

# 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

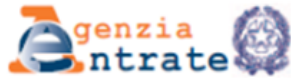
### Receipt of the VAT Exemption

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.



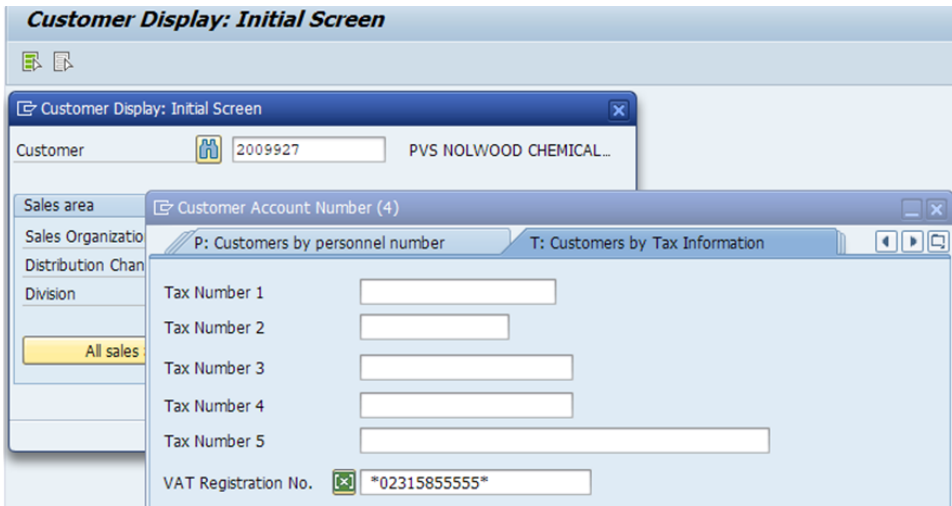
Mod. DI

## 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.		<input type="checkbox"/>

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



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

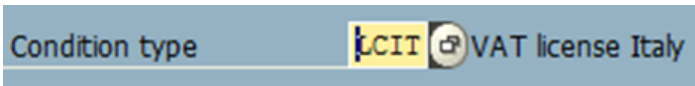
Customer	Group	Cty	Name 1
0000065429	0001	IT	AZELIS ITALIA SRL
0000065449	0002	IT	AZELIS ITALIA LOGISTICA SRL
0002013819	0002	IT	AZELIS ITALIA SRL
0002045159	0003	IT	AZELIS ITALIA SRL
0003940089	ZXAG	IT	AZELIS ITALIA SRL

**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



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        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	33092022	

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 <b>IT</b> : 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**

**B**

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

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

**DICHIAZIONE**

Intendo avvalermi della facoltà, prevista per i soggetti che hanno effettuato cessioni di esenzione od operazioni assimilate, di effettuare **ACQUISTI**  **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

2. Double click on the line to add the amount

<b>E</b>	<p>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</p>
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### Display Italy - license Tax Condition (LCIT) : Scales

Variable key

CoCode	Country	Customer	ReSt	Description
8090	IT	2045159		AZELIS ITALIA SRL

Validity

Valid From: 01.10.2022  
Valid to: 31.12.2022

Control

ScaleBasis:  Value scale  
Check:  None

Scales

Scale Type	Scale value	ScCur	Amount	Unit	per	U...
From	0,00	EUR	0,000	%		
	20.000.000,00		20.000.000,000			

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

N.	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	Num...	OUn	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
█	ZKIV	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...	OU	CCon...	Un	Cc
█	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	
█	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

Change Standard Order 3288045: Item Data

Sales Document Item 10 Item Category ZMAN Manual Batch Material 120691 GEROPON SS OIP BULK

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	
█	ZPRI	Price total ord. qty	1,85	USD		1 LB	
		... Gross value	1,85	USD		1 LB	

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

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
▲	MWSI	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.

The screenshot shows the SAP Sales Item Overview for a sales order. The 'Req. deliv.date' is 01.09.2022. The 'Deliver.Plant' is empty. The 'Total Weight' is 657 KG. The 'Volume' is 0,000. The 'Billing block' is empty. The 'Pricing Date' is 01.12.2022. The 'Payment terms' are 0021 60 D Eof Month by... and 'Incoterms' are CIP NERVIANO. The 'Sales area' is IT07 / 07 / 39 Novecare Italie, Metal Working, Novecare Référence. The 'Shp.Cond.' is AK Road FTL. Below the header, the 'All items' table shows one item with material 1017061, order quantity 600 KG, and a first date of 15.12.2022.

It...	Material	Order Quan...	Un	S	Description	Customer Material ...	First date	Plnt	ItCa	DGIP
	1017061	600	KG	✓	SOPROPHOR 4D/384 200K...		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		
<div style="display: flex; justify-content: space-between;"> <span>Sales A</span> <span>Sales B</span> <span>Shipping</span> <span>Billing Document</span> <span>Conditions</span> <span>Account assignment</span> </div>				
Payer 2045159 AZELIS ITALIA SRL / VIA TOMMASO GULLI 39 / 20147 MILAN ...				
Delivery and Payment Terms				
Incoterms CIP <input type="checkbox"/> ERVIANO				
Fixed val.date				
Payment Terms 0021 60 D Eof Month by the 15 Add.value days <input type="checkbox"/>				
Billing		Accounting		
Billing block		Acct asgmt grp F Finished		
Invoicing dates		Payment Method		
Billing Date 15.12.2022		Posting Period 0		
Serv.rendered 15.12.2022		Exch.rate-acct.		
Tax classific. 1 1 1 1 1		Dunning Key		
e-invoicing <input checked="" type="checkbox"/>		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.