


## Tax Pills

# The exemption from Value-Added Tax (VAT) for medical devices and personal protective equipment sales necessary to contain and manage the Covid-19 emergency. In a Circular the first answers of the Agency to the questions of the operators

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 Supplies of surgical masks and other qualified personal protective and medical equipment used in the fight against COVID-19 are exempt from VAT with right of deduction until 31 December 2020, while starting from 1 January 2021, will apply the 5% reduced VAT rate on such supplies. Introduced by Italy's Law Decree n. 34, referred to as the "Relaunch Decree", this favorable tax rule applies to a long list of medical-health goods, instruments and devices.

Particularly, the clarifications contained within the Circular xx/E give a green light to the application of subsidized VAT to the purchase of all thermometers for measuring body temperature, therefore including *thermoscanner*. Furthermore, also the purchase of "surgical" and "Ffp2 and Ffp3" masks benefit from the tax relief. These are just some of the explanations contained in **Circular no. 26/E** signed by the director of the Revenue Agency, Ernesto Maria Ruffini. Indeed, the document provides the first interpretative clarifications on the application of the subsidized VAT regime, introduced by Article 124 of Legislative Decree no. 34/2020 (DI Relaunch).

**Reduced VAT encompass even thermoscanners' sales** - The Ministry of Health has provided the Agency with specific indications regarding the products listed in Article 124. In particular, all thermometers for measuring body temperature can benefit from the subsidized VAT regime. Therefore, even the *thermoscanners* fall within the scope of application of this tax relief measure.

**Ok to the fiscal relief on biocidal hand disinfectants (BPR), excluding simple detergents**

- Only disinfection has a virucidal, bactericidal or fungicidal action, that is an action aimed at destroying, eliminating or rendering harmless microorganisms. To carry out this action, however, biocides (BPR) or surgical medical devices (PMC) must be used, that is specific disinfectants, generally authorized by the Ministry of Health or the ISS, which obligatorily bear the registration / authorization number on the label. Therefore, as the Circular clarifies, these products should not be confused with common hand sanitizing products, which therefore remain excluded from the application of the Vat subsidy regime.

**VAT exemption, and 5% from 2021, for surgical masks and type Ffp2 and Ffp3** - Only surgical masks and those Ffp2 and Ffp3 fall within the scope of Article 124, regardless of their hospital use. For the Ministry of Health, in fact, and the ISS (ISS COVID-19 Report No. 2/2020, Rev. 2, of 10 May 2020), only these types of protection constitute suitable prevention tools against viruses such as COVID- 19 or Sars, provided that they are validly certified as a medical device or personal protective equipment. In addition, the document of practice continues, even the so-called masks *Refillable*, that is, those reusable because they are equipped with an interchangeable filter, benefit from the subsidized VAT regime.

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