



Effective since 1 January 2015.

Digital business in Italy is regulated by DECRETO LEGISLATIVO 31 Marzo 2015, n. 42 implementing the Directive 2000/31/EC on certain legal aspects of information society services, in particular, electronic commerce, in the Internal Market (Electronic Commerce Directive).

VAT Standard rate

The standard VAT rate in Italy in 2024 is 22%.

VAT Reduced rate

4% eBooks.

VAT calculation peculiarity

VAT= Total revenue * 22/122.

Threshold

The tax threshold is €0 for digital services.

Pieces of evidence

To identify a customer's location, the merchant has to collect at least two items on non-contradictory evidence. And if two of them are in Italy, the customer may be determined as Italian:

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- IP address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him;
- Other commercially relevant information.

E-services list

A digital product is any product that's stored, delivered, and used in an electronic format. These are goods or services that the customer receives via email, by downloading them from the Internet, or through logging into a website, in particular:

- E-books, images, movies, and videos, whether buying a copy from Shopify or using a service like Netflix. In tax language, these products are in a category usually called, «Audio, visual, or audio-visual products»;
- Downloadable and streaming music, whether buying an MP3 or using a service like SoundCloud or Spotify. Of course, these products also fall into the audio category;
- Cloud-based software and as-a-Service products, such as Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS);
- Websites, site hosting services, and internet service providers;
- Online ads and affiliate marketing.

Registration procedure

A non-European taxable person that chooses to identify in Italy requires the registration filling out the online form available on the Agenzia delle Entrate website, in the free access area. With the credential, it can fill out the online format at the link «*Registration*».

Via the portal e-merchant need to provide the following data:

- A company name;

The Country where the taxable person's company is headquartered;
Full address of the company;
Electronic addresses: e-mail addresses, websites;
Tax Identification Number is given by the Country of residence or domicile if any;
A declaration stating he/she/it has not been already identified for VAT purposes in the EU;
Bank details;
Scheme starting date if prior to the registration date;
Reference name: name, surname, e-mail address, and phone number of the individual;
Italian Revenue Agency may refer to request information or send communications.

There is no obligation to appoint a tax representative in Italy if a company provides only digital services.

Keeping records

E-merchants need to store all VAT-relevant information for ten years. A company must keep them in files in case any authority wants to verify its tax history.

VAT payment date

The payment has to be done within 20 days of the end of the period is referred to, namely:

20th of April for the first quarter of the year;
20th of July for the second quarter of the year;
20th of October for the third quarter of the year;
20th of January for the fourth quarter of the year.

Filing VAT returns

Italian VAT return is due quarterly. Businesses registered for Moss in Italy have to submit the **VAT Moss quarterly return** electronically. At the end of each quarter, there are 20 days to file and pay whatever a company owes.

The deadlines for the returns are:

- 20 April – for the first quarter ending 31 March;
- 20 July – for the second quarter ending 30 June;
- 20 October – for the third quarter ending 30 September;
- 20 January – for the fourth quarter ending 31 December.

There is no deadline change for the submission of the return if this date falls on the weekend or on a public holiday. The company which didn't carry out any supply in Italy or in the EU during a quarter still has to submit a «nil return».