case the methods outlined in number 1) of this paragraph become applicable (hypothesis of incorporation of the controlling company by a company external to the group without the interruption of the group VAT payment procedure). In particular the incorporating company, which transfers to the group all of its credits and debts as the incorporated company, must file two separate declarations, without paying the tax separately from the tax relating to the incorporated company, insofar as both companies, in such a case, participate in group VAT payment.

3.4.3 – INSTRUCTIONS FOR THE COMPLETION OF PARTS VH AND VK

Controlling and controlled companies that have used the VAT compensation procedure for the entire year must also complete part VH, with the exception of the method box in line VH13, reporting the debts and the credits resulting from their periodical liquidations and transferred to the group.
In cases of withdrawal of a controlled company from the group in the course of the year or in cases of control termination in the course of the year, part VH shall report both the debts and the credits transferred and the results of the periodical liquidations performed, including any payment on account to be indicated in line VH13 after these events; in part VK also section 3 must be filled in to report the data concerning the control period.

Incorporation of a company participating in the group liquidation by a controlling or controlled company
In this particular hypothesis the declaring company shall indicate, in parts VH and VK of the form concerning the incorporated company, the debts and the credits transferred by it before the incorporation and, in parts VH and VK of its own form, its own credits and debts transferred in the entire year. Furthermore, part VK of its own form shall also include any squaring up of output or input VAT resulting from section 3 of part VL of the form of the incorporated company.
In the hypothesis of a company incorporating one or more controlled companies with separated accounts, the declarant shall fill in parts VH and VK concerning each incorporated company in only one of the forms referring to it.

Incorporation of a company not participating in the group liquidation by a controlling or controlled company
Resolution no. 92 of 22 September 2010 clarifies that in the case of an extraordinary incorporation operation which has involved, as incorporating company, a company taking part in a group VAT payment procedure and, as incorporated company, a company outside the group, the VAT credit acquired by the incorporated company during the year preceding the year in which the extraordinary operation took place must be excluded from the group VAT payment and thus remain within the exclusive competence of the incorporating company. In this situation, in fact, the provision introduced by Law no. 244 of 2007 in article 73, final paragraph, becomes applicable, establishing that it is forbidden to transfer to the group the credit acquired by a company during the year preceding the year in which the group VAT payment procedure was entered. In addition, Resolution no. 78 of 29 July 2011 clarifies that also any credit accumulated by the incorporated company during the year in which the extraordinary operation took place cannot be included in the group VAT. TTherefore the amount indicated in line VL39 of the form relating to the incorporated company, remaining at the disposal of the incorporating company, must be taken into consideration for the purpose of completing part VX and, in particular, lines VX4, VX5 and VX6. In this hypothesis the incorporating company shall indicate in parts VH and VK of its own form, the debts and credits transferred from it to the group in the course of the year according to the methods described in the point above, while in the form relating to the incorporated company, it shall only complete part VH.

3.4.4. – HYPOTHESIS OF DISCONTINUATION OF THE GROUP - OBLIGATIONS OF EX CONTROLLLING COMPANIES IN RELATION TO THE GROUP'S EXCESS CREDIT USED

In order to determine the exact tax amount, if the control ceased in the course of the previous year and the ex controlling company deducted the credit only starting from 1st January 2014, the ex controlling company shall include in line **VL8** of the return (VAT/2015) the entire

amount of the excess credit of the group resulting from the **VAT summarizing prospectus VAT 26PR - part VY** of the previous year (**line VY5** of the VAT return / 2014), together with any credit reported form the previous year.
If, on the other hand, the control ceased in the course of 2014 and the company calculated the excess credit of the group by deducting it from its periodic liquidations in the fraction of the year 2014 following the discontinuation of the control, the company (ex controlling) shall report the excess credit of the group resulting from the **VAT summarizing prospectus VAT 26PR- part VY** of the same year (line **VY5** of the VAT return / 2015) in line **VL8** of the return (VAT/2015).
In addition, it is pointed out that if the procedure for group VAT payment is not renewed in the following year with reference to the controlling company itself or if the procedure ceased during the year, any group credit surplus for which a refund has not been requested but which has been carried over for deduction by the ex-controlling organisation or company must be indicated in line VA12 of the 2015 VAT return form (see instructions at line VA12), exclusively for the amount paid in 2014 and for which the guarantees required by article 6, 3rd paragraph, of the Ministerial Decree of 13.12.1979 must be provided.
It is pointed out that article 13 of the Legislative Decree no 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014 and especially removing the general obligation to provide the guarantee. For further details see Circular no. 32 of 30 December 2014.

4. INSTRUCTIONS FOR THE COMPLETION OF THE FORMS

4.1 Front cover

Please note that the front cover of the form entitled "VAT 2015" must be used if the VAT return is presented "autonomously", while the front cover of the form entitled "UNICO/2015" must be used if the taxpayer is required to present the unified return.

On the front cover the personal data of the taxpayer must be included.
The front cover consists of **2 sides**:
– the first side contains information regarding the use of personal data;
– the second side must report the taxpayer's tax code, in the upper part of the form, the taxpayer and declarant's details, the signature of the declaration, the commitment to electronic filing, details regarding the stamp of approval and the signature of the auditing body.

4.1.1 – TYPE OF RETURN

Corrections and supplements to the return
If, before expiry of the submission date for the return, the taxpayer intends, to rectify or complete a return which has already been presented he must present a new return, complete in every part, crossing the box **"Correction of existing return"**.
Once the deadlines for filing the return have expired, the taxpayer may rectify or supplement returns by filing a new return, using the methods set out for the original return, on a form that complies with the one approved for the tax period to which the return refers.
A necessary condition for filing the supplementary return is that the original return was filed in accordance with the regulations. With regard to the original VAT return, it should be noted that returns filed up to ninety days after the deadline are considered valid, subject to the application of penalties.

1) Supplementary return in favour
Pursuant to art. 2, paragraph 8-bis of Presidential Decree no. 322 of 1998, the taxpayer may file a supplementary return by the deadline established for filing the return for the following tax period, to correct errors or omissions that have determined the indication of a greater tax burden or a lesser credit, by crossing the "**Supplementary return in favour**" box. In this case, any credit arising from this return may be used in set off pursuant to Legislative Decree no. 241 of 1997, or requested as a refund.

2) Supplementary return
This box must be crossed if a supplementary return is filed in the hypothesis provided by article 2, paragraph 8 of Presidential Decree 322/1998, within 31 December of the fourth year following the one in which the return was presented, in order to correct errors or omissions that have determined the indication of a lesser tax debit or a greater credit, subject to the application of penalties and being understood that article 13 from Decree Law 472/1997 applies.

This box must also be crossed if a supplementary return is filed in order to correct errors or omissions that do not affect the calculation of the taxable base, the tax and the payment of the tax and do no obstruct auditing activities.

4.1.2 – TAXPAYER'S DATA

In the box, which must always be completed, the following data must be provided:

VAT registration number

The VAT registration number of each taxpayer must always be provided.

Other information

The details to be provided are as follows:

– if the taxpayer is a craftsman enterprise listed in a professional register, the relevant **box 1** must be crossed;

– if the taxpayer is subject to extraordinary administration or has made an arrangement with his creditors, **box 2** must be crossed.

Telephone numbers and email address

It is not compulsory to provide a telephone number, mobile phone number, fax and email address. Providing these makes it possible to receive, free of charge, from the Revenue Agency, information and updates regarding final payment dates, news, obligations and services offered.

Individuals

Town (or foreign Country) of birth

Specify the place of birth (city, town, municipality). Taxpayers born abroad must specify, instead of the municipality, the Country in which they were born, and leave the space for the province blank.

Taxpayers different from individuals

Legal nature

NOTE: the following table includes all codes relating to the various forms for the purposes of tax/income returns, they may only be used in accordance with the specific nature of each individual form. Thus, the person who is completing the return must take care to identify the specific code, which refers to the applicable legal status.

GENERAL LEGAL NATURE CLASSIFICATION TABLE

RESIDENT ENTITIES

1. Limited share partnerships
2. Limited liability companies (SRL)
3. Public limited companies (SPA)
4. Cooperatives and their consortia recorded on prefectural registers and in the cooperative's records
5. Other cooperatives
6. Mutual insurance companies
7. Consortia with status of legal entity
8. Recognised associations
9. Foundations
10. Other organisations and institutes with status of legal entity
11. Consortia without status of legal entity
12. Unrecognised associations and committees
13. Other organisations of people or goods without status of legal entity (excluding co-ownership entities)
14. Financial public authority
15. Non- financial public authority
16. Health insurance schemes and social security, assistance and pension funds and such like, with or without status of legal entity
17. Religious works and mutual aid associations
18. Hospital entities
19. Associations and institutes for social security and assistance
20. Autonomous companies for therapy, sojourns and tourism
21. Regional, provincial and municipal companies and their consortia
22. Companies, organisations and bodies established abroad otherwise unclassifiable with administrative headquarters or main activity in Italy
23. Simple companies, as identified by article 5, paragraph 3, letter b), of the TUIR (Income Tax Consolidate Act)
24. General partnerships (SNC) as identified by article 5, paragraph 3, letter b), of the TUIR
25. Limited partnerships (SAS)
26. Armament companies
27. Artistic and professional associations
28. Family businesses
29. GEIE (European Groups of Economic Interest)
50. Public limited companies, special companies and consortia as defined in articles 31, 113, 114, 115 and 116 of the Legislative Decree of August 18, 2000, n. 267 (Unified Text regarding the regulation of local authorities)
51. Condominiums
52. V.A.T. deposits
53. Non-profit capital-based amateur sports associations
54. Trust
55. Public administrations
56. Banking foundations
57. European company
58. European cooperative company
59. Network of enterprises

NON- RESIDENT ENTITIES

30. Simple, irregular and de facto companies
31. Simple partnerships (SNC)
32. Limited partnerships (SAS)
33. Armament companies
34. Professional associations
35. Limited share partnerships
36. Limited liability companies (SRL)
37. Public limited companies (SPA)
38. Consortia
39. Other associations and institutes
40. Recognised, unrecognised and de facto associations
41. Foundations
42. Religious works and mutual aid associations
43. Other organisations of people and goods
44. Trust
45. GEIE (European Groups of Economic Interest)

4.1.3 – DECLARANT DIFFERENT FROM THE TAXPAYER (AGENT, OFFICIAL RECEIVERS, HEIR, ETC.)

This box must be filled in only if the declarant (the person who signs the return) is a person other than taxpayer to whom the return refers. The box must be completed specifying the tax code of the individual who signs the return, the corresponding appointment code, as well as the personal details requested.
If the declarant is a company, which presents the VAT return on behalf of another taxpayer, the field named **"Tax code of declaring company"** must be filled in, indicating, in such a case, the relevant appointment code corresponding to the relationship between declarant company and the taxpayer. Cases which fall under such a requirement include, for example, the company nominated tax representative by a non-resident subject, as provided for by article 17, third paragraph, the company that indicates appointment code 9 as beneficiary company (of a division company) or of an incorporating company (of an incorporated company), the company that presents the return as contractual representative of the taxpayer.

NOTE: the following table includes all codes relating to the various forms for the purposes of tax/income returns, they may only be used in accordance with the specific nature of each individual form.
Thus, the person who is completing the declaration must take care to identify the specific code, which refers to their appointment.

GENERAL TABLE OF APPOINTMENT CODES

1	Legal, contractual, de facto agent or managing member
2	Agent of a minor, disabled or incompetent person, tutoring administrator, or the administrator of an estate held in abeyance, the administrator of an estate that is assigned under a suspensive condition or that is assigned in favour of an unborn child, who has not yet been conceived
3	Official receiver
4	Court-appointed liquidator (forced administrative liquidation or special management)
5	Judicial custodian (judicial custody), or judicial receiver in the capacity of the representative of the attached assets or judicial commissioner (receivership)
6	Tax representative of a non-resident person
7	Heir
8	Liquidator / Receiver (voluntary liquidation)
9	The person required to submit the return for VAT purposes on behalf of a tax subject no longer in existence, following extraordinary operations or other substantial subjective transformations (transferee of company, beneficiary company, incorporating company, conferee company, etc.); or, for the purpose of income taxation and/or IRAP (Regional Tax on Productive Activities), the representative of the beneficiary company (division) or the company resulting from a merger or incorporation
10	Tax representative of a non-resident with the limitations referred to in article 44, paragraph 3 of the Decree Law 331/1993
11	The person operating as guardian of a minor or a civilly disabled person, in relation to the institutional role conferred
12	Liquidator / Receiver (voluntary liquidation of an individual business - period prior to liquidation)
13	Administrator of a condominium
14	Person signing the declaration on behalf of a public administration body
15	Court-appointed liquidator of a public administration body

With reference to the codes listed above it is pointed out that:
- In the case of **codes 3** and **4**, the starting date of the selection procedure and the date of nomination of the abovementioned agents must be specified. If the declaration refers to the year in which bankruptcy proceedings or the selection procedure started, the relevant **box art. 74-bis** must be crossed. In addition to this, the date of termination of the procedure must be specified in the return relating to the year of closure of the same; until such a time, the relevant **box "Procedure not yet concluded"** must be crossed.
  For the appropriate declaration (Form IVA 74 bis), to be presented by the official receivers or court-appointed liquidators, see the instructions contained in the relevant form, as well as paragraph 2.3;
- in the case referred to in **code 5** the date of the relevant appointment decision must be indicated;
- if the fiscal representative, **code 6**, is a subject other than an individual taxpayer, the tax code of the subject signing the return, the relevant details as well as the tax code of the company representing the non-resident operator must be specified in the box marked “Declarant different from the taxpayer”. It is pointed out, in addition, that the details regarding the non-resident must always be indicated in the spaces reserved for “Taxpayer’s data”.
- in the case referred to in **code 7**, the details of one of the heirs must be specified, with the indication of the date of death of the taxpayer;
- in the case referred to in **code 8** indicate also the date of appointment;
- in the case referred to in **code 9** to be used, for example, in the event of an incorporating merger that took place between January 1 and the date of submission of the annual return, the incorporated company must be indicated as the taxpayer and the incorporating company as the declarant. Its tax code must be indicated in the field marked “Tax code of declarant company”, while the remaining fields must indicate the tax code and details of the incorporating company’s representative.

4.1.4 – SIGNATURE OF THE RETURN

This box, reserved for the signature, contains an indication of the number of forms that comprise the VAT return. The boxes related to the boxes filled in are at the foot of part VL.
The signature must be written legibly in the relevant box, by the taxpayer or by the person who represents him legally or contractually, or by one of the other persons listed in **Table "Appointment codes"** in section 4.1.3.
Data regarding the signatory of the return when different from the taxpayer, including the appointment code, must be indicated in the specific box reserved for the declarant when different from the taxpayer.
With reference to the “**NOTICE OF ELECTRONIC FILING**” box, Decree Law no. 159 of 2007, converted with modifications by Law no. 222 of 2007, has amended article 2-bis of Decree Law no. 203 of 2005, establishing that the invitation to the taxpayer to provide cla-

rification pursuant to art. 6, paragraph 5, of Law no. 212/2000 (if, from an inspection of the return carried out in accordance with articles 36-bis of Presidential Decree no. 600/1973 and 54-bis of Presidential Decree no. 633/1972, a payable tax amount or lesser refund emerges) will be sent to the intermediary authorised to file the statement electronically if the taxpayer has requested it (electronic notice).
The above-mentioned intermediaries are obliged to advise the affected taxpayers of the outcome reported in the communication of irregularity received in due time and, in any case, by the deadlines pursuant to art. 2, paragraph 2, of Legislative Decree no. 462/1997.
If the taxpayer does not choose electronic notice, the request for clarifications will be sent to his tax domicile by registered letter (communication of irregularity).
The penalty for the amounts owed resulting from inspection of returns - 30 percent of the taxes not paid or paid late - is reduced to a third (10 percent) if the taxpayer pays the amounts owed within 30 days of receipt of the communication of irregularity.
This 30 day limit, in the case of notice of electronic filing being chosen, takes effect from the sixtieth day after the day on which notice was sent electronically to the intermediary.
The choice to have the notice sent to the authorized intermediary also allows a qualified professional to verify the results of the check conducted on the return.
The taxpayer exercises this choice by crossing the "**NOTICE OF ELECTRONIC FILING**" box included in the "SIGNATURE OF THE DECLARATION" box.
The intermediary, in turn, agrees to receive the electronic notice by crossing the "**RECEPTION OF ELECTRONIC NOTICE**" box included in the "COMMITMENT TO ELECTRONIC FILING" box.
The taxpayer may draw attention to particular conditions regarding the return by indicating a specific code in the **"Particular situations" box**.
This may be necessary with regard to circumstances which arise subsequent to the publication of this return form, for example following clarifications provided by the Revenue Agency in relation to questions from taxpayers and referring to specific issues.
Therefore, this box may be completed only if the Revenue Agency communicates (for example by means of a circular letter, resolution or press release) a specific code to use in order to indicate the particular situation.

4.1.5 – SIGNATURE OF THE CONTROLLING BODY OR COMPANY

In the case of a company participating in the group payment of VAT, the controlling body or company must also sign; this signature must appear on the front cover if control was exercised for the entire year, at the foot of part VK if control ceased during the course of the year.

4.1.6 – ENDORSEMENT OF CONFORMITY

This section must be completed for issue of the endorsement of conformity and is reserved for the person in charge of the CAF (Tax Assistance Centre) or to the professional issuing it.
The tax code of the person in charge of the CAF and the tax code of the CAF itself or the tax code of the relevant professional must be inserted in the spaces provided. The person in charge of the CAF tax assistance or the relevant professional must sign to approve issue of the endorsement of conformity pursuant to art. 35 of Legislative Decree no. 241 of 1997.

4.1.7 – SIGNATURE OF AUDITING BODY

The part is reserved for taxpayers who may have the return signed by the body appointed to carry out the accounting audit instead of affixing the stamp of approval.
When the return is signed by the body carrying out the accounting audit, the return is certified as having been verified in accordance with article 2, paragraph 2 of Decree no. 164 of 1999. It is pointed out that if the certification of verification is made in bad faith, the fine provided for by article 39, paragraph 1, letter a), first sentence of Legislative Decree no. 241 of 09 July 1997 applies. In the case of repeated or particularly serious violations the competent authorities are notified so that further measures may be taken.
The following information must be indicated in the fields provided:
– in the **Subject** box, the **code 1**, by the accounting auditor registered in the Registry instituted at the Ministry of Justice;
– in the **Subject** box, the **code 2**, by the individual responsible for the audit (for example the associate or administrator) if the audit is carried out by a firm registered in the Registry instituted at the Ministry of Justice. In addition a distinct field must be completed with the tax code of the auditing company, taking care to indicate the **code 3** in the Subject box without

completing the signature field;
– in the **Subject** box, the **code 4** by the board of statutory auditors, for each member.
The subject carrying out the accounting audit must also indicate his/her own tax code.

4.1.8 – UNDERTAKING TO ELECTRONIC SUBMISSION

This section must be completed and signed by the intermediary who transmits the communication.
The intermediary must state:
• his own tax code;
• the date (day, month and year) on which the obligation to transmit the communication was assumed.
In addition, in the box regarding the undertaking to submit the return electronically, code 1 must be indicated if the return has been prepared by the taxpayer or code 2 if the return has been prepared by the person sending the return.

4.2 Form

4.2.1 – PART VA - INFORMATION AND DATA RELATING TO THE ACTIVITY

The part is divided into 2 sections: 1) General analytical data; 2) Summary data referring to all activities.
The first section contains some analytical data regarding the activity or activities managed with independent accounting as provided for by article 36 (see paragraph 3.2), while the second summarises all of the activities carried out by each subject.
Usually in the case of a taxpayer who carries out a single activity and in the absence of substantial subjective transformations, the 2 sections must be completed on a single form.
If the taxpayer on the other hand conducts several activities with separate accounts as provided for by article 36 or if during the fiscal year, mergers, divisions or other extraordinary operations, i.e. substantial transformations (inheritance, transfer of the business, etc.) have taken place, the same number of forms must be submitted and copies of **section 1** completed as there are separate activities, i.e. companies participating in the merger, division, etc., while **section 2** must be completed once only for each subject, indicating the summary of the details for each subject.
In the case of completion of several forms, these must be numbered in progressive order, filling in the relevant field at the right top of the page.

SECTION 1 - General analytical data

Line VA1 in the event of a merger, division, conferment and transfer of the business or other extraordinary transactions, or substantial subjective transformations occurring during the course of the year, the VAT registration number of the person transformed (incorporated or division company, person conferring or ceding the business) must be indicated by the declarant taxpayer in the form (or forms in the case of separate accounts) used to indicate the data relating to the activity carried out by the said person in the period preceding the transformation. In addition to this, in the same form, the declarant must cross **box 2** if the person transformed continues an activity which is relevant for VAT purposes.
Box 3 must only be crossed by the assignor, in the first form, if he presents several forms in the case of separate accounts, to communicate that he has taken part, during the year, in extraordinary transactions or other substantial transformations (partial division, conferment, transfer or donation of a branch of the company).
Field 4 must be completed to indicate the credit resulting from the 2014 annual VAT return, transferred wholly or in part following the extraordinary operation.
Field 5 must be filled in by non-resident persons when they operated in Italy, making use, in the same year, of the system of tax representation and subsequently of the system of direct registration and vice versa, indicating the VAT number of the system which is no longer adopted (see paragraph 2.3 letter C).
The same field must also be filled in if the transfer from one system to another occurred between January 1 and the date of presentation of the VAT return.

Line VA2 must indicate the activity code taken from the classification table of economic activity in force at the time the declaration is submitted. Please note that the table may be consulted at the Offices of the Revenue Agency and is also available on the website of the Revenue Agency **www.agenziaentrate.gov.it** as well as on that of the Ministry of the Economy and Finance **www.finanze.gov.it**. Where more than one activity is carried out with

combined accounting, the code relating to the main activity with reference to the business turnover during the tax year must be specified in the single form.
If several activities are carried out with separate accounts, as provided for by article 36, the relevant activity code must be specified in each form.
If data relating to several activities are included on the same form, it is necessary to indicate the code relating to the main activity on the said form.
In this regard, it is pointed out that the indication of the main activity code not previously communicated or communicated incorrectly, together with the alterations to the data to be effected at the offices of the Revenue Agency by the due date for the presentation of the annual return, precludes the imposition of penalties.

Line VA3 the box must be crossed by official receivers and court-appointed liquidators if the form refers to transactions recorded during the part of the calendar year prior to the declaration of business failure or of compulsory administrative liquidation.

Line VA4 this line is reserved for savings management companies as provided for by Decree Law no. 351 of 2001 to indicate, in the form relating to the activity of each fund managed, the name and identification number assigned by the Bank of Italy to the fund itself (see also instructions for part VD).
Field 3 must be completed if management of the fund is substituted from one savings management company to another during the tax year, indicating the VAT registration number of the substituted savings management company.

Line VA5 must be completed by taxpayers who during the fiscal year have made carried out purchases and imports of terminal devices for public terrestrial mobile radiocommunications services (so-called cellular phones) and related operator service charges, for which the amount paid has been deducted at a rate of more than 50%. Completion of the line is also required on the part of taxpayers whose actual deduction is then reduced as a result of the existence of limitations on the deduction due to the carrying out of operations exempt from or not subject to VAT (for example pro-rata deduction).
Indicate in columns 1 and 3, respectively, the total taxable amount of purchases, including purchases made through leasing agreements, of imports of telephone devices and of operator services, and in columns 2 and 4 the total amount of tax deducted.

SECTION 2 - Data summary relating to all activities carried out

Tax concessions for exceptional events
Line VA10 reserved for taxpayers who have legitimately benefited during the tax period, for VAT purposes, from tax concessions provided for by special enactments issued in the wake of natural disasters or other exceptional events.
Taxpayers concerned must indicate the corresponding code in the relevant box, taken from the "Table of exceptional events" (see Appendix under the entry "Persons affected by exceptional events").

Conforming to the parameters for 2013
Line VA11 must be completed exclusively by taxpayers whose business turnover for the tax year **2013** was in line with the results of the parameters.
In the line the greater amounts (column 1) and the tax paid using form F24 - tax code 6493 (column 2) must be indicated.
The greater taxable amount and the relevant tax payable must not be indicated in part VE, insofar as they do not refer to 2014, but the preceding year.
Taxpayers who intend to bring their return into line with the parameters for the **2014 tax year** must pay the greater amount of tax due by the final date for the submission of the 2015 income tax return (2014 tax period), using Form F24 and tax code 6493. The greater taxable amount and relative tax must be indicated in the 2016/VAT return (2015 tax year).

Line VA12 is reserved exclusively for bodies or companies who adhered, in the previous year (or years), as controlling companies, to the procedure of liquidation of group VAT as provided for by the Ministerial Decree of 13 December 1979. If the group payment procedure is in fact not renewed during the following year with reference to the controlling company itself or if the procedure ceased during the year of control, any surplus group credit for which a refund has not been requested may be carried over for deduction in periodic payments made following the date of discontinuation of the group (see Circular no. 13 of 5 March 1990).
If such group credit surplus is not fully set-off during the year following cessation of con-

trol, or during the current year if the group is discontinued before the end of the year, it may be set-off and guaranteed in subsequent years until such time as there is complete settlement of the entire credit deriving from the group, subject to the indication of the amount set-off in line **VA12** of the return relating to the year of use of the credit.
The same line must also be completed in the special circumstances in which a company outside the group, incorporated a controlling company in 2014, with the consequent discontinuance of the group in the course of the year, in order to indicate the surplus group credit (resulting from the VAT summarizing prospectus VAT 26 PR part VY of the return of the ex-controlling incorporated company) which has been set-off in 2014 by the incorporating company and for which the said company must provide guarantees as provided for by the Ministerial Decree of 13 December 1979.
If on the other hand, the group payment procedure continues until the end of the year with separate accounts, in accordance with resolution n. 363998 of 26 December 1986, the credit acquired by the incorporating company beginning from January 1 of the year following the incorporation, must be indicated in line **VA12** of the return relating to the year in which the credit was used, for the part set-off and therefore to be guaranteed.
Line **VA12** must indicate:
– the year to which the credit deriving from the group refers;
– the amount of such credit which has been set-off in **2014** and for which the guarantees as provided for in article 6, 3rd paragraph, of the Ministerial Decree of December 13, 1979 must be given.

It is pointed out that article 13 of the Legislative Decree no 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014 and especially removing the general obligation to provide the guarantee. For further details see Circular no. 32 of 30 December 2014.

Operations carried out in relation to condominiums
Line VA13 the total amount of operations carried out by firms and other taxpayers in relation to condominiums, excluding water, electricity and gas supply as well as operations which have led to the collection of payments subject to deduction at source (withholding tax) (article 1, paragraph 2, letters a) and b) of the Ministerial Decree of 12 November 1998).

Flat rate tax regime for subjects carrying on business activities, arts and professions as provided by article 1, paragraphs 54 to 89, of Law no. 190 of 2014.
Line VA14 must be completed by taxpayers who starting from the tax period following the one to which this declaration refers intend to make use of the specific regime governed by article 1, paragraphs 54 to 89, of Law no. 190 of 23 December 2014. In particular, **box 1** must be crossed to indicate that this is the most recent annual VAT return prior to application of the exemption regime.
It is pointed out that the contingent tax due as a result of the rectification of the deduction provided by article 1, paragraph 61 of Law no. 190 of 2014, shall be included in line VF56, reserved to the rectifications of the deduction regulated by article 19-bis2.

Line VA15 reserved for non-operating companies, pursuant to article 30 of Law no. 724 of 23 December 1994, i.e. companies operating at a systematic loss as provided for by article 2, paragraphs 36-decies and 36-undecies of Decree Law no. 138 of 13 August 2011, as amended by the article 18 from Decree Law November 21, 2014, n. 175. Circular Letter no. 23 of 11 June 2012, has clarified that regulations governing dummy companies concern taxpayers operating at a systematic loss starting from the tax period following the five-year period in which a situation of tax loss for a period of four years and a taxable income lower than the presumed minimum for a period of one year has been recorded in the annual tax return. This line must also be completed by companies which during the tax period have participated in group VAT payment. The box must be completed with the code corresponding to the following situations:
- “1” dummy company for the year to which the return applies;
– “2” dummy company for the year to which the return applies and for the previous year;
– “3” dummy company for the year to which the return applies and for the previous two years;
– “4” dummy company for the year to which the return applies and for the previous two years and which has not carried out significant operations for VAT purposes not less than the amount derived from the application of the percentages set out in article 30, para-

graph 1, of Law no. 724 of 1994.

It is pointed out that for companies and bodies considered dummy companies the input VAT resulting from the annual return may not be used as set off in Form F24 (cases indicated with codes 1, 2 and 3).
With regard to the case indicated by the code 4, as set out in Circular no. 25 of 04 May 2007, the provision contained in the final sentence of paragraph 4, article 30 of Law no. 724 of 1994 regarding permanent loss of the annual tax credit, applies.
In any case, taxpayers who indicate the code 4 and an annual tax credit must complete line VX2 or the corresponding line of section III of part RX in the Unico 2015 return form.

4.2.2 - PART VB – Data relating to identification details of financial relations

This part is reserved to subjects who want to avail of what provided by article 2, paragraphs 36-vicies ter, of Decree-Law no. 138 of 13 August 2011. In particular, in line VB1 to VB7, identification details of relationships with financial operators shall be reported, as provided by article 7, paragraph 6, of Presidential Decree no. 605 of 1973 (for example banks, companies of Poste Italiane s.p.a., etc.) existing during the tax period of the hereby return. As provided for by article 2, paragraph 36-vicies ter, of Decree Law no. 138 of 13 August 2011, converted into law with amendments by Law no. 148 of 14 September 2011, for subjects carrying on businesses or arts and professions with declared revenues of not over 5 million euros, who for all asset and liability transactions made while conducting their business use exclusively payment instruments other than cash and who in declarations relating to income tax and value-added taxes indicate the details identifying their relations with financial operators as provided for by article 7, sixth paragraph, of Presidential Decree no. 605 of 29 September 1973, the administrative penalties set out in articles 1, 5 and 6 of Legislative Decree no. 471 of 18 December 1997 may be reduced by half.

In particular, the following should be indicated:
- the tax code of the financial operator issued by the Italian financial Administration (**column 1**) or, if this is not available, the foreign tax identification code (**column 2**);
- in **column 3**, the name of the financial operator;
- in **column 4**, the type of relation, using the codes provided in the table below (see the provision issued by the Director of the Revenue Agency of 20 December 2010):

TABLE OF CODES

01	Current account
02	Securities and/or bond deposit account
03	Free/Restricted savings deposit account
04	Fiduciary relationship pursuant to Law no. 1966/1939
05	Collective asset management
06	Asset management
07	Certificates of deposit and savings certificates
08	Portfolio
09	Individual/Global third-party account
10	After collection
11	Unavailable transferred securities
12	Safe deposit boxes
13	Closed deposits
14	Hedging contracts
15	Credit/Debit cards
16	Guarantees
17	Credits
18	Loans
19	Pension funds
20	Compensation agreement
21	Pooled financing

22	Company holding
98	Non-account transaction
99	Other relation

If there are not enough lines to indicate relations with financial operators, another part VB must be completed, indicating “02” in the field “Form no.” and so on.
In the case of extraordinary operations and completion of the return according to the instructions provided in paragraph 3.3, letter A), the details required in the part, if they regard the assignor, must be indicated in the form relating to them.
It is pointed out that the completion of several forms because of the inclusion of multiple parts VB does not change the number of forms comprising the return to be indicated on the front cover.

4.2.3. – PART VC - EXPORTERS AND ASSOCIATED OPERATORS - PURCHASES AND IMPORTS WITHOUT THE APPLICATION OF VAT

Part VC must be completed by taxpayers who make use of the entitlement to purchase goods and services and import goods without the application of VAT, provided for subjects who carry out export sales, associated operations and/or international services and intra-community operations.
The part must be completed indicating the data specified by article 10 of the Presidential Decree number 435 of 07 December 2001.
It is pointed out that with regard to the use of the ceiling, registration of purchase invoices or customs bills of entry are not to be considered, but rather the moment of the purchases as provided for by art. 6, unlike the completion of line VF12 which refers exclusively to the moment of registration of the purchase transaction.
As a result of the regulations set out in article 10 of Presidential Decree number 435 of 2001, taxpayers who have adopted the calendar method for the calculation of the ceiling must also complete the individual lines separately for each month, in addition to indicating the total amount.
The section consists of **six columns** in which, for each month, in **lines from VC1 to VC12**, the following data must be specified:
– **column 1:** amount of the ceiling used for purchases in Italy and intra-community purchases;
– **column 2:** amount of the ceiling used for imports of goods;
In the case of transfer of the benefit of use of the ceiling, for example business leasing or sale of business, columns 1 and 2 must be completed by the transferee company starting from the date of use of the ceiling received;
– **column 3:** business turnover, subdivided by month, relating to the 2014 tax year. It is pointed out that the column must be completed indicating the monthly amount of operations carried out, excluding those set out in article 21, paragraph 6 bis. Such operations, in fact, count towards the calculation of turnover but must not be considered for the purpose of verification of the status of customary exporter;
– **column 4:** amount of all export sales, associated operations and/or international services, intra-community operations, etc., carried out monthly, in the same tax period 2014.

Columns 3 and 4 must be filled in by all taxpayers who used the ceiling in 2014, regardless of the method of calculation followed, while the data referred to in columns 5 and 6 must be indicated only by taxpayers who during 2014 carried out purchases and imports using a ceiling related to by tax concessions during the 12 preceding months and also for the purpose of monthly auditing of the existence of the status of exporter aided by tax concessions, during 2014, as well as the availability of the ceiling in each month;

– **column 5:** business turnover subdivided by month, for 2013. It is pointed out that the column must be completed indicating the monthly amount of operations carried out, excluding those set out in article 21, paragraph 6 bis. Such operations, in fact, count towards the calculation of turnover but must not be considered for the purpose of verification of the status of customary exporter;
– **column 6:** amount of export sales, associated operations, international services, intra-community operations, etc., carried out monthly, also in 2013.

Line VC14 must indicate the availability of the ceiling at 1 January 2014 or at the date of transfer of the benefit of the use in cases, for example, of business leasing or sale.

This amount is valid for a year for those who use the calendar year ceiling, which obviously

diminishes with the carrying-out of individual purchases during the course of the same year, and is valid only for January 2014 for taxpayers who use the monthly ceiling, pending the specific calculation that such a method entails.
For the purposes of highlighting which method has been adopted for the calculation of the ceiling during 2014, the taxpayer must cross **box 2** of line VC14, in the case of calculation relating to the previous year (calendar method), or **box 3** if the calculation is made in relation to the preceding twelve months (monthly method).

Settlement in the event of use of the ceiling beyond the available limit. Taxpayers who, on the basis of instructions given in circular letter 50/E of 12 June 2002, have taken steps to regularise operations for which a declaration of intent has been issued beyond the limit of the available ceiling through the **issue of a self-invoice** and with the subsequent payment of the tax, using form F24 and indicating the tax code of the period in which the purchase was erroneously made without the application of VAT, must indicate the amount of the tax thus regularised in line VE24 and include the payment in line VL29, field 1. For deduction purposes, the taxable amount and the tax resulting from the self-invoice mentioned above, must be indicated in part VF in the line corresponding to the tax rate applied. Consequently the amount of the invoice of the supplier or the customs bill of entry respectively made out or issued under a non-taxable regime must not be indicated in line VF12. In the case of settlement of the use of the ceiling beyond the available limit by means of a **request to raise** the ceiling as provided for by article 26, for deduction purposes, the taxable amount and the tax resulting from the invoice issued by the supplier or service provider must be indicated in part VF in the line corresponding to the tax rate applied and, consequently, the amount of the invoice previously issued under a non-taxable regime must not be indicated in line VF12.

4.2.4 – PART VD - TRANSFER OF VAT CREDIT BY SAVINGS MANAGEMENT INSTITUTIONS (ARTICLE 8 OF DECREE LAW 351/2001)

Article 8 of Decree Law number 351 of 25 September 2001 converted by Law number 410 of 23 November 2001 makes provision for savings management institutions to transfer the credit arising from annual VAT returns, as well as in terms of article 43-bis of Presidential Decree number 602 of 29 September 1973, also under the conditions and within the limits set out in article 43-ter of the same decree.
The current part must be used by both savings management institutions in order to indicate the VAT credit resulting from the present return, transferred wholly or in part to other persons as provided for by the said article 8, paragraph 2 of Decree Law number 351/2001, and in the manners set out by the said article 43-ter of Presidential Decree 602 of 1973, and by transferees, belonging to the same group as defined by the said article 43-ter, to whom such credits are transferred.
The due completion of the part by the transferring party is a condition for the transfer of the credit concerned to be effective, in accordance with paragraph 2 of article 43-ter, of Presidential Decree 602 of 1973 and the transferee acquires the entitlement to the credit received upon presentation of the return by the part of the transferor. The credits received can be used as a set off by the transferee, as provided for by article 5 of Presidential Decree number 542, of 14 October 1999, with effect from the beginning of the tax period subsequent to the one in which they became available to the transferor (1st January 2015 if, for VAT purposes, the tax period coincides with the calendar year). Moreover such credits constitute an amount to be used for deduction of periodic or annual payments, following the payment of the amount due (see Circular no. 47 of 2003).
As described by Circular no. 28 of 2014, in order to use as set off credits higher than 15,000 Euro and generated by other subjects the certification of conformity is required or the signature by the control authority both in the transferor statement and in the statement of the subject who uses the credit received.

SEZIONE 1 – Transferring company - List of transferee companies or organisations

Line VD1 indicate the total of the amounts in column 2. This amount must coincide with that indicated in line VL37.
The transferring savings management institution must indicate in lines from **VD2** to **VD21:**
– **column 1,** the tax code of the transferee;
– **column 2,** the amount transferred.
If 20 lines are not sufficient to indicate all credits transferred, another part VD must be used, indicating "02" in the field "Form no.", and so on. The total (line VD1) must be indi-

cated only in form "01".

SECTION 2 - Transferee organisation or company - List of transferor companies

The transferee organisation or company must indicate in lines from **VD31** to **VD50**:
– **column 1,** tax code of the transferor;
– **column 2,** the amount of credit received.
If 20 lines are not sufficient, another part VD should be used, indicating "02" in the box "Form N." and so on. If this is the case, lines from VD51 to VD56 must only be completed in form "01".

In **line VD51,** the total of the amounts from column 2 should be indicated.

In **line VD52,** the surplus credit from line VD56 must be indicated (return related to the tax year 2013).

In **line VD53**, the sum of the amounts stated in lines VD51 and VD52 must be indicated.

In **line VD54**, that part of the amount stated in line VD53 which is used to reduce VAT payments, related to the present return, must be indicated. This amount should be included in line VL28, field 1 and indicated separately in field 2 of the same line. The part used to lessen the VAT debt appearing from this return must be indicated in line VL35.

Line VD55 must reflect that part of the amount stated in line VD53 which is used, before the date of submission of the return, to set off amounts due in respect of other duties, contributions or premiums, and stated in the column "credit amounts set off " of F24 the payment form.

In **line VD56**, that part of the amount in line VD53 which remains after the uses indicated in lines VD54 and VD55 should be indicated.
The filling in more than one part entitled 'VD' does not alter the number of forms that make up the return, to be indicated on the front cover.

4.2.5. – PART VE - CALCULATION OF BUSINESS TURNOVER AND THE TAX RELATIVE TO THE TAXABLE OPERATIONS

The section is divided into five parts: 1) Contributions of agricultural products and transfers by exempt agriculturalists; 2) Taxable agricultural operations and taxable commercial or professional operations; 3) Total taxable amount and tax: 4) Other operations; 5) Business turnover.
In part VE, all the operations carried out within the State and within the territory of the European Union and the exportations to countries outside the European Union, and the operations for which a proper invoice was issued must be included, subdivided by rates and taking into account the variations pursuant to art. 26.
In the specific case of taxpayers who have recorded operations subject to VAT with VAT rates or set-off percentages that are no longer present in part VE, they must calculate the taxable amounts for these operations in the line corresponding to the rate closest to the one applied, calculating the corresponding taxes, and then include the (positive or negative) tax difference in line VE24 among the adjustments. In parts VE and VF, some amounts could turn out to have a negative value following variations carried out during the tax year that could lead to reductions. In this case, indicate a minus sign (–) in front of the relevant amounts (within the fields).
It is pointed out that in the Appendix, in the section on “Agriculture”, a special summary form has been added to guide the various types of agricultural producers (exempt or not) in completion of the VAT return.

Taxpayers who have made use of the exemption from the obligations referred to in art. 36-bis, and who have also carried out taxable operations in 2014, are obliged to indicate these operations in part VE, as well as exempt operations referred to in no.s 11, 18 and 19 of art. 10, which in any case are subject to invoicing and registration.

Taxpayers who, from the 2015 tax year, make use of the beneficial tax regime regulated by article 1, paragraphs 54 to 89 of Law no. 190 of 23 December 2014 must take into account in this return the tax payable in relation to operations carried out vis-à-vis the State and other subjects as indicated in the fifth paragraph of article 6 and to operations carried out in accordance with article 32-bis of Decree-Law no. 83 of 2012, and for which the tax

has not yet become payable (article 1, paragraph 62, of Law no. 190 of 2014).
These operations must be indicated in the lines on the rates applied and, if they have contributed to the calculation of the business turnover of the previous years, the relevant taxable amount must be indicated in line VE38.

SECTION 1 – Conferring of agricultural products and transfer by exempt agriculturalists (in the case of the limit being exceeded by more than a third)

Section 1 is reserved:
- for agriculturalists who have transferred goods to entities, co-operatives or other associated entities (as well as the transfer of goods from co-operatives to their own consortia); in terms of article 34, paragraph 7, with the application of flat-rate set-off percentages (cp. circular letter 328, 24 December 1997, paragraph 6.6)
- for exempt agriculturalists referred to in article 34, paragraph 6, i.e. those who, in the previous year, did not exceed the business turnover threshold of 7,000 Euro, who find, at the end of the year, that they have exceeded the one-third limit, envisaged for transactions other than the sale of agricultural and ichthyic products, listed in Table A, first part, enclosed with Presidential Decree 633/72. As provided for in circular letter 328/E of 24 December 1997 (paragraph 6.7.2), for those who, at the end of the calendar year, discover that they have exceeded, by a third, the limit laid down for operations different from transfers of agricultural and ichthyic products, the application of tax rates that correspond to set-off percentages related to the assignments of agricultural products, and of the rates related to different operations (the latter to be indicated in section 2), remains the same for the entire calendar year.

Calculation of taxable amount
In the first column, the amounts related to taxable operations must be indicated, separated according to tax rate (corresponding to set-off percentages, provided for by the Ministerial Decrees of 12 May 1992, of 30 December 1997 and the Decree of 23 December 2005) that result from the register of invoices issued (art. 23) and/or from the considerations register (art. 24), bearing in mind the variations as per article 26 registered for the tax period.
Taxpayers who use the register of invoices will take the taxable amounts from this register, already sub-divided according to tax rate, and indicate them in the column for taxable amounts, corresponding to the relative tax rate (printed on the form).
Regarding the accounting related to considerations with VAT incorporated, it should be remembered that agriculturalists, for the sale of their own products, whether from crops or from raising animals, towards private consumers, can make use of provisions referred to in article 22 and 24, regarding, respectively, the fact that it is not necessary to issue an invoice if the customer does not request it, and the recording of total daily takings in the considerations register.
For such operations, the total amount, net of the VAT included therein, must be calculated using the methods illustrated in the Appendix, under the entry "Taxpayers who use the considerations register".
The taxable amount thus determined should be indicated in the column of taxable amount, corresponding to the tax rate printed on the form, rounded to the nearest Euro.

Lines from VE1 to VE9 in these lines, in correspondence with the tax rates printed on the form, the amounts related to operations for which tax turned out to be payable in the year 2014, noted or to be noted in the register of invoices issued (art. 23) and/or in the considerations register (art. 24), and taking into account the variations referred to in article 26, recorded for the same year, must be indicated. The tax should be calculated by multiplying each taxable amount by the corresponding flat-rate set-off percentage.

SECTION 2 – Taxable agricultural operations and taxable commercial or professional operations

Section 2 must be filled in:
- by all taxpayers who carry out commercial, artistic or professional activities;
- by all agricultural producers (both in the special regime and in the ordinary regime opted for) for all the sales of agricultural and ichthyic products referred to in paragraph 1, art. 34 carried out in the year 2014 for which the tax rates laid down for the individual goods become applicable.

In this section, the so-called **mixed agricultural businesses** (article 34, paragraph 5) must also indicate the sales of goods that are different from those from the agricultural or ichthyic sectors referred to in Table A enclosed with Presidential Decree 633/72, as well as any services carried out, that fall outside the sphere of application of article 34-bis. It is to be remembered that the above-mentioned operations carried out by exempt agricultu-

ralists who exceeded the one-third limit must also be indicated in this section.
It is also to be remembered that the concept of taxable operations that are different from the ones indicated in the first paragraph of article 34, include those operations that are carried out by the agricultural producer in the environment of his own agricultural business, but are of an accessorial nature compared to the core productive activity, for example, the sales of agricultural products included in the second part of Table A, the sale of agricultural products purchased from third parties at an equal or higher level to those coming from their own beds, woods or livestock, to improve the quality of the goods produced (for a correct definition of these different operations see "Agriculture" in the Appendix).
Naturally, cases which are not covered by the norm referred to in the fifth paragraph of article 34, are regulated by the provisions laid down in article 36 for the purposes of separate accounting (see circular letter n. 19, 10 July 1979, Director General of Taxes).

It is to be noted that taxpayers who make use of a reduction of the taxable base **(publishers)** must indicate, in part VE, the taxable amount related to the operations after the due reduction has been already considered.

In addition, the section must include that part of payments taken to be the taxable base for sales of goods for which deductions for their purchase or import has been limited by virtue of the provisions of article 19-bis1 or of other provisions (for example motor vehicles, cellular telephones, etc.). For these sales the taxable base, pursuant to article 13, final paragraph, is calculated by applying to the payment the deductible percentage used at the moment of purchase.

Enterprises that supply interim work must not include reimbursements from income and social security taxes, in the taxable base, which the agent who employs temporary workers is obliged to pay, according to the law regarding "Interim work" (Law 196 of 24 June 1997), effectively paid on behalf of the temporary worker (article 7 of Law 133 of 13 May 1999), see also resolution 384/E of 12 December 2002.

Taxpayers who use the register of invoices issued should take from the taxable amounts from that register, already sub-divided by tax rate, and indicate them in column 1, in lines from VE20 to VE22, corresponding to the relative tax rates printed on the form.
Retail dealers and other taxpayers referred to in article 22, for which the issuing of invoices is not obligatory if not requested by the purchaser, must calculate the total amount of the operations, net of the VAT included therein using the methods illustrated in the Appendix, under the entry "Taxpayers who use the considerations register".

Calculation of taxable amounts

Lines from VE20 to VE22 in these lines, the following must be indicated:
- in the first column, the amounts of the taxable operations, separated according to tax rate, for which the tax for the year 2014 is due, already recorded or to be recorded in the register of invoices issued (art. 23) and/or from the register of considerations (art. 24), and taking into account the variations as referred to in article 26, recorded for the same year;
- in the second column, the totals of the relative tax.

NOTE: *in these lines, the following must also be included: amounts relative to sales made, with tax applied, to parties residing or domiciled outside the European Union, according to* ***article 38-quater, second paragraph,*** *for which, in the tax year, the purchaser has not given the seller the copy of the invoice endorsed by the Customs Office at the exit point from European Community territory. In cases where the purchaser has given the transferor, the invoice endorsed by the Customs Office at the exit point from European Union territory by the end of the fourth month after the operation and in the tax year, the transferor must add a negative variation, equal to the adjusted tax amount, to line VE24, so as to make up for the VAT (in this case the relative tax amount must not be included in part VF). In cases where the return of the invoice happens after 31.12.2014, the same negative variation is to be indicated in the corresponding line of the tax return form for the year 2015.*
For sales carried out according to ***article 38-quater, first paragraph,*** *without the application of tax, to be included among the non-taxable operations referred to in line VE32, for which the invoice endorsed by the Customs Office at the exit point from European Union territory has not been returned to the transferor, by the end of the fourth month after the operation, the transferor will have to indicate the increase by the end of the following month, equal to the tax to be applied, in line VE24, so as to highlight the relative VAT output. If the due date should fall after 31.12.2014, the same increase is to be indicated in the*

corresponding line of the tax return form for the year 2015.

SECTION 3 – Total taxable amount and tax

Line VE23 in this line, the total of the taxable amounts and taxes should be indicated: these are determined by summing the totals indicated in **lines** from **VE1 to VE9** and from **VE20** to **VE22**, respectively from the column of taxable amounts and of the column for taxes.

Line VE24 in this line, the variations and rounding off of tax amounts relative to the operations referred to in lines from VE1 to VE9 and from VE20 to VE22 should be indicated.
The tax indicated in line VE23 can be different from the total tax presented in the register of invoices issued or the register of considerations.
Such a possible difference derives from the following elements:
– rounding off of tax done in invoices (article 21, paragraph 2, letter l);
– tax indicated in the invoices that is higher than the real figure (article 21, paragraph 7), of which the decrease has not been noted;
– rounding offs to the nearest Euro in the return.
Furthermore, in this line, positive or negative variations in tax, recorded in the year 2014 and relative to operations recorded in previous years, must be indicated.
This line should also include the total VAT used for the settlement of the so-called use of a ceiling (cp. notes in part VC).
Such a difference should be indicated in line VE24 with a plus sign (+) inside the field if the total tax deriving from the register is higher than the total calculated, or with a minus sign (-) if the opposite is the case.

Line VE25 - in this line, the total VAT relative to taxable operations should be indicated: this amount is obtained by increasing or decreasing the total reflected in line VE23 by the sum of the positive or negative variations set out in line VE24.

SECTION 4 - Other operations

Section 4 must include all operations which are different from those indicated in sections 1 and 2 above.
Line VE30 indicate, in **field 1**, the total of exports and other non-taxable operations which contribute to the formation of the ceiling as provided for by art. 2, paragraph 2, of Law no. 28 of 18 February 1997. To determine which operations to indicate in this line, see the Appendix under “Exports and other non-taxable operations”, “Intra-community operations and imports” and “Used goods”.
Divide the amount in field 1 in the following fields:
– **field 2** the sum of exports of goods during the year as provided for by art. 8, first paragraph, letters a) and b), including also:
  • sales to purchasers or their commission agents made through transport or shipment of goods outside the territory of the European Union by or on behalf of the seller or commission agents;
  • sales of goods collected from a VAT deposit with transport or shipment outside the territory of the European Union (art. 50-bis, paragraph 4, letter g) of Decree Law no. 331/1993);
– **field 3** the total sum of intra-community sales of goods, taking into account adjustments as per article 26, entered in the records of invoices issued (article 23) or in the records of payments for supplies received (art. 24);
– **field 4** the total of all sales of goods made to San Marino customers.
– **field 5** the total sum of operations treated as supplies for export.

Line VE31 the total of the non-taxable operations, carried out as regards exporters who have issued their declaration of intent.

Line VE32 the total of other operations qualified as non-taxable (to help identify such operations, consult the Appendix, under the headings "Exports and other non-taxable transactions" and "Used goods").
In addition to this the representing intermediaries must include, in this line, the fees paid to them by travel agencies for services rendered among European Community (art. 7 of Ministerial Decree 30.07.1999, number 340, cp. circular letter 328 of 24.12.1997).
The line shall also include non-taxable operations carried out vis-à-vis the Commissariati Generali di Sezione, i.e. the structure through which an Official Participant submits and handles his/her participation to Expo Milan 2015. These subjects, as regulated by Circular

no. 26 of 7 August 2014 and by Resolution no. 10 of 15 January 2014, can avail of the non-taxation system, provided that purchased goods and services are employed in the official exhibition activity.
The operations indicated in line **VE32** do not contribute to the formation of the ceiling.

Line VE33 indicate the total of exempt operations as referred to by article 10.
Taxpayers affected by exemption from the obligation to register and issue invoices for, the exempt operations in the year 2014, as provided for by article 36-bis, must indicate in this line only the operations referred to in numbers 11, 18 and 19 of article 10, for which the obligation to issue invoices and of registration holds.

It is pointed out that the carrying out of operations exempt from VAT entails necessitates the completion of section 3-A in part VF. If, on the other hand, the exempt operations indicated in the current line are carried out on a purely occasional basis or solely relate to the operations provided for by numbers 1 to 9 of article 10 which do not fall within the normal sphere of activity of the business or are accessory to taxable operations, only line VF53 must be completed.

Line VE34 report the sum of the operations exempt from VAT because they do not meet requirement of territoriality, as regulated by articles 7 to 7-septies and for which relevant invoice was issued as provided by article 21, paragraph 6-bis. Such operations, in fact, count towards the calculation of turnover (see Circular no. 12 of 2013). In order to correctly determine the tax admitted as deduction it is worth to remember that article 19, paragraph 3, letter b), acknowledges the deduction with reference to operations exempt from VAT that, if occurring in the State territory, would give right to deduction (see instructions to compile line VF18 and line VF34 for individuals obliged to determine deductible proportion)

Line VE35 indicate, in **field 1**, the sum of operations carried out with application of reverse charge, specified separately in the following fields:
– **field 2** domestic sales of scrap and other salvage materials as referred to in article 74, paragraphs 7 and 8, for which VAT is to be paid by the seller not subject to tax. The field must also include provision of services associated with contracts, tenders and such the object of which is the transformation of non-ferrous scrap. Sales of the aforementioned goods made to private consumers are in contrast subject to VAT in accordance with ordinary rules, and therefore must be included exclusively in section 2 of part VE (for further information see Appendix under the entry “Scrap”);
– **field 3** sales of investment gold which have become taxable as a result of the choice made and the related services of intermediation carried out in national territory towards taxable entities, in addition to the amount of transfers of gold other than investment gold and of pure silver, made to subjects not liable to tax (for further details see Appendix, “Transactions relating to gold and silver”);
– **field 4** services rendered in the construction sector by subcontractors but not taxed pursuant to article 17, paragraph 6, letter a). The field must also indicate services provided by subcontractors to entities identified by the decree of 10 July 2012, in force since 1 September 2012;
– **field 5** sales of buildings or parts of buildings for which tax is payable by the seller, in accordance with article 17, paragraph 6, letter a-bis);
– **field 6** sales of cellular phones for which the tax is payable by the seller, as provided for by article 17, paragraph 6, letter b);
– **field 7** sales of microprocessors and central processing units before their installation in final consumer products for which the tax is payable by the seller, as provided for by article 17, paragraph 6, letter c).

Line VE36 indicate the net amount of non-taxable operations, carried out in the application of certain concessionary norms towards earthquake victims and associated persons.

Line VE37 indicate **in field 1** the overall amount of operations **carried out during the year with VAT payable in subsequent years**. The operations in question:
– are carried out vis-à-vis the State and other subjects as indicated in article 6, fifth paragraph;
– eare carried out in accordance with article 32-bis of Decree Law no. 83 of 2012 (VAT cash accounting scheme in force since 1 December 2012). These operations must also be shown separately in **field 2**.
It is pointed out that the operations provided for by this line and the resulting tax must not

be included in the first to sections of part VE.

Line VE38 in order to decrease the business turnover, the total amount of operations which contributed to the business turnover of the year or previous years, and for which in the year 2014 the tax has become payable, must be included (without a preceding “minus” sign).
Such operations must also be indicated, in correspondence with the rate applied, in lines from VE1 to VE9 and lines from VE20 to VE22, for the sole purpose of the calculation of tax payable for the current year.

Line VE39 operations (net of VAT) which are not a part of the business turnover must be indicated. In terms of the provisions of article 20, these relate to the transfers of depreciable goods and internal transfers as referred to in article 36, final paragraph. **This amount decreases the business turnover during the year**.
It should be noted that the transfers of depreciable goods carried out in the sphere of special marginal schemes provided for the sale of used goods, antiques, etc., do not constitute a part of business turnover. In such a case, in this line, the receipt from sale must be diminished by the tax payable in relation to the "analytical" margin calculated for each transfer.

SECTION 5 - Business turnover

Line VE40 *business turnover* calculated by adding together the amounts indicated in lines VE23 column 1, lines from VE30 to VE37 and subtracting the amounts indicated in lines VE38 and VE39.

4.2.6. – PART VF - LIABILITY OPERATIONS AND ADMISSIBLE DEDUCTIBLE VAT

The part consists of four sections: 1) The total amount of purchases made within the territory of the State, of intra-community purchases and imports; 2) The total of purchases and imports, total tax, intra-community purchases, imports and purchases from San Marino; 3) Calculation of admissible deductible VAT; 4) Admissible deductible VAT.
In this part, one must include the taxable amount and the tax relating to goods and services purchased and imported as part of ordinary business, art or profession, resulting from invoices and customs bills of entry for imports recorded in the purchases register for the year 2014 (as referred to in article 25) or in other registers provided for with regard to legislation provisions made for special regimes, taking into account variations referred to in article 26 recorded in the same year.
In the specific case of taxpayers who have recorded operations subject to VAT with VAT rates or set-off percentages that are no longer present in part VF, they must calculate the taxable amounts for these operations in the line corresponding to the rate closest to the one applied, calculating the corresponding taxes, and then include the (positive or negative) tax difference in line VF22 among the adjustments.

NOTE: this part includes not only purchases carried out in the national territory, but also intra-community purchases and imports from Countries or territories outside the European Union.

SECTION 1 – Total amount of purchases carried out in the National territory, intra-community purchases and imports

Lines from VF1 to VF11 indicate domestic and intra-community purchases, and imports subject to taxation, for which tax is due and for which the right to deduction has been exercised in 2014, to be entered next to the pre-printed tax rates or the percentage of compensation. Therefore these lines must also include purchases made in previous years for which the tax became payable (article 6, fifth paragraph, article 32-bis of Decree Law no. 83 of 2012).
In these lines, purchases and imports of gold, pure silver, scrap and other salvage material to which the reverse-charge mechanism has been applied must also be included (see Appendix under "Transactions relative to gold and silver" and "scrap").
In the specific case in which, regarding purchases made in prior years but registered in 2014, the percentage of tax deduction applicable in the year in which the right to the deduction arose is different from the percentage applicable for 2014, see instructions in line VF56 and in Appendix under the entry "Adjustments to deductions".
In addition to this, purchases carried out by means of **drawings from VAT deposits** must be included, as well as intra-community purchases made upon drawings of the goods by the con-

signee in the case of "consignment stock". This last procedure is characterised by the fact that the goods guarded remain the property of the European Community supplier until the moment they are drawn by the same consignee, who is the exclusive final receiver of the goods.
Where the goods drawn were the object of prior purchase without payment of the tax by the same person who draws them, and if the drawing from the deposit occurs in the same tax period in which the deposit or the purchase of the good guarded in the deposit was made, the taxable amount and the related tax must be indicated exclusively in lines from VF1 to VF11.
If the drawing from the deposit occurred in a tax period subsequent to that in which the purchase without the payment of tax was made, then the taxable amount must be indicated in the return for the year in which the operation took place (deposit or purchase of goods held in deposit, etc.) in line VF13 and, subsequently, in the return for the year in which drawing occurred, it is necessary to include, in lines from VF1 to VF11, the taxable amount and the related tax, also indicating the same amount in line VF20, to allow the subtraction from the turnover of the corresponding amount already indicated in line VF13 of the previous return.

The tax relating to the aforementioned purchases is calculated by multiplying the taxable amounts set out in lines from VF1 to VF11 by the corresponding tax rates or the percentage of compensation.
The tax resulting from the calculation must be indicated, next to each tax rate, in lines from VF1 to VF11 (column 2).
The taxable amounts and the related tax must be rounded to the nearest Euro.

Line VF12 domestic purchases, intra-community purchases, and imports carried out without the payment of tax, with the use of the ceiling as referred to in art. 2, paragraph 2, of Law 28 of 18 February 1997.
It is pointed out that taxpayers who have made said purchases utilising the ceiling are required also to complete part VC.

Line VF13 objectively non-taxable purchases, made without use of the ceiling, tax-exempt purchases, as well as those made as part of special regimes which require the tax to be calculated using the base-from-base method, with the exception of purchases made by taxpayers who in 2014 used the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011, to be indicated in line VF15. This regards, in particular:
- domestic purchases, including those specified in art. 58, paragraph 1, of Decree Law 331/1993;
- non-taxable intra-community purchases (art. 42, paragraph 1 of Decree Law 331/1993), including those referred to in art. 40, paragraph 2, of the same Decree Law ("community triangle" with the intervention of the domestic agent as transferor/transferee);
- purchases of goods in transit or deposited in places subject to customs surveillance;
- purchases made via the introduction of goods into VAT deposits (article 50-bis, paragraph 4, letters a) b) and d) of Decree Law 331/1993);
- purchases of goods and services having as their object goods held in VAT deposits (art. 50-bis, paragraph 4, letters e) and h) of Decree Law 331/1993);
- purchases relating to operations which fall under special margin schemes regulated by Decree Law 41/1995, and subsequent modifications carried out by persons who apply the analytical, global method, including auction houses (see Appendix);
- purchases relating to operations carried out by travel agencies with the application of the special regime provided for by article 74-ter (see Appendix).

The line must also indicate purchases relating to operations carried out on an occasional basis that fall within the scope of the specific regime provided for connected agricultural activities by article 34-bis (see instructions for line VF55).

Line VF14 exempt domestic purchases, exempt intra-community purchases (art. 42, paragraph 1, Decree Law 331/93) and non-taxable imports (art. 68, excluding letter a). In the current line intra-community purchases and imports of investment gold must also be included.

Line VF15 purchases by taxpayers who in 2014 used the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011.

Line VF16 domestic purchases and imports not subject to tax, insofar as they were carried out, as provided for by special provisions made in this regard, by taxpayers affected by earthquakes and similar subjects.

Line VF17 domestic purchases, intra-community purchases and imports, net of VAT, for

which, as provided for by art. 19-bis1, or other enactments, the deduction of the tax payable is not admitted. The line must also include purchases of truffles from occasional sellers without a VAT registration number, for which deduction is not allowed as stated in art. 1, paragraph 109 of Law no. 311 of 30 December 2004 (see circular no. 41 of 26 September 2005).
Note that for purchases to which the **partial deductibility of the tax** applies (for example 40%), only the tax rate for the part of the non-deductible taxable amount must be indicated. The remaining tax rate and taxable amount must be indicated in lines from VF1 to VF11.

Line VF18 indicate domestic purchases, intra-community purchases and imports, net of VAT:
- by taxpayers who carry out exclusively exempt operations for which the tax payable is entirely non-deductible, as provided for by art. 19, paragraph 2;
- by persons who have chosen to be exempt from compliance as provided for by article 36-bis;
- relating to occasional exempt operations or relating to exempt operations as referred to in numbers from 1 to 9 of article 10, which fall outside the scope of the activity of the business or are marginal to VAT operations (VAT on said operations is in any case non-deductible);
- relating to exempt activities if occasional taxable operations are also carried out.

Moreover, the line shall include all the purchases referring to non-subjected transactions, regulated by articles 7 to 7-septies which do not give right of deduction. They are non-subjected transactions which, if occurring in the State territory, would not give right of deduction (article 19, paragraph 3, letter b).

Line VF19 indicate in **field 1** the total amount of purchases with VAT payable in subsequent years registered in **2014**, with regard to which during the same year the tax did not become payable. The purchases in question:
- are carried out by subjects as indicated in the fifth paragraph of article 6;
- are made by subjects who have made use of the VAT cash accounting scheme as provided for by article 32-bis of Decree Law no. 83 of 2012, in force since 1 December 2012. These operations must also be shown separately in **field 2**. It is pointed out that the field does not need to be completed by sellers or customers of taxpayers who have opted for the VAT cash accounting scheme. As Circular Letter no. 44 of 26 November 2012 also clarifies, in the case of sellers or customers who have not opted to take advantage of the abovementioned scheme, entitlement to the deduction arises, in any case, at the time of the operation.

Line VF20 purchases recorded in previous years for whom the tax became payable in **2014**. Such purchases must also be indicated next to the respective tax rates in lines from VF1 to VF11, for the sole purpose of the calculation of the deductible amount. Their total (to be indicated without a preceding “minus” sign) must be subtracted from the total amount of purchases made in 2014.

SECTION 2 – Total of purchases and imports, total tax, intra-community purchases, imports and purchases from San Marino

Line VF21, column 1, is for indicating the total taxable amounts calculated by adding the amounts shown in lines **VF1 to VF19**, column 1, reduced by the amount in line VF20. In column 2 the total of taxes calculated by adding the amounts in columns 2 of lines **VF1 to VF11** should be shown.

Line VF22 tax adjustments and roundings. The tax payable on purchases indicated in line VF21, column 2, may be different from that resulting from the records. The difference between the VAT amount resulting from the register and that resulting from the calculation must be indicated in line VF22, with a plus (+) sign if the total tax resulting from the records is greater than the tax calculated, or with a minus (-) sign in the opposite case.

Line VF23 total of VAT on taxable purchases and imports, which is obtained from the algebraic sum of lines VF21, column 2 and VF22.

Line VF24 reserved for taxpayers who have carried out intra-community purchases, imports of goods and operations with the Republic of San Marino. Specifically:
- indicate the total amount of intra-community purchases of goods, taking into account adjustments as per art. 26, recorded both in the output tax records (articles 23 or 24) and the input tax records (art. 25), indicating in **field 1** the amount for intra-community purchases, including non-taxable or exempt operations as provided for by art. 42, paragraph 1, of Decree Law no. 331/1993, and in **field 2** the amount for taxable purchases even if this is

not deductible in accordance with art. 19-bis1 or other provisions;
- indicate the total figures relating to imports of goods resulting from customs declarations recorded during the tax period. In **field 3** show the amount for imports, and in **field 4** the tax on taxable operations even if this is not deductible in accordance with article 19-bis1 or other provisions. With regard to imports of industrial gold, pure silver, scrap and other salvage materials for which VAT is not paid at customs the amounts must be included in part VJ for the purpose of calculating the amount owed;
- indicate in **field 5** the total amount of purchases of goods from San Marino for which a VAT invoice was issued by the San Marino seller. In **field 6** indicate purchases of goods from San Marino for which a VAT-exempt invoice was issued by the San Marino seller and for which the domestic purchaser has fulfilled the relevant obligations in accordance with art. 17, second paragraph. For the purposes of calculating the tax this amount and the tax payable must be included in **line VJ1**. In both fields any purchases that are non-taxable on the basis of specific provisions must also be included.

Line VF25 the total taxable amount of purchases (including intra-community purchases) and of imports indicated in line VF21, column 1, must be set out in this line, which, as established by circular no. 12 of 16 February 1978, does not need to be completed by agricultural producers that are not obliged by law to keep accounting records for the purpose of indirect taxes (even if they have opted to apply tax in the normal manner in accordance with paragraph 11 of art. 34).
The following data must be included in the fields provided, net of VAT:
- **field 1**, cost of depreciable tangible or intangible assets as provided for by articles 102 and 103 of Presidential Decree no. 917 of 22 December 1986, including assets with a cost not exceeding 516.46 euros and including the redemption price for assets already acquired under leasing agreements (for example plant, machinery and equipment);
- **field 2**, cost of non-depreciable operating assets, calculating:
  – the amount of instalments for operating assets acquired under leasing, usufruct or hire agreements or other payments;
  – sums for the purchase of non-depreciable operating assets (for example land);
- **field 3**, cost of assets for sale (goods) and assets for the production of goods or services (for example raw materials, semi-finished goods, auxiliary materials);
- **field 4** cost of all other purchases and imports of goods or services essential to the operation of the enterprise, art or profession that are not included in the preceding fields (for example general expenses, expenses for the purchase of services, etc.).

SECTION 3 – Calculation of admissible deductible VAT

The section is included in order to calculate admissible deductible VAT. Taxpayers that have implemented specific types of operations or that operate in specific fields of activity must indicate the method used to calculate the tax by crossing the box provided in line VF30, even in the absence of data to enter in the relevant section.
It is pointed out that in no case must more than one box be crossed on the same form. In cases where two or more regimes for calculating deductible VAT apply, a separate form must be completed for each regime applied.

NOTICE: not line VF30 but lines from VF53 to VF55 must be completed by taxpayers who during the fiscal year carried out:
– occasional exempt operations or occasional taxable operations in the absence of purchases pertaining to them
– exclusively exempt operations as provided for by no. 1-9 of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations
– occasional sales of used goods
– occasional operations which come under the regime provided for by art. 34-bis for connected agricultural activities.

It is pointed out that taxpayers who carry out operations relating to gold which fall under the rules set out in art. 19, third paragraph, letter d), and under those of the following paragraph 5-bis, must keep separate accounting records of the operations and complete two forms in order to show the admissible deductible VAT for each method of calculating the tax.

Line VF30 cross the box referring to the method used for calculating the admissible deductible tax:
– box 1 - Base to base method for travel agencies (art. 74-ter);
– box 2 - Marginal method for used goods (Decree Law no. 41 of 1995);
– box 3 - Activities carrying out exempt operations;
– box 4 - Activities in the farm holiday sector (Law no. 413 of 1991);
– box 5 - Associations operating in the agricultural sector (Law no. 413 of 1991);
– box 6 - Concessionary tax regimes for travelling shows and minor taxpayers (art. 74-quater);
– box 7 - Special tax regime for connected agricultural activities (Art. 34-bis).
– box 8 - Special tax regime for agricultural businesses (Art. 34).

The amount of admissible deductible tax calculated according to ordinary criteria or according to special regimes for which line VF30 must be completed by crossing boxes 1, 2, 4, 5, 6 or 7 must be indicated in line VF57 (see instructions).
Taxpayers who have recorded exempt operations for the tax period as provided for by art. 10 with the exception of exclusively occasional exempt operations as provided for by no. 1 to 9 of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations must cross box 3 of line VF30 and complete lines VF31 to VF37 (see also instructions for the completion of line VF53).

Agricultural businesses which have completed line VF30 by crossing box 8 must calculate the amount of admissible deductible tax in accordance with the criteria set out in art. 34 by completing lines VF38 to VF52.

SECTION 3-A – *Exempt operations*

The section is reserved for taxpayers who have recorded exempt operations for the tax period as provided for by article 10 with the exception of exclusively occasional exempt operations or operations provided for by no. 1 to 9 of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations.

It is pointed out that the carrying out of exempt operations on an occasional basis or exempt operations exclusively as provided for by no. 1 to 9 of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations by a subject whose main activity is essentially subject to VAT, as well as the carrying out of taxable operations by a subject whose business activity is essentially exempt, does not give rise to the application of the pro rata charge. In such cases the general criterion of the specific use of the goods and of the services becomes applicable again, for the purposes of calculating the deductible tax, with the consequent non-deductibility of the tax relating to the goods and services used in the exempt operations referred to above (article 19, paragraph 2) (cp. circular letter 328 of 24 December 1997).
See also instructions for the completion of line VF53.

Lines VF31 to be completed exclusively by subjects who carry out essentially exempt activities and who have only occasionally carried out taxable operations **making purchases pertaining to them**. The VAT relating to purchases allocated to the latter operations is entirely deductible. In this case the taxable amount and tax on purchases classed as taxable operations already shown in lines VF1 to VF11 must be indicated in the fields provided. It is pointed out that the other lines of the current section must not be completed.

Line VF32 the box must be crossed by taxpayers who have carried out exclusively exempt operations. In this case the other lines of the section are not to be completed and the total amount of purchases relating to these must be included in line VF18, since the related tax is not deductible. Note that the box in the current line must not be crossed by taxpayers who have only carried out exempt operations, as per paragraph 5-bis of art. 19. The deductible VAT due for purchases referred to in the aforementioned art. 19, paragraph 5-bis, must be indicated in line VF36.

Line VF33 the box must be crossed by taxpayers who made use, in 2014, of the option referred to in art. 36-bis. In this case no other line of the present section must be completed and the taxable amount of purchases made must be included in line VF18, insofar as it is not deductible.

Lines from VF34 to VF36 reserved for subjects who, having carried out both taxable and non-taxable operations during the course of their activity, are required to calculate the pro rata deduction as provided for by art. 19-bis.

The percentage of deduction is given by the ratio between the total amount of operations carried out during the year which may be deducted (including both taxable operations and operations referred to in article 19, paragraph 3, integrated with taxable operations for the purpose of deduction) and the same amount increased by exempt operations carried out during the same year.
In any case, paragraph 2 of article 19-bis identifies some operations which do not influence the calculation of the percentage of deduction and thus neither the numerator nor the denominator of said ratio should be taken into account. This point regards, in particular, transfers of depreciable goods, internal transfers as referred to in art. 36, final paragraph, operations as referred to in article 2, third paragraph, letters a), b), d) and f), exempt operations as referred to in article 10, number 27 quinquies), as well as exempt operations as indicated in numbers from 1 to 9 of the aforementioned article 10, in the case that they are not part of the subject ordinary activity or are incidental to taxable operations, i.e. if the abovementioned operations are performed within the scope of occasional activities or of activities that are instrumental to the pursuit of the ends of the business. With reference to the latter operations (from 1 to 9 of art. 10), it is established the total non-deductibility of the tax on goods and services used exclusively for their fulfilment is established, in observance of a general principle sanctioned by paragraph 2 of article 19, which provides for the non-deductibility of tax on goods and services used in exempt operations.

Line VF34 ***Data required for the calculation of percentage of deduction to be carried to field 9***

In fields 1, 2, 3, 4 and 7 certain types of exempt operations already included in line VE33 must be included.
Field 1 indicate the total amount of exempt operations as referred to in art. 10, number 11, carried out by agents who produce investment gold or who transform gold into investment gold, identified by art. 19, paragraph 3, letter d), equated with taxable operations for the purposes of deduction (see Appendix, "Transactions relative to gold and silver").
Field 2 indicate the total amount of exempt operations, as referred to in article 10, numbers from 1 to 9, if they do not constitute part of the activity of the business or are marginal to taxable operations. Such operations must not be considered for the purpose of calculation of the pro rata of deductibility.
In this regard, it is pointed out that activity of the business means every activity which falls within the ordinary range of activity of the said business, that is within its proper institutional objective, with the sole exception of those activities which are not carried out as a main activity, which is to say directly aimed at the pursuit of the end objectives of the business, but in a merely instrumental, marginal or occasional way (cp. circular letters 25 of 03 August 1979 and 71 of 26 November 1987).
Field 3 indicate the total amount of exempt operations as referred to in art. 10, number 27-quinquies. This point regards transfers of previously acquired or imported goods without the right to the total deduction of VAT as provided for by articles 19, 19-bis1 or 19-bis2. It is pointed out that the amount to indicate in the current field must be reduced by any transfers of exempt depreciable goods carried out. The operations indicated in the field must not be considered for the purpose of calculation of the pro-rata of deductibility.
Field 4 indicate the total amount of transfers of depreciable goods and of internal transfers both exempt from VAT. Such operations must not be considered for the purpose of calculation of the pro-rata of deductibility.
Fields 5 and 6 must include particular types of operations which, as provided for by art. 19, paragraph 3, give the right to deduction, despite not being subject to the obligation of invoicing, registration, declaration, and which must be taken into account for the purposes of the calculation of the prorata of deductibility.
Field 5 indicate the total amount of operations carried out outside Italy which, if they had been carried out in Italy, would give the right to deduction as provided for by article 19, paragraph 3, letter b), excluding operations for which an invoice has been issued in accordance with article 21, paragraph 6-bis. These operations, in fact, must be indicated in line VE34 and must be taken into account when calculating the amount to be indicated in line VE40.
Field 6 indicate the total amount of operations as referred to in art. 74, paragraph 1, subject to the single-phase VAT regime (monopoly goods store etc.).
Field 7 indicate exempt operations as referred to in article 10, numbers from 1) to 4), equated with taxable operations for the purposes of deduction by article 19, paragraph 3, letter a-bis).
Field 8 report operations exempt from VAT, already included in line VE34, which do not give right of deduction. Such operations, if occurring in the State territory, would not give right of deduction (article 19, paragraph 3, letter b).
Field 9 indicate the percentage of deduction, calculated using the following formula:

$$\frac{\text{VE40 + VF34 field 8 + VF34 field 1 + VF34 field 5 + VF34 field 6 + VF34 field 7 - (VE33 - VF34 field 4)}}{\text{VE40 + VF34 field 8 + VF34 field 5 + VF34 field 6 - VF34 field 2 - VF34 field 3}} \times 100$$

The result must be rounded up or down according to whether the decimal part is higher or lower than five tenths. The first three decimal places must be referred to; for example the percentage 0.502 would be rounded up to 1, the percentage 7.500 would be rounded down to 7. In the specific case in which a negative percentage results, the value 0 (zero) must be indicated, while if a percentage greater than 100 results, the value 100 must be indicated.

Line VF35 "Habitual" exporters must indicate VAT not discharged on purchases and imports as referred to in line VF12 (for a definition of "habitual" exporters, see article 1 of Decree Law 746 of 29.12.1983, converted by Law 17 of 27 February 1984).

Line VF36 persons operating in the gold market, as distinguished from producers of investment gold and those who transform gold into investment gold, must indicate the total amount of deductible VAT as provided for by art. 19, paragraph 5-bis in the current line (see Appendix, "Transactions relative to gold and silver"). If the aforementioned taxpayers have only carried out exempt operations, the amount indicated in the present line must be carried forward to **line VF37**.

Line VF37 must indicate deductible VAT. Methods of completion are distinguished with reference to the following situations:
- occasional exempt operations (line VF31). In this case the amount of the tax indicated in line VF31, column 2, must be specified;
- fulfilment of exclusively exempt operations (line VF32). In this case, no amount should be indicated in line VF37, as no VAT is deductible;
- presence of option as referred to in art. 36-bis (line VF33). In this case, no amount should be indicated in line VF37, as no VAT is deductible;
- simultaneous presence of exempt and taxable operations. In this case, the amount of VAT deductible is obtained by applying the pro-rata method, carrying out the following calculation: Admissible VAT deduction

$$VF37 = [\ (VF23 + VF35 - VF36) \times VF34 \text{ field } 9 : 100\ ] - VF35 + VF36$$

The amount in line VF37, added algebraically to the amount in line VF56, must be carried to line VF57.

Method of completion of Section 3-A of Part VF
The table provided below contains some clarifications regarding the completion of the section under examination on the basis of the various cases which may occur.

Types of operation carried out	Method of completion of the section reserved for exempt operations
exclusively exempt operation	not obliged to submit return (if the return is submitted in any case, complete line VF32)
exempt and taxable operations with unified accounting	1 form complete lines VF34, VF35, VF36 and VF37
exempt and taxable operations with separate accounting	1 form exempt operations complete line VF32 1 form taxable operations
exclusively exempt operations with option art. 36-bis	not obliged to submit return
exempt operations with option art. 36-bis and taxable	(if the return is submitted in any case, complete line VF33) 1 form complete line VF33
operations with unified accounting exempt operations with option art. 36-bis and taxable	1 form exempt operations complete line VF33
operations with separate accounting taxable operations and occasional exempt operations or	1 form taxable operations 1 form complete line VF53, box 1
as referred to in numbers from 1 to 9 of art. 10, which do not fall within the activity proper of the business exempt operations and occasional taxable operations	1 form complete lines VF31and VF37
with related purchases	
exempt operations and occasional taxable operations without related purchases	1 form complete line VF53, box 2

SECTION 3-B - Agricultural businesses (article 34)

Lines VF38 to VF52 must be completed by all agricultural producers whether simple or mixed agricultural businesses, cooperatives, or other enterprises as provided for by second paragraph, letter c), or art. 34.

Line VF38 must include the taxable amount and the tax regarding the transfers of products and services which are not agricultural (already included in section 2 of part VE), carried out by mixed agricultural businesses (art. 34, paragraph 5).
The deductible amount relating to such operations must be included in line **VF50**.

Lines from VF39 to **VF47** have been provided for the calculation of the flat-rate deduction applicable to transfers of agricultural produce. In the lines regarding the set-off percentage applicable, the first column must include, both contributions to co-operatives or other subjects as referred to in the second paragraph, letter c), of article 34 (from section 1 of part VE) carried out with the application of the percentage of compensation, and transfers of agricultural produce carried out applying the VAT rate associated with each product (included in section 2 of part VE). The second column must be used to indicate the tax calculated by applying the percentages of compensation to the taxable amounts specified in the corresponding fields of the first column.

Line VF48 tax variations and rounding-off, relating to operations referred to in lines from VF39 to VF47.

Line VF49 must include the totals of taxable amount and tax (algebraic sum of lines from VF39 to VF48).

Line VF50 VAT deductible for purchases and imports intended for the transfers of products other than the agricultural referred to in line VF38.

Line VF51 indicate the deductible amount (i.e. theoretical VAT) in accordance with art. 34, paragraph 9, on the part of agricultural producers who have carried out non-taxable transfers of agricultural produce included in Table A - first part - in accordance with art. 8, first paragraph, art. 38-quater and art. 72, as well as intra-community transfers of agricultural produce. The deduction or reimbursement of theoretical VAT in fact represents a system for the recovery of VAT paid in advance by persons referred to in art. 34, who are not permitted to make purchases without applying the tax through a letter of intent, in relation

to the non-taxable operations carried out.
The amount to be indicated in the current line must be calculated by applying the percentages of compensation which would have been applied if the operations had been carried out within the confines of the State.

Line VF52 total of the admissible deductible VAT, given by the sum of lines from VF49 to VF51. The amount of the current line, added algebraically to that indicated in line VF56, must be specified in line VF57.

SECTION 3-C – Special cases

Lines VF53 to VF55 are reserved for taxpayers who have carried out:
– occasional exempt operations or occasional taxable operations in the absence of purchases pertaining to them,
– exclusively exempt operations as provided for by no. 1 to 9 of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations,
– occasional sales of used goods,
– occasional operations which come under the regime provided for by art. 34-bis for connected agricultural activities.

The three lines may be completed at the same time if all of the types of operations indicated are present if a special regime has been adopted for calculating the tax deductible.

It is pointed out that either lines VF53 to VF55 or, alternatively, boxes 2, 3 and 7 in line VF30 must be completed.

Line VF53 must be completed by taxpayers who in carrying out activities that give rise to taxable operations have occasionally carried out exempt operations or by taxpayers who in carrying out activities that give rise to exempt operations have occasionally carried out taxable operations. In particular:
– **box 1** must be crossed if solely occasional **exempt operations** have been carried out or exclusively exempt operations provided for by numbers 1) to 9) of art. 10 which do not fall within the normal sphere of activity of the business or which are accessory to taxable operations. The total amount of these exempt operations must be carried forward to line VE33, while the related purchases must be indicated in line VF18;
– **box 2** must be crossed by taxpayers who carry out essentially exempt operations and who in conducting such activities have only occasionally carried out **taxable operations**. It is pointed out that the box is reserved for taxpayers who have not made purchases pertaining to such operations. In fact, in the case of purchases destined for occasional taxable operations and for the purpose of the relative deduction, line VF31 must be completed.
It is pointed out that box 1 and box 2 are alternatives.

Line VF54 the box must be crossed if occasional sales of used goods have been made with the application of the special margin regime provided for by Decree Law no. 41 of 1995.
To calculate the total gross margin and to carry the data forward to part VE, refer to the instructions for completing Form B contained in the Appendix under “Used goods”. It is pointed out that the amount of purchases relating to these sales must be indicated in line VF13, with the exception of purchases by taxpayers who in 2014 used the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011, to be indicated in line VF15.

Line VF55 must be completed by **agricultural businesses** that carried out operations on an occasional basis for which the special regime for connected agricultural activities as per article 34-bis becomes applicable. In fields 1 and 2 indicate, respectively, the taxable amount and tax applicable to these operations, which are already included in part VE. Admissible deductible VAT is calculated by applying the rate of 50% to the amount shown in field 2. Purchases relating to these operations must be carried forward to line VF13 (for further clarifications see the Appendix under “Connected agricultural activities”).

SECTION 4 - Admissible deductible VAT

Line VF56 total adjustments. Article 19-bis2 establishes that the deduction of tax relating to purchase of goods and services must be adjusted subsequently to that initially adopted in the case in which the right to deduction changed at the time of use of the goods and services.
Article 19 establishes that the right to deduction must be exercised with reference to the

conditions of deductibility existing at the time that the right arose and the amount of the deduction remains tied to that moment, regardless of the conditions existing at the time that the right is exercised. Therefore, with regard to purchases made in previous years but registered in the year to which the annual return refers, if the percentage of deduction applicable in the year in which the right to deduction arose differs from the percentage of deduction applicable in 2014, it becomes necessary to calculate the admissible deductible tax for both years of reference. The difference resulting from the comparison between the two measures of deduction, as calculated above, must be included as an increase or decrease in the final amount specified in the current line.

Beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27. paragraphs 1 and 2, of Decree Law no. 98 of 2011 – method for completing the form.

The line must be completed in the return applying to the year in which this occurred, indicating the adjustment of the deduction net of the part already used (if any) to reduce the payments still owed for the adjustment made upon adopting the regime.

Flat rate regime for those individual who exercise entrepreneurial, art or professional activities, as per article 1, clauses 54-89, Law 190/2014.

Subjects who, starting from the tax year 2015, avail of the beneficial method regulated by article 1, paragraphs 54 to 89 of Law no. 190 of 23 December 2014, shall report in line VF56 the contingent tax due as a result of the deduction adjustment, as provided by article 1, paragraph 61, of Law no. 190 of 2014.

In order to determine the overall amount of the adjustments to be indicated in the return refer to prospectus D in the Appendix (see "Adjustments to deductions ").

Line VF57 this line must always be completed by all taxpayers in order to indicate admissible deductible VAT. This line, taking into account the total of the adjustments set out in line VF56, must indicate:

- the amount from line VF23 if in line VF30 no box has been crossed;
- the amount from line VF23 if in line VF30 *box 1* has been crossed, reserved for taxpayers to whom the regime governed by article 74-ter applies. To facilitate the completion of the return by these taxpayers, Prospectus A is provided in the Appendix (see under “Travel Agencies”)
- the amount from line VF23 if in line VF30 *box 2* has been crossed, reserved for taxpayers who have applied the special regime for used goods, works of art, antiques and collectible items, as governed by Decree Law no. 41 of 1995 and auction houses acting on their own behalf and on behalf of private parties on a commission agreement basis which are obliged to apply the special regime provided for by article 40-bis of the same Decree Law no. 41 of 1995. To facilitate the completion of the return by these taxpayers, Prospectuses B and C are provided in the Appendix (see under “Used goods”);
- the amount from line VF37 if in line VF30 *box 3* has been crossed and section 3-A, exempt operations, has been completed;
- fifty percent of the amount from line VE25 if in line VF30 *box 4* has been crossed, reserved for agricultural businesses providing farm holidays in accordance with Law no. 96 of 20 February 2006, which use the special flat-rate system for calculating VAT payable provided for by article 5 of Law no. 413 of 1991. Admissible deductible VAT is calculated on a flat-rate basis, applying a 50% tax rate to taxable operations (see Appendix under “Farm holidays”);
- one third of the amount from line VE25 if in line VF30 *box 5* has been crossed, reserved for trade union associations operating in agriculture, in relation to the activity of tax assistance provided to their own members, for which article 78, paragraph 8, of Law no. 413 of 1991 provides for the flat-rate tax deduction of one third of VAT on taxable operations carried out;
- fifty percent of the amount from line VE25 if in line VF30 *box 6* has been crossed, reserved for taxpayers who perform travelling shows as well as other performers of entertainment activities indicated in table C annexed to Presidential Decree no. 633 of 1972 whose volume of business during the previous year did not exceed 25,822.84 euros, benefiting from the special regime governed by article 74-quater, firth paragraph (see Appendix under “Activities in the entertainment field”);
- fifty percent of the amount from line VE25 if in line VF30 *box 7* has been crossed by agricultural businesses supplying services, primarily through the use of business equipment and resources normally employed in the agricultural activity, subject to the flat-rate

deduction regime as provided for by article 34-bis. The admissible deductible VAT to show in the current line is calculated by applying the rate of fifty percent to the tax payable on taxable operations (see Appendix under "Connected agricultural activities");
- the amount from VF52 if in line VF30 *box 8* has been crossed, reserved for agricultural producers who have applied the special regime governed by article 34.

Completion of **line VF53** by crossing **box 1**, and of **line VF54**, is not relevant to the calculation of admissible deductible VAT. Therefore, in such cases, line VF57 must indicate the amount referred to in VF23. Conversely, if **line VF53** has been completed by crossing **box 2** in line VF57, no amount must be indicated, as there is no admissible deductible VAT. (Cp. the instructions for the completion of line VF18).
If line **VF55** is completed, for the purpose of calculating the tax to indicate in line VF57, it is necessary to take into account fifty percent of the amount in line VF55 itself.

4.2.7. – PART VJ - CALCULATION OF TAX ON CERTAIN TYPES OF OPERATIONS

This part is reserved for the indication of particular types of operations for which tax, on the basis of specific enactments, is owed by the transferee (intra-community purchases and art. 17, paragraphs 2, 5, 6 and 7) or by persons operating in specific sectors of business for commissions paid by them (art. 74, first paragraph, letter e), art. 74-ter, paragraph 8).
This part must include the taxable amount and the tax relating to the abovementioned operations, taking the variations referred to in art. 26 into account.
It is pointed out that for the purposes of deduction, the operations indicated in this part **must be included in part VF.**

Line VJ1 indicate purchases of goods, including those of industrial gold, pure silver, scrap and other salvage material as referred to in art. 74, paragraphs 7 and 8, coming from the Vatican City and the Republic of San Marino (art. 71, paragraph 2) for which the transferee is required to pay the tax in accordance with article 17, paragraph 2. The total amount of purchases of goods coming from San Marino must be indicated also in VF24, field 6.

Line VJ2 indicate the operations of withdrawals of goods from VAT deposits as referred to in art. 50-bis of Decree Law 331 of 1993, carried out for the purpose of their use or in execution of acts of marketing in domestic territory.

Line VJ3 indicate purchases of goods and services from subjects who are resident abroad as provided for by art. 17, paragraph 2. It is pointed out that the line must indicated both purchases for which VAT obligations have been fulfilled through the issue of a self-invoice and purchases for which they have been fulfilled through the integration of the document issued by the non-resident subject.
Line VJ4 indicate payments made to urban public transport operators in accordance with the decree of 30 July 2009.

Line VJ5 indicate commissions paid by travel agencies to their intermediaries, as provided for by art. 74-ter, paragraph 8.

Line VJ6 indicate domestic purchases of scrap and other salvage material as referred to in art. 74, paragraphs 7 and 8, for which the transferee is required to pay the tax. In this line you must also include services associated with contracts, tenders and such, the object of which is the transformation of non-ferrous scrap.

Line VJ7 indicate domestic purchases other than investment gold (so-called industrial gold) and of pure silver for which tax is payable by the transferee, as provided for by art. 17, paragraph 5.

Line VJ8 indicate purchases of investment gold for which the option of taxation by the transferor has been chosen, and thus the tax is owed by the transferee, as provided for in art. 17, paragraph 5.

Line VJ9 indicate intra-community purchases of goods including those of industrial gold and pure silver, scrap and other salvage material.

Line VJ10 indicate imports of scrap and other salvage materials for which the tax is not paid at customs but discharged, as provided for by art. 70, paragraph 6, through the an-

notation of the customs document in the register as referred to in articles 23 or 24 as well as, for the purposes of deduction, in the register as referred to in art. 25.

Line VJ11 indicate imports of gold other than investment gold (so-called industrial gold) and pure silver for which tax is not paid at customs but discharged, as provided for by art. 70, paragraph 5, through annotation of the customs document in the register as referred to in article 23 or 24 as well as, for the purposes of deduction, in the register as referred to in art. 25.

Line VJ12 indicate purchases of truffles from occasional sellers without a VAT registration number, for which the transferee has issued a self-invoice in accordance with art. 1, paragraph 109, of Law no. 311 of 30 December 2004. Note that deduction of the tax for such purchases does not apply and therefore the relative amount must be included in line VF17 (see circular letter no. 41 of 26 September 2005).

Line VJ13 indicate purchases of services rendered by subcontractors in the construction sector not subject to tax pursuant to article 17, paragraph 6, letter a) (cp. circular letter no. 37 of 29 December 2006). The line must also indicate services received from entities indicated by the decree of 10 July 2012, in force since 1 September 2012.

Line VJ14 indicate purchases of buildings or parts of buildings for which the tax is payable by the seller, in accordance with article 17, paragraph 6, letter a-bis).

Line VJ15 indicate purchase of cellular phones for which the tax is payable by the seller, as provided for by article 17, paragraph 6, letter b).

Line VJ16 indicate purchases of microprocessors and central processing units for which the tax is payable by the seller, as provided for by article 17, paragraph 6, letter c).

Line VJ17 indicate total VAT on operations in the current section, obtained by adding together the amounts indicated in column 2 from lines VJ1 to VJ16.

4.2.8. – PART VH - PERIODIC PAYMENTS

SECTION 1 – Periodic summary payments for all activities carried out or credits and debts transferred from controlling or controlled companies

Lines from VH1 to VH12 must be completed by all taxpayers, **in order to indicate data (input VAT or output VAT) resulting from periodic payments made**, including companies which have adhered to group payment of VAT as provided for by article 73 and by the Ministerial Decree of 13 December 1979, for the indication of VAT debits or credits transferred to the group during the tax year. With regard to the completion of **line VH12**, note that the result of the relative payment must be indicated, including the amount of any advance payments made.
It is pointed out that the amount to be indicated in the "debits" field of each line of the current section corresponds to VAT owed for each period (even if not actually paid), net of special tax credits provided for by special enactments as well as credits received by savings management companies, used for periodic payments. In the case of quarterly payments as provided for by article 7 Presidential Decree 542 of 14 October 1999, and subsequent amendments (see instructions at line VO2), VAT thus calculated must be increased by 1% interest. Consequently if the payment has been duly made for each period, the related amount corresponds to the total amount of VAT indicated in the column "output amount paid" in the relevant F24 form.
Taxpayers who make monthly payments must complete lines from VH1 to VH12, corresponding to the 12 months of the year.
Instead, taxpayers who have made quarterly payments as provided for by article 7 of the aforementioned Decree 542 of 1999 must indicate the data relating to periodic payments in lines VH3, VH6 and VH9, **without, therefore, completing line VH12**, since the VAT payable (or Input VAT) for the fourth quarter by such taxpayers must be considered for the purposes of the payment in the annual return. Any balance arising in the annual return must be indicated in line VL32 if a credit arises or in line VL33 if a debit arises.
Taxpayers who make quarterly payments as provided for by articles 73, paragraph 1, letter e) and 74, paragraph 4, relative to four calendar year quarters, must indicate the data regarding their periodic payments alongside lines VH3, VH6, VH9 and VH12 (the latter with reference to the last calendar quarter).

One is reminded that taxpayers who carry out several activities with separate accounting as provided for by art. 36, by law or by choice, may, during the last month of each quarter, set off the result of the monthly payments with that of the quarterly payment within the terms of the monthly payment. In any case, in lines VH3, VH6, VH9 and VH12 a single amount must be indicated, corresponding to the algebraic sums of the debits and credits resulting from the payments of the individual periods (see Appendix under the item "Separate accounting").
In the case of regularisation of a tax payment omitted during a previous periodic payment, the taxpayer must not take into account the amounts paid for this reason, in the line of part VH corresponding to the period in which the regularisation is carried out. This is because, in relation to each period (month or quarter), as has already been clarified above, the amount relating specifically to that period must be indicated, even though the payment was not made during the prescribed period. If payments have been made pursuant to a **correction** as provided for by article 13 of Legislative Decree no. 472 of 1997, the applicable box must be crossed in the line corresponding to the payment period for which the taxpayer has made use of the aforementioned option. It is pointed out, furthermore, that interest resulting from correction must not be included in the amounts indicated in this part.

NOTICE: if the amount owed does not exceed the limit of 25.82 Euro, including interest owed by taxpayers making quarterly payments, the payment must not be made nor must said amount be indicated in the debits field of the line corresponding to the payment period. Therefore the tax debit must be indicated in the periodic payment immediately subsequent to this

Line VH13 indicate the amount of the payment on account due, even if it has not actually been paid. The line must be completed by taxpayers who are obliged to make the advance payment in accordance with art. 6 of Law no. 405 of 29 December 1990 and subsequent modifications thereto (see Appendix under "Payment on account"). It is pointed out that if the amount of the payment on account is less than 103.29 euros, the payment must not be made and therefore no amount must be indicated in the line.
The **method box** must be completed by indicating the code for the method used for calculating the advance VAT payment:
– “1” historical;
– “2” forecast;
– “3” analytical - actual;
– “4” taxpayers operating in the fields of telecommunications, water supply, electrical energy, waste collection and disposal, etc.

NOTICE: following the elimination of form IVA 26/LP, the line must also be completed, with the exception of the method box, by companies participating in group VAT payment during the full tax year which must indicate the amounts transferred to the controlling company obliged to calculate the advance payment due for the group (see Circular no. 52 of 3 December 1991).

Completion of part VH by sub-suppliers (article 74, paragraph 5)
Persons who make use of the right to pay VAT relative to operations deriving from subcontracting agreements, using the appropriate tax codes, must cross the box in **line VH14**. It is pointed out that the amount relating to such operations must be included in the line corresponding to the payment period in which they were carried out, even though the payment was made quarterly (without added interest) rather than monthly (cp. circular letter 45/E of 18 February 1999).

Completion of part VH by taxpayers who have made use of special tax credits or VAT credits transferred by savings management companies
The taxpayer who, when making periodic or payment on account uses special tax credits or credits received from savings management companies, must indicate in the field "debits", of the lines included between VH1 and VH13, the results of the payments and the amount of the payment on account net of the credits used. The sum of tax credits thus used must be included in line VL28, field 1, taking care to specify in field 2 the part relating to credits received from savings management companies. Special tax credits or those received from savings management companies, used for the purposes of the annual return, must instead be carried forward to lines VL34 and VL35.
If the taxpayer uses the aforementioned tax credits in set off using the F24 payment form, in part VH the results of periodic payments and the amount of the payment on account must be indicated without taking this set off into account.

Notes for persons affected by exceptional events
See Appendix under the entry "Persons affected by exceptional events".

Completion of part VH by taxpayers with separate accounting (art. 36)
See Appendix under the entry "Separate accounting".

Completion of part VH by controlling and controlled companies (art. 73)
Regarding the completion of part VH by companies adhering to group payment as referred to in art. 73 (in special cases of transfer of control during the tax year or mergers etc.) the taxpayer is referred to the clarifications supplied in sub paragraph 3.4.3.

Completion of part VH in the case of extraordinary operations or substantial subjective transformations
According to the instructions supplied in paragraph 3.3. the person resulting from the transformation must complete a form for himself and a form for the assignor. In part **VH for the assignee**, data relative to payments carried out by the same person during the entire year must be indicated, including any operations carried out by the assignor in the portion of the month or quarter during which the operation occurred. In part **VH for the assignor**, data relative to payments carried out until the last month or quarter which finished before the date of the operation must be indicated.
In addition, line VH13 must be completed in this part if the transformation occurred at a date later than that on which advance payment was made.
In the case of transformations which do not imply the extinction of the assignor (e.g. conferment of a company branch), the latter is required to make the annual return, completing part VH with exclusive reference to periodic payments relating to activities which are not transferred.

Completion of part VH by taxpayers whose bookkeeping is done by third parties
Regarding the completion of part VH, see Appendix under entry "Taxpayers whose bookkeeping is done by third parties".

SECTION 2 – Payments for registration of European Union vehicles

The section has been provided for indicating payments made during the tax year using the F24 form payments with identification elements approved in order to implement the provisions contained in article 1, paragraph 9, of Decree Law no. 262 of 03 October 2006, which introduce specific procedures for paying the tax relating to the first domestic sale of new and used, previously considered an intra-community purchase.
Lines VH20 to **VH31** corresponding to the 12 months of the year, therefore, must indicate tax paid during the year to which the return applies, using the specific codes introduced by resolution no. 377 of 2007. Taxpayers who have made quarterly payments in accordance with article 7 of Presidential Decree no. 542 of 1999 must indicate details regarding payments made using the F24 form payments with identification elements in lines VH22, VH25, VH28 and VH31. These payments must be included in line VL29, field 1. It is pointed out that the amounts indicated in the aforesaid lines must include payments made in relation to motor vehicles registered during 2014 but which were sold in subsequent years (for example vehicle registrations for the attainment of company objectives, see circular no. 52 of 2008). Payments of the tax relating to the aforesaid operations must be indicated in line VL24.

Completion of Section 1
If payments have been made following the abovementioned procedures, section 1 of this part must be completed by indicating, in the lines corresponding to each payment period, the results of periodic payments calculated taking into account the tax paid separately using the F24 form payments with identification elements. In this regard it is pointed out that, as specified by circular no. 64 del 2007 and confirmed by circular no. 52 of 2008 with reference to advance payments of tax, the tax paid using the abovementioned form must be combined with the periodic payment for the period in which the sale of the motor vehicle took place. Thus, the “debts” fields must indicate exclusively the amounts paid using the ordinary tax codes for period VAT payments, while the “credits” fields must indicate the amounts recalculated as a result of payments made using the specific F24 form payments with identification elements.
It is pointed out that the methods of completing part VH illustrated above must also be adopted by controlling and controlled companies which make payments using F24 form payments with identification elements.

4.2.9. – PART VK - CONTROLLING AND CONTROLLED COMPANIES

Part VK is reserved exclusively for controlling and controlled bodies or companies as referred to in art. 73 which have taken part in the group payment of VAT during the tax year, and is presented in three sections.

SECTION 1 - General data

In **line VK1** the controlling company and each controlled company must indicate:
- **field 1,** the VAT registration number of the controlling entity;
- **field 2,** the last month of control (for example 01 for January, 12 for December).

One is reminded that, in accordance with art. 3, last paragraph, of the Ministerial Decree of 13 December 1979, the loss of the prerequisites to avail of the procedure for group payment has effect beginning from the periodic payment relating to the month or quarter during which this loss arose (for example, a company in respect of which control ceased during the month of June, must indicate, if it makes monthly payments, number 05, since control is to be considered exercised until the month of May; if, on the other hand, it makes quarterly payments, it must indicate number 03, since control is considered to have ceased during the first quarter).
In the specific case of **incorporation of the controlling company during the year** by a company outside the VAT group, if the procedure for group VAT should be interrupted following its incorporation, then in both the return of the incorporated controlling company (presented by the incorporating company) and in the returns of the controlled, the number corresponding to the month of the last periodic (monthly or quarterly) group payment must be indicated (for example, date of incorporation of controlling company 15 May - last month of control to indicate: 04 if monthly, 03 if quarterly); while if the procedure continues for the whole of the tax year with accounts separate from those of the incorporating company, number 13 must be indicated in the return of the incorporated controlling company (presented by the incorporating company) and number 12 in the returns of the controlled. (cp. Ministerial Resolution no. 363998 of 26 December 1986);
- **field 3,** company name of the controlling company.

In **line VK2**, indicate the code corresponding to the following situations applying to taxable subjects:
"1" a company which already as of 31 December 2013 was participating in a group VAT payment procedure;
"2" a company which already as of 31 December 2013 was participating in a group VAT payment procedure and which during 2014 carried out, as an assignee, extraordinary operations with subjects outside the group (for example the incorporation on the part of a subsidiary company of a company outside the VAT group);
"3" a company which as of 31 December 2013 was not participating in a group VAT payment procedure;
"4" a company which as of 31 December 2013 was not participating in a group VAT payment procedure and which during 2014 carried out, as an assignee, extraordinary operations with subjects outside the group;
"5" a company which already as of 31 December 2013 was taking part in a group VAT payment procedure as a **controlling company** and which during 2014 participated in a group VAT payment procedure as a **controlled company**;

SECTION 2 - Calculation of tax surplus

This section is for the calculation of the tax surplus, as provided for by article 6, paragraph 3, of the Ministerial Decree of 13 December 1979, and must always be completed, if there is a credit or a debit surplus when the annual return is made.

Line VK20 total of credits transferred, comprising the sum of credits indicated in part VH, limited to the period of control, increased by any amount resulting in line VX2 transferred for the adjustment of the annual return, when control lasted the whole year.

Line VK21 total of debits transferred, comprising the sum of debits indicated in part VH, section 1, limited to the period of control, increased by any amount resulting in line VX1, in the event of control during the whole year.

Lines VK22 and **VK23** if the amount in line VK20 is greater than that in line VK21, the difference between VK20 and VK21 must be carried forward to line VK23; while if VK21 is greater than VK20, the difference between VK21 and VK20 must be carried forward to line VK22.

Line VK24, credit surplus set off. This line must include the amount of VK23 which has been effectively set off in whole or in part, as against debit surpluses of other companies in the group. **This amount must be worked out from the certificate that the controlling body or company is required to issue at the end of the year, to every company in the group, and must correspond to that indicated by the same controlling company, for each company, in field 7 of part VS. For the amount of the credit surplus set off the guarantee as provided for by art. 6, paragraph 3, of the Ministerial Decree of 13 December 1979, must be supplied**. **It is pointed out that article 13 of the Legislative Decree no 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014 and especially removing the general obligation to provide the guarantee. For further details see Circular no. 32 of 30 December 2014.**

Line VK25, request for refund of credit surplus by the controlling company, this line must be completed only if in the annual return there is a credit surplus that has not been set off (that is, if the amount in line VK23 is greater than the amount in line VK24), which is transferred to the group and for which the controlling company has requested a refund.
In such a case, for the purposes of refunds, the controlled company must possess the requirements referred to in art. 30, paragraph 3, which must be indicated by the controlling company by completing the box "Reason" (field 8 of part VS) of the VAT summarising prospectus 26 PR.

Line VK26 indicate the total amount of any special tax credits used for the whole of 2014, including that used for annual adjustment, by the company if it belongs to certain categories of taxpayers.

Line VK27 in this line it is necessary to indicate the overall amount of interest transferred to the group by companies which have carried out quarterly periodic payments as provided for by article 7 of Presidential Decree number 542 of 1999.
Said companies with quarterly payments as provided for by the abovementioned article 7 must indicate the total amount of interest transferred, both quarterly and when the annual return is made.

SECTION 3 - Termination of control during the year. Data relating to the period of control

This section must be completed exclusively if the company left the group during the tax year.

Thus, in **lines from VK30 to VK35** only data relating to the period of control must be indicated. For a description of this data, the taxpayer is referred to the corresponding lines VL1, VL2, VL23, VL28, field 1, VL29, field 1 and VL31.

Line VK36 if the controlled company left the group after making the payment on account, the part thereof which the controlling company has re-credited to the controlled company, must be set out in this line.

Signature of the controlling body or company
In the event of termination of control during the year, in place of the signature at the foot of the front cover of the form, the controlling body or company must place its signature at the foot of part VK, in order to certify only the data relating to the period of control.

4.2.10 – PART VL - PAYMENT OF ANNUAL TAX

Part VL consists of three sections. If more than one form is completed because **separate accounts** are kept (art. 36), sections 2 and 3 of this part must be completed, indicating the summary data for all activities declared (see paragraph 3.2) only on the first form completed and identified as Form 01. If the **return is submitted by a subject resulting from a transformation**, sections 2 and 3 of this part must be completed once only for each subject participating in the operation, and if separated accounts have been kept, the same sections 2 and 3 must be completed only in the first one of the forms for each taxpayer.

SECTION 1 - Calculation of output or input VAT for the tax period

Line VL1 the sum of lines VE25 and VJ17.

Line VL2 indicate the amount from line VF57.

Line VL3 tax owed, calculated from the difference between line VL1 and line VL2.

Line VL4 tax credit, calculated from the difference between line VL2 and line VL1.

SECTION 2 - Credit from previous year

This section must be completed by taxpayers who in their return for the 2013 tax year have indicated an annual credit for which a refund has not been requested.
The section must be completed also by taxpayers who in applying the provisions of the final paragraph of article 73, as amended by Law no. 244 of 2007, may not include within the VAT group the credit surplus emerging from the return relating to the tax period preceding the one in which the group VAT payment procedure was joined. This credit, as specified by resolution no. 4/DPF of 14 February 2008, may be:
- the subject of a request for refund in subsequent years;
- carried over for deduction in subsequent years, once participation in group VAT payment has ceased;
- used in horizontal offsetting, as provided for by article 17 of Legislative Decree no. 241 of 1997, within the limits imposed by applicable legislation.

In addition, it can be transferred by subjects who have opted for tax consolidation as provided for by article 117 of the TUIR (Income Tax Consolidated Act), for the payment of the IRES (Corporation Income Tax) due by the consolidating party.

Line VL8, field 1, indicate the credit emerging from the return for 2013 for which a refund has not been requested but which has been used for deduction or offsetting purposes resulting from line VX5 or from the corresponding line of section III of part RX for taxpayers who have submitted the unified form.
In addition, companies that have participated in group VAT payments for the entire tax year as provided for by article 73 must indicate in field 1 refunds requested in previous years for which the competent Office has formally denied the right to the refund, authorising its use in accordance with Presidential Decree no. 443 of 10 November 1997. The amount of the credit must also be indicated in **field 2**. Since it is a credit accrued in a tax period previous to the access to the group VAT payment procedure, it cannot be transferred to the group VAT but it stays at the controlled company's disposal, as described by Resolution no. 21 of 18 February 2014. In line VL27 instead. As it is a credit accrued in a tax period prior to the company's participating in the group VAT payment procedure, it cannot be transferred to the VAT group but remains at the disposal of the controlled company.
For the completion of this line by subjects who during the fiscal year have participated in extraordinary operations or significant transformations relating to taxable subjects which however have not brought about the extinction of the assignor (e.g. partial demergers, conferment, sale or donation of a company branch), note that:
- the assignee (beneficiary, grantee, transferee or donee) must complete this line, in the form relating to operations performed by the assignor, indicating the VAT credit resulting from the return relating to 2013 and transferred to it from this, wholly or partly, as a result of the operation;
- the assignor (company demerged, conferor, transferor or donor) must complete this line indicating any VAT credit emerging from the return relating to 2013 after the transfer effected in relation to the assignee as a result of the operation.

If this credit has been changed by the Revenue Agency following payment of the tax as provided for by article 54-bis, in the line it is necessary to indicate:
- the credit recognised in the communication from the Revenue Agency, if it is greater than the amount declared;
- if the credit recognised (e.g. 800) is smaller than the amount declared (e.g. 1000), this lesser credit (800) must be indicated. If following the communication the taxpayer has instead paid the difference between the declared and recognised credit (200 in the example given) using Form F24, the entire credit declared (1000) must be indicated.

For the completion of this line by companies which previously participated in group VAT payment procedure as controlling companies, please refer to the instructions provided in

paragraph 3.4.4.

Line VL9 indicate the VAT credit carried over for deduction or as a set off in the previous return (VAT/2014 return relating to 2013) and carried over for deduction with form F24 prior to submission of the return relating to 2014.
The same line must also include the greater credit recognised in the communication from the Revenue Agency sent in accordance with art. 54-bis and used in any case to set off other sums payable before the submission of the return currently under consideration.

Line VL10 must only be completed by taxpayers who during 2014 participated in a group VAT payment procedure and who under the provisions of the last paragraph of article 73 as amended by Law no. 244 of 2007 may not include in the VAT group the credit surplus deriving from the fiscal period preceding the year in which it joined the group VAT payment procedure.
This amount is given by the difference between the amounts indicated in lines VL8 and VL9.
The ways of using the amount indicated in this line must be specified in part VX. Specifically:
– line VX4 must be completed to indicate the amount of refund requested, in accordance with article 30, fourth paragraph (lesser deductible surplus of the three-year period, see Resolutions nos. 4/DPF of 2008 and 56/E of 2011);
– line VX5 must be completed to indicate the amount to be used in set off in the F24 form. To use it the tax year for the return in which it is indicated must be taken as the relevant year;
– line VX6 must be completed to indicate the amount transferred by subjects who have opted for tax consolidation as provided for by article 117 of the TUIR (Income Tax Consolidated Act).

SECTION 3 - Calculation of output or input VAT

Line VL20 indicate the amount of refunds requested during the year. The amount of infra-annual refunds requested (art. 38bis, paragraph 2) must be specified, even if the refunds, duly requested, have not yet been paid (in full or in part).

Line VL21 indicate the amount of credits transferred by each company which effects group payments as provided for by art. 73.

Line VL22 indicate the amount of deductible tax surpluses relating to the first three quarters of 2014, used in set off with Form F24 up to the date of presentation of the annual return (art. 17, Legislative Decree 241 of 1997). One is reminded that instead of the request for refunds during the year, as provided for by article 8 of Presidential Decree of 14 October 1999, number 542, such credits may be set off against other taxes, contributions and other premiums owed only by persons who may legitimately request refunds during the year, in accordance with art. 38-bis, second paragraph.

Line VL23 indicate the total amount of interest owed, by taxpayers paying quarterly, in relation to the first three periodic payments, even if this does not coincide exactly with the amount of interest actually paid. Naturally, this line must also include interest (owed in accordance with article 7 of Presidential Decree 542 of 14 October 1999), for quarterly payments made late following successive regularisations. It is pointed out that the amount of interest owed relating to the tax payable when the annual return is made must not be included in this line, but rather in **line VL36**.

Line VL24 indicate the amount of payments made in 2014 using the F24 form payments with identification details but relating to registrations of motor vehicles intended to be sold in subsequent years (for example vehicle registrations for the attainment of company objectives, see circular no. 52 of 2008). These payments must be included in line VL29, field 1.

Line VL25 must indicate, for each company in the group which was a dummy company for 2013 pursuant to article 30 of Law no. 724 of 23 December 1994, the total amount of credit surpluses transferred during that year and liable to be returned by the controlling company (see resolution no. 180 of 29 April 2008).
IIt is pointed out that the line must not be completed by dummy companies which in the VAT/2014 return indicated the code 4 in line VA15 (dummy companies for the year to

which the return applies and for the two preceding years and which during the three-year period did not carry out significant operations for VAT purposes of not less than the amount resulting from the application of the percentages set out in article 30, paragraph 1, of Law no. 724 of 1994). In the aforementioned case, in fact, as clarified by circular no. 25 of 04 May 2007, the provision contained in the final period, paragraph 4, article 30 of Law no. 724 of 1994 applies, entailing the permanent loss of the annual tax credit.

Line VL26 credit surplus from the previous year. This amount is given by the difference between the amounts indicated in lines VL8 and VL9. Taxpayers who have completed line VL10 may not complete this line.

Line VL27 indicate refunds requested in previous years for which the competent Office has formally denied the right to the refund but has authorised the taxpayer to use the credit for 2014 in the periodic payment or annual return (see also Presidential Decree 443 of November 10, 1997, and circular letter 134/E of 28 May 1998). It is pointed out that the line cannot be completed by companies that have participated in group VAT payment as provided for by article 73 for the entire tax year. In this case, the amount of the credit denied must be indicated in line VL8, field 1 and specified also in field 2.

Line VL28, field 1, the following must be indicated:
- the total amount of special tax credits used for 2014 in the deduction of periodic payments and of the payment on account. As a result of the provisions of art. 1, paragraphs 53 to 57 of Law no. 244 of 2007, as of 2008, any tax credits indicated in part RU may be used, notwithstanding any enactments stipulated by individual institutive norms, to an amount not exceeding 250,000 Euro yearly. For detailed information regarding the amount that can actually be used as well as credits which are not subject to the limit, refer to the instructions for part RU of the 2015 UNICO forms;
- credits used in 2014 by the declarant body or company, transferred by savings management companies as provided for by art. 8 of Decree Law 351 of 2001, already included in section 2 of part VD.The amount relating to such credits must also be indicated in **field 2.**

Line VL29, filed 1 indicate the total amount of periodic payments, including the payment of VAT on account (see Appendix) and quarterly interest, as well as tax paid following amendment as referred to in article 13 of Legislative Decree 472 of 1997, relating to 2014. It is pointed out that the total amount of periodic payments is derived from the sum of VAT data included in the column "Debit amounts paid" of the "Treasury Section" of the F24 payment forms, even if not actually paid following set off with credits relating to other taxes (also VAT), contributions and premiums, for which the following tax codes have been used:
- from 6001 to 6012 for monthly payments;
- from 6031 to 6033 for quarterly payments and 6034 for the fourth-quarter payment made by taxpayers as referred to in art. 73, paragraph 1, letter e) and article 74 paragraph 4;
- 6013 and 6035 for payments on account;
- from 6720 to 6727 for payments made for sub-supplies.

The line must indicate the total amount of payments for the tax owed on the first domestic sale of vehicles previously considered intra-community purchases using the designated tax codes introduced under Resolution no. 337 of 21 November 2007. Specifically it must indicate:
- payments made during the year to which the return applies and which regard sales which took place during that year;
- payments made during the year to which the return applies but which regard registrations of motor vehicles intended for future sale (for example vehicle registrations for the attainment of company objectives, see circular no. 52 of 2008). The amount relating to these payments must also be indicated in line VL24;
- payments made in previous years but which regard sales which took place in the year to which the return applies. The amount of these payments must be indicated in **field 2**.

One is reminded that in line **VL29, field 1** must also include the amount of periodic payments and advance payments payable by subjects who did not perform the payments by the deadline provided as a result of suspension of tax fulfilments, issued after exceptional events. The amount of payments which, as a result of the suspension, have not been performed yet, at the date of return filing, shall be specifically reported also in **field 3** of line VL29 (see Appendix, item "Persons affected by exceptional events").
In the specific case of a controlled company taking part in group VAT payments having left the group after the due date set for the payment of VAT on account, in this line that company must include the amount of the payment of VAT on account paid on its behalf by the

controlling company or body, already indicated in line VK36.

Line VL30 indicate the amount of debits transferred during periodic payments by each company which effects group payments as provided for by art. 73.

Line VL31 indicate:
- the total amount of supplementary tax payments, relating to the year 2014, made following reports or for other reasons relating to transactions already recorded in the registers, excluding sums paid in interest and penalties. Supplementary tax payments made during 2014 must not be included, only those relating to previous years;
- any greater deduction of VAT (which may still be due to the taxpayer) for the purchase of depreciable goods. The line must include the amount of the greater deduction due in respect of tax - in application of Law 64 of 01 March 1986, or of Decree Law no. 318 of 31 July 1987 - on residual lease payments relating to invoices registered in 2014 for the purchase of depreciable goods. It is to be noted that the greater deduction, as the related deadlines have already expired by a number of years, remains applicable only for depreciable goods acquired with financial lease contracts as long as the relevant contracts, orders and delivery of the goods took place prior to the expiry of the deadlines imposed by legislation. In addition, it is pointed out that the total taxable amount of such purchases must be included in field 1 of line VF25.

Line VL32 total output VAT, to be indicated if the sum of the debit amounts in column 1 (line VL3 and from line VL20 to VL24) is greater than the sum of the credit amounts in column 2 (line VL4 and from line VL25 to VL31). The relative data is obtained from the difference between the aforementioned amounts.

Line VL33 total input VAT, to be indicated if the sum of the credit amounts in column 2 (line VL4 and from line VL25 to VL31) is greater than the sum of the debit amounts in column 1 (line VL3 and from line VL20 to VL24). The relative data is obtained from the difference between the aforementioned amounts.

Line VL34 indicate the amount of the tax credit used by particular categories of taxpayers for the deduction of output VAT (VL32) when the annual return is made. One is reminded that such special tax credits may be used only for the purpose of paying tax due and, as such, can never be commuted into deductible tax surpluses (to be deducted the following year or to be refunded). As a result of the provisions of art. 1, paragraphs 53 to 57 of Law no. 244 of 2007, as of 2008, any tax credits indicated in part RU may be used, notwithstanding any enactments stipulated by individual institutive norms, to an amount not exceeding 250,000 Euro yearly. For detailed information regarding the amount that can actually be used as well as credits which are not subject to the limit, refer to the instructions for part RU of the 2015 UNICO forms.

Line VL35 indicate the part of the credit received following transfer carried out by a savings management company as provided for by art. 8 of Decree Law 351 of 2001 and used to reduce the VAT debit resulting from the current return. This amount, already included in line VD54, must not in any case exceed the amount resulting from the following formula: (VL32 - VL34).

Line VL36 indicate the total amount of interest owed by taxpayers paying quarterly, relative to VAT to be paid (output tax) (VL32-VL34-VL35) as annual adjustment.

Line VL37 indicate the part of the input VAT, emerging from the current return, transferred as provided for by article 8 of Decree Law 351 of 2001. Said amount corresponds to the one indicated in **line VD1**.

Line VL38 indicate the total amount of VAT due (output VAT), derived by subtracting from the data indicated in line VL32 any credits used (VL34 + VL35) and adding quarterly interest owed (VL36). This amount must be indicated in line VX1 or in the corresponding line of section III of part RX for subjects filing their return on the UNICO form, if the amount is greater than 10.33 Euro (10.00 Euro by virtue of rounding-down made in the return). It is pointed out that if line VL40 is completed, excluding cases in which the previous line has been completed by companies that have participated in group VAT payment, the amount to indicate in part VX or in section III of part RX for taxpayers submitting the UNICO form is the difference between the amounts indicated in lines VL38 and VL40.

Line VL39 indicate the total input VAT resulting from line VL33.
Savings management companies which, as provided for by art. 8 of Decree Law 351 of 2001, have transferred all or part of the input VAT specified in line VL33, must indicate in the current line the result obtained from the difference between the amounts in line VL33 and line VL37.
This amount must be indicated in line VX2 or in the corresponding line of section III of part RX for those presenting the UNICO returns. It is pointed out that if line VL40 is completed, excluding cases in which the line has been completed by companies that have participated in group VAT payments, the amount to indicate in line VX2 is the sum of the amounts indicated in lines VL39 and VL40.

Line VL40 indicate the amount corresponding to the excess used credit, net of amounts paid in the form of penalties and interest, if during the tax period to which the return refers amounts requested with specific demands issued following the undue offsetting of existing but unavailable tax credits have been paid (e.g. the use of credits over the annual limit as provided for by article 34 of Law no. 388 of 2000 and by article 9, paragraph 2 of Decree-Law no. 35 of 2013). By indicating the amount, the validity of this credit is restored and equal to that of the credit generated during the tax period to which the return refers.
If the line is completed by companies that have not participated in group VAT payments, the amount specified, as it is not transferable to the group, must be taken into account when completing lines VX4, VX5 and VX6.

4.2.11 – PART VT - SEPARATE INDICATION OF OPERATIONS CARRIED OUT REGARDING END CONSUMERS AND VAT SUBJECTS

This part has been inserted in order to allow for the separate indication of transfer goods and supply of services carried out regarding end consumers and subjects with VAT registration numbers within the framework of the annual return form, as per article 33, paragraph 13, of Decree Law no. 269 of 30 September 2003, amended by Law no. 326 of 24 November 2003.
This part is destined for all VAT taxpayers who are obliged to present the return and it must only be filled in form 01. In cases of separate accounts or extraordinary operations or substantial subjective transformations, the part must be filled in only once giving indications of the data relative to the various accounts or the various subjects who have participated in the transformation.

Line VT1 ***Division of taxable operations carried out as regards end consumers and subjects with VAT registration numbers***
Field 1 indicate the total amount of taxable operations deriving from the sum of the amounts shown in field 1 of line VE23 of all the forms comprising the return.
Field 2 indicate the total amount of the tax on taxable operations deriving from the sum of the amounts shown in line VE25 of all the forms comprising the return.
Fields 3 and **5** divide up the amount indicated in field 1 respectively between the operations carried out regarding end consumers and those carried out regarding subjects with VAT registration numbers. With regard to such, reference may be made to the payment certification manners outlined in articles 21, 21-bis and 22 or to ulterior criteria that allow for the operation to be qualified for the aforementioned purposes. Taxable operations carried out by artists and professionals are understood to be referred to end consumers except in cases of other qualifications of the receiver, which is deducible from the certification as per article 21 and 21-bis.
Fields 4 and **6** indicate the tax due relative to the operations indicated in fields 3 and 5.

Lines from VT2 to VT22 ***Division of the operations carried out as regards end consumers on a regional basis***
The lines are reserved for taxpayers who, having carried out operations with end consumers, have filled in fields 3 and 4 of line VT1 for the apportionment of these amounts in correspondence to the autonomous regions and provinces where the place or places of business are situated.

4.2.12 – PART VX - CALCULATION OF VAT TO BE PAID OR CREDIT TAX

Part VX contains data relating to VAT to be paid or the input VAT and must be completed exclusively by taxpayers required to present the annual VAT return independently or in any case using a single form numbered 01. Those who submit the unified return must indicate the required data in part VX in section III of part RX in the UNICO 2015 (Personal Income

Tax Return) form.

Completion of part VX by controlling and controlled companies (article 73)
Companies participating in group VAT payments must complete exclusively line VX1 or line VX2 in order to indicate the debit or the credit transferred to the group when the adjustment was effected. With regard to the ways of using the amount specified in line VL10 and relating to the credit surplus not transferable to the VAT group, provision is made as follows:
– line VX4 must be completed to indicate the refund amount requested, in accordance with article 30, fourth paragraph (lesser credit surplus deductible for the three-year period; see resolutions nos. 4/DPF of 2008 and 56/E of 2011);
– line VX5 must be completed to indicate the amount to be used in set off using the F24 form;
– line VX6 must be completed to indicate the amount transferred by taxpayers who have opted for tax consolidation as provided for by article 117 of the TUIR (Consolidated Income Tax Act.
The same ways of using the amount are provided for with reference to the amount specified in line VL40.
In the case of incorporation of a company that does not participate in group VAT payments, the amounts specified in lines VL39 and VL40 of the form for the incorporated company, which remain at the disposal of the incorporating company, must be taken into account by the company when completing lines VX4,VX5 and VX6.
It is pointed out that companies which have left the group because of cessation of control in the course of the year, in order to indicate any credit which has subsequently become refundable or deductible, must complete lines VX4, VX5 and VX6.

Completion of part VX in the event of bankruptcy or compulsory administrative liquidation during 2014
Regarding how to complete part VX, please refer to the clarifications provided in paragraph 2.3.
Line VX1 ***amount to pay*** (or *to be transferred* by the controlling and controlled companies). The line must include the amount contained in line VL38. It is pointed out that if line VL40 is completed, excluding cases in which the line has been completed by companies that have participated in group VAT payment for the full tax year, the amount to indicate is the difference between the amounts indicated in lines VL38 and VL40. The current line must not be completed if the total amount of VAT payable should come to less than 10.33 euro (10.00 Euro by virtue of rounding-down made in the return).
In the case of substantial subjective transformations which entail the completion of several sections 3 of part VL (that is, of one section 3 for each entity taking part in the transformation), except for cases of incorporation by one company belonging to a VAT group of a company outside the group itself (see paragraph 3.3, letter a), line VX1 must indicate the total amount payable resulting from the difference between the sum of the amounts payable indicated in line VL38 and the sum of the credit amounts indicated in lines VL39 and VL40 deriving from each entity taking part in the transformation in their own part VL.
Line VX2 ***credit amount.*** Indicate the excess amount of annual deductible tax as referred to in line VL39, to be apportioned among the following lines VX4, VX5 and VX6 (or to transfer to the group by the companies referred to in article 73). It is pointed out that if line VL40 is completed, excluding cases in which the line has been completed by companies that have participated in group VAT payments for the full tax year, the sum of the amounts indicated in lines VL39 and VL40 must be indicated.
In the case of substantial subjective transformations which entail the completion of several sections 3 of part VL (that is, of one section 3 for each entity taking part in the transformation), except cases of incorporation on the part of a company forming part of a VAT group of a company outside the group itself (see paragraph 3.3, letter A), line VX2 must indicate the total sum of deductible surpluses resulting from the difference between the sum of the credit amounts indicated in lines VL39 and the sum of the amounts payable indicated in lines VL38. If line VL40 is completed, compare the instructions provided above.

It is pointed out that dummy companies for the year to which the return refers and for the two previous years that have indicated code 4 in line VA15 may not divide the amount specified in this line in the following lines. To these subjects, the provision contained in the final sentence of paragraph 4, article 30, of Law no. 724 of 1994 applies, with the permanent loss of the annual VAT credit.

Line VX3 *excess payment.* Indicate the excess amount paid in comparison with the amount to pay resulting from line VX1. The line must also be completed if, in respect of a tax credit emerging when the annual return is made, a tax payment has been made. In this latter case indicate the entire amount erroneously paid.
Said excess must be indicated in the current line if the annual adjustment has been paid in a lump sum or if it has been paid in instalments but said excess has not been completely or partially recovered by means of the successive instalments.
The line must be used also when, following the submission of a return which is a correction of an existing return by the due date, or a supplementary return as referred to in art. 2, paragraph 8-bis, of Presidential Decree 322/1998, payment exceeding the amount owed results.
The line must also indicate any credit amount for the tax period to which the return refers used as set off exceeding the amount due based on the current return or exceeding the annual limit of 700,000 euros as provided for by article 9, paragraph 2, of Decree Law no. 35 of 2013, and paid spontaneously according to the procedure described in Circular no. 48/E of 7 June 2002 (answer to question 6.1) and in resolution 452/E of 27 November 2008. It is pointed out that the amount of the credit paid must be indicated net of any penalties or interest paid as correction.
The indication in the line of the excess amount paid constitutes a credit which the taxpayers affected will be able to:
– deduct in the year following 2014 or use for the purposes of set off;
– request the refund thereof, if the conditions and requirements listed in art. 30 are met.
With reference to the case of request for refund of excess tax payments, it is pointed out that the amount of such excess payments, to be indicated in the corresponding line in section III of part RX in the UNICO (Personal Income Tax Return) 2015 form, or in line VX4 if the VAT return is submitted independently, must be included in line VX4, field 1.

It is pointed out that in the case of the presence of either a VAT credit in line VX2 or an excess payment in line VX3 the sum of the amounts in the aforementioned lines must be apportioned among lines VX4, VX5 and VX6.

NOTICE: following the removal of part VR, the request for refund of VAT credit emerging from the annual VAT return must be made by completing line VX4 or the corresponding line in section III of part RX of the UNICO form for taxpayers submitting the unified return.

Line VX4, amount of refund requested. The line is reserved for VAT taxpayers who intend to request the refund of the VAT credit emerging from the annual return relative to the 2014 tax period. One is reminded that the refund, in the cases provided for by article 30, paragraph 3 or by article 34, paragraph 9, is due only if the credit surplus resulting from the annual return is higher than 2,582.28 Euro but may also be requested for a lower amount.
In the case of discontinuance of an activity, the refund is due without limits as to the amount.
In addition to the situations referred to above, the taxpayer may in any event claim the refund where from the declaration for the tax period there is a deductible tax surplus and where from the declarations for the 2 years immediately preceding the current one there are deductible tax surpluses brought forward as a deduction in the following year. In such cases the refund is due for the lesser of the aforesaid surpluses, even if such amount is less than the limit of 2,582.28 euro set out above.

Field 1 must be completed by indicating the amount of refund requested.

Field 2 must be completed by indicating the quota that is part of the refund for which the taxpayer intends to use the simplified refund procedure through the collection agent. We point out that the field must not be completed where refunds are claimed for taxpayers undergoing **insolvency proceedings**, as well as where refunds are claimed by **taxpayers who have discontinued their activity**. The granting of this type of refund falls under the exclusive jurisdiction of the offices of the Revenue Agency (circular letter no. 84 of the March 12, 1998).
This portion, added to the amounts that have been or that will be set off during 2015 in the F24 form, cannot exceed the limit provided for by the regulations in force, amounting to 700.000 euro (article 9, paragraph 2, of Decree Law no. 35 of 2013). Pursuant to art. 35, paragraph 6-ter of Decree Law no. 223 of 04 July 2006, converted by Law no. 248 of 04 August 2006, the aforesaid annual limit is raised to one million Euro with regard to subcontractors at least 80% of whose turnover was accounted for by services provided to fulfil subcontracting agreements (see field 5).

Field 3 must be completed by indicating the code corresponding to the reason for the

refund.
For further information on the various circumstances giving rise to a refund, particular reference should be made to the circulars issued by the Revenue General Management: circular letter no. 2 of 12 January 1990, circular letter no. 13 of 05 March 1990 and circular letter no. 5 of 31 January 1991 and, in relation to the criterion for calculating the average tax rate, circular letter no. 81/E of 14 March 1995.

Code 1 – Article 30, paragraph 2, discontinuation of business
Code 1 must be indicated by taxpayers who discontinued their business in 2014.
As specified in circular letter no. 84 of 12 March 1998 owing to the particularity of the problems involved and the checks to be carried out, only the offices of the Revenue Agency can grant this type of refund.

Code 2 – Article 30, paragraph 3, Average rate
Code 2 must be indicated by taxpayers who request the refund in accordance with article 30, paragraph 3, letter a).
The provision is directed at persons who solely or ordinarily carry out asset transactions subject to lower tax rates than those applicable to purchases and imports.
The right to the refund exists if the tax rate on average applied to the purchases and imports exceeds that on average applied to the asset transactions carried out, increased by 10%.
In calculating the average tax rate must be calculated to the second decimal place.
The active operations to take into account in order to make the calculation are exclusively taxable operations, including transfer of investment gold that has become taxable as a result of the choice made, industrial gold and pure silver, sales of scrap materials as set out in par. 7 and 8 of article 74, operations carried out pursuant to article 17, paragraphs 6 and 7, as well as transfers made to earthquake victims.
The passive operations to consider consist of taxable purchases and imports which are tax deductible.
In addition, with regard to calculation of the average rate, it is pointed out that:
– the purchases, imports and transfers of depreciable assets must be excluded;
– general expenses must be included among the purchases;
– the user may include the tax amount relating to financial lease contracts for depreciable goods (Circular no. 25 of 19 June 2012).

Code 3 – article 30, paragraph 3, non-taxable operations
Code 3 must be indicated by taxpayers who request the refund in accordance with article 30, paragraph 3, letter b), as they have carried out non-taxable operations during the year as provided for by articles 8, 8-bis and 9, in addition to non-taxable operations as provided for by articles 41 and 58 of Decree Law no. 331 of 1993, for a total of over 25% of the total amount of all operations carried out during the 2014 tax period.
You are reminded that the percentage must be rounded up to the higher decimal place.
In particular this is concerned with the non-taxable transactions derived from:
– exports, assimilated transactions and international services provided for in articles 8, 8-bis and 9, as well as equivalent transactions in terms of the law, for example, articles 71 (transactions with the Vatican and San Marino) and 72 (transactions with particular international bodies etc.);
– transfers in terms of articles 41 and 58 of Decree Law No. 331/1993;
– intra-community transfers of goods drawn from a VAT warehouse with consignment in another member State of the European Union (art. 50-bis, paragraph 4, letter f) of Decree Law No. 331/1993);
– the transfers of goods drawn from a VAT warehouse with transport or consignment outside the territory of the European Union (art. 50-bis, paragraph 4, letter g) of Decree Law No. 331/1993).

Transactions carried out outside the European Union by the travel and tourism agencies, which fall within the special regime provided for by art. 74-ter (see R.M. no. VI-13-1110/94 of 15 November 1994), as well as the exports of used goods and the other goods referred to in Decree Law No. 41/1995 must be included among the non-taxable transactions referred to above.
To determine the overall amount of the asset transactions carried out during the tax year, reference may be made to the sum of the absolute values of lines VE39 and VE40. Where more than one form is completed, reference must be made to the sum of the corresponding lines of the forms.

Code 4 – article 30, paragraph 3, purchases and imports of depreciable goods and services for studies and research
Code 4 must be indicated by taxpayers who request the refund in accordance with article 30, paragraph 3, letter c), exclusively for the amount relative to the purchase or imports of depreciable goods as well as services for studies and research.
As specified by resolution no.122 of 2011, the refund may also be requested by leasing

companies that adopt the international IAS/IFRS accounting standards.
As regards the tax discharged on the purchase and import of depreciable goods, we point out that what is due is the refund of the deductible tax relative to the purchases recorded during 2014, as well as to the purchases of the abovementioned goods recorded in previous years, where the refund was not claimed or where it was set off in the F24 form, but where from the accounting entries it appears that the tax was either entirely or partially brought forward as a deduction in subsequent years (cp. circular letter no.13/1990).
Further, the refund is due not only for the purchase and import of depreciable goods, but also for the purchase of same in the execution of procurement contracts or leasing agreements (see circular letter no. 2/1990 and resolution no. 392/2007).
We point out that in terms of Decree Law no. 351 of 25 September 2001, converted into Law no. 410 of 23 November 2001, the refund is due for the purchases of immovable property, as well as for maintenance costs incurred in respect of such assets, where the maintenance was effected by savings management companies in the manner and within the time limits established therein.

Code 5 – Article 30, paragraph 3, Non-taxable operations
Code 5 must be indicated in the case of refunds requested by taxpayers in accordance with article 30, paragraph 3, letter d), who during 2014 carried out mainly non-taxable operations as provided for by articles 7 to 7-septies.
We wish to make it clear that with the aim of establishing the prevalence of the aforesaid transactions with respect to the overall amount of the transactions carried out, it is also necessary to include among the aforesaid transactions the exports and assimilated transactions in terms of articles 8, 8-bis and 9, as well as the transactions in terms of article 41 and article 58 of Decree Law No. 331/93.
In addition, we advise you that the exact total of the transactions "outside application" must be calculated with reference to the time when they were carried out, which is determined using the criteria provided in art. 6.

Code 6 – Article 30, paragraph 3, Conditions provided for by paragraph 3 of art. 17
Code 6 must be indicated by non-resident traders, who have registered themselves directly in Italy in terms of art. 35-ter or who have formally appointed a tax representative within the State, in terms of paragraph 3 of art. 17, which agent is authorized to claim the VAT refund.
By virtue of a measure of 30 December 2005, published in Official Gazette no. 48 of 27 February 2006, the Operational Centre of Pescara was identified as the office with jurisdiction to manage the relations with persons who have registered themselves directly in Italy in terms of art. 35-ter.

Code 7 – Article 34, paragraph 9, exports and other non-taxable operations carried out by agricultural producers
Code 7 must be indicated in the case of refunds requested by agricultural producers who have sold agricultural products listed in Table A - first part, as provided for by article 8, first paragraph, article 38-quater and article 72, in addition to intra-community sales by them. The refund is due for the total amount corresponding to the (theoretical) VAT relative to the non-taxable transactions carried out during 2014 or even in earlier years, if no refund has previously been claimed or, if it was set off in the F24 form but included as a deduction when making the annual return. The refundable amount, like the deductible amount, must be calculated by the application of the percentages of compensation in force during the relevant period (see Ministerial Circular no. 145/E of 10 June 1998).

Code 8 – Article 30, paragraph 4, refund of lesser deductible surplus of the three-year period
Code 8 must be indicated when the refund is due if VAT credit surpluses emerge from the returns for the last 3 years (2012-2013-2014), even if they total less than 2,582.28 Euro. In this case, the refund is due for the smaller of the aforementioned deductible surpluses (relative to the part not already requested as a refund or not compensated in the F24 form). In other words a comparison will be made between the amounts of VAT calculated in deduction with reference to the two previous years:
– for the year 2012, the amount is the one resulting from the difference between the input VAT deducted or set off, indicated in line VX5 or in the corresponding line of the section III of part RX of the UNICO and the amounts reflected in line VL9 of the VAT/2014 return relative to the 2013 year, only for that portion relating to the set-offs carried out in the F24 form with taxes different to VAT.
– for the year 2013, the amount is the one resulting from the difference between the input VAT deducted or setoff, indicated in line VX5 or in the corresponding line of section III of the part RX of the UNICO and the amounts to be reflected in line VL9 of the VAT/2015 return relative to the 2014 year, only for that portion relating to the set-offs

carried out in the F24 form with taxes other than VAT.

Code 9 – Coexistence of several cases
Code 9 must be indicated in cases in which the taxpayer satisfies the requirements for the previous code and for refund of the lesser deductible surplus of the three-year period and has also made purchases of depreciable goods or of goods and services for studies and research, on condition that the tax amount relating to these purchases is not already included in the lesser credit surplus requested as a refund.

Code 10 – Refund of lesser credit surplus not transferable to VAT group
Code 10 must be used to request the refund, in accordance with article 30, fourth paragraph (lesser deductible surplus of the three-year period), of the amount indicated in line VL10 of the VAT/2015 return. Specifically, requests for refunds may be presented by taxpayers who opted for group VAT payment in 2013 and who were not able to transfer the credit emerging from the VAT return form for 2012 to the group, and taxpayers who in 2012 were taking part in a group VAT payment procedure as controlling companies and who in 2013, having opted for a group VAT payment procedure as subsidiary companies, were not able to transfer the credit emerging from the summary prospectus VAT 26PR for 2012 to the group (see resolution no. 4/DPF of 2008 and resolution no. 56/E of 2011).
To this end, the following must be taken into account:
– for the year 2012, the amount resulting from the difference between the input VAT deducted or set off indicated in line VX5 of the VAT/2013 return or in the corresponding line of section III of part RX of the UNICO/2013 form and the amount indicated in line VL9 of the VAT/2014 return for 2013. For former controlling companies in a VAT group, the amount resulting from the difference between the VAT input tax indicated in line VY5 of summary form VAT 26PR/2013 and the amount indicated in line VL9 of the VAT/2014 return for 2013;
– for the year 2013, the amount resulting from the difference between the input VAT deducted or set off indicated in line VX5 of the VAT/2014 return for 2013 and the amount indicated in line VL9 of the VAT/2015 return for 2014;
– for 2014, the amount indicated in line VL10 and VL40 of the VAT/2015 return relating to 2014. In the case of incorporation of a company not participating in a group VAT payment procedure, the incorporating company must also take into account the amounts indicated in lines VL39 and VL40 of the form for the incorporated company.

It is pointed out that subjects participating in group VAT payments in years prior to 2013 must take into account the following:
– for the year 2012, the amount resulting from the difference between the input VAT deducted or set off indicated in line VX5 of the VAT/2013 return for 2012 and the amount indicated in line VL9 of the VAT/2014 return for 2013;
– for the year 2013, the amount resulting from the difference between the input VAT deducted or set off indicated in line VX5 of the VAT/2014 return for 2013 and the amount indicated in line VL9 of the VAT/2015 return for 2014;
– for 2014, the amount indicated in line VL10 and VL40 of the VAT/2015 return relating to 2013. In the case of incorporation of a company not participating in a group VAT payment procedure, the incorporating company must also take into account the amounts indicated in lines VL39 and VL40 of the form for the incorporated company.

Field 4 is reserved for taxpayers entitled to priority reimbursement of the refund, i.e. taxpayers who are included in the categories provided for decrees issued by the Ministry of the Economy and Finance, in accordance with the second last paragraph of article 38-bis, who are entitled to priority reimbursement of the refund. The box must be completed by indicating the following codes:
– 1 reserved for subjects that provide services which fall within the scope of application of letter a) of the sixth paragraph of article 17;
– 2 reserved for subjects that carry out activities identified by the code ATECOFIN 2004 37.10.1, i.e. subjects that provide services of salvage and preparation for recycling of waste and scrap metals;
– 3 reserved for subjects that carry out activities identified by the code ATECOFIN 2004 27.43.0, i.e. subjects that produce zinc, lead and tin, in addition to semi-finished products manufactured from said non-iron-based metals;
– 4 reserved for subjects that carry out activities identified by the code ATECOFIN 2004 27.42.0, i.e. subjects that produce aluminium and semi-processed products.
– 5 reserved for subjects that carry out activities identified by the code ATECO 2007 30.30.09, i.e. subjects that produce aircraft, spacecraft and relevant devices.

Field 5 is reserved for subcontractors who during the previous year recorded a turnover at least 80 per cent of which was for services provided under subcontracting agreements, regarding which, as a result of article 35, paragraph 6-ter, of Decree Law no. 223 of 4 July 2006, converted by Law no. 248 of 4 August 2006, the annual limit for compensation has been raised to one million Euro. The box must be crossed to indicate this situation.

As for the methods of reimbursement of the refunds, it is pointed out that article 13 of the Legislative Decree no. 175 of 21 November 2014 replaced article 38-bis that, in its new formulation, provides that:

– the amount of refunds that can be reimbursed without providing the guarantee and any obligation is raised from 5,164.57 to 15,000 Euro;

– refunds higher than 15,000 Euro can be obtained without providing the guarantee, by filing the yearly return with a certification of conformity or the subscription of the supervisory body and the declaration in lieu of an affidavit attesting the presence of specific capital requirements;

– the guarantee must be provided for refunds higher than 15,000 Euro only in case of risky situations, i.e. when the refund is demanded:

a) by subjects carrying out a business activity from less than two years, except for start-up innovating businesses, as provided by article 25 of Decree-Law no. 179 of 18 October 2012;

b) be subjects who were notified, in the two years before the reimbursement request, assessment or adjustment notices reporting, for each year, a difference between assessed amounts and the amounts of the tax due or those of higher reported credit:

1) 10% reported amounts if they are not higher than 150,000 Euro;

2) 5% reported amounts, if they are higher than 150,000 but not higher than 1,500,000 Euro;

3) 1% reported amounts, or 150,000 Euro if the reported amounts are higher than 1,500,000 Euro;

c) by taxable persons who file the return without the certification of conformity or the alternative signature or do not file the declaration in lieu of an affidavit;

d) by taxable persons who ask for reimbursement of the deductible surplus resulting when the activity ceased.

For further details about the methods of reimbursement regulated by amendments to article 38-bis applied by Legislative Decree no. 175 of 2014, cp. Circular no. 32 of 30 December 2014.

Field 6 is reserved to taxpayers who are not required to provide guarantee. The box shall be completed by indicating the code:

– 1 if the return has the certification of conformity or the subscription of the supervisory body and the declaration in lieu of an affidavit attesting the presence of the conditions provided by article 38-bis, paragraph 3, letters a), b) and c);

– 2 if the reimbursement is demanded by official receivers and court-appointed liquidators;

– 3 if the reimbursement is demanded by savings management companies, described in article 8 of the Decree-Law no. 351 of 2001.

Assessment of companies and operational bodies

Article 30, paragraph 4, of Law no. 724 of 23 December 1994 provides that the companies and bodies considered as non-operative have not right to request the reimbursement of the credit resulting from the VAT yearly return. Therefore, the bodies and company who are willing to ask for reimbursement shall issue a declaration in lieu of an affidavit, in accordance with article 47 of Presidential Decree no. 445 of 2000, attesting the lack of the requirements describing non-operative companies and bodies (Circular no. 146 of 10 June 1998).

As described by Circular no. 32 of 30 December 2014, the declaration in lieu of an affidavit is issued by signing the hereby box. It is pointed out that the declaration of an affidavit, duly signed by the taxpayer, and the copy of his/her identity document are received and stored by the subject who files the return and shall be showed if demanded by the Revenue Agency.

Assessment of capital conditions and payment of contributions

Article 38-bis, paragraph 3, provides the possibility to get refunds higher than 15,000 Euro without providing the guarantee, by filing the yearly return with a certification of conformity or the subscription of the supervisory body and a declaration in lieu of an affidavit, in accordance with article 47 of Presidential Decree no. 445 of 2000, attesting the presence of specific capital requirements. In particular, it is necessary to attest that:

a) net equity did not decrease, compared with the accounting records of the most recent tax period, more than 40%; the properties accounted did not decrease, compared with the accounting records of the most recent tax period, more than 40% for transactions performed during the ordinary activity; the activity itself did not cease or decrease as a result of sales of businesses or business branches included in the above mentioned accounting records;

b) stocks or share of the company were not sold, if the request for reimbursement is filed by capital companies not listed in regulated markets, in the year before the request, for an amount higher than 50% of the share capital;

c) social security and insurance contributions were paid.

As described by Circular no. 32 of 30 December 2014, the declaration in lieu of an affidavit is issued by signing the hereby box. It is pointed out that the declaration of an affidavit, duly signed by the taxpayer, and the copy of his/her identity document are received and stored by the subject who files the return and shall be showed if demanded by the Revenue Agency.

Line VX5 indicate the amount intended to be deducted in the following year and which is intended to be set off in the form F24. Pursuant to article 10 of Decree Law no. 78 of 1 July 2009, as amended by article 8, paragraphs 18 and 19, of Decree Law no. 16 of 2012, the annual VAT credit may be used to offset amounts of over 5,000 Euro starting from the 16th day of the month following the month of submission of the return from which the credit emerges. Furthermore, paragraph 7 of art.10 of Decree Law no. 78 of 2009 also makes the use of the annual tax credit to offset amounts of over 15,000 euros subject to the return bearing the stamp of approval of the return. It is possible to have the return signed by the body appointed to carry out the accounting audit instead of affixing the stamp of approval. For further clarifications and details concerning the provisions introduced by article 10 of Decree Law no. 78 of 2009, see the ordinance issued by the director of the Revenue Agency on 21 December 2009 and Circular no. 57 of 23 December 2009 and no. 1 of 15 January 2010.

It is pointed out that pursuant to article 30, paragraph 4, of Law no. 724 of 23 December 1994, as amended by Decree Law no. 223 of 4 July 2006, for dummy companies and organisations, the VAT credit emerging from the annual return cannot be used as set off in form F24 as provided for by article 17 of Legislative Decree no. 241 of 1997. It is pointed out, furthermore, that as specified in Circular no. 25 of 4 May 2007, the last sentence of paragraph 4 of article 30 of Law no. 724 of 1994, applies, entailing the permanent loss of the annual tax credit for taxpayers to whom the following conditions concurrently apply:

- a company which, in addition to the current fiscal year, was a dummy company also in 2012 and 2013;
- a company which in the three years 2012-2014 has not carried out significant operations for VAT purposes not less than the amount derived from the application of the percentages set out in article 30, paragraph 1, of Law no. 724 of 1994.

Line VX6, reserved for subjects who have opted for tax consolidation foreseen by article 117 and subsequent articles of the TUIR (Income Tax Consolidate Act). Such subjects may transfer the credit remaining from the annual declaration either totally or partially, for the payment of the IRES (Corporation Income Tax) due by the consolidating party, as a consequence of the group VAT payment. The line must indicate in **field 1** the tax code of the consolidating company and in **field 2** the amount of the credit transferred, as provided for by art. 7, paragraph 1, letter b), of the decree of 09 June 2004 (see circular no. 53 of 20 December 2004 and no. 35 of 18 July 2005). As described by Circular no. 28 of 2014, in order to use as set off credits higher than 15,000 Euro and generated by other subjects the certification of conformity is required or the signature by the control authority both in the transferor statement and in the statement of the subject who uses the credit received.

4.2.13 – PART VO - COMMUNICATION OF OPTIONS AND REVOCATIONS

As provided for by art. 2 of Presidential Decree of 10 November 1997, number 442, the options and revocations provided for with regard to VAT and direct taxes must be communicated, taking into account the concluding behaviour assumed by the taxpayer during the tax year, using exclusively part VO of the annual VAT return.
In the case of exemption from the obligation to present the annual return, part VO must be presented attached to the income tax return. To this end, a specific box is provided on the front cover of the form UNICO 2015 (Personal Income Tax Return) which, when crossed, indicates the inclusion of part VO, completed by the aforementioned persons. It is emphasised that recourse to such means of communication of options and revocations is rendered necessary exclusively in the case in which the person is not required to present the annual VAT return with reference to other activities carried out or, as already clarified by circular letter 209/E of 27 August 1998, if exemption from the obligation of presentation of the return persists also following the optional system chosen.
The part must be completed to communicate, by crossing the corresponding box, the option or revocation of the methods of tax calculation or of a tax regime different from one's own (see Appendix under the entry "Options and revocations").
Part VO contains **five** sections:
– Section 1: options, waivers and revocations for the purposes of VAT;
– Section 2: options and revocations for the purposes of income tax;
– Section 3: options and revocations for the purposes of both VAT and income tax;
– Section 4: option and revocation for the purposes of tax on entertainment activities;
– Section 5: option and revocation for the purposes of IRAP (Regional Tax on Productive Activities).

SECTION 1 - Options, waivers and revocations for the purposes of VAT

Adjustment of deduction for depreciable goods - Article 19 bis 2, paragraph 4
Line VO1, **box 1** must be crossed by the taxpayer who, as from 2014, has opted for the adjustment of the deduction related to the purchase of depreciable goods as well as to the supply of services relating to the transformation, refurbishment/repair or restructuring of the same goods, even if the variation in the percentage of deduction was not superior to ten percent. This option is binding for five years (ten years if the adjustment regards real estate).

Quarterly payments - Art. 7 of Presidential Decree of 14 October 1999, number 542
Line VO2, box 1 must be crossed by artists, professionals, and by taxpayers who are owners of businesses supplying services which achieved a business turnover not greater than 400.000 Euro or not greater than 700.000 Euro in 2014 if owners of businesses carrying out other activities and which in 2013 have carried out both settlements and periodic payments of VAT quarterly rather than monthly. One is reminded that in the case of simultaneous supply of services and other activities without the distinct recording of related considerations the limit of 700.000 Euro is applicable, for the purposes of the option.
The option, which is binding for at least one calendar year, remains valid until waived, on condition that said premises hold true.
The quarterly payment of VAT entails that the amounts to be paid must be increased by interest of 1%.
Box 2 must be crossed to communicate the waiving of the option.

Agriculture
Line VO3
Art. 34, paragraph 6
Waiving of regime of exemption. Box 1 must be crossed by **exempted agricultural producers** as referred to in paragraph 6, article 34, that is with a business turnover not exceeding 7,000 Euro, who waived, in 2014, exemption from payment of tax and all documentary and accounting obligations, including the annual return, with the exception of the obligation to number and preserve invoices of purchases and customs bills of entry (see Appendix under the entry "Agriculture"). This choice is binding for the taxpayer until waived, and in any case for at least three years.
Box 2 must be crossed by taxpayers who since 2014 waived the renouncement of the exemption regime.

Art. 34, paragraph 11
Application of tax in the ordinary manner. **Box 3** must be crossed by agricultural producers who have applied tax in the ordinary manner starting from the 2014 tax period.

Said option is allowed also for **exempted agricultural producers**, who must at the same time also cross box 1 (waiving of exemption regime), should they wish to apply tax in the ordinary manner.
The option is binding until waived, and in any case for at least three years.
Box 4 must be crossed by taxpayers who, starting from 2014, waived the option for the application of tax in the ordinary manner (see Appendix under the entry "Agriculture").

Art. 34-bis
Application of tax in the ordinary manner. **Box 5** must be crossed by agricultural producers that, as of the 2014 tax period, have applied VAT in the ordinary manner to operations of supply of services, instead of using the special regime provided for by article 34-bis (see Appendix under "Connected agricultural activities").
The option is binding until revocation and in any case for a period of at least three years.
Box 6 must be crossed by taxpayers who, starting from 2014, waived the option for the application of tax in the ordinary ways.

Carrying-out of several activities - Article 36, paragraph 3
Line VO4, box 1 must be crossed by taxpayers who, as of 2014, carrying on several businesses or several activities within the scope of the same business, communicate that they have opted, for said year, for the separate application of tax as provided for by article 36, paragraph 3.
The choice exercised has effect until it is revoked and in any case for at least three years.
Box 2 must be crossed by taxpayers who communicate, starting from 2014, the waiving of the option.

Dispensation for exempt operations - Art. 36-bis, paragraph 3
Line VO5, box 1 must be crossed by taxpayers who communicate that they have made use of, starting from 2014, of the exemption from the obligations of invoicing and recording exempt operations listed in art. 10, with exception made for those exempt transactions specified in numbers 11, 18 and 19 of the same art. 10, that is to say for:
– transfers of investment gold, including that represented by certificates in gold also unsold, or exchanged on metal accounts, as well as operations provided for by article 67, paragraph 1, letter c-quater) and c-quinquies) of the TUIR (Income Tax Consolidate Act) if they refer to investment gold and intermediations relating to the preceding operations (art. 10, no. 11);
– medical diagnostic, treatment and rehabilitation services provided to individuals in the carrying out of health professions subject to supervision, as provided for by art. 99 of the single text regarding health legislation, approved by Royal Decree 1265 of 27 July 1934, and successive amendments, or identified in the Decree of 17 May 2002 (art. 10, no. 18);
– services of hospitalisation and treatment provided by hospital foundations or by clinics and nursing homes having arrangements with state health insurance schemes as well as associations of mutual assistance with legal entity and by ONLUS associations, including the provision of medicine, health aids, nourishment, in addition to the provision of treatment in spas (art. 10, no. 19).

It is pointed out that the option has effect until it is revoked and, in any case, for at least three years and entails the complete non-deductibility of tax relating to purchases and imports.
Box 2 must be crossed by taxpayers who communicate, starting from 2014, the revocation of the option.

Publishing - Art. 74, paragraph 1
Line VO6, box 1 must be crossed by publishers who communicate that they have chosen, the system of VAT calculation on the basis of number of copies sold as from 2014, for each newspaper or publication, or for each issue.
This option, if applied for the entire newspaper or publication, has effect until revoked and in any case is binding for three years.
If, on the other hand, the option is applied for a single issue, it is binding only for the issue itself and may be communicated cumulatively for the issues relating to the entire year.
Box 2 must be crossed by publishers who communicate that they have revoked the option for the calculation of VAT on the basis of the number of copies sold with reference to each newspaper or publication starting from 2014.
For further information regarding the VAT regime for publishing, please see:
Circular Letter 23 of 24 July 2014;
Circular Letter 328/E of 24 December 1997;
Circular Letter 209/E of 27 August 1998;
Art. 1, paragraph 1, letter g), of Legislative Decree 56 of 1998;

Art. 6, paragraph 7, letter a), of Law 133 of 1999;
Art. 52, paragraph 75, of Law 448 of 2001.

Entertainment activities - Request for application of the ordinary regime - Art. 74, paragraph 6
Line VO7, **box 1** must be crossed by those carrying on businesses pertaining to the **organisation of games, entertainment** and other activities as indicated in the tariff attached to the Presidential Decree of October 26, 1972, number 640, as referred to in the sixth paragraph of art. 74, who communicate that they have opted, as from 2014, for the application of the tax in the ordinary manner.
This option is binding until revoked and is subject to a minimum period of applicability of five years, starting from the first of January of the year in which the choice is made.
Box 2 must be crossed in order to communicate the revocation of the previously exercised option (see Appendix under the entry: "Entertainment and show activities").

Intra-community purchases - Art. 38, paragraph 6, Decree Law 331/1993
Line VO8, the option relates to those persons indicated in article 38, fifth paragraph, letter c) of Decree Law 331 of 1993 and, more specifically:
– taxpayers who carry out exempt operations which entail the total non-deductibility of VAT on purchases;
– agricultural producers who benefit from the special regime as referred to in art. 34;
– non-commercial, non-taxable bodies, organisations and other structures.
Box 1 must be crossed by said entities who communicate that they have opted, as from 2014, for the application of VAT in Italy on intra-community purchases.
One is reminded that the abovementioned operation may be carried out only if the total amount of intra-community purchases, also from catalogues, by post and suchlike, made in 2013, has not exceeded 10,000 euro.
This choice has effect starting from the year during which it is exercised and is valid until revoked and, in any case, until the expiry of the two-year period successive to the year during which it is exercised, and on condition that all related requirements remain satisfied.
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the choice previously carried out.

Transfer of used goods - Art. 36, Decree Law 41 of 1995
Line VO9
Art. 36, paragraph 2
Application of the ordinary (or analytical) margin method. Box 1 must be crossed if the taxpayer has exercised the option, starting from 2014, for the ordinary (or analytical) margin method, also for transfers of works of art, antiques or collectors' items imported and for the resale of works of art acquired from the artist (or from his/her heirs or legatees).
This option has effect until revoked and, in any case, until the expiry of the two-year period successive to the year during which it is exercised.
Box 4 must be crossed by taxpayers who intend to communicate the revocation of the aforementioned option.

Article 36, paragraph 3
Application of the ordinary VAT regime. Box 2 must be crossed by taxpayers who must communicate that they have applied the ordinary VAT regime in 2014, for one or more operations that are part of the special marginalised regime.
The application of tax in the ordinary manners as per paragraph 3 of article 36 of Decree Law no. 41/95 for certain transfers allows for the deduction of the tax on purchases only with reference to the time in which the operation subject to the original regime and subject to recording in the register as outlined by art. 25. In such cases, if the purchase and the corresponding transfer were carried out in different tax periods, the amount of the purchase will have to be included in line VF13 in the return relative to the year in which this was recorded in so far as not deductible. In the return relative to the tax period in which the corresponding transfer was carried out in the ordinary VAT regime, that constitutes the pre-requisite for the deduction of the tax of the relative purchases, the amount of the passive operation should be indicated in part VF both in correspondence with the relative rate for deduction and in correspondence with line VF20 (taxable amount of purchases registered in previous years but with tax payable in 2014) in order to allow for the corresponding amount already indicated in line VF13 of the previous return to be subtracted from the volume of purchases.

Art. 36, paragraph 6
Changeover from the overall method of determining the margin to the ordinary method (or analytical method). Box 3 must be crossed if the taxpayer has opted for the

changeover from the overall method of determining the margin to the ordinary (or analytical method) in 2014 as foreseen by the aforementioned art. 36, paragraph one.
This operation is effective until it is revoked, and at least until the end of the second year following the year during during which it was exercised.
Box 5 must be crossed by taxpayers who intend to communicate the revocation of the aforementioned option.

Intra-community transfers on the basis of catalogues, by post and suchlike. - Art. 41, first paragraph, letter b), Decree Law no. 331 of 1993
Line VO10, taxpayers who carry out intra-community transfers via catalogue, by post and suchlike, who carried out in another member State in the previous year transfers for an amount not exceeding 100,000 Euro, or any smaller amount established by that State, exercise the option, starting from 2014, of applying VAT in the community State to which the goods are bound, by crossing the relevant box.
It is underlined that boxes regarding options and the revocation thereof corresponding to the States for which the choice was made must be crossed, as distinguished by the ISO code.
Art. 20, second paragraph, of the Ministerial Decree of December 24, 1993, which governs trade between the Republic of Italy and the Republic of San Marino, makes provision for, regarding the application of VAT in said State, for an analogous option for national operators who carry out the abovementioned sales to private residents of San Marino.
The abovementioned options have effect as from 2014 and are valid until revoked and, in any case, until a successive two-year period has passed.
The boxes included in **line VO11** must be crossed by taxpayers who intend to communicate the revocation of the option previously requested, beginning from 2014.

Taxpayers whose bookkeeping is done by third parties - Art. 1, paragraph 3, Presidential Decree no. 100 of 1998
Line VO12, box 1 must be crossed by taxpayers who have entrusted their accounting to third parties and who have exercised the option as provided for by art. 1, paragraph 3, of Presidential Decree no. 100 of 23 March 1998.
This option may be exercised exclusively by taxpayers who make monthly periodic payments and who may refer, for the purposes of the calculation of the difference in tax payable compared with the previous month, to tax which became payable in the second preceding month (see circular letter 29 of 10 June 1991).
For the specific methods of calculation for the purpose of periodic VAT payments and regarding the completion of part VH in such cases, please see the entry in the Appendix "Taxpayers whose bookkeeping is done by third parties".
It is pointed out that the option in question lasts at least one year and remains valid until revoked.
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the option previously exercised.

Application of VAT to sales of investment gold - Article 10, number 11
Line VO13, the current line is reserved for persons who produce or who sell investment gold or transform gold into investment gold and who communicate that they have opted for the application of VAT on the transfers of investment gold in lieu of exemption. Persons who produce, transform or sell investment gold may exercise the option relative to individual operations, obviously without the three-year constraint, by crossing **box 1** of the current line. The same persons may opt, for all operations relating to the sale of investment gold, by crossing **box 2**. The latter option is binding on the taxpayer for at least three years and is valid until revoked, as provided for by article 3 of Presidential Decree number 442 of 10 November 1997.
Box 3 must be crossed by taxpayers who intend to communicate the revocation of the option as per box 2.
If the transferor has opted for the application of the tax, a similar option relative to the individual operation may be made by the intermediary, by crossing **box 4** (see Appendix under the entry "Operations relative to gold and to silver").

Application of the ordinary VAT regime for travelling shows and minor taxpayers - Art. 74-quater, paragraph 5
Line VO14, box 1 must be crossed by persons who put on travelling shows as well as those who carry out other activities relating to shows as indicated in table C enclosed to Presidential Decree 633 of 1972 which have achieved a business turnover during the previous year of no more than 25,822.84 Euro who communicate that they have opted, from 2014, for the application of tax in the ordinary manner.

This option is binding until revoked and is subject to a minimum period of five years, starting from January 1 of the year in which the choice is exercised.
One is reminded that the concessional regime ceases to be applicable with effect from the calendar year following the one in which the limit of 25,822.84 Euro is exceeded (see Appendix under the entry: "Entertainment and show activities").
Box 2 must be crossed to communicate that the option is revoked.

VAT cash accounting scheme – Article 32-bis, Decree Law no. 83 of 2012
Line VO15, **box 1** must be crossed by taxpayers who have communicated that they have opted, as of 1 January 2014, for the VAT cash accounting scheme as provided for by article 32-bis of Decree Law no. 83 of 22 June 2012.
This option is binding until revocation and in any case for a period of at least three years.

SECTION 2 - Options and revocations for the purposes of income tax

Ordinary accounting system for minor businesses - Art. 18, paragraph 6, Presidential Decree no. 600 of 1973
Line VO20, box 1 must be crossed by unlimited partnerships, limited partnerships, shipping companies, de facto companies that carry out commercial activities, individuals who carry on commercial businesses, and non-commercial entities in relation to any commercial activities carried out, who, having achieved revenue in 2013 of not more than 400,000 euros for enterprises providing services or 700,000 euros for enterprises carrying on other activities, have chosen the ordinary accounting system for 2014.
The option, being an accounting system, has a minimum duration of a year and remains valid until revoked.
Box 2 must be crossed by the abovementioned minor businesses which intend to communicate the revocation of the option exercised.

Ordinary accounting system for artists and professionals - Art. 3, paragraph 2, Presidential Decree no. 695 of 1996
Line VO21, box 1 must be crossed by artists or professionals (article 53 of TUIR (Income Tax Consolidate Act)) who have chosen the ordinary accounting system for 2014.
The option, being an accounting system, lasts a minimum of one year and remains valid until revoked.
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the option.

Determination of income in ordinary manners for other agricultural activities - Art. 56 bis, paragraph 5 of the TUIR (Income Tax Consolidate Act)
Line VO22, box 1 must be crossed by taxpayers who availed of the right to determine their income in the ordinary manners in relation to other agricultural activities. The option is binding until revocation and for at least three years.
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the option.

Calculation of income from farming for agricultural enterprises – Article 1, paragraph 1093, Law no. 296 of 27 December 2006
Line VO23, **box 1** must be crossed by partnerships, by limited-liability companies and by cooperatives which qualify as agricultural enterprises as provided for by article 2 of Legislative Decree no. 99 of 29 March 2004 and which intend to communicate the option to calculate income pursuant to article 32 of the TUIR (Consolidated Income Tax Act). The choice is binding for three years and remains valid until revoked.
Box 2 must be crossed by taxpayers who wish to communicate the revocation of the option.

Calculation of income for companies comprised by farmers – Article 1, paragraph 1094, Law no. 296 of 27 December 2006
Line VO24, **box 1** must be crossed by partnerships and by limited-liability companies comprised by farmers who wish to communicate the option for calculating income by applying the profitability coefficient of 25% to receipts. The choice is binding for three years and remains valid until revoked.
Box 2 must be crossed by taxpayers who wish to communicate the revocation of the option.

Calculation of income in the ordinary manner for connected agricultural activities – Article 1, paragraph 423, Law no. 266 of 23 December 2005
Line VO25, **box 1** must be crossed by taxpayers who have made use of the entitlement to calculate income in the ordinary manner in relation to connected agricultural activities. The choice is binding for three years and remains valid until revoked.
Box 2 must be crossed by taxpayers who wish to communicate the revocation of the option.

SECTION 3 - Options and revocations for the purposes of both VAT and income tax

Application of the dispositions provided for by Law no. 398 of 1991
Line VO30, **box 1** must be crossed by all subjects who intend to communicate the option chosen, starting from 2014, of the flat-rate calculation of VAT and as provided for by art. 2, paragraphs 3 and 5, of said Law no. 398.
The option is binding until revoked and in any case for at least five years.
The subjects who can opt for such are companies, including co-operatives and amateur sports associations as per art. 90, paragraphs from 17 to 18-ter, of Law no. 289 of 2002; non-profit associations and pro-loco associations to whom the tax regime as per Law 398 of 1991 has been extended by art. 9-bis of Law no. 66 of 1992; non-profit bands and amateur choirs, drama associations, music and popular dance associations that are legally recognised to which art. 2, paragraph 31 of Law no. 350 of 2003 has applied Law no. 398.
Box 2 must be crossed to communicate the revocation of the option (see Appendix under the entry "Entertainment and show activities").

Trade unions and labour associations operating in agriculture - Article 78, paragraph 8, Law no. 413 of 1991
Line VO31, **box 1** must be crossed exclusively by trade unions and labour associations operating in the field of agriculture, which communicate that they have applied, during 2014, the calculation of VAT and income in the ordinary manners as provided for by article 78, paragraph 8 of Law no. 413 of 30 December 1991, as amended by art. 62, paragraph 1, letter a) of Decree Law no. 331 of 1993.
For the associations mentioned, relative to the activity of tax assistance provided for their members, the abovementioned eighth paragraph of article 78 has laid down, in particular, that VAT must be calculated on a flat-rate basis, reducing the tax relative to taxable operations by a third of its amount by way of a flat-rate deduction of VAT regarding purchases and imports.
The abovementioned associations may, however, calculate VAT and income in the ordinary way and in such a case must cross box 1 to communicate such a choice. The option has effect until revoked and, in any case, for at least three years.
Box 2 must be crossed by the abovementioned associations who intend to communicate the revocation of the option.

Farm holiday sector - Art. 5, Law no. 413 of 1991
Line VO32, **box 1** must be crossed by those carrying out activities in the farm holiday sector, as referred to in Law no. 96 of 20 February 2006, who have opted, starting from 2014, for the deduction of VAT and income in the ordinary manners and thus communicate that they have not made use of the flat-rate calculation of the tax as provided for by art. 5 of Law no. 413 of 30 December 1991. The option is binding for three years and is valid until revoked.
Box 2 must be crossed to communicate that the option is revoked.

Beneficial tax regime for young businesspeople and unemployed workers – Article 27, paragraphs 1 and 2, Decree Law no. 98 of 2011
Line VO33, **box 1** must be crossed by taxpayers who satisfy the requirements set out in article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011 and who have chosen to calculate VAT and income in the ordinary manner in 2014.
Box 2 must be crossed by taxpayers who satisfy the requirements set out in article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011 and have chosen not to make use of the regime provided for therein and instead have opted in the year 2014 for the simplified accounting regime as provided for by article 27, paragraph 3, of Decree Law no. 98 of 2011.

Simplified accounting regime – Article 27, paragraph 3, Decree Law no. 98 del 2011
Line VO34, **box 1** must be crossed by taxpayers who satisfy the requirements set out in article 27, paragraph 3, of Decree Law no. 98 of 2011 and who have chosen the ordinary accounting regime for the 2014.
This option is binding until revocation and in any case for a period of at least three years

Minimum taxpayers – article 1, paragraphs 96 to 117, Law no. 244 of 2007
Line VO35, **box 1** must be crossed by taxpayers who began trading after 31 December 2007 and who have applied, starting from 2014, the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011. As clarified by Circular Letter no. 17 of 30 May 2012, this regards taxpayers who despite being in possession of the necessary requirements have not made use of the regime provided for by article 1, paragraphs 96 to 117, of Law no. 244 of 2007 and who have completed the obligatory three-year period in the ordinary regime.
Box 2 must be crossed by taxpayers who began trading after 31 December 2007 and who despite being in possession of the necessary requirements have not made use of the regime provided for by article 1, paragraphs 96 to 117, of Law no. 244 of 2007. When the three-year period in the ordinary regime is completed they opt, starting from 2014, for the simplified accounting regime provided for by article 27, paragraph 3, of Decree Law no. 98 of 2011.

SECTION 4 - Option regarding tax on entertainments

Application of tax on entertainment in the ordinary manner - Article 4 of Presidential Decree no. 544 of 1999
Line VO40, **Box 1,** must be crossed by persons who communicate that they have, from 2014, calculated the taxable base in the ordinary manner.
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the option previously used.

SECTION 5 - Option regarding IRAP (Regional Tax on Productive Activities)

Calculation of the taxable base for IRAP (Regional Tax on Productive Activities) by public entities who also carry out commercial activities (art. 10-bis, paragraph 2, Legislative Decree no. 446 of 15 December 1997 and subsequent amendments)

Line VO50, Box 1 must be crossed by public entities as referred to in article 3, paragraph 1, letter e-bis), of Legislative Decree no. 446 of 15 December 1997, and subsequent amendments who have opted for, as provided for by art. 10-bis, paragraph 2, of the aforementioned Legislative Decree no. 446 of 1997 the calculation of the taxable base for the purposes of IRAP (Regional Tax on productive activities) using the criteria laid down in article 5 of the same Legislative Decree (cp. circular letter 148/E of 26.07.2000 and circular letter 234/E of 20.12.2000).
Box 2 must be crossed by taxpayers who intend to communicate the revocation of the option previously used.

4.3 Controlling company - Summarising prospectus for the group Form VAT 26PR/2015 - Payment of group VAT

Part VS, VV, VW, VY and **VZ** which comprise the **VAT** prospectus **26PR/2015**, making up part of the annual VAT return, are reserved for controlling bodies and companies. The parts summarise the data regarding group VAT payments (article 73 and Ministerial Decree of 13 December 1979).

The controlling company must provide the territorially competent collection agency both with the guarantees provided by the individual companies relative to their own credit surpluses set off and the guarantees provided by the controlling company relative to the group credit surplus set off, as provided for by article 6 of the Ministerial Decree of 13 December 1979.
It is pointed out that the guarantees provided by the individual controlled companies, although presented by the controlling company, must be made out to the territorially competent Office of the Revenue Agency in relation to each controlled company.
It is pointed out that article 13 of the Legislative Decree no 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014 and especially removing the general obligation to provide the guarantee. For further details see Circular no. 32 of 30 December 2014

4.3.1 – PART VS - Section 1 - List of companies in the group

This section demands the indication of all persons participating (including the controlling company) in the set off for 2014, for which the following must be indicated:
• **field 1,** VAT registration number;
• **field 2,** the code corresponding to the following subjective conditions:

"1" company that already as from 31 December 2013 was taking part in a group VAT payment procedure;
"2" company that already as from 31 December 2013 was adhering to a group VAT payment procedure and which during 2014, as assignee, carried out extraordinary operations with subjects outside the group (for example incorporation by the controlled company of a company outside the VAT group);
"3" company which as from 31 December 2013 was not participating in a group VAT payment procedure;
"4" company which as from 31 December 2013 was not participating in a group VAT payment procedure and which during 2014, as assignee, carried out extraordinary operations with subjects outside the group;

- **field 3,** the last month in which the controlling and controlled companies took part in group payment (12 in the case of the entire year);
- **field 4**, if the company of the group is a dummy company pursuant to article 30 of Law no. 724 of 23 December 1994, or pursuant to article 2, paragraphs 36-decies and 36-undecies, of Decree Law no. 138 of 13 August 2011, implemented with amendments by Law no. 148 of 14 September 2011, indicate the code corresponding to the following situations:
  "1" dummy company for the year to which the return refers;
  "2" dummy company for the year to which the return applies and for the previous year;
  "3" dummy company for the year to which the return applies and for the previous two years;
  "4" dummy company for the year to which the return applies and for the previous two years and which has not carried out significant operations for VAT purposes not less than the amount derived from the application of the percentages set out in article 30, paragraph 1, of Law no. 724 of 1994.
- **field 5**, the total of the refund stock during the year ascribable to each company in the group;
- **field 6,** the transferred credit surplus, which must correspond to the amount indicated in line VK23 (credit surplus) of the return of each individual company participating in group VAT payment;
- **field 7,** credit surplus set off, which must correspond to the amount indicated in line VK24 (credit surplus set off) of the return for each individual company taking part in the group payment procedure.
- **field 8** if the return of the controlled company has the certification of conformity or the subscription of the supervisory body and the declaration in lieu of an affidavit attesting the presence of the conditions provided by article 38-bis, paragraph 3, letters a), b) and c);
- **field 9,** the reason for the annual refund (see Appendix under the entry "Controlling and controlled companies - Reason of refund");
- **field 10**, the code corresponding to the prerequisite which gives entitlement to priority reimbursement of the refund:
  "1" companies that provide services which fall within the scope of application of letter a) of the sixth paragraph of article 17;
  "2" companies that carry out activities identified by the code ATECOFIN 2004 37.10.1, i.e. subjects that provide services of salvage and preparation for recycling of waste and scrap metals;
  "3" companies that carry out activities identified by the code ATECOFIN 2004 27.43.0, i.e. subjects that produce zinc, lead and tin, in addition to semi-finished products manufactured from said non-iron-based metals;
  "4" companies that carry out activities identified by the ATECOFIN 2004 code 27.42.0, i.e. subjects that producer aluminium and semi-processed products.
  "5" subjects that that carry out activities identified by the code ATECO 2007 30.30.09, i.e. subjects that produce aircraft, spacecraft and relevant devices.
- **field 11,** the amount of the share of the refund, to be indicated in line VY4, allocated to each company of the group. This amount must correspond to the amount indicated in line VK25 (surplus requested as refund by the controlling company) of the return of the individual company participating in the group payment;

If the lines should not be sufficient for the indication of all companies taking part in the group payment procedure, another part VS must be used, indicating "02" in the field "Form N.", and so on.

The completion of several parts VS of the form does not change the number of forms comprising the return, to be indicated on the front cover.

SECTION 2 - Summarising data

In this section, indicate:
– **line VS20,** field 1 contains the total refund requested for subjects in possession of the necessary legal requirements, and field 2 contains the number of such persons;
– **line VS21,** field 1 must indicate the total number of subjects who have taken part in the group payment, including the controlling company; field 2 must indicate the number of subjects who have made use of special VAT concessions following exceptional events (see Appendix, "Person affected by exceptional events");
– in **line VS22,** field 1, the number of subjects who set off their own surplus in the group payment; field 2, the number of subjects exempt from providing guarantees.

If the number of persons taking part in the group payment is greater than the number of lines provided in section 1, lines VS20, VS21 and VS22 must be completed only on form 01.

SECTION 3 - Guarantees of the controlling company

Line VS30 must indicate the residual tax surpluses of the companies in the group which, not having been set off in the previous year (2013) as provided for by art. 6 of the Ministerial Decree of 13 December 1979 and thus not having been guaranteed, have been included in deduction in 2014 by the controlling company and have been set off with debit surpluses of other companies in the group in the course of the same year. It is pointed out, as specified in ministerial order 626305 of 20 December 1989, that for the purposes of accounting clarity such group credit surpluses are assumed to have been set off prior to other credits transferred from the companies during 2014.
For the amount indicated in line VS30 the controlling company is required to advance the guarantees as provided for by article 6 of the Ministerial Decree of 13 December 1979. Naturally, such guarantees must be advanced separately from the guarantees which the same controlling company must produce for any tax surplus set off resulting in the line VK24 of its own return, relative to the same tax year.

4.3.2 – PART VV- PERIODIC PAYMENTS OF GROUP

This part must include accounting data referring to periodic group payments made by the controlling body or company for the entire group, deriving from the periodic payments transferred from the controlling body or company and from the controlled companies and noted in the summarising register as provided for by article 4 of the Ministerial Decree of 13 December 1979, kept by the parent company.
If payments have been made pursuant to a correction as provided for by article 13 of Legislative Decree no. 472 of 1997, the applicable box must be crossed in the line corresponding to the payment period for which the controlling company has made use of the aforementioned option.
For the method of completion of part VV, the taxpayer is referred to paragraph 4.2.7 concerning part VH.

Line VV13 indicate the amount of the advance payment owed, calculated for the whole group of the controlling company (cp. circular letter no. 52 of 03 December 1991).
The **method box** must be completed by indicating the code for the method used for calculating the advance VAT payment:
– **"1"** historical;
– **"2"** forecast;
– **"3"** analytical - actual.

4.3.3 – PART VW - PAYMENT OF ANNUAL GROUP TAX

Part VW constitutes a summary of amounts for the purposes of the annual payment of the group tax debit or credit.

SECTION 1 - Calculation of VAT due or input VAT for the tax period

Line VW1 must include the sum of the amounts resulting from the corresponding lines VL1 of the returns of the controlling company and controlled companies, and in cases of transfer of control during the course of the year, this data may be obtained from line VK30.
Line VW2 must include the sum of the amounts resulting from the corresponding lines

VL2 or VK31 in cases of transfer of control during the course of the year, of the returns of all the subjects of the group.

Line VW3 must indicate tax payable, given by the difference between line VW1 and line VW2, if the amount in line VW1 is greater than the amount in line VW2.

Line VW4 must indicate the tax credit, given by the difference between line VW2 and line VW1, if the amount in line VW2 is greater than the amount in line VW1.

SECTION 2 - Calculation of output or input VAT

NOTICE: lines VW20, VW22, VW23, VW24, VW28, VW29 and VW31 must also include the amounts resulting from the corresponding lines of part VL of the returns presented by the individual companies which have taken part in the group VAT payment.

Line VW20 indicate the amount of refunds during the year requested by the controlling company for the entire group. Said amount should be increased by the amount of any refunds during the year deriving from line VL20 of the forms relating to companies incorporated during 2014 by companies adhering to the group VAT payment.
With regard to the requirements necessary to be able to make use of the procedure for refunds during the year, one is reminded, as specified in the aforementioned Ministerial Order n. 626305 of 20 December 1989, that these must exist with regard to companies who have transferred the credit which is the object of the refund.
In this regard it is underlined that the amount of refunds during the year duly requested by the controlling company must be indicated even if these have not been carried out yet.
In addition, the same line VW20 must include the portion of the amount of the advance payment made by the controlling company on behalf of the controlled companies which left the group after the final deadline or the advance payment (see also line VK36).

Line VW21 indicate the total amount of credit surpluses transferred by each company of the group which is a dummy company pursuant to article 30 of Law no. 724 of 23 December 1994, or pursuant to article 2, paragraphs 36-decies and 36-undecies, of Decree Law no. 138 of 13 August 2011, implemented with amendments by Law no. 148 of 14 September 2011. The figure to indicate is comprised by the sum of the amounts indicated in field 6 of the lines in section I of part VS for which the box provided in field 4 has been completed. In compliance with legislation regarding dummy companies, in fact, credits transferred from the aforementioned companies to the group may not be used to set off debts transferred from other participating companies and must be retransferred to non-operating subsidiary companies (see resolutions no. 26 of 30 January 2008 and no. 180 of 29 April 2008).
The line must also indicate, in the case of incorporations of subjects outside the group on the part of the controlled companies or the controlling company, credits accumulated by the incorporated companies during the year in which the incorporation took place (see paragraph 3.4.3). These credits, as clarified by resolution no. 78 of 2011, cannot be included in the group VAT payment.

Line VW22 indicate the amount of deductible tax surpluses relating to the first three quarters of 2014, used in set off by the controlling company with form F24 up to the date of presentation of the annual return. One is reminded that, as provided for by art. 8 of Presidential Decree of 14 October 1999, number 542, such credits may, instead of the request for refunds during the year, be set off with other taxes, contributions and other premiums owed.

Line VW23 must indicate the sum of interest owed, transferred from the controlled companies, relative to the first three periodic quarterly payments (see Ministerial Circular no. 37 of 30 April 1993). It is pointed out that the amount of interest owed relative to the tax payable when the annual return is made, must not be included in this line, but must be indicated in **line VW36.**

Line VW24 must indicate the sum of the amounts shown by the individual subsidiary companies in line VL24 of one's own return.

Line VW25 indicate the part of the credit included in line VW26 of the return relating to 2014 which has been used in set off against other taxes using form F24.

Line VW26 must indicate the amount of the credit for the previous year for which a request for refund has not been made, resulting from line VY5 of the VAT summarising prospectus

26PR/2014 for the year 2013, submitted by the controlling company for the entire group.

Line VW27 must indicate any group credit, for which refund was requested in previous years, in the case in which the competent Office formally denied the right to the refund and authorised the taxpayer to use said credit for 2014 when making periodic payments or the annual return.

Line VW28 must indicate the sum of specific tax credits used by individual companies for periodic payments and for the advance payment, resulting from lines VL28, field 1 in the returns of the companies in the group.

Line VW29 must indicate the total of periodic payments, including the advance VAT payment (see Appendix) and quarterly interest, as well as the tax paid following amendments as referred to by article 13 of Legislative Decree no. 472 of 1997 relative to 2014. It is pointed out that the total amount of periodic payments results from the sum of the VAT data in the column "output amount paid" in the "Treasury section" of the F24 payment forms for which the tax codes have been used relative to periodic payments, even if not actually paid, due to set offs with credits relative to other taxes (or also to VAT), contributions and premiums.

Line VW31 indicate the total of supplementary payments relative to the 2014 tax period made by companies in the group (excluding sums paid in penalties) relating to operations already noted in the summarising register. One is reminded that in this line supplementary payments made in 2014 but relative to previous years must not be included .
This line must also include the sum of the amounts in line VL31 of the returns of all companies adhering to group payment.

Line VW32 must include the total of output VAT, to indicate if the sum of the credit amounts in column 2 (VW4 and from VW26 to VW31) is lower than the sum of the debit amounts in column 1 (VW3 and from VW20 to VW25). The relevant data is derived from the difference between said amounts using the following formula:

[(VW3 + VW20 + VW21 + VW22 + VW23 + VW24 + VW25) –
(VW4 + VW26 + VW27 + VW28 + VW29 + VW31)]

Line VW33 must include the total of input VAT, to indicate if the sum of the credit amounts in column 2 (VW4 and from VW26 to VW31) is greater than the sum of the debit amounts in column 1 (VW3 and from VW20 to VW25). The relative data is derived from the difference between said amounts using the following formula:

[(VW4 +VW26 +VW27 + VW28 + VW29 + VW31) –
(VW3 + VW20 + VW21 + VW22 + VW23 + VW24 + VW25)]

Line VW34 must indicate the amount of tax credits used by companies adhering to the group when making the annual return.

Line VW36 must indicate total interest transferred, by companies making quarterly payments adhering to the group, when making the annual return.

LineVW38 Total VAT payable. If the sum of the amounts resulting from lines VW32 and VW36 is greater than the sum of the amounts resulting from lines VW33 and VW34, the difference must be indicated in this line. This amount must be **included in line VY1** if it is greater than 10.33 Euro (10.00 Euro by virtue of rounding offs carried out during the return). If line VW40 is completed, the amount to indicate in line VY1 is the difference between the amounts indicated in lines VW38 and VW40.

LineVW39 Total input VAT. If the sum of the amounts resulting from lines VW33 and VW34 is greater than the sum of the amounts resulting from lines VW32 and VW36, the difference must be indicated in this line. This amount must be included in line VY2. If Line VW40 is completed, the amount to indicate in line VY2 consists of the sum of the amounts referred to in lines VW39 and VW40.

Line VW40 indicate the amount corresponding to the excess used credit, net of amounts paid in the form of penalties and interest, if during the tax year to which the return applies amounts requested with specific demands issued following the undue offsetting of existing but unavailable tax credits have been paid (for example use of credits exceeding the an-

nual limit as provided for by article 34 of Law no. 388 of 2000 by article 9, paragraph 2 of Decree-Law no. 35 of 2013). By indicating the amount, the validity of this credit is restored and equal to that of the credit generated during the tax period to which the return refers.

4.3.4 – PART VY - CALCULATION OF VAT PAYABLE OR GROUP TAX CREDIT

This part must indicate VAT payable or the tax credit relating to the group.
In addition, by completing this part, in particular line VY4, the controlling body or company requests the refund of the credit emerging from the group's summarising prospectus.

Line VY1 amount payable. Indicate the amount specified in line VW38. If line VW40 is completed, the amount to be indicated is the difference between the amounts indicated in lines VW38 and VW40. This line must not be completed if the total amount of VAT payable is equal to or less than 10.33 Euro (10.00 Euro as a result of rounding-off carried out in the return).

Line VY2 credit amount. Indicate the amount of the annual deductible tax surplus as referred to in line VW39, to be apportioned among the following lines VY4, VY5 and VY6. If line VW40 is completed, include the sum of the amounts referred to in lines VW39 and VW40.

Line VY3 excess payment. Indicate the excess amount paid in comparison with the amount payable indicated in line VY1. The line must also be completed in the case in which, with reference to a tax credit arising during the completion of prospectus 26PR/2015, a tax payment has been made. In the latter case indicate the entire amount erroneously paid. Said surplus must be indicated in the current line if the annual adjustment has been paid in a single instalment or if it has been paid in instalments but said surplus has not been either fully or partly recovered with successive instalments.
The line must also indicate any credit amount for the tax period to which the return refers used as set off exceeding the amount due based on the current return or exceeding the annual limit of 700,000 euros as provided for by article 9, paragraph 2, of Decree Law no. 35 of 2013, and paid spontaneously according to the procedure described in Circular no. 48/E of 7 June 2002 (answer to question 6.1) and in resolution 452/E of 27 November 2008. It is pointed out that the amount of the credit paid must be indicated net of any penalties or interest paid as correction.
It is pointed out that in the case of either a VAT credit in line VY2 or a surplus payment in line VY3 the sum of the amounts indicated in the abovementioned lines must be apportioned between lines VY4, VY5 and VY6.

Line VY4, indicate in this line the amount of refund requested. The relative amount must coincide with the amount resulting in line VS20, field 1, with the exception of the hypothesis of refund of the lesser deductible surplus of the three year period.
Note that refunds may be requested only by the controlling body or company in relation to the companies comprising the group to which the credit surplus refers, in possession of the requirements of article 30 (ref. circular letter no. 13 of 05 March 1990).

In field 2 the quota that is part of the refund for which the controlling company intends to use the refund procedure by means of the tax collection agency must be indicated.
Such stock, added to the amounts which have been or will be set off during 2015 in the form F24, may not exceed the amount as provided for by existing laws of 700.000 Euro (article 9, paragraph 2, of Decree Law no. 35 of 2013).

Line VY5, indicate the amount which is intended to be deducted the following year or which is intended to be offset in the F24 form. Pursuant to art. 10 of Decree Law no. 78 of 01 July 2009, as amended by article 8, paragraphs 18 and 19 of Decree Law no. 16 of 2012, the annual VAT credit may be used to offset amounts of over 5,000 euros starting from the 16th day of the month following the month of submission of the return from which the credit emerges. For further clarifications and details concerning the provisions introduced by article 10 of Decree Law no. 78 of 2009, see the ordinance issued by the director of the Revenue Agency on 21 December 2009 and Circular no. 57 of 23 December 2009 and no. 1 of 15 January 2010.

Line VY6, which is reserved for controlling bodies and companies who have opted for the tax consolidation as per article 117 and subsequent articles of TUIR (Income Tax Consolidate Act). Such subjects must transfer the group VAT credit resulting from the annual return either totally or partially, for the compensation of the IRES (income tax for the corporate bodies) due from the consolidating party. The line must indicate in **field 1** the tax code

of the consolidating company and in **field 2** the amount of the credit transferred, as provided for by art. 7, paragraph 1, letter b), of the decree of 9 June 2004. As described by Circular no. 28 of 2014, in order to use as set off credits higher than 15,000 Euro and generated by other subjects the certification of conformity is required or the signature by the control authority both in the transferor statement and in the statement of the subject who uses the credit received.

4.3.5 – PART VZ - DEDUCTIBLE GROUP SURPLUSES RELATIVE TO PREVIOUS YEARS

This part must be completed only in the case of a request for refund of the lesser deductible surplus of the last three years, as provided for by article 30, paragraph 4, which can be carried out only by the controlling company if it has reported, in the two years immediately preceding (2012 and 2013), a group tax surplus, including it in deduction the following year, and has also found for the 2014 tax year a group credit surplus (in line VY2 of the summarising prospectus). In such cases, the refund will be due for the lesser deductible surplus (relative to the part not already requested in a refund or not compensated in form F24). In other words, a comparison will be made between the amounts of VAT calculated in deduction with reference to the two previous years (to be indicated in lines **VZ1 and VZ2** respectively):

– **for the year 2012,** the amount is that resulting from the difference between the input VAT outlined in the deduction or in the set off indicated in line VY5 and the amount indicated in line VW25 of the VAT/2014 return regarding the year 2013, for the part regarding the set off carried out in form F24 with taxes other than VAT only.
– **for the year 2013** the amount is that resulting from the difference between the input VAT outlined in the deduction or in the set off indicated in line VY5 and the amount indicated in line VW25 of the VAT/2015 return regarding the year 2014, for the part regarding the set off carried out in form F24 with taxes other than VAT only.

4.3.6 – SIGNING THE FORM

The signature by the controlling entity or company, must be placed in the appropriate space in legible form.
Moreover, it is necessary to cross the boxes relative to the parts filled in.

5. PENALTIES

5.1 Administrative penalties

Administrative penalties

The penalties indicated below are laid down by Legislative Decree no. 471 of 18 December 1997.

Failure to submit annual return or submission of return more than 90 days after the deadline, when taxes are owed	Penalty ranging from 120% to 240% of the total tax owed with a minimum of 258 Euro (article 5, paragraph 1)
Failure to submit annual return or submission of return more than 90 days after the due date, when taxes are not owed	Penalty ranging from 258 Euro to 2,065 Euro (article 5, paragraph 3)
Submission of return within 90 days of the expiry of the deadline	Penalty ranging from 258 Euro to 2,065 Euro (article 5, paragraph 3)
False declaration: return in which the amount of tax indicated is less than that which is due, or in which the deductible or reimbursable amounts are higher than those claimable (e.g. taxes incorrectly deducted, taxes related to specific taxable operations which have not been declared and previously not documented and/or not registered, etc.).	Penalty ranging from 100% to 200% of the increased tax and/or of the credit difference (article 5, paragraph 4)
Request for refund which differs from that of the return and thus for a higher amount than appears in the return.	Penalty ranging from 100% to 200% of the amount which is not due (article 5, paragraph 5)
Form filled in incorrectly according to the administrative regulations. Omission of information or incorrect information for the identification data of the taxpayer or his agent, for the calculation of the taxes or for anything else which is necessary regarding the carrying out of checks.	Penalty from 258 Euro to 2,065 Euro (article 8, paragraph 1)
Tax payment violations: non-payment, late payment or insufficient payment of advance or final VAT or of the greater amount resulting from automatic checks carried out in accordance with article 54-bis of Presidential Decree no. 633 of 26 October 1972	Penalty of 30% of unpaid amount (article 13) For payments made not more than fifteen days late, the penalty of 30 per cent, in addition to the provision of letter a), paragraph 1, article 13 of Legislative Decree no. 472 of 18 December 1997, is further reduced to one fifteenth for each day beyond the due date. This reduction also applies in cases in which the late payment is notified by the competent Revenue Agency office. The aforementioned penalty of 30 per cent is reduced to one third (10 per cent) of the sums owed are paid within 30 days of receipt of the notification of the result of the automatic settlement carried out in accordance with article 54-bis of Presidential Decree no. 633 of 26 October 1972 (article 2 of Legislative Decree no. 462 of 18 December 1997).
Use of non-existent credits to set off amounts owed	Penalty ranging from 100% to 200% of the credits. Penalty of 200% of the amount for credits set off over 50,000 Euro (article 27, paragraph 18, of Decree Law no. 185 of 29 November 2008). If the violation emerges during the automatic check carried out in accordance with article 54-bis of Presidential Decree no. 633 of 26 October 1972, a penalty of 30% is applied (Circular Letter no. 18 of 10 May 2011).

5.2 Criminal penalties

For more serious violations, the following criminal sanctions are also laid down in Legislative Decree no. 74 of 10 March 2000.

Fraudulent return: reference, in the return, to non-existent liabilities, making use of invoices or other documents for non-existent operations	18 months to 6 years imprisonment (article 2, paragraph 1)
Fraudulent return: reference, in the return, to assets with a lower value than the actual one and/or non-existent liabilities, on the basis of false representation in compulsory accounting entries and using fraudulent means, when at the same time: a) the amount of tax avoided is higher than 30,000 Euro; b) the full total of the amounts subtracted from the imposition is higher than 5% of the amount subject to VAT which is indicated in the return or, in any case, higher than 1,000,000 Euro	18 months to 6 years imprisonment (article 3)
False return: Reference, in the return, to assets that make up a total which is less than the effective one, and/or false liabilities, when jointly: a) the unpaid tax is greater than 50,000 Euro; b) the full total of the components subtracted from the imposition is higher than 10% of the amount subject to VAT which is indicated in the return or, in any case, higher than 2,000,000 Euro	1 to 3 years imprisonment (article 4)
Failure to submit return: when the unpaid tax is greater than 30,000 Euro. With reference to criminal sanctions, a return is not considered unsubmitted if it is presented within 90 days of the deadline, or if it is unsigned, or if it is written out on a form which does not conform to the prescribed model	1 to 3 years imprisionment (article 5)
Failure to pay VAT owed according to the annual return: when the unpaid tax is more than 50,000 Euro and the payment is not made by December 27 of the year following the year forming the object of the return	6 months to 2 years imprisonment (article 10-ter)
Undue set-off. Use of non-existent or undue credits for amounts exceeding 50,000 euros	6 months to 2 years imprisonment (article 10-quater)

5.3 Additional penalties

The sentence for each of the crimes described in Legislative Decree no. 74 of the 10 March 2000, also entails the application of additional penalties as provided for in article 12 of said Legislative Decree.

APPENDIX

PAYMENT OF VAT ON ACCOUNT *(Line VH13)*

The obligation to make the payment of VAT on account annually by 27 December, was introduced by article 6, paragraphs from 2 to 5 quater, of the Law of 29 December 1990, no. 405, and subsequent modifications (cp. in this regard Circular Letters no. 52 of 03 December 1991, no. 73 of 10 December 1992 and no. 40 of 11 December 1993, resolution no. 157 of 23 December 2004). For taxpayers operating in the field of telecommunications, identified by Decree no. 366 of 24 October 2000, and those that supply water, gas and electricity or provide solid urban waste collection and disposal services, etc., identified by Decree no. 370 of 24 October 2000, article 1, paragraph 471, of Law no. 311 of 27 December 2004, a specific method for calculating the payment on account has been introduced. In particular it has been stipulated that said subjects who in the previous year paid an total amount of VAT of more than two million Euro must calculate the payment on account as 97% of the average quarterly payments that were or should have been made for the previous quarters of the current year. This method of calculation of the payment on account excludes both the historical and forecasting methods, while the option to use the so-called actual calculation method as per paragraph 3-bis of article 6 of Law no. 405 of 1990 (cp. Circular Letter no. 54 of 23 December 2005 and resolution no. 144 of 20 December 2006) is still in place.

TRAVEL AGENCIES

SECTION 1 - Travel and tourism agencies (article 74-ter)

Article 74-ter introduces the fiscal regulation governing the activities carried out by travel and tourism agencies that organize and sell tour packages comprising trips, holidays, "all-inclusive" packages and related services, events, conventions and the like for their own account, or through an agent, that entail more than one service against payment of a single consideration, which constitutes a single transaction. From an objective point of view it is specified that the tour packages are those established in terms of article 2 of Legislative Decree no. 111 of 17 March 1995.

The services relating to individual tourism services in terms of paragraph 5-bis of article 74-ter arelikewise subject to the special regime with the base from base detractive method, on condition that these services were previously acquired and available to the travel and tourism agency. Individual services mean the "block" purchase of individual tourist services (such as, for example, hotel rooms or seats on flights) regardless of the traveller's specific request. The same provisions are applicable to tour organizers, which means subjects, no matter how they are structured (associations, public or private bodies, etc.) that organize and make tour packages, as defined in the first paragraph of article 74-ter referred to above, available to travellers. The special regime does not however apply to travel and tourism agencies that merely carry out intermediary activities vis-à-vis customers, in other words that act in the name and on behalf of travellers. In such circumstances the ordinary criterion for the determination of VAT, based on the "tax from tax" deductive system, is applicable.For example, hotel reservations, travel bookings, the sale of tickets for conveyance, services relating to the endorsement of passports and similar documents, carried out at the traveller's request, fall within this category. For further information regarding the special regime applicable to the aforesaid sector, please refer to Ministerial Circular no. 328/E dated 24 December 1997 and the regulations approved by Ministerial Decree no. 340 dated 30 July 1999 (published in Official Gazette no. 231 of the 01 October 1999).

In order to determine what information to indicate in the parts that comprise the return Prospectus A is provided below, and must be completed in advance and shown on request to the competent revenue agency office.

PROSPECTUS A
TO BE USED FOR COMPLETING THE RETURN

LINE	TRIPS	CONSIDERATIONS	COSTS
1	Wholly inside the EU		
2	Wholly outside the EU		
3	Mixed		
4	**TOTAL** (sum of lines 1, 2 and 3)		
5	**Apportion the mixed costs**: EU portion		
6	Outside EU portion		
	Determinations of the EU and outside EU portions of the considerations		
7	Percentage obtained from mixed costs (line 5 : line 3) x 100	%	
8	Mixed considerations for the EU portion (line 3 x line 7) : 100		
9	Amount of EU considerations (line 1 + line 8)		
10	Amount of the outside EU considerations (line 2 + line 3 - line 8)		
11	Amount of deductible costs (line 1 + line 5)		
12	Cost credit relative to the previous year (from line 14 of the 2012 prospectus)		
13	**Gross taxable base** [line 9 - (line 11 + line 12)]		
	or		
14	**Cost credit** [(line 11 + line 12) - line 9]		
15	**Net taxable base at 21%**		
16	**Net taxable base at 22%**		

HOW TO COMPLETE PROSPECTUS A:

– In **line 1** indicate the amount of the considerations and costs relative to trips made wholly within

the European Union (EU);
– in **line 2** indicate the amount of the considerations and costs relative to trips made outside the EU;
– in **line 3** indicate the amount of the considerations and costs relative to mixed trips, i.e. those made partly within the EU and partly outside the EU;
– in **line 4** indicate the total of the considerations and costs set out in the preceding lines;
– in **lines 5 and 6** indicate the costs relative to mixed trips (referred to in line 3), indicate the EU portion and the portion outside the EU separately;
– in **line 7** indicate the percentage of the mixed costs [(line 5 : line 3) x 100];
– in **line 8** indicate the EU portion of the considerations relative to mixed trips, determined by multiplying the amount of the considerations in line 3 by the percentage determined in line 7;
– in **line 9** indicate the amount of the taxable considerations, being the sum of the considerations relative to trips carried out wholly in the EU (line 1) and the EU portion of the considerations relative to mixed trips (line 8);
– in **line 10** indicate the amount of the considerations relative to trips carried out outside the EU, calculated by adding the amounts in lines 2 and 3 and subtracting the amount in line 8.

It is pointed out that the relative amount is added to the other non-taxable operations carried out towards the request for a refund (line VX4, field 3, code 3);
– in **line 11** indicate the amount of the deductible costs, obtained by adding the sum of the costs relating to trips undertaken wholly within the EU (line 1) and the costs relating to the EU portion (line 5) of mixed trips;
– in **line 12** indicate the cost credit relating to the previous year, obtained from line 14 of Prospectus A of the VAT/2014 return relating to 2013;
– in **lines 13 and 14**, which must be completed in an alternative manner, indicate the gross taxable base or the cost credit by applying the following formula:

[line 9 - (line 11 + line 12)]

If the result is positive, the relative amount must be indicated in line 13. If the amount is negative it must be indicated in line 14, but with the positive sign;
– in **lines 15** indicate the net taxable base at 22%.

Carrying forward the information contained in the prospectus to the parts of the return
In order to determine the business turnover and total purchases, some of the information contained in prospectus A must be carried forward to parts VE and VF, in accordance with the criteria set out below:
a) if there is a gross taxable base (i.e. if line 13 was completed), the amount in line 15 (net taxable base at 22%) must be carried over to line **VE22** in addition to any other taxable transactions carried out.
The remaining portion of the considerations, being the difference between the total contained in line 4 and the amount shown in line 13, must be reflected in line **VE32**, in addition to the amounts of the other non-taxable transactions that may have been carried out;
b) where there is a cost credit (i.e. if line 14 was completed), the total of the considerations shown in line 4 must be reflected in line **VE32**, in addition to the amounts of the other non-taxable transactions that may have been carried out.

In both cases the total of the costs indicated in line 4 must be carried forward to **line VF13** and added to any other non-taxable transactions carried out, with the exception of purchases made by taxpayers who have opted for the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011, to be indicated in line **VF15**.

AGRICULTURE

1. The concept of the agricultural producer
In terms of article 34, second paragraph agricultural producers are:
a) subjects who carry out the activities referred to in article 2135 of the Italian Civil Code, as well as subjects who carry out activities relating to fresh water fishing, fish-breeding, mussel farming, oyster breeding and the breeding of other molluscs, shellfish and frogs;
b) the interceding agricultural entities, or other persons on their behalf, who transfer products in the application of European Union regulations concerning the common organization of the markets for the products themselves;
c) the cooperatives, their consortia, associations and their unions established and recognized in terms of the legislation in force, which transfer goods produced by the members, associates or participants, in their original state or which are subject to handling or transformation; the bodies, which by law, (even subject to manipulation or transformation), arrange for the collective sale on behalf of the producers. Note that article 10, paragraph 1, letter a), of Decree Law no. 35 of 14 March 2005, modifies the provision in question, introducing the special deduction regime, for associative organisations that sell agricultural products principally produced by their members, on the totality of transfers of agricultural and ichthyic products that fall under the categories listed in table A, part I, contained in Presidential Decree no. 633 of 1972 (cp. Circular Letter no. 1 of 17 January 2006).

2. Special VAT regime for agricultural producers
For the transfers of agricultural and ichthyic products included in the first part of table A) (enclosed to Presidential Decree no. 633 of 1972) by agricultural producers, independently of the business turnover, the deduction provided in article 19 is flat-rated in proportion to the amount resulting from

the application of the set-off percentages to the taxable amount of the transactions themselves. The set off percentages are established for the groups of products by means of a decree of the Ministry of Finance acting in agreement with the Minister for Agricultural Policies, and finally amended by the Decree of 23 December 2005.
The tax is applied using the tax rates for the individual products, except for the application of the tax rates corresponding to the set-off percentages for the transfer of products from the subjects referred to in paragraph 2, letter c) of article 34, who apply the special regime and for transfers carried out by the subjects referred to in paragraph 6 of article 34.

3. Exempt farmers

Agricultural producers whose business turnover did not exceed 7,000 euros in 2013 are exempt from paying tax, as well as from all documentary and accounting obligations, including the annual return.
At least two thirds of the business turnover must be made up of the transfers of agricultural and ichthyic products included in the first part of table A annexed to Presidential Decree no. 633 of 1972 (Circular Letter no. 328/E of 24 December 1997 and Circular Letter no. 154 of 19 June 1998, paragraph 2).

4. How to complete the return

The form below gives an explanation for the various types of agricultural producers on how to complete the various parts of the return.

Agricultural Producer Business Turnover (= under) < or = 7,000 Euro agricult. transfers (= up) > or = 2/3 of Bus. Turnover	EXEMPT FROM COMPLETING THE RETURN				
Exempt Agricultural Producer that has exceeded the 1/3 limit for operations other than agricultural ones	**VE Sec. 1** Agricultural transactions with set-off percentages	**VE Sec. 2** Other transactions with own tax rates	**VF** Recorded purchases	**VH** NO	**VF Sec. 3-B** **VF38** (from VE sec. 2) for other transactions; **VF50** deduction due for transactions indicated in VF38; **from VF39 to VF47** (from VE sec.1) **VF51** deduction of theoretical VAT
Agricultural Producer Business Turnover > 7,000 Euro (ordinary special regime)	**VE Sec. 1** Contributions to cooperatives with set-off percentages	**VE Sec. 2** Transfers of agricultural products with own tax rates. Other transactions with own tax rates	**VF** Recorded purchases	**VH** YES	**VF Sec. 3-B** **VF38** (from VE sec. 2) for other transactions; **VF50** deduction due for transactions indicated in VF38; **VF39** to **VF47** from **VE** sec. 1 and sec. 2 (forn corresponding set-off percentages) **VF51** deduction of theoretical VAT
Cooperatives and other subjects as per letters b) and c) art. 34	**VE Sec. 1** Contributions to consortia with set-off percentages	**VE Sec. 2** Transfers of agricultural products with own tax rates. Other transactions with own tax rates	**VF** Recorded purchases	**VH** YES	**VF Sec. 3-B** **VF38** (from VE sec. 2) for other transactions; **VF50** deduction due for transactions indicated in VF38; **VF39** to **VF47** from **VE** sec. 1 and sec. 2 (forn corresponding set-off percentages) **VF51** deduction of theoretical VAT

5. Determining the VAT allowed in deduction *(Part VF - Section 3-B)*

The following explanation is provided for agricultural business that must complete section 3-B of part VF.
Line **VF38** is reserved for mixed agricultural business, i.e. those concerns that also carried out taxable transactions different to those indicated in paragraph 1 of article 34 and in paragraph 1 of article 34-bis, in respect of which the taxpayer deducts the tax relative to purchases and imports of goods that are not depreciable and relative to services that are used exclusively for the production of goods and those relative to services that form the subject-matter of the transactions themselves. In order to correctly identify the transactions referred to above, reference must be made to the extended concept of agricultural activities, introduced by the new wording of article 2135 of the Italian Civil Code. In fact, pursuant to the new formulation of the abovementioned article introduced about by article 1 of Legislative Decree no. 228 of 18 May 2001, the concept of independent farmer was redefined, including, since they are connected, in the agricultural activities subject to the special VAT regime provided for by article 34, all the activities carried out by the independent farmer and aimed at handling, preservation, transformation, marketing and development, on condition that such activities have as their “main object” products obtained from the cultivation of the land, the woods or the breeding of animals.
Wherever the requirement of "prevalence" is satisfied (i.e. the goods of own production "prevail" in comparison to those purchased from third parties), the regulations concerning the so-called "mixed concerns" provided for by paragraph 5 of article 34, do not apply.
The mere marketing of products purchased from third parties by the independent farmer are excluded from the special VAT regime provided for by article 34 insofar as such activity lacks any instrumental and complementary link with the activity of cultivating the land, the woods and breeding. For further details please refer to Circular Letter no. 44 of 14 May 2002.
The taxable amount and the tax from the transfers of products and services other than agricultural ones (already included in section 2 of part VE) carried out by the mixed agricultural business, must be carried forward to line **VF38**. The deductible tax corresponding to these transactions must be carried forward into line **VF50**. To calculate the tax that may be deducted to the extent permitted by paragraph five of article 34, the taxpayer must perform the calculations separately on the basis of the explanations supplied in paragraph 6.4. of Circular Letter no. 328/E of 24 December 1997.

FARM HOLIDAYS

Article 5, paragraph 2, of Law no. 413/1991, makes provision for a specific flat-rate system for the calculation of VAT due for subjects who carry out farm holiday activities in terms of Law no. 96 of 20 February 2006. For these subjects the tax due is determined (by way of a difference) applying the flat rate deduction of 50% to the tax relative to the taxable transactions recorded or subject to being recorded during the period (see instructions for completing lines VF30 and VF57).
In terms of paragraph 1 of article 5 referred to above, this system of the flat rate determination of the tax is also applicable to income taxes, excluding capital companies.
In addition to this, the aforesaid article gives taxpayers who do not want to determine the tax due on a flat rate basis, the right to communicate their choice when submitting their VAT return relative to the year in which the choice was made, which is also valid as regards income taxes (see line VO32). It is emphasized that agricultural producers, who carry out both agricultural, as well as farm holiday activities must use separate accounting in terms of paragraph 4 of article 36 and submit the annual return, completing two (or more) forms. Where separate accounts are kept, the taxpayer must issue an invoice, subject to VAT, for the internal transfers from one activity to the other.

CONNECTED AGRICULTURAL ACTIVITIES

Article 2, paragraph 7, of Law no. 350 of 24 December 2003 (2004 budget law) introduces a flat-rate VAT deduction regime for agricultural businesses that conduct "activities that produce goods and supply services as per the third paragraph of article 2135 of the Italian Civil Code". This regime, which is governed by article 34-bis, states that tax owed is to be calculated by applying a percentage of flat-rate deduction of 50 percent to the tax relative to taxable operations carried out (cp. instructions for completing lines VF30 and VF57).
Circular Letter no. 6 of 16 February 2005 states that the regime introduced by article 34-bis applies only to the supply of services principally "through the use of equipment or resources that are normally employed in the agricultural activity conducted" (cp. the final part of paragraph 3 of article 2135 of the Civil Code).
With regard to the accounting regime, the aforementioned circular letter no. 6 of 2005 specifies that in the case of the combined conduct of agricultural activity subject to the special regime as per article 34 and supply of services subject to the flat-rate deduction regime as provided for by article 34-bis, an obligation exists to adopt separate accounting methods in accordance with article 36. This obligation does not exist if the taxpayer decides to opt for the application of tax in the ordinary manner to both activities. In this regard, it should be noted that communication of the option provided for by paragraph 2 of article 34-bis must be given by crossing box 5 of line **VO3**. This option is binding until revoked and, in any case for at least three years.
Revocation is communicated by crossing box 6 of line VO3.
The adoption of separate accounting methods entails the completion on the part of agricultural business of two (or more) forms in order to clearly distinguish the accounting data relative to the activity subject to the special regime as per article 34 from data relative to the activity subject to the flat-rate deduction regime provided for by article 34-bis. As circular letter no. 6 of 2005 makes clear, the specific regime governed by article 34-bis is applicable also to the supply of services carried out on an occasional basis. In this case there is no obligation to institute separate accounting methods. However the aforementioned operations should be noted separately.
In order to allow taxpayers concerned to submit their annual VAT return on a single form, section **3-C** of part **VF** includes line **VF55** (cp. instructions for completing lines VF55 and VF57).
Purchases relating to these operations must be carried forward to line **VF13**.
The prospectus below clarifies how agricultural producers who have applied the special regime governed by article 34-bis must complete the return.

Activities conducted	Method of completing the return
Agricultural activity under regime according to article 34 Connected agricultural activity under regime according to article 34-bis	Obligation to adopt separate accounting 1 module for agricultural activity and completion of section 3-B of part VF 1 module for connected agricultural activity and completion of line VF30 part 7
Agricultural activity under ordinary regime owing to option Connected agricultural activity under regime according to article 34-bis	Obligation to adopt separate accounting 1 module for agricultural activity 1 module for connected agricultural activity and completion of line VF30 part 7
Agricultural activity under regime according to article 34 Occasional operations under regime according to article 34-bis	Distinct noting of operations under regime according to article 34-bis 1 module including both data relative to agricultural activity and data relative to occasional operations with application of article 34-bis agricultural activity completion of section 3-B box VF occasional operations under article 34-bis completion of line VF55
Agricultural activity under ordinary regime owing to option Occasional operations under regime according to article 34-bis	Distinct noting of operations under regime according to article 34-bis 1 module including both data relative to agricultural activity and data relative to occasional operations with application of article 34-bis occasional operations under article 34-bis completion of line VF55

ENTERTAINMENT AND SHOW ACTIVITIES

Legislative Decree no. 60 of 26 February 1999 in carrying out the delegation contained in Law no. 288 of 03 August 1998 (which provided for the abolition of the tax on shows and the introduction of the tax on entertainment limited to certain activities) drew a distinction between the entertainment activities listed in the tariff enclosed to Presidential Decree no. 640 of 26 October 1972, as amended by article 1 of Legislative Decree no. 60/1999 referred to above, (which are subject to the tax on entertainment and VAT on the basis of the special criteria imposed by paragraph six of article 74), and the show business activities indicated in table C, enclosed to Presidential Decree no. 633/1972, whose activities are subject to VAT on the basis of the ordinary criteria only and to whom the provisions of article 74-quater apply to these activities.
For an explanation regarding the reforms applied to the tax regulations applicable to entertainment and show business activities, please refer to circular letter no. 165/E of 07 September 2000, circular letter no. 247/E of 29 December 1999, Resolution no. 371/E of 26 November 2002 and circular letter no. 1 of 15 January 2003.

1. Entertainment activities

The main features of the special VAT regime applicable to entertainment activities, regulated by paragraph 6 of article 74 can be summarized as follows:
– application of VAT on the same taxable base as the tax on entertainment;
– application of a flat-rate deduction;
– exemption from accounting obligations, including that of submitting the annual return;
– obligation to keep separate accounts, in terms of paragraph 4 of article 36, for activities other than entertainment activities;
– payment of VAT in the same way and with the same deadlines as those applicable to the tax on entertainment. In terms of article 6 of Presidential Decree no. 544 of 30 December 1999, (which provides for the simplification of the taxpayers' obligations relative to the tax on entertainment), the payment of both taxes must be made using the consolidated payment form (form F24). In particular, the tax codes 6728 for the tax on entertainment and 6729 for the flat-rate VAT connected to the tax on entertainment, must be indicated.

In terms of paragraph 1, of article 1 of Presidential Decree no. 544/1999 subjects who organize the activities listed in the tariff attached to Presidential Decree no. 640/1972 and who apply the flat-rate regime referred to in paragraph 6 of article 74 of Presidential Decree no. 633/1972 are obliged to issue an invoice only for the services relating to advertising, sponsoring, transfers or granting of television filming and radio broadcasting rights, no matter how they are connected to the activities contained in the tariff. On the other hand, on the basis of access rights issued with suitable meters or computer-based ticket offices, these subjects may certify the considerations for entrance to or occupation of the venue and thus the considerations for participating in the entertainment and for the other activities subject to the tax on entertainment.
In terms of paragraph 6 of article 74 the regime does not apply to the transactions not subject to the tax on entertainment, which include the advertising services that may be carried out in the performance of entertainment activities.
Consequently, these transactions are subject to the ordinary VAT regime. Limited to the aforesaid transactions, one derives the following:
– the determination of the taxable base according to general criteria;
– the determination of the deduction according to the principles imposed by article 19;
– the compliance with the obligations in heading II, as to payment and submission of the annual return, as well as the annual communication of VAT data.

The flat-rate VAT regime imposed by paragraph 6 of article 74 is the natural VAT regime for subjects who carry out activities relating to the organization of games, entertainment and the other activities referred to in the tariff enclosed to Presidential Decree no. 640/1972. These persons are nevertheless entitled to take advantage of the right to have the tax applied in the ordinary manner.
In terms of Presidential Decree no. 442 of 10 November 1997, which regulates the manner of com-

municating the options concerning value added tax and direct taxes, the subjects who are obliged to communicate the option exercised in 2014 must cross box 1 of line **VO7**.
The option is valid until it is revoked and in any event lasts for at least five years.
The communication of the revocation must be effected by crossing box 2 of line **VO7**.

2. Show activities
The show activities contained in table C enclosed to Presidential Decree no. 633/1972 are subject to value added tax exclusively according to the general principles that regulate the tax.
As an exception to the general rules regarding VAT, article 74-quater, provides specific provisions for show business activities, which deal with:
– the identification of the start of the performance as the moment in which the tax is levied at the start of the carrying out of the event, with the exclusion of the transactions carried out by way of subscription;
– certification of the considerations based on access rights issued with meters or computer-based ticket offices.
In addition to this, paragraph 5 of article 74-quater introduces a special relief system. This system is reserved for persons that conduct travelling shows, as well as those carrying out the other types of show activities contained in table C enclosed to Presidential Decree no. 633/1972, whose business turnover in the previous year did not exceed 25,822.84 Euro. In terms of this system, the taxable base is determined as being fifty percent of the aggregate amount of the considerations collected, with the VAT paid on purchases being completely non-deductible (see instructions for completing lines VF30 and VF57).
As far as accounting obligations are concerned, article 8 of Presidential Decree no. 544 of 30 December 1999 containing the regulations for the simplification of the taxpayers' obligations as regards tax payable on entertainment activities, foresees the following exemptions for subjects who engage in travelling entertainment activities as per table C, who have not exceeded an overall business turnover figure of Euro 50,000.00 in the previous year:
– the exemption from the obligation to record the considerations;
– the exemption from the obligation to settle and pay the tax;
– the numbering and filing of the invoices received;
– the possibility of certifying the considerations for fiscal purposes by means of a receipt or a slip;
– the annual payment of the tax;
– the filing of the annual communication of VAT data;
– the filing of the annual return.
In terms of paragraph 4 of article 36 the obligation exists to set up separate accounting for the activities that fall within the scope of the relief system, if the subject also carries out other activities.
The relief regime imposed by paragraph 5 of article 74-quarter is the natural VAT regime for subjects who undertake travelling shows and smaller taxpayers who carry out show business activities. These subjects nevertheless have the right to opt for the application of the tax in the ordinary manner.
On the basis of the provisions contained in Presidential Decree no. 442 of 10 November 1997, the option must be communicated in the annual VAT return relative to the tax period in which the taxpayer made the option. Accordingly, the persons obliged to communicate the option relative to 2014 must cross box 1 of line **VO14**. Communication of the revocation must be made by crossing box 2 of the same line **VO14**.
The option is valid until it is revoked and in any event for at least five years. Nevertheless, if the limit of 25,822.84 Euro in respect of business turnover is exceeded then, starting from the next calendar year, it is no longer possible to apply the relief system. As explained in circular letter no.50/E of 12 June 2002, to determine the business turnover it is necessary to make reference to the aggregate amount of the transfer of goods and the performance of services carried out during the calendar year of reference, paying exclusive attention to the activities listed in table C annexed to Presidential Decree no. 633/1972.
Finally, in terms of article 20 of Legislative Decree 60/1999 cinema hall operators are entitled to a tax credit, which can be deducted when the VAT is settled and paid or set-off in terms of article 17 of Legislative Decree no. 241 of 09 July 1997, in place of the tax relief provided by the legislation previously in force. Decree no. 310 of 22 September 2000, published in Official Gazette no. 254 of 30 October 2000, defines the conditions and criteria for the granting and use of the tax credit referred to.

3. Amateur sports associations and societies and similar subjects
Article 90 of Law no. 289 of 27 December 2002, see also Circular no. 21 of 22 April 2003, makes provision for the following types of subjects operating in the amateur sports sector:
• sports associations with no legal personality governed by article 36 et seq. of the Italian Civil Code;
• sports associations with private law legal personality in terms of the regulations contained in Presidential Decree no. 361 of 10 February 2000;
• capital based non-profit amateur sports societies (including co-operative companies).
The amateur sports societies are incorporated in terms of paragraph 17 letter c) of article 90 "according to the provisions in force, with the exception of those that envisage the objectives of making a profit."
The amateur sports associations and societies must indicate in their name that the objective of the society is amateur sports. The articles of association and memorandum of associations of both categories of subjects must contain the paragraphs required to guarantee the absence of profit-making and to ensure compliance with the other principles prescribed by article 18, 18-bis and 18-ter of Law no. 289 of 2002 as amended by Decree Law no. 74 of 2004.
The special VAT regime, governed by paragraph 6 of article 74 of Presidential Decree no. 633 of 1972, which applies to amateur sports associations, non-profit associations and pro-loco associations

that take advantage of the provisions introduced by Law no. 398 of 1991, is also applicable to legally recognised non-profit band associations, amateur choirs, drama societies and music and popular dance associations that opt for the same.
Article 9 of Presidential Decree no. 544 of 30 December 1999, which contains regulations for the simplification of the taxpayer's obligations relative to taxes on entertainment, confirmed that the aforesaid persons must apply the provisions imposed by paragraph 6 of article 74 in relation to all the income earned in the performance of commercial activities connected to the institutional purposes. Accordingly, insofar as amateur sports societies and associations and similar subjects, who opt for the application of the provisions contained in Law no. 398/1991 are concerned, the special VAT regime regulated by paragraph 6 of article 74 is also applicable to the income received in the performance of activities not subject to the tax on entertainment.
In relation to accounting obligations, paragraph 3 of article 9 of Presidential Decree no. 544/1999 referred to above provides for:
– quarterly VAT payments using the consolidated payment form (form F24) within the 16th day of the second month following the calendar quarter of reference. The 1% interest is not due;
– progressive numbering and keeping of invoices relating to purchases;
– the possibility of certifying the considerations to watch amateur sports events by issuing access rights or season tickets, as an alternative to access rights issued by means of a suitable tax meter or a computer-based ticket office (Presidential Decree no. 69 of 13 March 2002);
– recording of the amount of the considerations and any income received in the performance of commercial activities, with reference to the previous month, in the form contained in Ministerial Decree of 11 February 1997, duly supplemented.

In terms of paragraph 2 of article 9 of Presidential Decree no. 544/1999 referred to above, the option to apply the provisions introduced by Law 398/1991, must be communicated with due compliance with the provisions imposed by Presidential Decree no. 442 of 10 November 1997, concerning options and revocations for the purposes of value added tax and direct taxes.
Accordingly, to communicate the option exercised in 2014, the amateur sports societies and associations, the non-profit associations and the pro-loco associations, legally recognised non-profit band associations, amateur choirs, drama societies and music and popular dance associations, must cross box 1 of line **VO30**.
The option is binding for at least five years. Nevertheless, the loss of the necessary requirements to have access to the benefits granted by Law no. 398/1991 during the year, entails the application of VAT according to the general criteria dictated by Presidential Decree no. 633/1972 with effect from the month following the one in which the requirements ceased to exist. Taxpayers are reminded that paragraph 2 of article 90 of Law no. 289 of 27 December 2002 has established that the limit to take advantage of the relief system introduced by Law no. 398/1991 is set at 250,000 Euro.
Communication of the revocation must be made by crossing box 2 of the same line **VO30**.
Note that the amateur sports societies and associations (or sports centres and clubs managed in an associative manner), as well as the other associations connected to them by law, who have not opted for the application of the provisions referred to in Law no. 398/1991 and which, because they do not carry out entertainment activities, do not fall within the special flat-rate regime provided for in terms of paragraph 6 of article 74, are required to fulfil all the VAT obligations, including the submission of the annual return.

USED GOODS - DECREE LAW NO. 41/1995

In order to determine what information is to be indicated in the parts that comprise the return by taxpayers who have made sales which fall under the special regime for used goods, prospectus B and prospectus C have been provided for auction houses acting on their own behalf and on behalf of private parties on a commission agreement basis. The prospectus must be completed in advance and shown on request to the competent Revenue Agency office.

Arising out of the provisions of paragraph 6 of article 30 of Law no. 388 of 23 December 2000, taxable subjects, who were charged VAT equivalent to 15% or 50% of the taxable base when purchasing vehicles must, in terms of paragraph 5 of art. 30 of the abovementioned Law, apply the marginal VAT regime stipulated for sellers of used goods, when the vehicle is subsequently resold.
In addition, it is pointed out that sales of goods made with application of the special margin regime must be included in part VE subdivided into the taxable and non-taxable transactions, in accordance with the methods set out below. Costs relating to operations falling within the margin regime met by taxpayers (including auction agencies) who apply the analytical method and by those who apply the global method must be indicated in line **VF13**, with the exception of purchases by taxpayers who have opted for the beneficial tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 2011, to be indicated in line **VF15** of the return for the year in which they were entered in the records as per article 38 of Degree Law no. 41 of 1995 and added to any other non-taxable purchases made. On the other hand, the VAT on general expenses (because such expenses are not related to the transactions falling within the special regime), according to the explanations contained in Circular letter no. 177/E of 22 June 1995, must be deducted according to the general rules. Accordingly, such expenses must be indicated in lines from VF1 to VF11.

PROSPECTUS B

TO BE USED FOR COMPLETING THE RETURN

PART 1 Analytical method of determining the margin									
1	Total of transfers and exports of used goods etc.								
2	Gross margins (*) relative to taxable transactions								
3	Margins relative to non-taxable transactions, which make up the ceiling (to be included in line VE30)								
4	Difference between the considerations, to be included in line VE32 [line 1-(line 2 + line 3)]								
PART 2 Global method of determining the margin									
10	Considerations, gross of VAT, subdivided per rate	**4**	1	**10**	2	**21**	3	**22**	4
11	Considerations relative to non-taxable transactions								
12	Total of purchases and repair and ancillary expenses that contribute to determining the margin								
13	Negative margin of the previous year (from line 15 of the prospectus relating to 2012)								
14	Gross margin [(sum of the amounts in line 10) - (line 12 + line 13)] aggregate **or**								
15	Negative margin to be c/fwd to the next year [(line 12 + line 13) - (sum of amounts of line 10)								
16	Gross margins (*) per rate	**4**	1	**10**	2	**21**	3	**22**	4
17	Margins relative to non-taxable transactions, which make up the ceiling (to be included in line VE30)								
18	Difference between the considerations, to be included in line VE32 [(sum of the amounts in line 10) + line 11-(line 14 +line 17)]								
PART 3 Flat-rate method of determining the margin									
20	Considerations, gross of VAT, subdivided per rate	**4**	1	**10**	2	**21**	3	**22**	4
21	Considerations relative to non-taxable transactions								
22	Gross margins (*) per rate	**4**	1	**10**	2	**21**	3	**22**	4
23	Margins relative to non-taxable transactions, which make up the ceiling (to be included in line VE30)								
24	Difference btw the considerations, to be included in line VE32 [(sum of the amounts in line 20) + line 21- (sum of the amounts in line 22) - line 23]								

(*) The margins, net of VAT and the relative tax must be included in part VE, subdivided among the respective rates.

The form is made up of 3 parts that refer respectively to the analytical, the global and the flat-rate methods of determining the margin.
The sale of scrap and other products referred to in paragraphs 7 and 8 of art. 74 do not fall within the marginal regime because scrap is a type of product, which is different from used goods, as defined in paragraph 1 of article 36 of Decree Law no. 41 of 23 February 1995 referred to above.

Part 1 - The analytical method of determining the margin (paragraph 1 of art. 36 of Decree Law no. 41/1995)
Part 1 must be completed by taxpayers who applied the ordinary (or analytical) method of determining the margin in terms of paragraph 1 of art. 36 of Decree Law no. 41/1995 referred to above.
The following information must be provided:
– in **line 1** indicate the aggregate amount of the considerations, gross of the tax, relative to the transactions carried out (taxable and non-taxable), which fall within the particular regime, including the transfers made vis-à-vis community persons (which, in effect are considered as transactions within the State) and the transfers of goods not subject to VAT because they have a zero margin (on the assumption that the costs, calculated for each transaction, are equal to or greater than the sale consideration);
– in **line 2** indicate the gross margins relative to taxable transactions.
The relative amount must be taken from the register of considerations referred to in article 24, in which the gross margins distinguished per rate must be recorded at each periodic payment. The margins net of VAT and the relative VAT must be included in part VE, subdivided between the respective rates;
– in **line 3** indicate the margins relative to the non-taxable transactions referred to in articles 8, 8-bis, 71 and 72, which contribute to the establishment of the ceiling. The relative data, which must be taken from the register provided for in terms of paragraph 2 of article 38 of Decree Law 41/1995, must be included in line **VE30**;
– **line 4** must include the following:
• the considerations relative to the other non-taxable transactions (art. 38-quater) where the margin does not contribute to the formation of the ceiling;
• the remaining considerations, relative to both the taxable (line 2), and non-taxable transactions (line 3).
The relative amount is obtained from the difference between line 1 and the successive lines 2 and 3. The amount must be included in line **VE32**.

Part 2 - The global method of determining the margin (paragraph 6 of art. 36 of Decree Law no. 41/1995)
The information can be taken from the special transfers and purchases register provided for in terms of paragraph 4 of article 38 of Decree Law 41/1995 referred to above.
Subjects who applied the global method must determine the margin relative to the exports and equivalent transactions analytically. In this regard, in terms of paragraph 6 of art. 36 of Decree Law 41/1995, the costs relating to exported goods do not contribute to the determination of the global margin and therefore, these costs must be removed from the purchases recorded in the appropriate register. The following information must be provided:

– in **line 10** indicate the considerations, relating to the taxable transactions, inclusive of the tax, subdivided among the various tax rates applied;
– in **line 11** indicate the considerations relating to all the non-taxable transactions carried out, which do or do not contribute to the formation of the ceiling;
– in **line 12** indicate the total of the purchases made and repair and ancillary expenses incurred in relation to the taxable transactions referred to in line 10. Line 12 must not include the costs relating to exports and other non-taxable transactions because these costs do not contribute to the formation of the global margin in terms of paragraph 6 of art. 36 of Decree Law no. 41/1995 referred to above;
– in **line 13** indicate the amount of any negative margin resulting from line 15 of prospectus B of the VAT/2014 return relating to 2013;
– in **line 14** indicate the aggregate gross margin relating to the taxable transactions referred to in line 10. The relative amount is the difference between the aggregate amount of the considerations contained in line 10 and the sum of the amounts in lines 12 and 13;
– in **line 15** (alternative to previous line 14), indicate the amount of the negative margin, which arises when the sum of the amounts shown in lines 12 and 13 is greater than the aggregate amount of the considerations in line 10;
– in **line 16** divide the gross margins indicated on line 14 on the basis of the rates applied.
In this regard, the aggregate gross margin must be subdivided among the various rates on the basis of the percentage ratios between the partial considerations, relative to each rate, and the total of the considerations (in this regard cp. the examples contained in paragraph 4.3.2 of circular letter no. 177/E of 22 June 1995). The percentage ratios must be calculated by rounding off the amounts to the second decimal place and determining the percentage relative to the greatest consideration for complement to 100 with respect to the sum of the others (i.e. subtracting this amount from 100).
– in **line 17** indicate the margins relative to the non-taxable transactions referred to in articles 8, 8-bis, 71 and 72, which contribute to the formation of the ceiling. These margins must be determined analytically, not contributing to the formation of the global margin;
– in **line 18** indicate:
• the considerations relative to the other non-taxable transactions (article 38 quater), whose margin does not contribute to the formation of the ceiling;
• the balance of the considerations, relative to both the taxable (line 10), and the non-taxable transactions (line 17).
The relative amount is the difference between the aggregate amount of the considerations (the sum of lines 10 and 11) and the sum of lines 14 and 17.

Taxpayers, who by applying the global margin regime made a gross positive margin in the first periodic payments thus indicating a greater amount of VAT due, whereas in the last payments they showed a negative margin, must in any event refer to the accounting results for the whole of 2014 to determine the gross taxable base or alternatively the negative margin.
The final results of the records must also therefore take into account the fact that the negative margin that may be used in 2015 is the one which is calculated on an annual basis and is derived from line 15 of prospectus B.

Carrying the data forward to part VE of the return.
In order to correctly determine the business turnover, the information relative to the margin in part 2 of the form must be subdivided in part VE according to the following criteria:
– the amount in **line 16** must be carried forward to **section 2 of part VE** in a way that corresponds to the various rates, subdividing the amount between taxable amounts and tax;
– the amount in **line 17** must be included in line **VE30**;
– the amount in **line 18** must be carried forward to line **VE32**.

Part 3 - The flat-rate method of determining the margin (paragraph 5 of article 36 of Decree Law no. 41/1995)
The following information must be provided:
– in **line 20** indicate the considerations, relating to the taxable transactions, gross of VAT, subdivided among the various rates applied;
– in **line 21** indicate the considerations relating to all the non-taxable transactions carried out, which do or do not contribute to the formation of the ceiling;
– in **line 22** indicate the gross margins, relating to the taxable transactions, on the basis of the rates applied. These margins must be carried forward to **section 2 of part VE** in a way that corresponds to the various rates, subdividing the amount between taxable amount and tax;
– in **line 23** indicate the margins relative to the non-taxable transactions referred to in articles 8, 8-bis, 71 and 72, which contribute to the formation of the ceiling. This amount must be included in line **VE30**.

The special table can be used to determine the amounts to be indicated in lines 22 and 23.
– in **line 24** indicate:
• the considerations relative to the other non-taxable transactions (article 38 quater), whose margin does not contribute to the formation of the ceiling;
• the balance of the considerations, relative to both the taxable (line 20) and the non-taxable transactions (line 21).
The amount is the difference between the aggregate amount of the considerations (the sum of lines 20 and 21) and the sum of lines 22 and 23.

The amount derived from **line 24** must be comprised in the line **VE32** between the other not taxble operations.

TABLE TO DETERMINE THE MARGINS
TO BE INDICATED IN LINES 22 AND 23 OF PROSPECTUS B

FLAT-RATE METHOD OF DETERMINING THE MARGIN				
		COL . 1 - PERCENTAGE 25%	COL . 2 - PERCENTAGE 50%	COL . 3 - PERCENTAGE 60%
X1	Considerations relative to non-taxable transactions that make up the ceiling			
X2	Considerations at 4%			
X3	Considerations at 10%			
X4	Considerations at 21%			
X5	Considerations at 22%			
X6	Margins of non-taxable considerations that make up the ceiling [25% (X1 col . 1) + 50% (X1 col . 2) + 60% (X1 col . 3)], to be c/fwd to line 23			
X7	Gross margin of considerations at 4% [25% (X2 col . 1) + 50% (X2 col . 2) + 60% (X2 col . 3)], to be indicated in line 22			
X8	Gross margin of considerations at 10% [25% (X3 col . 1) + 50% (X3 col . 2) + 60% (X3 col . 3)], to be indicated in line 22 col.2			
X9	Gross margin of considerations at 21% [25% (X4 col . 1) + 50% (X4 col . 2) + 60% (X4 col . 3)], to be indicated in line 22 col.3			
X10	Gross margin of considerations at 22% [25% (X5 col . 1) + 50% (X5 col . 2) + 60% (X5 col . 3)], to be indicated in line 22 col.4			

HOW TO COMPLETE PROSPECTUS C (AUCTION SALE AGENCIES)

The prospectus is reserved for auction agencies that act in their own name and on behalf of private individuals on the basis of a commission contract in terms of article 40-bis of Decree Law no. 41/1995. The information indicated in the return must be set out in the same manner and with the same criteria envisaged for the sale of used goods in respect of which the analytical method is used for the margin.

PROSPECTUS C
TO BE USED TO COMPLETE SECTION 2 (USED GOODS)

1	Total of the considerations due from the transferees	
2	Total of the aggregate amounts paid to customers	
3	Aggregate amount of the gross margins (line 1 - line 2)	
4	Gross margins relative to taxable transactions (VE sec. 2 subject to separation of the tax)	
5	Gross margin relative to non-taxable transactions that make up the ceiling (VE30)	
6	Difference between the considerations to be included in line VE32 [line1 - (line 4 + line 5)]	

The following information must be indicated:
– in **line 1** indicate the aggregate amount of the considerations due by the highest bidders, gross of VAT, relating to the transactions carried out (taxable and non-taxable) that fall within the special regime;
– in **line 2** indicate the aggregate sum of the amounts that the auction agency has paid to customers;
– in **line 3** indicate the aggregate amount of the gross margins, i. e. the difference between line 1 and line 2;
– in **line 4** indicate the aggregate amount of the gross margins relative to the taxable transactions. The margins, net of VAT, and the relative tax must be included in **sect. 2 of part VE**, according to the tax rate applied;
– in **line 5** indicate the margins relative to the non-taxable transactions in terms of art. 8, 8-bis, 71 and 72, which contribute to the formation of the ceiling. The relative data must be included in line **VE30**;
– in **line 6** include the following:
  • the considerations relating to the non-taxable transactions whose margin does not contribute to the formation of the ceiling;
  • the balance of the considerations, relative to both the taxable transactions (line 4) and the non-taxable transactions (line 5).
  The relative total is the difference between line 1 and the sum of lines 4 and 5 and must be in cluded in line **VE32**.

SEPARATE ACCOUNTING *(Part VH)*

As set out above (in paragraphs 1.2 and 3.2) where separate accounts are kept (article 36), part VH must contain the summarizing information of all the activities carried out.
Above all, please note that if the taxpayer carries out more than one activity in respect of which he has adopted (by legal obligation or by choice) separate accounting in terms of art. 36, he must make separate periodic payments for the activities that have been accounted for separately.
Coinciding with the last month of each calendar quarter (March, June, September, as well as December for taxpayers referred to in paragraph 4 of art. 74) the results of the monthly payments can be set off or added to the results of the quarterly payments, on condition that the deadlines for the respective monthly settlements and payments are met. Accordingly, in the corresponding lines of part VH, section

1, (VH3, VH6, VH9 and VH12) a single amount, being the algebraic sum of the credits and debits emerging from the payments of single periods, must be indicated. For example, where the taxpayer intends to set off the tax payable resulting from the monthly payment (e.g. March) with the credit tax receivable from the quarterly payment (e.g. 1st quarter), for the purposes of setting off the monthly tax payable with the quarterly tax receivable it is necessary to anticipate the quarterly settlement by making the payment within the time limit provided for the monthly payment and indicating the amount of the credit balance or the amount of the lesser tax payable in line VH3. A similar cumulative indication must be made where the taxpayer does not intend to carry out a set off between the results of the monthly payments and the quarterly ones coinciding with the third month of every quarter.
Note that, for the purposes of indicating the data as to payments, the criteria illustrated above, must also be applied in other circumstances where, as a result of special provisions, the taxpayer carries out different periodic payments depending on the activities carried out (for example, filling station, road haulage contractors and other categories of taxpayers referred to in paragraph 4 of art. 74).

The form below applies to those persons who carry out both monthly and quarterly payments and illustrates the way in which the VAT credit must be carried forward from one payment period to the other:

1) credit arising out of the payment for January: to be carried forward as a deduction against the payment for February;
2) credit arising out of the payment for February: to be carried forward as a deduction against the payment for March;
3) credit arising out of the payment for March: to be carried forward as a deduction against the payment for the 1st quarter;
4) credit arising out of the payment for the 1st quarter: to be carried forward as a deduction against the payment for April;
5) credit arising out of the payment for April: to be carried forward as a deduction against the payment for May;
6) credit arising out of the payment for May: to be carried forward as a deduction against the payment for June;
7) credit arising out of the payment for June: to be carried forward as a deduction against the payment for the 2nd quarter;
8) credit arising out of the payment for the 2nd quarter: to be carried forward as a deduction against the payment for July;
9) credit arising out of the payment for July: to be carried forward as a deduction against the payment for August;
10) credit arising out of the payment for August: to be carried forward as a deduction against the payment for September;
11) credit arising out of the payment for September: to be carried forward as a deduction against the payment for the 3rd quarter;
12) credit arising out of the payment for the 3rd quarter: to be carried forward as a deduction against the payment for October;
13) credit arising out of the payment for October: to be carried forward as a deduction against the payment for November;
14) credit arising out of the payment for November: to be carried forward as a deduction against the payment for December;
15) credit arising out of the payment for December: to be carried forward as a deduction against the payment for the 4th quarter.

For the purposes of appropriating the advance payment made for the individual separate activities in terms of article 36 and consequently for the purposes of determining the balance to be paid for the last periodic payments for the year, the advance payment made must be deducted from the tax owed for the first debit payment due for any of the activities carried out, to the extent of the whole debit amount resulting from the successive payments for the same year.
Accordingly, for taxpayers who must effect both monthly and quarterly payments, the amount paid in advance will firstly be deducted from the total tax due for the month of December; any surplus will then be deducted from the amount due for the last calendar quarter (paragraph 4, art. 74) and finally, in respect of any residual amount, from the total tax due in terms of the adjustment when the annual return is made by the subjects referred to in article 7 of Presidential Decree no. 542 of 14 October 1999.
Subjects who effect both taxable and exempt leases (for example, leases of capital goods) can take advantage of the separation of activities in terms of paragraph 3 of art. 36.

TAXPAYERS WHO USE THE CONSIDERATIONS REGISTER - DETERMINATION OF THE TAXABLE AMOUNTS

The taxpayers referred to in article 22, for whom it is not obligatory to issue an invoice if this is not requested by the purchaser, must calculate the total amount of the operations, net of the VAT included in the considerations received.
In accordance with the provisions of article 27, paragraph 2, as amended by article 2, paragraph 2-bis, of Decree Law no. 138 of 2011, the taxable amount of the considerations recorded before tax is calculated by dividing the gross amount of the considerations recorded by 102, 104, 108.5, 110 and 122, in relation to the different rates applied, and multiplying the quotient by 100, rounding the result up or down to the nearest eurocent (mathematical method).
Please note that for the rates of 7, 7.3, 7.5, 8.3, 8.8 and 12.3 the taxable amount must be determined by dividing the gross amount of the considerations recorded by 107, 107.3, 107.5, 108.3, 108.8 and 112.3 respectively and multiplying the quotient by 100 and rounding up or down to the

nearest unit.

The taxable amounts determined in this manner and rounded off to the nearest Euro must be carried forward to the column for taxable amounts (corresponding to the pre-printed rate).
The tax must be calculated by multiplying each taxable amount by the corresponding rate; the amounts calculated in this manner must be carried forward rounded off to the nearest Euro.

For example:

Applying the mathematical method

Total of the considerations at 22%		1,000.00
Taxable = $\frac{1{,}000.00 \times 100}{122}$ =	»	819.67
Taxable rounded off	»	820.00
VAT (22% of 820.00)	»	180.40
Tax rounded off	»	180.00

TAXPAYERS WHOSE BOOKKEEPING IS DONE BY THIRD PARTIES

In terms of paragraph 3 of article 1 of Presidential Decree no. 100 of 23 March 1998, taxpayers who entrust their bookkeeping to third parties may exercise the option, provided for in paragraph 3 of article 1 referred to above, to make the monthly VAT payments with reference to the transactions carried out in the second preceding month.
The particular method of payment of VAT must be applied from the beginning of the year or, in the case of those commencing activity during the year, from the second periodic payment.
In the case of the option being chosen by a subject who during the previous year made payments every three months and who in the following year made monthly payments, as a result of exceeding the volume of business referred to in art. 7 of Presidential Decree no. 542 of 1999, in the same way as subjects commencing activity from 1st January, the first payment relative to the month of January must be made on the basis of the tax which becomes payable in that month. On the other hand, commencing from the payment for February, the particular method of payment based on the computation of the tax payable in the second preceding month (i.e. in the example, the tax for the month of January) and so forth until the end of the year, must be applied.
The prospectus below is provided in order to ensure that the periodic payments are made correctly and that they are indicated in part VH:

Year 2014	Tax Payment Code	Due date for payment	Reference base
VH1	6001	16 February	December 2013 if activity started in January 2014
VH2	6002	16 March	January 2014
VH3	6003	16 April	February 2014
VH4	6004	16 May	March 2014
VH5	6005	16 June	April 2014
VH6	6006	16 July	May 2014
VH7	6007	16 August	June 2014
VH8	6008	16 September	July 2014
VH9	6009	16 October	August 2014
VH10	6010	16 November	September 2014
VH11	6011	16 December	October 2014
VH12	6012	16 January	November 2014
Year 2015	**Tax Payment Code**	**Due date for payment**	**Reference base**
VH1	6001	16 February	December 2014
VH2	6002	16 March	January 2015

DETERMINING BUSINESS TURNOVER (*PART VE*)

Part VE must be completed to determine the business turnover and the VAT relative to the taxable transactions.

The following contributes to the formation of the business turnover in terms of article 20: the aggregate amount of the transfers of goods and the performance of services, which are recorded or which are subject to being recorded with reference to the tax period, including the taxable amount relative to VAT transactions with deferred payment. Starting from the 2013 tax year, on the basis of the new text of article 20, introduced by article 1, paragraph 325, letter c), of Law no. 228 of 2012, also non-taxable operations as provided for by articles 7 to 7-septies and for which an invoice has been issued in accordance with article 21, paragraph 6-bis count towards the calculation of turnover.
Despite being included in part VE, **the following do not contribute to the formation of the business turnover**: the transfers of depreciable goods (including industrial patents, intellectual property rights, licences, as well as trademark rights), the internal transfers between separate accounts (last paragraph of art. 36), as well as transactions carried out in previous years but with the tax payable in the year in course. These transactions must be included in section 2 of part VE (lines VE20 to VE22) among the taxable transactions, in order to calculate the output VAT, and subsequently deducted in section 4 of part VE, with the purpose of determining the annual business tur9over as specified in relation to lines VE38 and VE39.

EXPORTS AND OTHER NON-TAXABLE TRANSACTIONS

A number of clarifications for determining which operations are to be entered in lines VE30 and VE32 of the VAT return are provided below.
Line VE30 must indicate the amount of the non-taxable operations that contribute to the formation of the ceiling as provided for by art. 2, paragraph 2, of Law no. 28 of 18 February 1997. In particular it must indicate:
a) considerations for non-taxable export sales as provided for by letters a) and b) of the first paragraph of art. 8, which include:
   – sales to purchasers or their commission agents made through transport or shipment of goods outside the territory of the European Union by or on behalf of the seller or his/her commission agents;
   – sales of goods picked up from a VAT deposit with transport or shipment outside the territory of the European Union (art. 50-bis, paragraph 4, letter g) of Decree Law no. 331/1993);
   – considerations for sales of goods and the performance of services equivalent to export sales (art. 8 bis, first paragraph) as part of own business activity;
   – considerations for the performance of international services or services connected with international trade (art. 9, first paragraph) as part of own business activity;
   – considerations for operations as provided for by articles 71 and 72, equated to those of provided for by articles 8, 8-bis and 9;
   – margins as provided for by Decree Law no. 41/1995, relating to non-taxable operations (concerning used goods, etc.) which make up the ceiling;

b) considerations for intra-community sales as provided for by art. 41 of Decree Law no. 331 of 1993, which include:
   – cases in which the national transferor delivers the goods on behalf of the community purchaser to a member State other than the one to which the latter belongs (trilateral agreement promoted by non-taxable subject belonging to another member State);
   – cases in which goods are sold by a national subject who has them delivered by own community supplier to own transferee of another member State liable to pay the tax relating to the operation (trilateral agreement promoted by a national non-taxable subject);
   – cases of intra-community sales of goods taken from a VAT warehouse with shipment to another member State of the European Union (art. 50-bis, paragraph 4, letter f) of Decree Law no. 331/1993);
   – considerations for intra-community sales of all agricultural and and ichthyic products, even if these are not included in Table A, First Part, enclosed with Presidential Decree no. 633/1972, carried out by agricultural producers as provided for by article 34;
   – considerations for operations as provided for by article 58, paragraph 1, of Decree Law no. 331 of 1993, i.e. sales to non-taxable domestic subjects or their commission agents, carried out through transport or shipment of goods to another member State by or in the name of the national transferor.

In line **VE32** in relation to the non-taxable transactions, which do not contribute to the formation of the ceiling detail of the following must be provided;
– the transfers relating to goods in transit or deposited in places subject to customs control;
– transfers to subjects domiciled or resident outside the European Community referred to in paragraph 1 of article 38-quater *(for further details see the instructions for section 2 of part VE);*
– the transfers of goods destined to be introduced into the VAT warehouses referred to in letters c) and d), paragraph 4 of art. 50-bis of Decree Law no. 331/1993;
– the transfers of goods and the performance of services where the sale or performance relates to goods kept in a VAT warehouse (letters e) and h) of paragraph 4 of art. 50-bis of Decree Law no. 331/1993);
– the transfers of goods from one VAT warehouse to another (letter i) of paragraph 4 of art. 50-bis of Decree Law no. 331/1993).
The following must also to be included in this line:
– considerations for the transfers of goods and related ancillary services carried out vis-à-vis State Administrations or non-governmental organizations, recognized in terms of Law no. 49/1987, which in the manner established by Ministerial Decree of 10.03.1988, arrange for the transport or delivery abroad of goods for the accomplishment of humanitarian purposes, including those
aimed at realizing development cooperation programmes or charitable or educational programmes (article 14 of Law no. 49 of 26.02.1987);
– considerations for the performance of services rendered outside the European Union by travel and tourism agencies that fall within the scope of the special regime referred to in article 74-ter

(Ministerial Decree no. 340 of 30 March 1999);
– he difference between the considerations, which does not constitute the margin relative to the transactions falling within the special regime provided for by Decree Law no. 41/1995 (used goods etc.).

INTRA-COMMUNITY TRANSACTIONS AND IMPORTS

Clarifications are provided for determining which operations are to be indicated in line **VE30**, **field 3**:
– intra-community transfers referred to in article 41 of Decree Law no. 331 of 30 August 1993, converted by Law no. 427 of 29 October 1993, which include:
  • the delivery by the national transferor on behalf of the community purchaser of goods to a member State other than the one to which the purchaser belongs (trilateral agreement promoted by the community subject);
  • the transfer by a national subject who purchases the goods in another member State, commissioning the supplier to deliver them in a third member State to the transferee, who is liable to pay the tax relative to the transaction (trilateral agreement promoted by a national subject);
– the intra community transfers of agricultural products included and not included in the first part of table A, enclosed to Presidential Decree no. 633, made by agricultural producers falling within the special regime referred to in article 34 of the aforesaid Decree;
– the intra-community transfers of goods taken from a VAT warehouse with delivery to another member State of the European Union (art. 50-bis, paragraph 4, letter f) of Decree Law no. 331/1993);

Line **VF24**, **fields 1** and **2**, relating to intra-community purchases must also include:
– considerations for intra-community purchases made without paying the tax, with the use of the ceiling, in terms of articles 8, 8-bis and 9 referred to in paragraph 1 of art. 42 of Decree Law 331/1993;
– considerations for the intra-community sales that are objectively non-taxable, carried out without the use of the ceiling, including those relative to the goods destined to be introduced into the VAT warehouses, in terms of letter a) of paragraph 4 of art. 50-bis of Decree Law no. 331/1993;
– considerations for the intra-community purchases of foreign publications, by university libraries, not taxable, in terms of paragraph 7 of article 3 of Decree Law no. 90 of 27 April 1990;
– considerations for the intra-community purchases that are exempt in terms of art. 10, referred to by paragraph 1 of art. 42 of Decree Law 331/1993.

Line **VA24**, **fields 3** and **4**, must also include the following:
– the total of the imports made without paying the tax, with the use of the ceiling, in terms of paragraph 2 of article 2 of Law no. 28 of 18 February 1997 and art. 68, letter a) and paragraph 2 of article 70;
– the total of the other imports not subject to VAT (art. 68), including transactions for the introduction into free circulation with the suspension of the payment of the tax, of goods destined to be forwarded onto another member State of the European Union or the introductions into free circulation carried out without payment of the tax, relative to non-community goods destined to be introduced into the VAT warehouses;
– the total of imports not subject to the tax made by taxpayers who are earthquake victims and similar subjects, according to the special provisions on the matter.

NOTE: the transfers and purchases of goods, which fall within the marginal regime referred to in Decree Law no. 41 of 23 February 1995 (for used goods etc.) carried out with other EU traders, are not to be included in lines VE30 and VF24 respectively. This is so because they are considered as internal transactions subject to the tax of the Country in which the transferor resides.

TRANSACTIONS RELATIVE TO GOLD AND SILVER

1. General

Law no. 7 of 17 January 2000 provides for different tax treatment depending on whether one markets investment gold or gold other than investment gold (so-called industrial gold), as well as in relation to the subjects taking part in the transaction.
Transactions involving silver, with certain definite characteristics, are subject to the same tax treatment as that provided for transactions of gold other than investment gold (kindly refer to paragraph 8 below).

2. Investment gold

2.a. Definition

Art. 10, paragraph one, number 11, as amended by article 3 of Law no. 7/2000 referred to above, defines investment gold as:
a) gold in the form of bars or plates of a weight that is accepted by the gold market, but in any event greater than 1 gram and of purity equal to or greater than 995 thousandths, represented by securities or not;
b) gold coins with a purity equal to or greater than 900 thousandths minted after 1800, that are or were of legal tender in the Country of origin, which are normally sold at a price that does not exceed the value, on the open market of the gold contained in the coins by more than 80%, which are included in the list prepared by the Commission of the European Union and published annually in the Official Gazette of the European Communities, series

C, on the basis of the communications given by the Ministry of the Economy and Finance, as well as coins with the same characteristics, that are not mentioned in the aforesaid list.

2.b. Exemption

Art. 10, paragraph one, number 11 referred to above exempts the transfers of investment gold, even in the form of securities, for the financial operations provided for in letter c-quarter and c-quinquies, paragraph 1 of art. 67 of Presidential Decree no. 917 of 22 December 1986, if such operations are related to investment gold, as well as the mediation regarding the aforesaid transactions.

Please note that paragraph 1 of art. 67 of the T.U.I.R. (Income Tax Consolidated Act) provides for the following:

– **lett. c-quater** "income, other than income referred to previously, in any event earned by means of relationships from which arise the right or the duty to forward sell or purchase financial instruments, currencies, precious metals or goods or to receive or carry out on term, one or more payments linked to interest rates, quotations or values of financial instruments, foreign currencies, precious metals or goods and any other parameter of a financial nature. For the purposes of the application of the above, the aforesaid relationships are also considered financial instruments";
– **lett. c-quinquies** "the capital gains and other sources of income, other than those mentioned previously, which are realized by means of transfers for a money consideration or by finalizing relationships that produce unearned income and by means of transfers for a money consideration or by refund of pecuniary credits or financial instruments, as well as those realized by means of relationships through which positive or negative differences can be obtained and which are dependent on an uncertain event."

In particular, the following transactions fall within the scope of the exemption from value added tax:

– transfers of investment gold, including gold represented by gold certificates, even not allocated, or exchanged on metal accounts;
– *"swaps"*, *future* and *forward* contracts, repurchase agreements, as well as financial instruments that involve the transfer of the related right of ownership or the right to claim the investment gold;
– intermediations, including the services of agency and mediation, relative to the transactions mentioned above.

The transactions in question, insofar as they are exempt, must be shown by the transferor in part VE at line **VE33** and by the purchasers in part VF at line **VF14**. In addition to the internal purchases, the intra-community purchases and the imports must also be included therein.

In addition, the intra-community transfers, the intra-community purchases and the imports of investment gold must also be included in lines **VE30**, **VF24** (field 1 and 3).

2.c. Option in relation to taxation

Subjects that produce and trade investment gold or that transform gold into investment gold have the right to opt for the application of VAT even only for individual transfers. If the option is exercised, the application of the tax is due by the purchaser, if he is a subject taxable in the territory of the State, who will have to adopt the so-called reverse charge mechanism (see paragraph 4b).

Accordingly the option can be exercised only in relation to transfers carried out vis-à-vis taxable subjects.

If the transferor has opted for the application of the tax, a similar right is also granted to the intermediaries.

The relevant subjects must communicate the option in the following year, in accordance with the procedure contained in Presidential Decree no. 442 of 10 November 1997, i.e. in the VAT return relative to the year in which the choice was made, by crossing the corresponding box on line **VO13** (See "Options and revocations" in the Appendix).

The option is effective for at least three years, until it is revoked, if it relates to all the transactions, in terms of art. 3 of Presidential Decree no. 442/97 referred to above.

For the purposes of completing the return, transactions involving investment gold, which have become taxable by choice, must be shown in line **VE35**, **field 3**, together with those relative to so-called "industrial" gold and pure silver, in respect of which the tax is applied using the reverse-charge system.

3. Right of deduction

Pursuant to the amendments introduced by article 3 of Law no. 7 of 17 January 2000, article 19 contains two distinct provisions regarding the right of deduction for traders on the gold market.

The first is in terms of **letter d)**, **paragraph three of art. 19** referred to above, wherein it is stated that the rule of non-deductibility, envisaged as a general principle in relation to the fulfilment of transactions that are exempt or in any event not taxable, does not operate in relation to the "transfers of gold referred to in art. 10, no. 11), carried out by subjects who produce investment gold or who transform gold into investment gold".

The second provision is contained in **paragraph 5-bis of art. 19**,wherein it is established that the limit to the right of deduction is not effective for subjects other than those referred to in letter d) mentioned above.

The exception contained in paragraph 5-bis referred to above in relation to the type of purchases expressly provided for by the abovementioned provision i.e. "for the purchases, including intra-community purchases and for the imports of gold other than investment gold destined for transformation into investment gold by the same subjects or on their behalf, as well as for the services consisting of modifying the form, the weight or the purity of the gold, including investment gold".

The subjects referred to in paragraph 5-bis above must set out the abovementioned purchases separately in the accounting records so as to exercise the right to the deduction by indicating the sum of the deductible VAT in line **VF36**.

Where the subjects referred to in paragraph 5-bis of art. 19 have exclusively carried out exempt transactions, the box in line **VF32** must not be crossed and the deductible VAT due for the purchases referred to in paragraph 5-bis of art. 19, must be reflected in line **VF36**.

In addition to this, taxpayers who fall either within the regime referred to in article 19, paragraph three, letter d) or that referred to in paragraph 5-bis within the scope of their own activity, must keep sepa-

rate books of account for the relative transactions and are obliged to complete two forms so as to show the VAT allowed as a deduction separately for each regime, when submitting the annual return.

4. Gold other than investment gold

4.a. Definition

The second type of gold regulated by Law no. 7 of 2000 is gold other than investment gold (so-called industrial gold), i.e. "gold material" of any other form and purity and semi-processed products with a purity equal or superior to 325 thousandths.
In addition to this, the definition also includes gold leaf, as well as bars and plates that lack the required weight, form and purity to be considered investment gold, as well as gold scrap that is no longer suitable for use, destined to be reworked or transformed (cp. resolution no. 375/E of 28 November 2002).
Here one is dealing with gold destined for essentially industrial use.

4.b. Manner in which the tax is applied - the reverse-charge mechanism.

For gold other than investment gold the relative transfers are made taxable by means of the so-called reverse-charge mechanism.
This mechanism, provided for by paragraph 5 of art. 17, is characterized by the inversion of the tax burden pursuant to which the transferee becomes liable for the tax instead of the transferor. The latter, therefore, must issue an invoice for sales to which this legislation applies without charging the VAT with a note stating “reverse charge”; the purchaser must complete the invoice, indicating the tax rate and tax due.
Insofar as payment of the VAT is concerned, the transferee records the document, duly supplemented, in the register of invoices issued or in the register of considerations, in the month of receipt or even later, but in any event within fifteen days from the date of receipt of the document and with reference to the relative month; the same document is also recorded in the register referred to in art. 25, for the purposes of the relative deduction.
In any event these transactions constitute business turnoverfor the transferor.
Over and above the transfers of so-called industrial gold as defined above, the *reverse-charge* mechanism is applied also in respect of transfers of investment gold that are taxable by choice, as well as transfers of pure silver (in this regard see paragraph 8), if carried out in relation to entities not subject to domestic tax.
In relation to the manner of completing the annual VAT return, in order to determine the tax due subjects who have purchased gold with the aforesaid mechanism must indicate the taxable amount and the relative tax as follows: in line **VJ7** for the purchases of industrial gold and pure silver within the State, in line **VJ9** for the intra-community purchases of industrial gold and pure silver and in line **VJ8** for the purchases of investment gold which are taxable by choice within the State.
Please note that line **VE30, field 3** must also contain the intra-community transfers of industrial gold and pure silver, whereas lines **VF24, fields 1 and 3** must contain the sum of the intra-community purchases and imports of these same goods respectively.
The total of the abovementioned purchases must also be carried forward to **part VF** in correspondence with the relative rate.
In addition to this, if the transfers of industrial gold are to private consumers, they are taxable according to the ordinary rules relating to the tax (VAT debited by the transferors).

5. Tax refunds

For the purposes of claiming the refund of the deductible excess, in whole or in part, taxpayers legally entitled to do so must include in the computation referred to in art. 30, third paragraph letter a), the transactions relative to transfers of investment gold, which are taxable by choice, as well as those relative to industrial gold and pure silver, carried out in terms of paragraph five of art. 17.
For the purposes of calculating the average rate referred to in the aforesaid letter a), the abovementioned transactions must be considered as zero-rated.
Note that taxpayers who make intra-community transfers of gold and pure silver must include the said transactions in the calculation referred to in letter b) of article 30, paragraph three referred to above.

6. Gold imports

In relation to the imports of investment gold, for the purposes of the VAT exemption, the trader must submit to customs a declaration certifying that the gold being imported possesses all the legal requirements regarding form, weight and purity.
On the other hand, as regards imports of gold other than investment gold by taxable subjects residing in the national territory, the tax, despite being certified and settled in the customs declaration is materially discharged later on, in a similar way as that provided for internal transfers (art. 70, paragraph five).
In essence, in such circumstances, the tax is discharged by recording the customs document both in the invoice or considerations register, with reference to the month in which the document was issued and in the purchases register in respect of the deduction.
"The relevant procedure under discussion, in the same way as for the imports of investment gold, entails the enclosure (by the taxable subject) of a certificate with the customs declaration on the subject's own letterhead, which specifies how the regulation invoked is rendered operative" *(circular letter no. 24/D of 15 February 2000)*.
Imports of investment gold must be indicated in line **VF14**, while imports of so-called “industrial” gold must be indicated in line **VF11** and in line **VJ11** in order to calculate the tax due.
The said imports of industrial gold, as well as investment gold and pure silver must also be included in line **VF24, field 3**.

7. Transactions relative to gold carried out by the Bank of Italy and the Italian Exchange Office

Paragraph five of art. 4 provides that transactions relative to gold and foreign currency are not considered commercial, where such transactions are carried out by the Bank of Italy and the Italian Exchange Office; accordingly these are transactions in respect of which the tax remains excluded, whereas analogous transactions carried out by the agent banks now fall within the scope of VAT.

8. Transactions relative to silver

In terms of art. 3, paragraph 10 of Law no. 7 of 2000, silver in bars or in grains with a purity equal to or superior than 900 thousandths (so-called pure silver) follows the regulations referred to in article 17, paragraph five and article 70, paragraph five as amended by the aforesaid Law.
Therefore silver falling within this definition is subject to the same fiscal treatment as the one for so-called "industrial" gold and therefore, the tax is applied by means of the *reverse-charge* mechanism and the imports follow the regulations set out in point 6. The taxpayer must therefore refer to the instructions already set out in respect of industrial gold, for the completion of the annual return.
In the same way, the transfers relative to pure silver fall within the computation of the average rate for the purposes of the refund referred to in art. 30, paragraph three, letter a).

9. Obligations of dental technicians and other health workers

By virtue of Law no. 7 of 17 January 2000, which regulates transactions relative to gold and silver, subjects carrying out health professions and skills and in particular dental technicians and dentists who carry out exclusively VAT exempt transactions referred to in art. 10, no. 18 are obliged to submit the annual VAT return, in terms of article 17, paragraph five, with the application of the so-called *reverse-charge* mechanism if, during the fiscal year they purchased:
– gold material and semi-worked articles with a purity equal to or superior than 325 thousandths. This excludes the alloys and pastes for dental use, which have the characteristics of a "medical device" referred to in Decree Law no. 46/1997 (see Resolution no. 168 of 26 October 2001);
– silver.

In relation to the accounting obligations, for this category of taxpayer, Presidential Decree no. 315 of 27 September 2000 provides for the right to carry out settlements and payments of VAT relative to each quarter without the obligation of communicating the option and without the application of interest.
For further information kindly refer to *circular letter no. 216/E of 27 November 2000.*

OPTIONS AND REVOCATIONS (*Part VO*)

In terms of art. 2 of Presidential Decree no. 442 of 10 November 1997, the options and revocations regarding VAT and direct taxes must be communicated, bearing in mind the conclusive behaviour of the taxpayer during the tax year, using part VO of the annual VAT return only.
In circumstances where a subject is exempt from submitting the annual return, part VO must be submitted enclosed to the income tax return. In this regard, the front page of the UNICO 2015 (Personal Income Tax Return) form has a specific box, which if crossed indicates that part VO has been completed by the aforesaid subjects. Recourse to this method of communicating the option or revocations is only necessary in circumstances where the subject is not obliged to submit the annual VAT return with reference to other activities carried out or, as already set out in circular letter no. 209/E of 27 August 1998, when the exemption from the obligation of submitting the return remains even pursuant to the optional system chosen.
Circular letter no. 209/E of 1998 also provided explanations regarding the regulations introduced by Decree no. 442 of 1997, concerning options. In particular it was explained that article 1, paragraph 1 makes it possible to revoke the option communicated if new legislative provisions intervene. Accordingly, what must be communicated in part VO is the option made in view of the legislative amendments that have intervened and not the revocation of the previous option already communicated.
As a rule the option made binds the taxpayer for at least three years as regards the adoption of different methods of determining the tax and one year as regards accounting regimes. Such terms become valid in any case as from 1st January of the tax year in which the choice was made. The more extensive time periods provided for by other legislative provisions relating to the determination of the tax remain unchanged. After the minimum period for the chosen regime has elapsed, the option remains valid for each year that follows so long as the option made is actually applied. This being so, it is not necessary to cross the corresponding box again.

SIMPLIFIED ACCOUNTING REGIME AS PROVIDED FOR BY ARTICLE 27, PARAGRAPH 3, OF LEGISLATIVE DECREE NO. 98 OF 6 JULY 2011, CONVERTED WITH AMENDMENTS BY LAW NO. 111 OF 15 JULY 2011

Article 27, paragraph 3, of Decree Law no. 98 of 2011 has introduced, starting from 1 January 2012, a simplified accounting regime reserved for individuals who:
– during the previous calendar year:
  • have recorded profits or payments, converted to an annual figure, of not more than 30,000 Euro;
  • have not carried out export sales;
  • have not borne costs relating to employees or external workers as provided for by article 50, paragraph 1, letters c) and c-bis), of the Consolidated Income Tax Act, as set out by Presidential Decree no. 917 of 22 December 1986, including workers employed on a per-project basis, under a work programme or a stage thereof, in accordance with articles 61 and subsequent ar-

ticles of Legislative Decree no. 276 of 10 September 2003, and have not paid out sums in the form of dividend payments to their members as set out in article 53, paragraph 2, letter c), in the aforementioned Act as referred to by Presidential Decree no. 917 of 1986;
– in the preceding three-calendar-year period have not made purchases of capital goods, including through subcontracting or lease contracts (including financial lease contracts), totalling more than 15,000 Euro;
– do not make use of special regimes for VAT purposes;
– are resident in Italy;
– do not exclusively or primarily sell buildings or parts of buildings, building land as referred to in article 10, number 8), of Presidential Decree no, 633 of 26 October 1972, or new vehicles as referred to in article 53, paragraph 1 of Decree Law no. 331 of 30 August 1993, converted with amendments by Law no. 427 of 29 October 1993;
– do not participate in partnerships or associations as referred to in article 5 of the aforementioned Act as provided for by Presidential Decree no. 917 of 22 December 1986, or in limited liability companies as referred to in article 116 of said Act;
– cannot benefit from the beneficial tax regime for young businesspeople and unemployed workers as they do not satisfy the additional requirements provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 6 July 2011;
– are leaving the beneficial tax regime for young businesspeople and unemployed workers as a result of the expiry of the terms for applicability established by article 27, paragraph 1, of Decree Law no. 98 of 6 July 2011.

The following may also use the simplified accounting regime:
– taxpayers who, despite satisfying the requirements set out in paragraphs 96 and 99, article 1, of Law no. 244 of 24 December 2007, have chosen the ordinary regime or the tax relief regime for new business enterprises and self-employment as provided for by article 13 of Law no. 388 of 23 December 2000;
– taxpayers who, despite satisfying the requirements set out in article 27, paragraphs 1 and 2, of Decree Law no. 98 of 6 July 2011, have chosen the ordinary regime or the tax relief regime for new business enterprises and self-employment as provided for by article 13 of Law no. 388 of 23 December 2000.

In the aforementioned cases the limit of three years after choosing the ordinary regime continues to apply.

Taxpayers who make use of the simplified accounting regime are exempt, for VAT purposes, from the following obligations:
– recording and keeping accounting records;
– making periodic settlements and payments;
– making the annual advance payments.

The following obligations remain in force:
– keeping documents received and issued;
– invoicing and certifying payments, when the exemptions provided for such activities by article 2 of Presidential Decree no. 696 of 21 December 1996 do not apply;
– submitting the annual communication of VAT data as provided for by article 8-bis of Presidential Decree no. 322 of 22 July 1998, when business turnover is 25,822.84 or greater;
– submitting the annual VAT return;
– making the annual payment;
– electronic communication of VAT-relevant operations as provided for by article 21, paragraph 1, of Decree Law no. 78 of 31 May 2010;
– communicating to the Revenue Agency, in accordance with article 1 of Decree Law no. 40 of 25 March 2010, converted by Law no. 73 of 22 May 2010, details of operations between the taxpayer and economic actors based or with residence or tax domicile in countries defined as tax havens by the Ministry of Finance Decree of 4 May 1999 and the Ministry of Economy and Finance Decree of 21 November 2001.

As a result of the simplification of accounting obligations described above, taxpayers who have taken advantage of the simplified accounting regime as provided for by article 27, paragraph 3, of Law no. 98 of 6 July 2011 **do not need to complete part VH, section 1, relating periodic payments**.

It is pointed out that the simplified regime does not expire, and can be used until any of the following apply:
– forfeiture, with effect from the following year, as a result of one of the conditions set out in article 1, paragraph 96, of Law no. 244 of 2007 no longer being satisfied, or one of the conditions set out in paragraph 99 of said provision applying;
– the option for the application of the ordinary regime, to be communicated by completing line **VO34**.

For further information about the regime in question see:
– Measure of 22 December 2011;
– Circular Letter no. 8/E of 16 March 2012;
– Circular Letter no. 17/E of 30 May 2012;
– Circular Letter no. 25/E of 19 June 2012.

TAX RELIEF REGIME PROVIDED FOR IN TERMS OF ARTICLES 13 OF LAW no. 388 OF 23 DECEMBER 2000.

Article 13 of Law no. 388 of 23 December 2000 introduced the tax relief regime reserved for individuals and intended for new businesses and self-employed persons.
In relation to value added tax, the regimes provide for the simplification of a number of accounting obligations, in particular:
– exemption from the recording and keeping of accounting records;
– exemption from making periodic settlements and payments;
– exemption from having to make the annual advance payment, also in the first year in which the special regime ceased.
However, the following obligations remain in force:
– invoicing and certification of the considerations;
– filing of documents received and issued;
– submission of the annual communication of VAT data by taxpayers, whose business turnover during 2014 was in excess of 25,000 Euro;
– submission of the annual VAT return;
– annual payment of the tax.
As a result of the simplification of the accounting obligations set out above, persons who took advantage of the tax regimes provided for by article 13 of Law no. 388 of 2000 referred to above are **not required to complete part VH**, **section 1**, relating to periodic payments.
If the limits provided for by paragraph 2 , letter c) of article 13 by an amount less than or equal to fifty per cent, all the exemptions provided for by the regimes under discussion will be forfeited with effect from the tax period that follows the one in which the limit was exceeded or in the same tax year if the total of income or considerations exceeds the aforesaid limits by 50 per cent.
For further information see:
– measure of 08 February 2001;
– measure of 28 February 2001;
– measure of 14 March 2001 (tax relief regime for new entrepreneurial initiatives and self-employed persons);
– measure of 26 March 2001;
– Circular Letter no. 1/E of 03 January 2001;
– Circular Letter no. 8/E of 26 January 2001
– Circular Letter no. 23/E of 09 March 2001;
– Circular Letter no. 59/E of 18 June 2001;
– Circular Letter no. 157/E of 23 December 2004.

ADJUSTMENTS TO DEDUCTIONS (ARTICLE 19-BIS2) *(Part VF - Line VF56)*

Prospectus D has been prepared to facilitate the calculation of the aggregate amount of the adjustments to be indicated in line **VF56**.
A specific line is provided for each type of correction disciplined by art. 19-bis2 and a line for the correction of the deduction due in relation to the purchases made in previous years in terms of paragraph 1 of art. 19. The relative amounts must have a (+) or (-) sign depending on whether it is an increase or a decrease in the deduction.

PROSPECTUS D
ADJUSTING TO DEDUCTION

Art. 19 bis - 2	1	Adjustment for variations in the use of non-depreciable goods (paragraph 1)	
	2	Adjustment for variations in the use of depreciable goods (paragraph 2)	
	3	Adjustment for changes in the fiscal regime (paragraph 3)	
	4	Adjustment for variations in the pro-rata (paragraph 4)	
Art. 19, paragraph 1	5	Variation of the deductibility relative to purchases made in prior years	
TOTAL	6	Algebraic sum of lines 1- to 5 (to be indicate to VF56)	

Line 1, adjustment for non-depreciable goods and services when they are used to carry out transactions that give rise to a deduction that differs from the one made initially. To determine the extent of the adjustment it is necessary to refer to the total deduction made as an estimate when the purchase was made and to the deduction due when the goods were first used. If the goods were first used during the year of purchase the adjustment must not be included in this field in that the deductible amount determined on the basis of the effective first use is accounted for in the return. Obviously, when the first use takes place in the years following the year of purchase it is necessary to make the adjustment.
Line 2, adjustment for depreciable goods in relation to a different use taking place during the year in which they enter into operation, or the 4 years that follow; the adjustment is calculated with reference to as many fifths of the tax as are required to complete the five year period.
Line 3, adjustment for changes of the tax regime.
Whenever changes in the tax regime of the lending transactions, in the deduction regime of the tax on purchases or in the activity entail the deduction of the tax in an amount different to that already made, an adjustment must be made, limited to the goods and services not already sold or not already

used and for depreciable goods, if four years have not passed since they entered into operation.
The following cases fall within the circumstances outlined:
– a change in the tax regime applicable to the lending transactions carried out, which have consequences on the deduction that is due (for example following legislative adjustments the change from a regime of total exemption to a regime of total taxability or vice-versa, or following the option to separate the activities according to ex. art. 36);
– the adoption or abandonment - by choice or by law - of a special regime that is based on a flat-rate system for the deduction of the upstream tax, as for example takes place in the agricultural or show-business sectors etc;
– changes in the activity carried out by the taxpayer, which entails a change in the right to the deduction;
– transition from the beneficial tax regime for young businesspeople and unemployed workers referred to in Article 27, paragraphs 1 and 2 of Decree-Law no. 98 of 2011, to the ordinary regime.
– transition from VAT ordinary regime to fixed-share regime is governed by article 1, clauses 54-89, December 23, 2014/190.

Line 4, adjustment by varying the pro rata.
The deduction of the tax relative to the purchase of depreciable goods, as well as the performance of services relative to the transformation, adaptation or restructuring of the assets themselves, carried out in terms of article 19, paragraph 5 is also subject to adjustment in each of the four years following the year in which they entered into operation, where there is a variation of the deduction percentage in excess of ten points. The adjustment is carried out by increasing or decreasing the annual tax by a ratio of one fifth of the difference between the sum of the deductions carried out and the amount equal to the deduction percentage of the year to which it relates. If the year or years in which the depreciable item was purchased or manufactured does not coincide with the year in which it entered into operation, the first adjustment, must be carried out, for all the tax relative to the asset, on the basis of the definitive deduction percentage of the latter year even if the variation does not exceed ten points. In addition to the circumstances set out above, the adjustment can be carried out even if the variation of the deduction percentage does not exceed ten points, on condition that the taxable subject adopts the same criterion for at least five consecutive years. In this case, the option must be communicated by crossing the box that corresponds to **line VO1**.
When the depreciable goods are sold before the period in which the adjustments must be made expires, the adjustment must be made by means of a single adjustment for the years required to make up the period, considering the deduction percentage as being equal to 100%, if the transfer is subject to tax. However, in such circumstances the tax that may be recovered by the taxpayer cannot exceed the total of the tax due on the transfer of the depreciable asset.
Line 5, variation of the deduction relative to purchases made in previous years.
In terms of article 19, paragraph 1, second period, the right to the deduction arises when the moment the tax becomes payable and at the latest it can be exercised in the return relative to the second year following on from the year in which the right arose and on the conditions that existed at the time the right arose (cp. circular no. 328/E of 24 December 1997). For the purposes of taking into account the provisions illustrated above when completing the return relative to the year in which the right to the deduction was exercised, it is above all necessary to include in VF, corresponding to the different applicable rates, the purchases in respect of which the tax became payable in previous years but which were recorded in terms of article 25 in the year to which the General VAT return refers. In addition to this, in order to determine the right amount of the deduction due in relation to the aforesaid purchases, it is necessary to calculate the deductible tax relative to these purchases with reference to the deduction percentage applicable in the year in which the right to the deduction arose and the percentage determined in the return with reference to the moment in which the right is exercised. The resulting difference from the comparison made between the two deductions calculated as set out above must be indicated in this line.
Line 6, total adjustments; the algebraic sum of the amounts indicated in lines 1 to 5 must be indicated in this line. This information must then be carried forward to line **VF56**.

SCRAP

Art. 74, paragraphs 7 and 8, for the transfer of scrap and recycled material states that tax is due from the selling party who is passively subject to tax according to the particular accounting inversion mechanism, *the so-called reverse-charge*. The purchasing party must integrated the invoice issued by the selling party without charge of tax, with the indication of the applicable rate and the relative tax and record it in the invoices register as per art. 23 or in the considerations register as par art. 24 in order to ensure that it is included in the periodical liquidations. Furthermore, the same invoice must also be recorded in the purchases record book as per article 25 in order to apply the tax deduction.
The aforementioned regulation finds application to all subjects who sell goods identified in paragraphs 7 and 8 of art. 74. The ordinary VAT regime will still be applied to the same transfers when made to private consumers.
Regarding **imports** of the same goods, art. 70, paragraph 6, in derogation of the ordinary tax payment criteria on imported goods, establishes that the same is not paid at customs but it is paid by means of recording in the customs record books as per articles 23 and 24, and in the register as per article 25 regarding deduction.
Indications regarding such operations in the parts of the return are provided in the following table.

TRANSFEROR	TRANSFEREE
Transfers to San Marino VE30 (also field 4)	Internal purchases VF11; VF12; VJ6
Intra-community transfers VE30 (also field 3)	Purchases from San Marino VF11; VF12; VJ1; VF25 field 6
Exports VE30 (also field 2)	Intra-community purchases VF11; VF12; VJ9; VF25 field 1
Internal transfers as regards taxable subjects VE34, field 2	Imports VF11; VF12; VJ10; VF25 field 3
Internal transfers as regards private consumers part VE section 2	

CONTROLLING AND CONTROLLED COMPANIES

Prospectus by controlling companies
The controlling organisation or company must submit as part of its annual VAT return the summarising prospectus IVA 26PR/2015. It must also submit to the territorially competent collection agency the guarantees provided by the individual companies participating in the group relative to their own credit surpluses set off and the guarantees provided by the controlling company for any group credit surplus set off.
It is pointed out that article 13 of the Legislative Decree no 175 of 21 November 2014 replaced article 38-bis, by significantly innovating the discipline pertaining the application of VAT refunds, starting from 13 December 2014. For further details see Circular no. 32 of 30 December 2014.
It must be noted that in relation to companies or groups of companies whose consolidated financial statements reflect a total equity in excess of 258,228,449.54 Euro, the guarantee can be given for all the subsidiary companies indicated in the latest presented consolidated financial statements, for the credit excesses set off by the companies, by the direct assumption by the parent or controlling company of the obligation to pay back to the Financial Administration the sum to be refunded (Circular Letter no. 164 of 22 June 1998).
As already emphasized in paragraph 3.4., companies that took part in the group VAT payment procedure for the year 2014 must submit the VAT return autonomously. Moreover, the VAT return must be presented autonomously also in cases where a company has taken part in the group VAT payment for a period of less than one year following on from, for example, the loss of the requirements for control during the year or by reason of extraordinary transactions.
In addition to this it is pointed out please note that the VAT input and output transferred to the controlling body or company by the companies taking part in the group VAT payment in terms of article 73, last paragraph (art. 8 of Presidential Decree no. 542 of 14 October 1999) cannot form part of the set off as referred to in Legislative Decree no. 241 of 1997.

On the other hand, the VAT input and output resulting from the form (the VAT form 26PR) of the group return completed by the controlling body or company can form part of the set off mentioned above.
As specified in Ministerial Resolution no. 626305 of 20 December 1989, where there is partial setting off of the credits transferred by the individual companies, it is the duty of the controlling body or company to certify the specific allocation of the credit surplus effectively set off to the group companies. In the past this certification had to be enclosed to the annual returns of the individual subsidiary companies, in the applicable forms. Fulfilment of the obligations has in fact been replaced with the information requested in the controlling company's return, in field 7 of part VS of the VAT prospectus 26/PR, relative to the credit surplus set off by each individual company. It is furthermore pointed out that for the purposes of determining the amount of the credit surplus set off by the companies within the scope of the group - and for which the guarantees provided for in article 6, paragraph 3 of Ministerial Decree of 13 December 1979 must be given by the individual companies whose credits have been set off - reference must be made to the aggregate amount of the debit surplus transferred by the other companies belonging to the same group, reduced by the amount of the tax payments made by the controlling body or company during the year.

The data in the **VAT prospectus 26PR/2015** is contained in the VAT annual return to be submitted by the controlling body or company. In particular:
– **part VS** contains the list of all the companies (including the controlling company itself) that took part in the group VAT payment during the year; the amount claimed as a refund (within the scope of the aggregate refund claimed by the group), the relative circumstances, as well as the total credit surplus set off with the debits transferred by the other group companies must be indicated. Section 3 of part VS must indicate the credit surplus of the group carried forward from the previous year, used during the course of 2014 to set off the debits transferred by the individual group companies;
– **part VV** contains the periodic payments by the group;
– **part VW** contains the data relating to the payment of the group's annual tax;
– **part VY** contains the data relating to the VAT to be paid or the amount of the tax credit for the group;
– **part VZ** must contain the data relating to the deductible group surpluses of the two previous years, for the purposes of the group refund (if any) of the lesser surplus of the three-year period.

Reason of refund
The code for the reason for the refund must be taken from the Table set out below and must be in-

dicated for each subsidiary company in respect of which the group refund is requested, in Part VS-field 9 - of the VAT prospectus IVA 26PR to be completed by the controlling company.

TABLE OF REFUND CODES

1	Discontinuance of activity	
2	Art. 30, par. 3, lett. a)	- Average rate
3	Art. 30, par. 3, lett. b)	- Carrying out of non-taxable transactions
4	Art. 30, par. 3, lett. c)	- Depreciable goods as well as studies and research
5	Art. 30, par. 3, lett. d)	- Predominance of non-taxable transactions
6	Art. 30, par. 3, lett. e)	- Condition of article 17, 3rd paragraph
7	Art. 34, paragraph 9	- Exports and other non-taxable transactions

PERSONS AFFECTED BY EXCEPTIONAL EVENTS

(Completion of line VA10 and part VH)

How to complete line VA10

1 Victims of extortionate and usurious demands

Taxpayers who carry on a business, trade, craft or other economic activity and who have refused extortion demands or who in any case in refusing to pay them have suffered damage to goods or property in Italy as a result of crimes committed, including those not involving criminal conspiracy, for the purpose of the pursuit of illegal gains. For victims of the aforementioned extortion demands, article 20, paragraph 2 of Law no. 44 of 23 February 1999 makes provision for a three-year extension of the expiry terms for fiscal obligations which fall within one year of the date of the relevant crime. This extension also applies to the expiry date for submission of the annual return.

2 Subjects affected by the flooding events of 17 and 19 January 2014 which occurred in some municipalities of the Emilia Romagna region, already affected by the earthquake of 20 and 29 May 2012

For subjects who on 17 January 2014 were resident or operating in the area of the municipalities of Bastiglia, Bomporto, San Prospero, Camposanto, Finale Emilia, Medolla and San Felice sul Panaro, affected by the flooding events of 17 and 19 January 2014, already affected by the earthquake of 20 and 29 Mary 2012, article 3, paragraph 2 of Decree-Law no. 4 of 28 January 2014, converted into Law with amendments by Law no. 50 of 28 March 2014, makes provision for the suspension of tax deadlines and obligations due between 17 January 2014 and 31 October 2014; For the component localities of the city of Modena: San Matteo, Albereto, La Rocca and Navicello, the application of the suspension of tax deadlines and obligations hinges upon request of the taxpayer who shall declare the instability, even if temporary, of the professional firm or company or agriculture lands, verified by the municipality's supervisor;

3 Subjects affected by the humanitarian emergency connected with the influx of migrants from North Africa

For subjects who on 12 February 2011 were resident or operating in the municipality of Lampedusa and Linosa and were affected by the humanitarian emergency connected with the influx of migrants from North Africa, for whom Prime Minister's Ordinance no. 3947 of 16 June 2011 grants the suspension from 16 June 2011 to 30 June 2012 of tax deadlines and obligations due during the same period, the suspension already extended to 1 December 2012 by article 23, paragraph 12-octies of Decree Law no. 95 of 6 July 2012 implemented, with amendments, by Law no. 135 of 7 August 2012, and subsequently extended until 31 December 2013 by article 1, paragraph 612, of Law no. 147 of 27 December 2013, has been extended again until 31 December 2014 by article 3, paragraph 8 of Decree-Law no. 192 of 31 December 2014;

4 Subjects affected by the adverse weather events which occurred from 30 January to 18 February 2014 in some municipalities of the Veneto region

For subjects who on 30 January 2014 were resident or operating in the area of the municipalities in the region of Veneto affected by the adverse weather events occurring from 30 January to 18 February 2014, included in the annex 1-bis of Decree-Law no. 4 of 28 January 2014, converted into law with amendments by Law no. 50 of 28 March 2014, article 3, paragraph 2 of the above mentioned Decree makes provision for the suspension of tax deadlines and obligations due in the territories of the municipalities listed in the above mentioned annex between 17 January 2014 and 31 October 2014. The application of the suspension of tax deadlines and obligations hinges upon request of the taxpayer who shall declare the instability, even if temporary, of the professional firm or company or agriculture lands, verified by the municipality's supervisor;

5 Subjects affected by the adverse weather events which occurred from 10 to 14 October 2014 in the regions of Liguria, Piedmont, Emilia Romagna, Tuscany, Veneto and Friuli Venezia Giulia

For subjects who on 10 October 2014 were resident or operating in the area of the municipalities affected by the adverse weather events occurring from 10 to 14 October 2014, in the regions of Liguria, Piedmont, Emilia Romagna, Tuscany, Veneto and Friuli Venezia Giulia, the Decree of

the Ministry for the Economy and Finance of 20 October 2014 makes provision for the suspension of tax deadlines and obligations due between 10 October 2014 and 20 December 2014. The list of the relevant municipalities is indicated in annex A) of the above mentioned Decree, subsequently implemented by the Decree of the Ministry for the Economy and Finance of 1 December 2014;

6 Subjects affected by the adverse weather events which occurred from 19 to 20 September 2014 in the Tuscany region

For subjects who on 19 and 20 September 2014 were resident or operating in the area of the municipalities in the region of Tuscany affected by the adverse weather events occurring on 19 and 20 September 2014, indicated in annex A) of the Decree of the Ministry for the Economy and Finance of 5 December 2014, article 1, paragraph 1 of the above mentioned Decree makes provision for the suspension of tax deadlines and obligations due between 19 September 2014 and 20 December 2014;

7 Subjects affected by the adverse weather events which occurred from 1 to 6 September 2014 in the municipalities of the province of Foggia

For subjects who from 1 to 6 September 2014 were resident or operating in the area of the municipalities in the province of Foggia affected by the adverse weather events occurring from 1 to 6 September 2014, indicated in annex A) of the Decree of the Ministry for the Economy and Finance of 5 December 2014, article 1, paragraph 1 of the above mentioned Decree makes provision for the suspension of tax deadlines and obligations due between 1 September 2014 and 20 December 2014;

8 Subjects affected by other exceptional events

The subjects affected by other exceptional events shall indicate code 8 in the box provided.

How to complete part VH

Subjects who have made use of particular relief (suspension of the deadlines for the performance of obligations and payments of the tax) because of the occurrence of exceptional events (see the specific Table) must in any event set out in part VH, corresponding to the individual periods (months or quarterly), the debit amounts resulting from the periodic payments.

In addition, in order to balance the data, in **line VL29, field 3**, the amount of periodic payments and the advanced payment due must be indicated, which have not been paid when submitting the return as a result of the suspension. This amount must also be indicated in **field 1** of line VL29.