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January 28, 2015

ITALIAN TAX UPDATE

Changes in tax law 2015

1. **English**
2. **Italiano**
3. **Unified certificate of income paid (Mod. CU)**

SUMMARY

1. **Unified certificate of income paid (*Mod. CU*)**
2. **Split-payment system for supplies to the Public Sector**
3. **Reverse-charge mechanism expanded**
4. **New reporting requirements for transactions with blacklisted countries**
5. **New tax regime of meal and lodging expenses charged by independent professionals**
6. **Client-Contractor joint tax liability abolished**
7. **"Scheda di Trasporto" transport document abolished**
8. **Increase in *INPS Gestione Separata* social security contribution rate**
9. **Reduced taxation of income derived from intangible property (patent box)**
10. **New territoriality rules for electronic services**
11. **IRAP tax reduced**

Please note that most of the highlighted changes are in force **from Jan. 1st, 2015**.

Among new deliverables the most urgent is the **new certificate of income paid "*Mod. CU 2015*"** which replaces former "*Mod. CUD*" and the other certificates of self-employed income, commissions and other income. This document must be delivered to recipients by Feb. 28, 2015 and **transmitted electronically to tax authorities by March 7, 2015**. A penalty of 100 Euros applies for each omitted, late or incorrect certificate.

Copy of the new *Mod. CU 2015* is attached for your convenience.

Payroll firms are establishing procedures for generating and transmitting *Mod. CU* certificates for employees. **We recommend that you contact your payroll firm** in order to appoint them for preparing and transmitting these *Mod. CU* for self-employed, sales agents and other recipients as well as for employees.

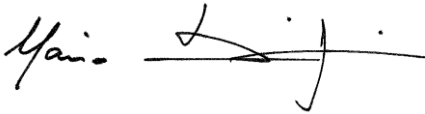
We also highlight the **new split-payment regime for supplies to the Public Sector**, under which VAT is directly paid to the Treasury by customers (i.e. by Public Sector entities) and no longer by suppliers.

We recommend that suppliers of the Public Sector **promptly update their IT procedures** in order to comply with the new requirements.

We also highlight the **increase in the social security rate** payable to **INPS Gestione Separata**. We recommend that companies paying remunerations subject to this social security contribution promptly update their IT procedures in order to properly manage INPS withholdings and payments.

Finally, please note that from 2015 the IRAP regional tax base is reduced by allowing full deduction of the cost of labour for long term employees. This tax incentive replaces the reduction of IRAP tax rates previously approved. The original tax rates have been reinstated, and the basic IRAP tax rate is back to 3.9 per cent starting from FY 2014.

Best regards,



Mario Difino

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