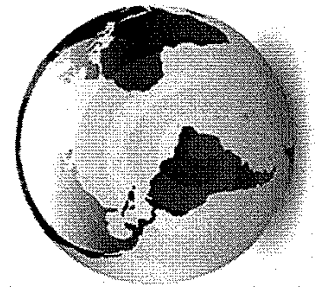


Central Assessment Directorate



**Visit of the Danish Delegation
at the Italian Revenue Agency**

(September 21, 2012)

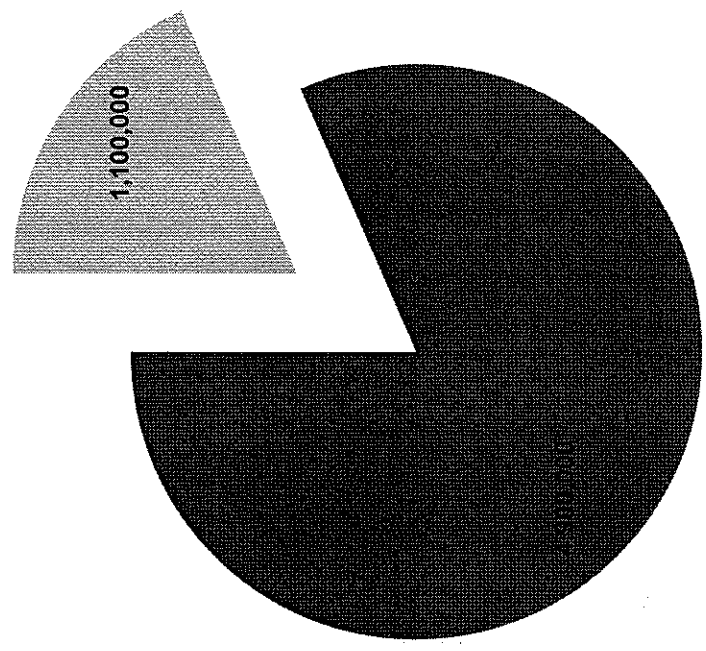


Mario Carmelo Piancaldini
Italian Revenue Agency
(Small Enterprises and Professionals Unit – Head)

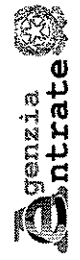
September 21, 2012

Italian VAT Taxpayers

About 6 Million V.A.T. Identification Numbers with tax return

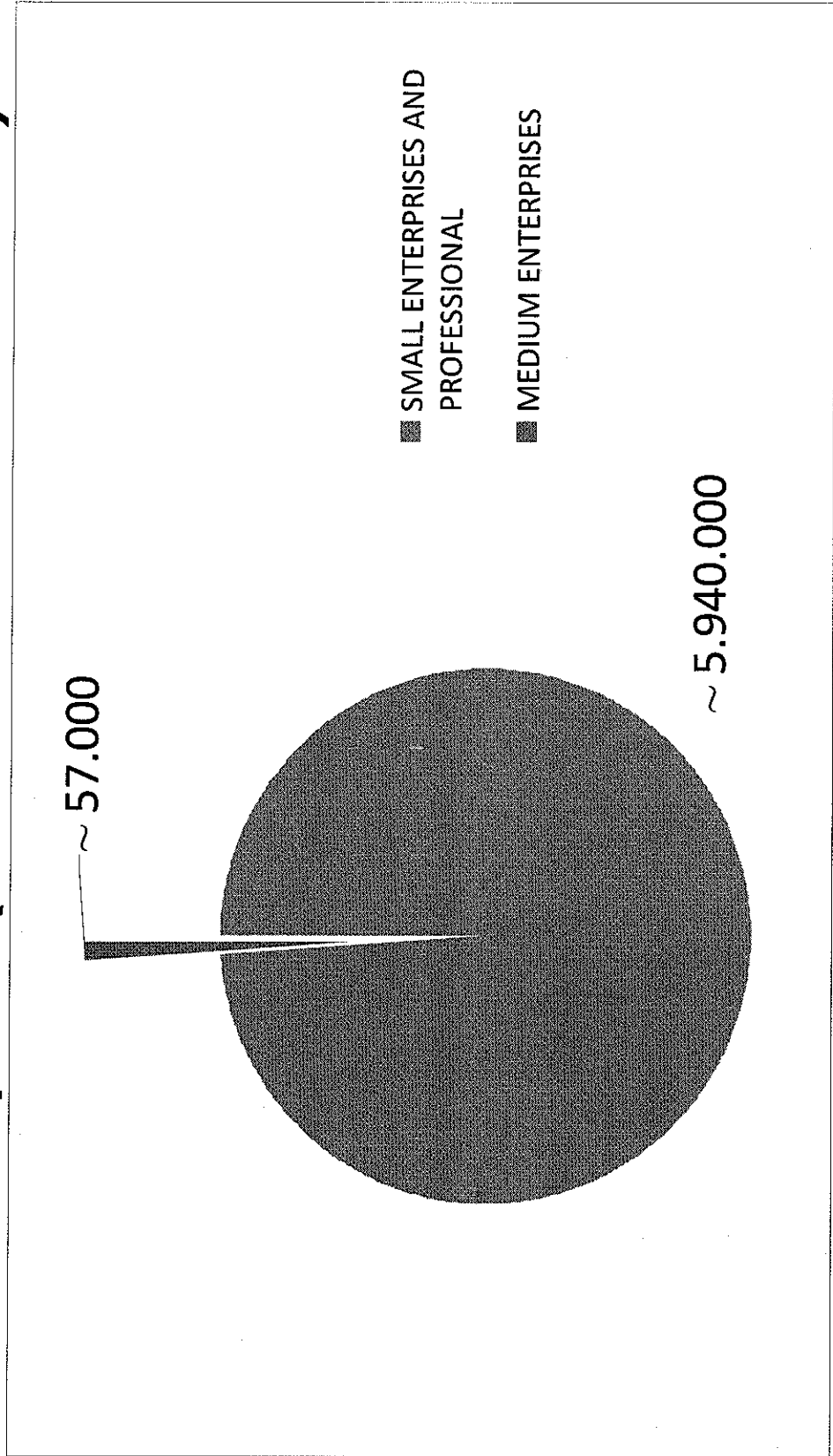


PROFESSIONALS ENTERPRISES



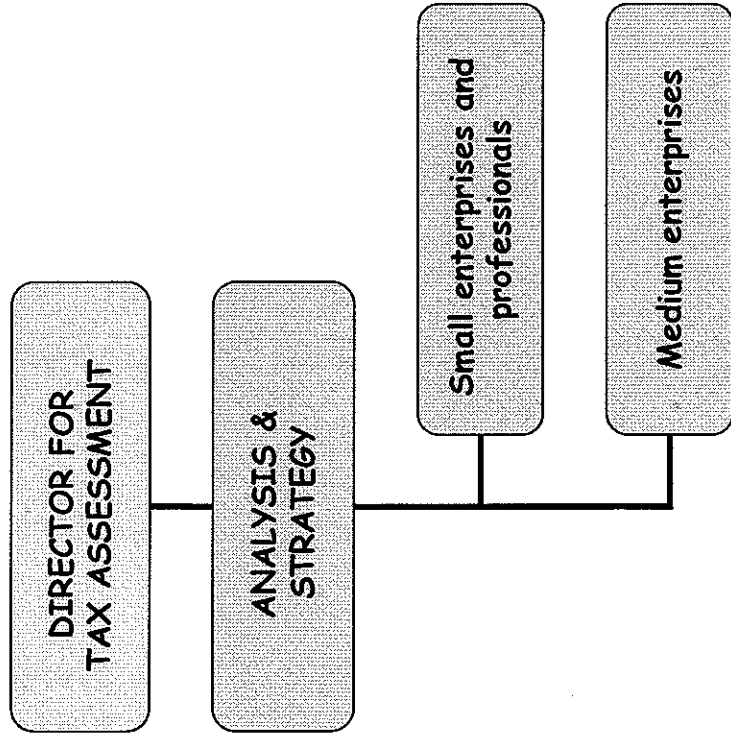
Segmentation of SMEs

- ✓ Small enterprises and professionals (turnover < 5ml euro)
- ✓ Medium enterprises (turnover from 5 to 100ml euro)

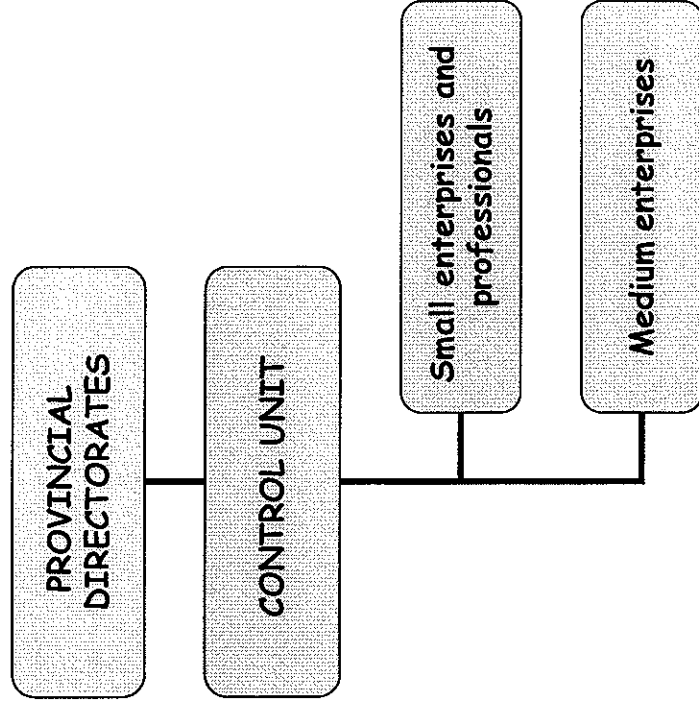


Revenue Agency units for SMEs

- Units at the central level are mainly concerned with the definition of strategies and with realization of tools to be used by regional and local units



- Units at local level are responsible for operative tasks (i.e. on the spot controls) and tax assessment



RISK ANALYSIS AND CONTROLS

- **About 15.000 tax auditors in the Revenue Agency**
- **In order to ensure the effectiveness of tax audits, we use databases and IT tools to do risk analysis and to select taxpayers.**











DATABASES

- **Internal Data (Source: Tax Register)**
- **External Data (Sources: Banks; Chamber of Commerce; Public utility companies etc.)**

DATABASES

➤ **External Data**
(Sources: public
or private bodies)

All external
data are send
electronically to
the Revenue
Agency

-  **Financial contracts and operations**
-  **Pension and social security contributions**
-  **Utility contracts**
-  **Professional orders registrations**
-  **Insurance contracts**
-  **Interest paid to bank for loan contracts**
-  **Capital transfers to/from abroad**
-  **Real estate details**
-  **Boat, car, airplane owners**
-  **Building permissions**

IT Tools

The main software are:

- **RADAR - Application for risk analysis on Enterprises and self-employed individuals;**
- **APPLE - Application for risk analysis on individuals;**
- **Ge.Ri.Co. - Sector Studies - Software for the analysis and calculation the taxpayers' income**
- **Serpico - Software for the analysis of all information (internal and external) - on taxpayers**

Procedures & tools for SMEs assessment

Control process for SMEs consists of 3 consecutive steps:

- 1. Mapping**
- 2. Risk analysis**
- 3. Selection**

Mapping and risk analysis

- **Monitoring the dynamics of SMEs self-declared income and taxes**
- **Detecting the risky business categories on the basis of territory/period and/or other variables**

Main dimensions of IT Tools:

- **Legal form; Business sector; Turnover; Declared income; IRAP (Regional Tax on Productive Activities); IRES (Italian Tax on Corporate Income); VAT.**

Analysis can be realized per geographical area (towns, regions, nation) and time series (2006-2010)

Procedures & tools for SMEs selection

Export (xls) of risky subjects lists and analysis of:

- **Tax return data;**
- **Balance sheet data;**
- **Shareholding structure;**
- **Employees data;**
- **Specific data (if available).**

Selection is not automatic!

For each subject in the list a subsequent detailed check is carried out analyzing all available data:

- **online data (SERPICO)**
- **other data**

SEs - GERICO and Sector Studies

Sector Studies were introduced in Italy in 1998 and represent an audit selection mechanism to detect small enterprises and self-employed.

Ge.Ri.Co. is an IT tool aimed at processing the information sent by taxpayers through Sector Studies

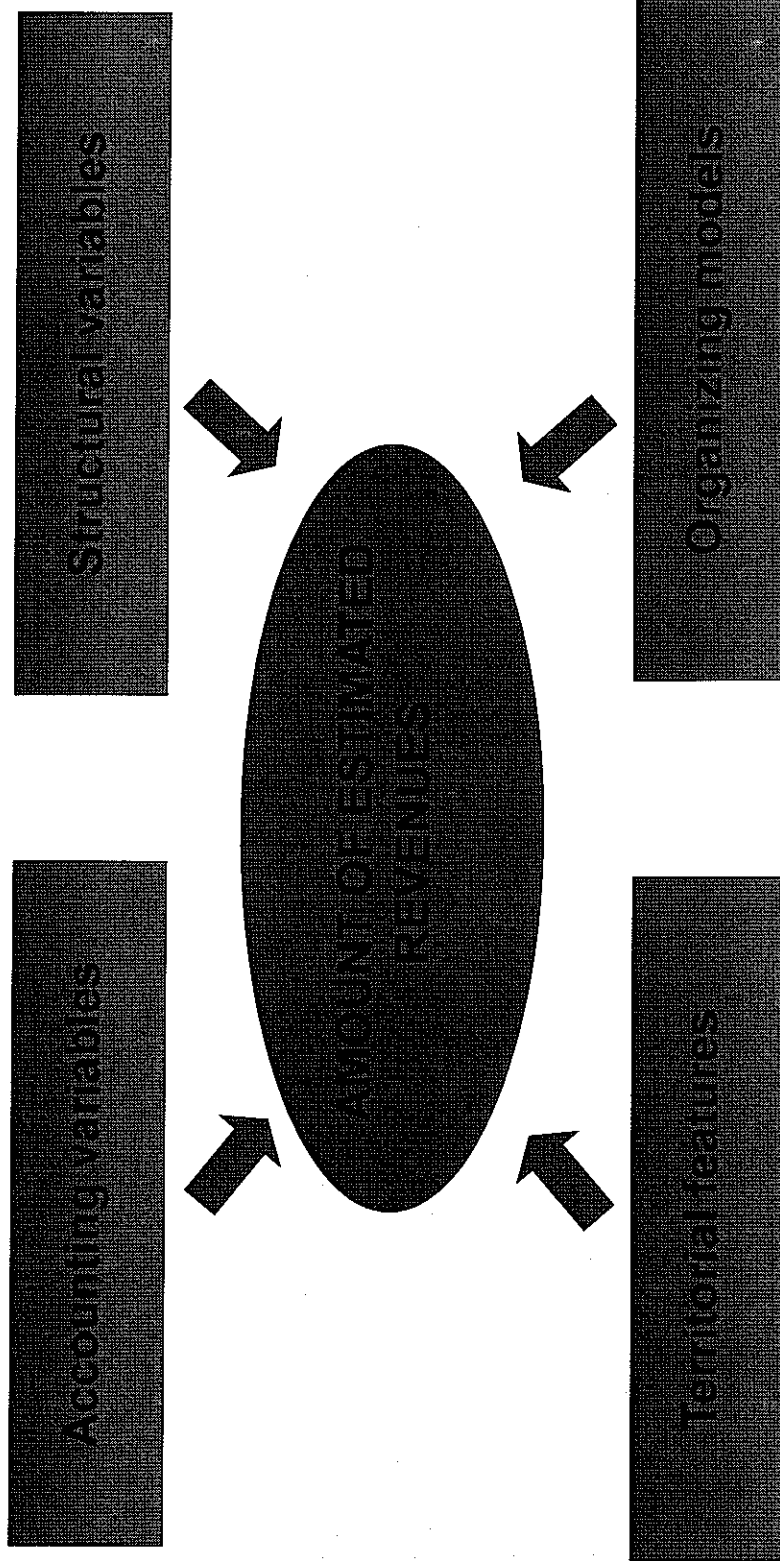
SEs - GERICO and Sector Studies

Mathematic-statistical method to evaluate the capacity of small enterprises (V.A.T. turnover < 5 million EUR) to generate revenues.

Every year taxpayers provide revenue Agency with their accounting data and other information about their business.

Software Ge.Ri.Co. estimates the amount of revenues.

SES - GERICO and Sector Studies



SES - GERICO and Sector Studies

The GERICO application supplies information regarding:

- **the reliability of the income and remuneration declared;**
- **the coherence of the main economic indicators (such as productivity per employer, stock rotation);**
- **the coherence with indicators of economic normality.**

The software allows also a statistics-based tax assessment.

Taxpayers' guarantees

- Before issuing any tax assessment notice based on sector studies, the Revenue Agency is due to invite taxpayers in order to allow them to make objections and to show evidences in their favour.**
- The Revenue Agency is subsequently due to start a procedure aimed at setting the assessment pursuant to the "agreed assessment" institute.**

Assessment for SMEs - Numbers

	Total	SMEs	%
Audits (2011)			
Number of audits	9.923	8.415	84,80%
Amounts (€/million)	16.504	7.565	45,84%

	Total	SMEs	%
Assessments (2011)			
Number of assessments	697.248	190.780	27,36%
Amounts (€/million)	30.433	21.313	70,04%

	Total	SMEs	%
Settlements (2011)			
Number of settlements	271.615	62.825	23,13%
Amounts (€/million)	3.428	1.413	41,22%

Questions?

Thank you for your attention!

