

## Tax Pills

# Italy's Revenue Agency draft guidelines to implement Digital Services Tax. The results of the public consultation and the new fiscal calendar fixed by a Revenue Director Decision

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On mid December 2020, Italy's tax authority released online the text of its Director draft Decision, or measure, providing the full range of administrative rules needed to implement the new Digital Services Tax (DST). Operators, associations, law firms and professionals were invited to provide their comment by 31 December, that is within the end of the year. Now that the initiative has been completed, the Agency provides the first results. Once the opinions and suggestions received have been collected, the Revenue Agency has decided to postpone both the dates for payment and for sending the relative tax return by 1 month, in order to gain the time necessary to evaluate the various input entries sent.

### Great interest for the public consultation

Anyway, first of all, the Revenue Agency thank all those who have sent their comments on the measure, taking into account the technical complexity, the novelty of the subject and the specific nature of the sector concerned. Particularly, of the more than 40 contributions received, about half come from professionals and law firms with international activity, about a third from trade associations representing the operators and economic sectors most affected by the application of the tax, whilst the remaining observations come from the same operators potentially involved and from academics.

### The next steps

The Agency has already begun to screen all the contributions received and will make available on the institutional website those for which consent to publication has been expressed. Finally, also in light of the numerous ideas received and with a view to ensure maximum certainty in the

application of the new tax, the implementation measure will be followed by a circular which will provide clarifications on the more strictly interpretative aspects that have emerged.

### **How the new DST works and on which subjects it applies**

First of all, the DST applies to revenues resulting from the provision of certain digital services obtained during a calendar year. The new taxable subjects substantially are businesses that, individually or in a group-wide entity, meet both of the following conditions in the calendar year before the one in which the taxable revenues are obtained: ● on a worldwide base, they have accounted a total revenues of not less than EUR750 million; ● they have obtained in Italy revenues of not less than EUR5.5 million from the digital services provided. Finally, the new DST will be calculated by applying the 3% rate to the amount of taxable revenues.

### **A matter of law complexity**

The draft Director's Decision clarifies several definitions and concepts included in the original legislation. The draft measure also includes further details about the compliance and accounting responsibilities of businesses subject to the digital services tax. In brief, the draft guidelines include the following contents: **clarifications on the definition of taxable persons and taxable services; additional details of the place of taxation and user's location; explanations of the tax calculation procedure; details of the registration process, the monthly accounting procedure, and the tax payment process, together with a description of the content and structure of the monthly ledger**

### **The new tax calendar rewritten**

Immediately after the closure of the public consultation, as already mentioned, the Agency published an a second Director Decision to postpone the calendar of the Italian digital tax, expressively in light of the numerous and useful comments received during the consultation. Therefore, the DST remains effective as of 1 January 2020, yet the first relevant deadlines will be 16 March 2021 for the tax payment and 30 April 2021 for the filing of the annual return related to fiscal year 2020. Particularly, payments due will be made via F24 form.

### **Digital content and interface**

The regulatory perimeter for the first notion is defined by the Revenue guidelines as comprehensive of software, apps, games, music, video, text via download or streaming. As regards to the interface concept, it is fixed as any software, including websites or parts thereof and applications, also mobile, made available to users through which digital services are supplied. A

digital interface can also be “multilateral,” when the users may upload and share digital content with other users, facilitating the supplies of goods/services among them.

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URL: <https://www.fiscooggi.it/tax-pills/articolo/italys-revenue-agency-draft-guidelines-to-implement-digital-services-tax-the>