The «Liquidità/Omnibus» Decree

Information newsletter
Studio Colombo Altamura Pometto

Milano, mercoledì [illegible] novembre 201[illegible]

The «Liquidità/Omnibus» Decree

This newsletter succinctly summarizes some of the main measures, not only in tax matters, included in Decree Law no.23 of 8 April 2020, the so-called "Liquidità/Omnibus" Decree.

Guarantees by SACE

Article 1 of Law Decree no.23 of 8 April 2020

Loans guaranteed by Sace cannot exceed the bigger between 25% of turnover and 200% of employees costs; moreover guarantees are to be granted at latest by 2020 for up to 6 years and covers are as follows: 90% for enterprises with less than 5.000 employees and turnover of 1,5 billion euros, 80% for enterprises with more than 5.000 employees and turnover up to 5 billion euros, 70% for bigger enterprises. Conditions to be met: no dividend distributions and shares buy back, agreements with trade unions concerning employment cuts, loans available only to plants/premises in Italy. Pending EU Commission authorization.

Central Guarantee Fund - loans to SMEs

Article 13, par.1 lett.a),b) e c) of Law Decree no.23 of 8 April 2020

Guarantee to be granted by 31.12.2020 by Central Guarantee Fund to SMEs: a) free of charge; b) maximum amount for single enterprise with no more than 499 employees is 5 million euros; c) maximum direct guarantee cover percentage is 90% - pending EU Commission authorization - of each loan; total amount of financial operations cannot exceed alternatively: 1) 200% of salary costs incurred by guarantee beneficiary; 2) 25% of total turnover of the beneficiary; 3) total amount of running costs and investment costs for the following 18 months in case of SMEs and for the following 12 months in case of enterprises with no more than 499 employees.

Guarantee for loans up to 25.000,00 euros

Article 13, par. 1 lett.m, of Law Decree no.23 of 8 April 2020

Pending EU Commission autorisation - SMEs and individuals carrying out business activities and practitioners of crafts or professions may upon request benefit from 100% guarantee by Central Guarantee Fund with fast procedure and without credit rating for loans not exceeding 25% of the beneficiary's revenues as per the last balance sheet and in any case up to a maximum amount of 25.000 euros.

Guarantees for beneficiaries with revenues not exceeding 3.200.000,00 euros

Article 13, par. 1 lett.n, of Law Decree no.23 of 8 April 2020

Pending authorisation by EU Commission - Guarantee covers 100% of loans to SMEs with revenues not exceeding 3,2 million euros and up to 25% of beneficiary's revenues. Guarantee is issued for 90% of the loan by State and for the remaining 10% by Confidi.

Deadlines for payments

Article 21 of Law Decree no.23 of 8 April 2020

Deadlines for payments to public administration, including those relating to social security and welfare contributions and compulsory insurance premiums due, under art.60 of "Cura Italia" Decree, by 20th of March 2020 shall be extended until 16 April 2020.

Suspension of payments

Article 18, par. 1, 2 and 7, of Law Decree no.23 of 8 April 2020

Payments for WHT, VAT and social security and welfare contributions and compulsory insurance premiums due in March and April 2020 are suspended for taxpayers carrying out business activities and practitioners of crafts or professions, with revenues or fees up to 50 million euros in the tax period before that in process on the date of entry into force of present decree, which suffered a turnover or payments reduction not lower than 33% in March 2020 compared to the same month of the previous tax year and in April 2020 compared to the same month of the previous tax year .

The suspended payments must be made, without penalties and interest, in a single instalment by 30.06.2020 or in a maximum of 5 equal monthly instalments from June 2020.

Suspension of payments

Article 18, par. 3, 4 and 7 of Law Decree no.23 of 8 April 2020

Payments for WHT, VAT and social security and welfare contributions and compulsory insurance premiums due in March and April 2020 are suspended for taxpayers carrying out business activities and practitioners of crafts or professions, with revenues or fees exceeding 50 million euros in the tax period before that in process on the date of entry into force of present decree, which suffered a turnover or payments reduction by at least 50% in March 2020 compared to the same month of the previous tax year and in April 2020 compared to the same month of the previous tax year .

The suspended payments must be made, without penalties and interest, in a single instalment by 30.06.2020 or in a maximum of 5 equal monthly instalments from June 2020.

Suspension of VAT payments - Bergamo, Brescia, Cremona, Lodi e Piacenza

Article 18, par. 6 and 7 of Law Decree no.23 of 8 April 2020

Taxpayers carrying out business activities and practitioners of crafts or professions who have their tax domicile, registered office or operating headquarters in the Provinces of Bergamo, Brescia, Cremona, Lodi and Piacenza - regardless of their revenues and fees amount in the previous tax year - will benefit from the suspension of payments for VAT due in March and April 2020 provided they incurred in a turnover or payments reduction by at least 33% in March and April compared respectively to same months of the previous tax year. The suspended payments must be made, without penalties and interest, in a single instalment by 30.06.2020 or in a maximum of 5 equal monthly instalments from June 2020.

Postponement of witholding tax

Article 19 of Law Decree no.23 of 8 April 2020

Revenues and fees received between 17.03.2020 and 31.05.2020 by taxpayers with revenues or fees not exceeding 400.000 euros in the previous tax year are not subject to the withholding tax referred to in Articles 25 and 25 bis of Presidential Decree 600/1973, upon submission of a specific declaration by the recipient.

Taxpayers who incurred and paid expenses for employee services in the previous month are not eligible to the purposes of the present provision.

Taxpayers benefiting from the abovementioned suspension of WHT application must pay not applied WHT, without penalties nor interest, in full in a single instance by 31.07.2020 or in a maximum of 5 monthly instalments of equal amount starting from July 2020.

Paragraph 7 of Article 62 of «Cura Italia» Decree has been repealed.

June tax payments on account

Article 20 of Law Decree no.23 of 8 April 2020

With regard to tax payments on accounts for the fiscal year following that in progress on the 31st of December 2019, no penalties and interests for personal income tax, corporate income tax and regional tax on productive activity omitted or insufficient payments on account are applicable if amount paid is not lower than 80% of the amount due based on the tax return for current fiscal year.

Tax credit for rooms decontamination and epidemiologic prevention

Art.64 of "Cura Italia" Decree as amended by Art.30 of Law Decree no.23 of 8 April 2020

Provisions concerning the tax credit (equal to 50% of the costs for the decontamination of work rooms and tools up to a maximum of 20.000 euros incurred by taxpayers carrying out business activities and practitioners of crafts or professions) have been amended so as to cover further decontamination related and generally Corona virus prevention related expenses. Expenses relevant for tax credit include among others prevention masks, gloves and glasses as well as those for installing protective barriers. The tax credit is granted until exhaustion of the maximum amount of 50 million euros for the year 2020.

The implementing provisions are to be adopted through a subsequent decree

Measures concerning stamp duty for electronic invoices

Article 26 of Law Decree no.23 of 8 April 2020

If the amount of stamp duty for electronic invoices issued in first quarter of the year is lower than 250 euros (but the full amount for first and second quarter exceeds 250 euros), the related payment can be made, without penalties and interests, by the deadline for payment of stamp duty concerning invoices issued in second quarter of the year.

If, including also stamp duty due for invoices issued in second quarter of the year, the full amount of stamp duty is lower than 250 euros, the payment of stamp duty amount for first and second quarter of the year may be made, without penalties and interests, by the deadline for payment of stamp duty concerning electronic invoices issued in the third quarter of the relevant year.

Deadlines for delivery to taxpayer and electronic transmission of "Certificazione Unica" to Italian Revenue Agency

Article 22 of Law Decree no.23 of 8 April 2020

As for 2020 tax year, deadline for providing taxpayers with the "Certificazione Unica" tax certification concerning WHT applied shall be extended to the 30th of April.

No penalty is applied if "Certificazione Unica" is transmitted to Italian Revenue Agency electronically by the 30th of April 2020.

Suspension of time-limits for meeting first home purchase requirements

Article 24 of Law Decree no.23 of 8 April 2020

Suspension – between the 23 of February and the 31 of December 2020 - of time-limits to meet requirements to benefit from reduced registration tax in case first home purchase.

Measures concerning bankruptcy and insolvency situations

Articles 5, 9 and 10 of Law Decree no.23 of 8 April 2020

The entry into force of Codice della Crisi d'impresa – previously scheduled for the 15° of August – has been postponed till the 1st of September 2021.

Deadlines for fullfilment of obligations related to insolvency procedures (such as agreements with creditors and debt restructuring agreements) between 23 of February and 30 of June 2020 have been extended by 6 months.

Stop to bankruptcy petitions until the 30° of June 2020, except for Public Prosecutors in specific cases.

Suspension of terms of payment for debt instruments

Article 11 of Law Decree no.23 of 8 April 2020

Payments of debt instruments due between 9 March 2020 and 30 April 2020 are suspended. Specific rules are laid down in the provision at stake.

Temporary suspension of provisions concerning capital reduction

Article 6 of Law Decree no.23 of 8 April 2020

Italian Civil Code provisions concerning capital reductions in case of capital losses or lowering below the minimum required are declared as temporarily not applicable with regard to events that may occur from the date of entry into force of the present decree until 31.12.2020.

Measures concerning financial statements and loans provided by shareholders

Articles 7 and 8 of Law Decree no.23 of 8 April 2020

Measures concerning specific approaches in balance sheet items evaluations have been introduced.

As for loans provided between the date of entry into force of the present decree and 31.12.2020, rules providing subordination of loans provided by shareholders or in case of management and coordination activity have been declared not applicable.

Suspension of hearings and postponement of time limits

Article 83 of «Cura Italia» Decree as amended by Article 36 of Law Decree no.23 of 8 April 2020

All hearings from 9 March to 11 May 2020 of civil and criminal proceedings pending in all courts are automatically postponed (except for specific exceptions provided for in the same rule).

For the same period (from 9 March to 11 May), the time limits for the fulfilment of any act in the same proceedings are suspended.

The above provisions also apply to tax litigation proceedings.

Provisions on distributions of dividends to "Società Semplice"

Article 28 of Law Decree no.23 of 8 April 2020

The special look-through fiscal regime provided by Art.32-quater of Law Decree 124/2019 is extended to distributions of dividends to a "Società Semplice" with non tax resident shareholders by companies tax resident in Italy and to distributions of dividends by non tax resident companies to a "Società Semplice" with regard to the share of tax resident shareholders.

Rimaniamo al vostro fianco al 100%

***Staying 100% by* Your side**

<u>Studio Colombo Altamura Pometto</u>

Tel. 02 8739 4800
www.captax.it