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Reggio Emilia, Dec. 5, 2024

MEMORANDUM N. 48/2024

Deadline/Fulfillment

Subject: VAT advance payment 2024

Art. 6 of Law No. 405 of Dec. 29, 1990 introduced the obligation to pay an advance payment of VAT related to the last period of the year (month or quarter).

The payment must be made **by next Friday, December 27, 2024.**

A. The 2024 VAT advance payment can be determined, as usual, by alternatively applying:

1. the historical method;
2. the transaction method;
3. the forecast method.

The taxable person has the option to choose the method most favorable to him or her.

1) The Historical Method

The advance payment is 88% of the tax due based on the settlement for December 2023 for “monthly” taxpayers or the fourth quarter of 2023 for “special” (or “by nature”) quarterly taxpayers or the annual return for 2023 for “by option” quarterly taxpayers.

Quarterly taxpayers do not have to take into account the 1 percent surcharge.

In order to be able to identify/verify the data that can be used for the determination of the 2024 VAT advance payment, it should be considered that in the 2024 VAT form, panel VH had to be filled in only in “exceptional” cases since the result of the periodic VAT settlement could be deduced from panel VP of the communication sent (quarterly) to the Internal Revenue Service (so-called Li.Pe.).

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Taxpayer	Basis of Reference	VAT Form 2024 (*)
Monthly	Debit balance settlement December 2023 (line VP14 + VP13)	VH15 + VH17
Monthly “postponed”	Debit balance December 2023 settlement made Based on November 2023 transactions (line VP14 + VP13)	VH15 + VH17
Quarterly special (hauler, fuel distributor)	Debit balance settlement fourth quarter 2023 (line VP14 + VP13)	VH16 + VH17
Quarterly (annual debit balance)	Debit balance of the declaration for 2023 (balance + advance payment)	VL38 – VL36 + VP13 (VH17)
Quarterly (annual credit balance)	Balance due without considering the higher advance payment 2023 corresponding to what is actually due for 2023 (difference on account paid and annual VAT credit)	VP13 (VH17) – VL33

(*) In case of filling out the VH framework.

2) Method of operations carried out

According to this method, the amount to be paid, **to the extent of 100% (not 88%)** emerges from a particular tax settlement made in advance, obtained by algebraically adding together the following elements:

- (with a + sign) the debit VAT related to transactions recorded in the sales register for the period between:
 - December 1 and December 20, 2024 for “monthly” taxpayers (as for transactions made in November 2024 and invoiced and recorded by the following December 15, 2024, since they are part of the November settlement, they are not to be considered for the purpose of calculating the advance payment);
 - October 1 and December 2024 for “quarterly” taxpayers;
- (with a + sign) the VAT payable on transactions made, even if not yet invoiced or registered, for the period between:
 - December 1 and December 20, 2024 for “monthly” taxpayers;
 - October 1 and December 20, 2024 for “quarterly” taxpayers;
- (with sign -) the input VAT related to purchases and imports exclusively recorded in the purchase register in the period between:
 - December 1 and December 20, 2024 for “monthly” taxpayers;
 - October 1 and December 20, 2024 for “quarterly” taxpayers;

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- (with sign -) the credit VAT related to intra-Community transactions, for which the corresponding debit VAT has already been taken into account (due to double registration);
- (with sign -) any input VAT carried forward from the settlement for the previous period (November 2024 or third quarter 2024).

It should be noted that, according to Article 6 of Presidential Decree 633/72, supplies of movable goods are considered to have been made at the time of delivery or shipment. However, if, prior to that time, an invoice is issued in whole or in part, the transaction is considered to have taken place - limited to the amount invoiced - on the date of the invoice.

Services are considered to have been rendered on the date the invoice is issued, which can never be later than the collection of the consideration.

It is advisable to record the settlement calculated in this way in the register of invoices issued/receipts, even if there is a credit result, in order to tally the data in case of subsequent verification.

3) Forecasting method

If the taxpayer believes that the VAT for the month of December 2024 (for “monthly” taxpayers) or the fourth quarter of 2024 (for “special” quarterly taxpayers) or for the current year's return (quarterly taxpayers “by option”) is less than that due for the corresponding periods of 2023 (see point 1 above), the advance payment may be determined by applying 88% to this assumed tax.

In this regard, it is recalled that:

(a) art. 23, first paragraph, of the VAT decree, as amended by art. 3, first paragraph, of Decree-Law No. 557 of 12/30/93, converted into Law No. 133 of 02/26/94, provides that “immediate” invoices, although they may be registered within 15 days of their issuance and, therefore, for those issued in the second fortnight of the month, also in the following month, contribute to the settlement of the month of issuance (and not of registration);

(b) Article 21, fourth paragraph, second item, and the same Article 23, first paragraph, as amended by Article 3, first paragraph, (a) and (b) of Decree-Law No. 328 of 29/09/97, converted into Law No. 410 of 29/11/97 provide that “deferred” invoices may be issued and recorded by the 15th day of the month following the month of delivery or shipment, but that they must be taken into account in the settlement of the month of delivery.

These provisions should be considered when calculating the assumed VAT.

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A. The following are not required to pay the down payment:

- those who started business in 2024;
- “monthly” taxpayers who ceased business by 11/30/2024;
- “quarterly” taxpayers who ceased business by 9/30/2024;
- taxpayers who closed the December (“monthly”) or last quarter (“special” quarterly taxpayers) settlement or return (“option” quarterly taxpayers) of 2023 with a credit;
- taxpayers who, in application of the method explained in B) No. 2 above (method of transactions made), close the relevant liquidation with a credit;
- taxpayers who plan to close the December (“monthly”) or the last quarter (quarterly “special”) settlement or return (quarterly “by option”) of 2024 with a credit;
- taxpayers who carried out exclusively exempt or non-taxable transactions for VAT purposes;
- taxpayers who adhere to the advantageous regime for young entrepreneurs referred to in Article 27 co. 1 and 2 of DL 6.7.2011 n. 98;
- taxpayers who benefit from the flat-rate regime under Art. 1 co. 54 - 89 of L. 190/2014;
- taxpayers under the agricultural exemption regime ex art. 34 co. 6 of Presidential Decree 633/72;
- taxpayers engaged in entertainment activities ex art. 74 co. 6 of Presidential Decree 633/727;
- Taxpayers who left the regime of minimum/forfeit taxpayers as of 01/01/2024 with application of the ordinary regime;
- amateur sports clubs and associations and associations in general that apply the flat-rate regime under Law 398/91.

B. The VAT advance payment must be paid only if the amount is equal to or greater than 103.29 euros, cannot be accrued but can be offset against the excess tax and contribution credit resulting from the REDDITI 2024 form (within the legal limits per calendar year).

For payment, all persons should use the F24 form, indicating the following tax codes:

- **6013** for “monthly” taxpayers;
- **6035** for “quarterly” taxpayers.

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The reference year is 2024.

Amounts should be rounded to the **nearest hundredth of a euro**.

Quarterly taxpayers do not have to increase the advance payment by 1 percent as interest.

C. A penalty of 25% is applicable to the failure/insufficient payment of the VAT advance payment. The violation may be regularized by means of a **voluntary reprimand**, with payment of the reduced penalty identified as follows:

0.0833% to 1.1667%: within 14 days of the due date, keeping in mind that 0.0833% should be applied for each day of delay;

1,25%: between the 15th and 30th day after the due date;

1,3889%: within 90 days of the due date;

3,125%: within the deadline for submission of the return for the year of the violation (for VAT advance payment 2024, therefore, by 30.04.2025).

When regularizing, in addition to the tax due and the reduced penalty (tax code "8904"), interest must also be paid at the rate of 0.01% per year (tax code "1991").

D. If, as a result of the change in turnover, the frequency of payments (from monthly to quarterly or vice versa) has changed between 2032 and 2024, and it is intended to apply the method illustrated in B) No. 1 above (historical method), the reference deadlines for determining the advance payment are as follows:

- in case of change from quarterly to monthly taxpayer, reference shall be made to one-third of the tax due based on the settlement for the fourth quarter 2023 ("special" quarterly taxpayers) or the VAT return 2024 ("option" quarterly taxpayers);

- in case of change from monthly to quarterly taxpayer, reference should be made to the total amount of payments made for the months of October-November-December 2023, net of any deductible excess emerging from the settlement for the month of December of that period (VP14 October/November/December settlement + VP13 December settlement).

E. For those who carried out **extraordinary transactions during 2024**, Article 4 of Decree Law No. 50 of 11/03/1997, converted by Law No. 122, establishes that in merger and demerger operations, the payment obligations, including those relating to tax advances, of the entities that are extinguished as a result of the said operations, are fulfilled by the same entities until the effective date of the merger or demerger; after that date, the said obligations are understood to be transferred for all purposes to the incorporating, beneficiary or otherwise resulting company from the merger or demerger. In merger hypotheses, therefore, the resulting or incorporating company assumes, on the date from which the operation takes effect, the rights and obligations existing in the merged or incorporated companies, which are extinguished as a result of the merger itself.

F. Under the group **VAT regime**, the parent company pays the advance payment for all group companies, taking into account its own data and that of its subsidiaries. Subsidiaries are required to submit to the parent company all data necessary to calculate the advance payment. The parent company will compare the overall presumptive figure with the historical group figure.

If the group has changed its composition during the year:

- companies that have left the group will determine the advance payment independently, and the parent company will disregard the data of those companies in its settlement;

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- companies that have entered the group will provide the parent company with forecast and historical data, to supplement the overall historical group figure as well.

G. In the case of voluntary liquidation, the advance payment is due. However, given the decrease in active billing associated with the prohibition on new transactions, it may be appropriate to make the calculation using the forecast method.

H. In case of bankruptcy, arrangement with creditors, receivership and compulsory liquidation, the advance payment is due, subject to the possibility of paying a lower advance payment based on the forecast for the current year's reporting period.

Please note that, pursuant to Article 74-bis, paragraph 2, of Presidential Decree No. 633/1972, in the event of bankruptcy or compulsory liquidation, the duties must be performed by the receiver or liquidator.

I. The amount paid as advance payment shall then be deducted from the:

- settlement for the month of December 2024 for “monthly” taxpayers;
- annual VAT return for “optionally” quarterly taxpayers (required to pay VAT related to the fourth quarter, along with any annual adjustment, by March 17, 2025, falling on the 16th on a Sunday);
- settlement related to the fourth quarter, for “special” quarterly taxpayers (required to pay VAT related to the fourth quarter by March 17, 2025, falling on the 16th of Sunday).

The Firm remains available for any clarifications.

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