

In Italy new chances for taxpayers to settle tax debts

During the conversion procedure of the 2019 Simplifications Decree, one of the amendments approved is related to the possibility for taxpayers that adhered to the tax collection bills scrapping no. 2 but did not pay all the relevant installments, to adhere now to the new tax collection bills scrapping no. 3 or "rottamazione-ter". Such taxpayers can have pay all the amount previously due on 7 December 2018 on the new deadline of 31 July 2019 or in a maximum number of 10 consecutive installments. Such possibility was not allowed in the original version of tax collection bills scrapping no. 3 introduced with the Law Decree no. 119/2018.

In recent years, Italian government introduced a number of **tax collection bills scrapping** to allow the taxpayers with **old tax debt** assigned to the Tax Collection Agent (Agenzia delle Entrate-Riscossione) in FYs from 2000 onward to settle their tax position.

Under such procedures, taxpayers could settle their position with the Tax Collection Agent by paying the higher taxes due and the related interest accrued up to the date in which the Tax Collection Agent had been put in charge of the recovery (together with minor collection expenses), while penalties and further interest afterward accrued were no longer due. The payment of the residual debts was often due in several amount of installments in order to allow the taxpayer to face the related obligation.

The previous version (tax collection bills scrapping no. 2, or "**rottamazione bis**") was introduced in 2017 and provided for the same discount on the amount due. In order to benefit from such procedure, the taxpayer should have paid the residual debt in a variable number of installments (depending upon the date in which the debt has been assigned to the Tax Collection Agent) due on July, September and October 2018 and in January and February 2019.

Further to such scrapping procedure, Italian Government last October issued the Law Decree no. 119/2018 which introduced:

- the new tax collection bills scrapping no. 3 (so called "**rottamazione ter**"). The taxpayer could file a specific applicat

ion form **within 30 April 2019** and pay the residual amount of the debt (after the "discount") in 10 consecutive installments on July 31th and November 30th of the every year, by paying an annual interest at the rate of 2%;

- the possibility for those taxpayer that, even if adhered to the rottamazione bis, have not been able to pay totally or partially the 2018 installments, to pay all the overdue debts on 7 December 2018 and to benefit from a the deferral of the remaining payments at the same new deadlines provided for rottamazione ter. On the contrary, in case the omitted 2018 payments were not made within 7 December 2018, the taxpayer would have lost all the advantages of rottamazione bis in terms of discount and deferral of the payments. Furthermore, such taxpayers would have not been granted with the possibility to adhere to the new rottamazione ter.

Basically, the taxpayers that failed to meet the **7 December 2018 deadline** were obliged to pay all the existing debts in full amount, without any advantage in terms of reduction and postponement of the payments.

What's new

Such provisions have been amended by the conversion law of the Simplifications Decree (Law Decree no. 135/2018) that has been finally approved on February 11, 2019 by the Italian Parliament (Law 11 February 2019, no. 12).

During the conversion procedure, indeed, the Italian Parliament introduced a further option for those taxpayers that:

- (i) adhered to the rottamazione bis,
- (ii) did not pay the 2018 installments and also
- (iii) missed the deadline of December 7, 2018.

Such taxpayers have now the possibility to pay all the amount previously due on 7 December 2018 on the **new deadline of 31 July 2019** or in a maximum number of **10 consecutive installments** that fall on 31 July 2019, 30 November 2019 and 28 February, 31 May, 31 July and 30 November of the year 2020 and 2021.

In other words, now also the taxpayers that fell outside the rottamazione bis, not having paid the amount due within the deadline (either the original deadline or the extended deadline of 7 December 2018), can now adhere to the rottamazione ter under the ordinary procedure.

From a procedural perspective, the taxpayer would need to fill in a specific application form within 30 April 2019. The form may be filled in online on the Tax Collection Agent website or sending it via electronic certified email or personally at the Tax Collection Agent offices.

Within 30 June 2019 the Tax Collection Agent will send a **communication to the taxpayer** highlighting the outstanding debts that can benefit from the scrapping procedure, with the indication actual amounts due as resulting to the Tax Collection Agent and the amount due for every single installments. The filing of the application form would imply that, with reference to the debts that can be included in the scrapping procedure, the enforcement procedures already in force will be suspended and no further precautionary or enforcement measure will be commenced.

This new possibility should be seen as **the last call** to settle the tax collection bills and the taxpayer should be prepared to take it by paying the first installment on July 2019.

(Ipsos Wolters Kluwer – February 25, 2019)