

Amendments to the Italian Tax legislation have introduced changes to the rules regarding motor vehicle insurance in Italy.

The issue

Following the enforcement of new regulations concerning Fiscal Federalism in Italy, each province now has the ability to vary the IPT rate of 12.5% on motor vehicle insurance. They can increase or decrease the rate by 3.5% effectively allowing provinces to charge between 9% and 16%. The Italian IPT return has been amended to accommodate this change.

The province must publish the new rate on the website when it decides to vary the rate. It's important to identify the date of publication of the decision for each province because the new rates take effect on the first day of the second month following the publication. Decisions published in June were effective starting 1 August, decisions published in July were effective 1 September and decisions published in August will be effective 1 October.

Insurers are to identify the correct province, and therefore the correct rate, by reference to the residence of the owner of the car.

How we can help

If you have any questions regarding these changes, or any other indirect tax issue you may have, please do not hesitate to contact us.

Why FiscalReps?

Since formation in 2003, **FiscalReps** has been the market leader in the field of international IPT compliance, providing robust compliance solutions for over 200 clients, including many of the world's largest insurers and captive owners.

With qualified professionals in the areas of finance and insurance, and with extensive experience gained both in the London market and internationally, **FiscalReps** is able to harness technical skills and market experience to deliver a robust but common-sense IPT compliance solution.



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