

Italy - VAT rate increase to 21% on 17 September 2011

A Law Decree has been approved which increases the standard VAT rate from 20% to 21% with effect from 17th September 2011. Every transaction taking place on or after 17th September 2011 to which the standard rate of VAT applies must be taxed at the new higher VAT rate. Until the 30th September 2011, taxpayers will be able to invoice the 1% increase separately without risking penalties.

European Union

Reminder: deadline for 2010 claims for VAT refund is 30 September 2011

The claims for the refund of the VAT paid in other Member States in 2010 according to the 2008/9/EC Directive must be submitted via the Member State of Establishment no later than 30th September 2011.

Publication on national thresholds in EU Member States updated in September 2011

The European Commission has published the national thresholds updated in September 2011 for the application of the special scheme for intra-Community acquisitions by certain legal persons, the exemption for small enterprises and the application of the special scheme for distance selling. The table can be found on the Europa website.

EU Member States

Greece – Reminder: deadline for amnesty on late declarations is 30 September 2011

Companies which have failed to comply with their VAT obligations in 2009 or 2010 are recommended to file and pay their late VAT declarations before the end of September 2011. Only reduced penalties will apply. No tolerance will subsist after this date. The VAT amnesty does not apply if a tax audit has already begun.

Hungary – Question on the interpretation of intra-Community supplies

The Hungarian Court has referred to the ECJ questions related to the possibility to consider as an intra-Community VAT exempt supply of goods a delivery in which the transfer of ownership occurs at the moment that the goods are placed onto the mode of transport used in the country of departure.

Italy - Changes to VAT regime applicable to processed tobaccos

Under a new Law Decree, the supply and importation of processed tobaccos before release for consumption will now be taxable under the standard VAT regime and not under a special system previously applicable to the supply of such products.

Italy – Question on the time limit for the claims for VAT refund

The Italian Supreme Court has referred a question to the ECJ on whether the time limit of 6 months after the period i.e. the 30 June Year+1, for European companies, to claim a refund of Italian VAT under the 8th directive (for VAT paid prior to 2010) is mandatory or not.

Spain – Decrease of VAT rate on new housing to 4%

The VAT rate on new housing VAT is reduced from 8% to 4% until the end of 2011.

Sweden – Questions on the definition of the concept of “fixed establishment”

The Swedish Court has referred two questions to the ECJ on the interpretation of the term “fixed establishment from which business transactions are effected”. The Swedish Court seeks clarification on whether foreign companies carrying out research or testing in Sweden, directly or through a wholly-owned subsidiary, should be regarded as having a fixed establishment.

United Kingdom – Public consultation on extending online VAT services

HMRC has opened a public consultation in order to know the opinion of businesses and agents about making compulsory filing VAT returns online, making electronic payments and VAT registering and de-registering online. The consultation can be found on the HMRC website.

United Kingdom – VAT exemption on postal services maintained

HMRC is amending the VAT legislation in order to maintain the actual exemption for postal services which would have been modified by the Postal Services Act 2011 implemented on the 1st October 2011.

If you require any further information or analysis on the subjects above, please contact us at news@vatsystems.eu

