

DECISIONS

COUNCIL IMPLEMENTING DECISION

of 15 October 2010

authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax

(2010/688/EU)

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 ⁽¹⁾, and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In a letter registered by the Commission's Secretariat-General on 10 December 2009, Italy requested authorisation for a measure derogating from Article 285 of Directive 2006/112/EC in order to continue to exempt from value added tax (VAT) certain taxable persons. Through that measure, those taxable persons would continue to be exempted from certain or all of the obligations in relation to VAT referred to in Chapters 2 to 6 of Title XI of Directive 2006/112/EC.
- (2) The Commission informed the other Member States by letter dated 11 January 2010 of the request made by Italy. By letter dated 12 January 2010, the Commission notified Italy that it had all the information necessary to consider the request.
- (3) A special scheme for small enterprises is available to Member States under Title XII of Directive 2006/112/EC. The measure to be extended derogates from Article 285 of that Directive in its application to Italy only in so far as the annual turnover threshold for the scheme is higher than the EUR 5 000 threshold.
- (4) By Council Decision 2008/737/EC of 15 September 2008 authorising the Italian Republic to apply a measure derogating from Article 285 of Directive

2006/112/EC on the common system of value added tax ⁽²⁾, Italy was authorised, as a derogating measure, to exempt from VAT taxable persons whose annual turnover is no higher than EUR 30 000 until 31 December 2010. Given that this higher threshold has resulted in reduced VAT obligations for the smallest businesses, whilst the latter may still opt for the normal VAT arrangements in accordance with Article 290 of Directive 2006/112/EC, Italy should be authorised to apply the measure for a further limited period.

- (5) In its proposal of 29 October 2004 for a Council Directive amending Directive 77/388/EEC with a view to simplifying value added tax obligations, the Commission included provisions aimed at allowing Member States to set the annual turnover ceiling for the VAT exemption scheme at up to EUR 100 000 or the equivalent in national currency, with the possibility of updating that amount each year. The extension request submitted by Italy is compatible with that proposal.
- (6) From information provided by Italy, the measure has led to an estimated reduction of the overall amount of tax revenue collected at the final stage of consumption of less than 0,2 %.
- (7) The derogation has no impact on the Union's own resources accruing from VAT,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from Article 285 of Directive 2006/112/EC, Italy is authorised to exempt from VAT taxable persons whose annual turnover is no higher than EUR 30 000.

Italy may raise that ceiling in order to maintain the value of the exemption in real terms.

⁽¹⁾ OJ L 347, 11.12.2006, p. 1.

⁽²⁾ OJ L 249, 18.9.2008, p. 13.

Article 2

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

This Decision shall apply from 1 January 2011 until the date of entry into force of a Directive amending the amounts of the annual turnover ceilings below which taxable persons may be exempted from VAT, or until 31 December 2013, whichever date is the earlier.

Article 3

This Decision is addressed to the Italian Republic.

Done at Luxembourg, 15 October 2010.

For the Council
The President
E. SCHOUPPE
