

VAT Exemption Italy

PURPOSE

The purpose of this document is to define a procedure how to manage VAT exemption for Italy

SCOPE

Domestic Flow – Italy

RESPONSIBILITIES

The customer must get validation from Agenzia delle Entrate and send the original VAT Exemption form to Solvay. The Solvay CAM (Company Accounting Manager) will communicate the exemption to the Customer Service that will maintain the LCIT Condition in SAP.

PROCEDURE

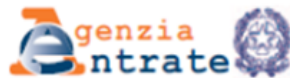
Receipt of the VAT Exemption

If a customer asks for Exemption to be valid from 01/01, but the license date from Agenzia delle Entrate is 10/01, the validity date will start on 10/01, and all invoices issued before that date would have VAT charged.

VAT exemption is NOT retroactive

A. Identify the customer Number

Search the customer by using his VAT identification and look for the correspondent Payer code.



Mod. DI

DICHIARAZIONE D'INTENTO

DI ACQUISTARE O IMPORTARE BENI E SERVIZI SENZA
APPLICAZIONE DELL'IMPOSTA SUL VALORE AGGIUNTO

DATI DEL DICHIARANTE	Codice fiscale	Partita IVA	
	03200690968	03200690968	
	Cognome o denominazione o ragione sociale	Nome	Sesso (M/F)
	AZELIS ITALIA S.R.L.		☐

Use transaction VD03 to search the customer code, and use option: Customers by Tax information

Customer Display: Initial Screen

Customer: 2009927 PVS NOLWOOD CHEMICAL...

Sales area: **Customer Account Number (4)**

Sales Organization: P: Customers by personnel number T: Customers by Tax Information

Distribution Channel:

Division:

All sales

Tax Number 1:

Tax Number 2:

Tax Number 3:

Tax Number 4:

Tax Number 5:

VAT Registration No. *0231585555*

The exemption, is then registered with the Payer code (Account group 0003), NOT the sold-to code

Customer	Group	Cty	Name 1
0000065429	0001	IT	AZELIS ITALIA SRL
0000065449	0002	IT	AZELIS ITALIA LOGISTICA SRL
0002013819	0002	IT	AZELIS ITALIA SRL
0002045159	0003	IT	AZELIS ITALIA SRL
0003940089	ZXAG	IT	AZELIS ITALIA SRL

B. How to enter the Exemption in SAP

Transaction VK11

The Customer Service uses Transaction VK11 in order to customize the VAT conditions for the customer in SAP. Below is a description to explain the procedure in SAP.

Enter condition type LCIT

Condition type: LCIT VAT license Italy

Choose as key combination option 1: Tax: Sales Org. / Customer / country ship-to as indicated below:

Create Condition Records

Condition Information Key Combination

Condition Type LCIT Italy - license Tax

Key Combination

☒ Company Code/Ship-to Country/Customer
☐ Company Code/Customer/Material
☐ Company Code/Customer Hierarchy
☐ Company Code/Customer
☐ Tax Exemption: Customer

✓ ✗

1. Press enter and complete the following fields

Create Italy - license Tax Condition (LCIT) : Fast Entry

Company Code 8090 SOLVAY SOLUTIONS ITALIA
Country IT ITALY

Company Code/Ship-to Country/Customer

Customer	S. Description	P...	Amount	Unit	Valid From	Valid to	Ta...	W...	Lic. no.	Lic. date	D...
65429	AZELIS ITALIA SRL				01.01.2022	31.12.2022	II		22092311424462788	23092022	

A	The validity date starts when we receive the declaration. The CAM will advise the date to enter. You will find also the reference to the year and maximum revenue ceiling (in this case 20M Euro)
B	Mandatory to add the license number in the condition
C	Mandatory to add the license date
D	VAT Code to be applied is II : IT -Tax exempt - Licenses - ART. 8/C 633/72



SERVIZIO TELEMATICO ENTRATEL DI PRESENTAZIONE DELLE DICHIARAZIONI
COMUNICAZIONE DI AVVENUTO RICEVIMENTO (art. 3, comma 10, D.P.R. 322/1998)

C

COMUNICAZIONE DI AVVENUTO RICEVIMENTO DICHIARAZIONE D'INTENTO (mod. IVI15)

B

In data 23/09/2022 alle ore 11:42 il sistema informativo dell'Agenzia delle Entrate ha acquisito con protocollo 22092311424462788 il file azelisIVI2022_0017.ccf contenente 1 dichiarazione d'intento di cui acquisite: 1 di cui scartate: 0

Il file e' stato trasmesso da:
codice fiscale : 01975990167
denominazione: STUDIO ASSOCIATO TRA IL DOTT. STEFANO GIORGI E IL DOTT. MA

Si rilascia la presente ricevuta ai sensi dell'art.22, comma 4, del Decreto Dirigenziale 31 luglio 1998 e successive modificazioni.
Li, 23/09/2022

A

DICHIARAZIONE

Intendo avvalermi della facoltà, prevista per i soggetti che hanno effettuato cessioni all'esportazione od operazioni assimilate, di effettuare ACQUISTI ☒ o

IMPORTAZIONI ☐ senza applicazione dell'IVA nell'ANNO 2022

e chiedo di acquistare o importare BENI E SERVIZI

La dichiarazione si riferisce a:

una sola operazione per un importo fino a euro 1

operazioni fino a concorrenza di euro 2 20.000.000,00

AGENZIA DELLE ENTRATE DEL 27/09/2022 - 17:00

S.R.L.

2. Double click on the line to add the amount

E

Customer is VAT exempt until a maximum ceiling of 20M turnover
From: 0 to 20.000.00 he is exempt (when we achieve this turnover, sales order will pull VAT again) The amount 20 M has to be recorded in both lines

Display Italy - license Tax Condition (LCIT) : Scales

Variable key

CoCode	Country	Customer	ReSt	Description
8090	IT	2045159		AZELIS ITALIA SRL

Validity		Control	
Valid From	01.10.2022	ScaleBasis	☒ Value scale
Valid to	31.12.2022	Check	☐ None

Scale Type	Scale value	ScCur	Amount	Unit	per	U...
From	0,00	EUR	0,00	%		
	20.000.000,00		20.000.000,00			

3. CSR has now to modify all open orders in order to update the pricing conditions to the new status of "VAT Exempt". This update is not automatic, we need to go sales by sales and redetermine the MWST output Tax and pull the LCIT condition (VAT license Italy)

If the LCIT condition matches with the planned goods issue, the MWST Tax % must be 0.

The Tax field below the Net value also shows a zero value

Qty	4.000,000	KG	Net	74.480,00	EUR
			Tax	0,00	

Pricing Elements													
N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	Num...	OU	CCon...	Un
■	PCCU	Price	18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
		Price	18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
			18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
		Discount Amount	18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
		Rebate Basis (SAP)	18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
		Net Value for Item (	18,62	EUR		1 KG	74.480,00	EUR			1 KG		1 KG
■	NAQ	Annual Rebate (qty)	1,00	EUR		1 KG	4.000,00	EUR			1 KG		1 KG
		Net Value after Reba	17,62	EUR		1 KG	70.480,00	EUR			1 KG		1 KG
			17,62	EUR		1 KG	70.480,00	EUR			1 KG		1 KG
			17,62	EUR		1 KG	70.480,00	EUR			1 KG		1 KG
■	ZKTIV	Cash Discount -fac	0,00	EUR		%	0,00	EUR			0		0
		Net before Tax Eleme	17,62	EUR		1 KG	70.480,00	EUR			1 KG		1 KG
■		LCIT VAT license Italy	0,00	EUR		%	0,00	EUR			0		0
△		MWST Output Tax	22,000	EUR		%	0,00	EUR			0		0

If some data do not match between the LCIT dates and the planned goods issue date, the system will not calculate the LCIT condition correctly as in the following screen:

Sales A		Sales B		Shipping		Billing Document		Conditions		Account assignment		Schedule lines		Partners		Texts		O.	
Qty		500,000		KG		Net		9.275,00		EUR		Tax		2.040,50					
Pricing Elements																			
N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	Num...	OUUn	CCon...	Un	Co					
█	PCCU	Price	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Price	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
			18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Discount Amount	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Rebate Basis (SAP)	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Net Value for Item (	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Net Value after Reba	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
			18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
			18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
█	ZKTV	Cash Discount -fac	0,000	%			0,00	EUR			0		0						
		Net before Tax Eleme	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
█	MWST	Output Tax	22,000	%			2.040,50	EUR			0		0						
		Net Value for Item (	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
		Total	22,63	EUR		1 KG	11.315,50	EUR			1 KG		1 KG						
		Profit Margin	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG						
█	ZCPA	Special CO-PA				1 KG	9.275,00	EUR			1 KG		1 KG						

It is necessary to update the pricing conditions:



Choose option G: Copy pricing elements unchanged and redetermine taxes

Sales document Edit Goto Extras Environment System Help

Pricing type - Proposal: H (1) 26 Entries found

Change Standard Order 3288045: Item Data

Sales Document Item 10 Item Category ZMAN Manual Batch

Material 120691 GEROPON SS OIP BULK

Sales A Sales B Shipping Billing Document Conditions Account assignment

Quantity 45.000 LB Net 83.250,00 USD Tax 0,00

Pricing Elements

N..	CnTy	Name	Amount	Crcy	per	U...	Condition value
		... Shipment Cost Su	0,00	USD		1 LB	
▲	ZPRE	Price ST+No Total Qt	3,21	USD		1 LB	1
█	ZPRI	Price total ord. qty	1,85	USD		1 LB	
		... Gross value	1,85	USD		1 LB	

Pricing type Short Descript.

- A Copy price components and redetermine scales
- B Carry out new pricing
- C Copy manual pricing elements and redetermine the others
- G Copy pricing elements unchanged and redetermine taxes**
- H Redetermine freight conditions
- I Redetermine rebate conditions
- J Redetermine confirmed purch. net price / value (KNTYP=d)
- K Adopt price components and cose. Redetermine taxes.
- M Copy pricing elements, turn value
- N Transfer pricing components unchanged, new cost
- O Redetermine variant conditions (KNTYP=O)
- R Apply Price Parts and Bonus Conditions
- U Redetermine precious metal conditions (KNTYP=U)
- X Customer reserve X
- Y Customer reserve Y
- Z Customer reserve Z
- 1 Customer reserve 1

The system will run a re-calculation and adjust the VAT

Qty	500,000	KG	Net	9.275,00	EUR
			Tax	0,00	

Pricing Elements														
	N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	Num...	OUn	CCon...	Un
			█ PCCU Price	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			Price	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
				18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			Discount Amount	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			Rebate Basis (SAP)	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			Net Value for Item (	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			Net Value after Reba	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
				18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
				18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			█ ZKIV Cash Discount -fac	0,000	%			0,00	EUR			0		0
			Net before Tax Eleme	18,55	EUR		1 KG	9.275,00	EUR			1 KG		1 KG
			█ LCIT VAT license Italy	0,000	%			0,00	EUR			0		0
			▲ MWST Output Tax	22,000	%			0,00	EUR			0		0

Exceptions:

It may also happen that the system is unable to redetermine the LCIT condition.

In this case, it is necessary to check that all dates match with the LCIT validity dates.

In this example, and taking into consideration that the customer is exempt from 01.10.2022 until 31.12.2022, the sales order has two different delivery dates.

The original request was to deliver the product in 01.09.2022 when the customer was not exempt.

Nevertheless, upon his request, it was postpone to 15.12.2022.

Modification is done at item level, but not at the Header, in this situation the exemption will never be active.

Sales	Item overview	Item detail	Ordering party	Procurement	Shipping	Reason for rejection
Req. deliv.date D 01.09.2022 Deliver.Plant						
☐ Complete div. Total Weight 657 KG						
Delivery block Volume 0,000						
Billing block Pricing Date 01.12.2022						
Payment terms 0021 60 D Eof Month by... Incoterms CIP NERVIANO						
Order reason						
Sales area IT07 / 07 / 39 Novecare Italie, Metal Working, Novecare Référence						
Shp.Cond. AK Road FTL						
All items						
It...	Material	Order Quan...	Un	S	Description	Customer Material ...
	1017061	600	KG	✓	SOPROPHOR 4D/384 200K...	First date
						15.12.2022
						7851 TAN Z00

Go to Header Data à Billing Document, and change the Serv. Rendered date field so that it corresponds to a date within the LCIT validity range:

Sales Document Item	10	Item Category	TAN	Standard Item
Material	17061	SOPROPHOR 4D/384 200KG METAL DRUM		

Sales A	Sales B	Shipping	Billing Document	Conditions	Account assignment
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Payer	2045159	AZELIS ITALIA SRL / VIA TOMMASO GULLI 39 / 20147 MILAN ...
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Delivery and Payment Terms	
Incoterms	CIP ☐ ERVIANO
Fixed val.date	
Payment Terms	0021 60 D Eof Month by the 15 Add.value days ☐

Billing	Accounting
Billing block	Acct asgmt grp F Finished
Invoicing dates	Payment Method
Billing Date	Posting Period 0
Serv.rendered 15.12.2022	Exch.rate-acct.
Tax classific. 1 1 1 1 1	Dunning Key
e-invoicing ☒	Dunning Block Freed for dunning

Be careful when changing this data, because it is a Header-related field, meaning that it affects all lines of the order.

It is now possible to run the price re-determination again.