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Covid-19 Italy: Postponement of suspended tax payments

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On 19 May 2020 the **Law Decree no. 34** has been published in the Official Gazette ("Rilancio Decree"). The new emergency decree is in line with the previous Cura Italia and Liquidità Decrees, introducing *inter alia* measures to support the liquidity the capitalization of enterprises, incentives and tax credits as well as measures in the context of indirect taxation, tax assessment and tax litigation.

The provision postpones further to 16 September 2020 the deadline to execute the following payments of taxes and social security contributions, previously suspended by Liquidità Decree and Cura Italia Decree and detailed therein:

- payments due by enterprises and professionals having revenues and compensations not higher than 50 million euros in the preceding fiscal year which have had a reduction of their turnover for an amount higher than 33% in the months of March and April 2020 compared to the same months in 2019;
- payments due by enterprises and professionals having revenues and compensations higher than 50 millions euros in the preceding fiscal year which have had a reduction of their turnover for an amount higher than 50% in the months of March and April 2020 compared to the same months in 2019;
- payments due by enterprises and professionals which started their activity after 31st March 2019 and non-commercial entities including non-profit entities and recognized ecclesiastical entities, which carry out institutional activities of general interest not as business activity;
- VAT payments due by VAT taxpayers located in Bergamo, Brescia, Cremona, Lodi and Piacenza provinces irrespective of the amount of revenues and compensations of the previous fiscal year, having a decrease in the turnover amount higher than 33% in the months of March and April 2020 compared to the same months in 2019;
- payments due by small taxpayers having income not higher than €400,000 in the previous FY which did not subjected to withholding tax at source their income;
- payments due by companies pertaining to tourism sector and other sectors detailed in the previous provision;
- payments due by subjects operating within the sport sector;
- payments due by minor taxpayers having income not higher than €2,000,000 in the previous FY;
- VAT payments due by entrepreneurs and professionals having legal seat, tax domicile or operating seat within the Bergamo, Brescia, Cremona, Lodi and Piacenza provinces and payments due by those subjects mentioned within Ministerial Decree dated 24 February 2020.

The suspended payments must be made by 16 September 2020 in full, or in four equal installments starting from 16 September 2020.

Do you have any questions? Our German Desk Team is at your disposal.

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Keywords

Coronavirus (COVID-19), suspension of payment