



2025/2529

12.12.2025

COUNCIL IMPLEMENTING DECISION (EU) 2025/2529

of 8 December 2025

amending Decision 2007/441/EC authorising the Italian Republic to apply measures derogating from Articles 26(1)(a) and 168 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ⁽¹⁾, and in particular Article 395(1), first subparagraph, thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Article 168 of Directive 2006/112/EC establishes the right of taxable persons to deduct value added tax (VAT) charged on supplies of goods and services used by them for the purposes of their taxed transactions. Article 26(1), point (a), of that Directive lays down that, when a business asset is put to use for the private purposes of the taxable person or their staff or, more generally, for purposes other than those of their business, that is to be considered as a service for consideration which, subsequently, is subject to VAT.
- (2) Council Decision 2007/441/EC ⁽²⁾ authorises Italy to limit the right to deduct VAT under Article 168 of Directive 2006/112/EC to 40 % with respect to the purchase of certain motorised road vehicles, including contracts of assembly and the like, manufacture, intra-Community acquisition, importation, leasing or hire, modification, repair or maintenance, and related expenditure, including lubricants and fuel, where the vehicle in question is not wholly used for business purposes. For vehicles subject to that 40 % limit, Italy requires that taxable persons do not treat the use for private purposes of vehicles included in the assets of a taxable person's business as a supply of services for consideration in accordance with Article 26(1), point (a), of Directive 2006/112/EC (the 'special measures').
- (3) Decision 2007/441/EC is due to expire on 31 December 2025.
- (4) By letter registered with the Commission on 31 March 2025, Italy requested authorisation to continue to apply the special measures for a further period until 31 December 2028 (the 'request').
- (5) In accordance with Article 6 of Decision 2007/441/EC, Italy submitted, together with the request, a report including a review of the percentage limitation applied on the right to deduct VAT referred to in Article 1 of that Decision. Based on that information, Italy submits that the limit of 40 % is still justifiable and remains appropriate. It also submits that the special measures are justified given their positive impact with regard to the administrative burden of the taxpayers and of tax authorities by simplifying VAT collection and preventing tax evasion through incorrect record keeping.
- (6) In accordance with Article 395(2), second subparagraph, of Directive 2006/112/EC, the Commission transmitted the request made by Italy to the other Member States by letters dated 29 and 30 July 2025. By letter dated 31 July 2025, the Commission notified Italy that it had all the information necessary for the appraisal of the request.
- (7) The application of the special measures beyond 31 December 2025 will only have a negligible effect on the overall amount of tax revenue that Italy collects at the stage of final consumption and will not adversely affect the Union's own resources accruing from VAT.

⁽¹⁾ OJ L 347, 11.12.2006, p. 1, ELI: <http://data.europa.eu/eli/dir/2006/112/oj>.

⁽²⁾ Council Decision 2007/441/EC of 18 June 2007 authorising the Italian Republic to apply measures derogating from Articles 26(1)(a) and 168 of Directive 2006/112/EC on the common system of value added tax (OJ L 165, 27.6.2007, p. 33, ELI: <http://data.europa.eu/eli/dec/2007/441/oj>).

- (8) It is therefore appropriate to extend the authorisation set out in Decision 2007/441/EC. The extension of the special measures should be limited in time to allow the Commission to evaluate their effectiveness and the appropriateness of the percentage limitation applied to the right to deduct VAT.
- (9) Italy should therefore be authorised to continue to apply the special measures until 31 December 2028.
- (10) The special measures are proportionate to the objectives pursued, namely, to simplify the procedure for collecting VAT and to prevent certain forms of tax evasion or avoidance, since the special measures are limited in time and scope. In addition, the special measures do not give rise to the risk that fraud would shift to other sectors or to other Member States.
- (11) In the event that Italy considers an extension of the special measures to be necessary beyond 2028, it should submit to the Commission a request for an extension by 31 March 2028. That request should be accompanied by a report on the application of the special measures, including a review of the percentage limitation applied.
- (12) Decision 2007/441/EC should be therefore amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Decision 2007/441/EC is amended as follows:

- (1) Article 6 is replaced by the following:

'Article 6

Any request for an extension of the authorisation provided for in this Decision shall be submitted to the Commission by 31 March 2028. Such request shall be accompanied by a report including a review of the percentage limitation applied on the right to deduct VAT on the basis of this Decision.';

- (2) Article 7 is replaced by the following:

'Article 7

This Decision shall expire on 31 December 2028.'.

Article 2

This Decision shall take effect on the date of its notification.

Article 3

This Decision is addressed to the Italian Republic.

Done at Brussels, 8 December 2025.

For the Council

The President

R. STOKLUND