



# ***Tax Relief Office***



**VICENZA DMWR**

**Information on Tax**

**Exemptions**

**Tax Relief Office**

**Financial Management Division**

**Directorate, Moral, Welfare & Recreation**

**United States Army Garrison -Vicenza**



# Utility Tax Exemption Program (UTEP)

## *Program Concept*

- The Italian government imposes many taxes on natural (methane) gas to include national, regional, provincial, and communal excise taxes. These taxes are approximately **53.36%** of an Italian's gas bill. **Customers that join UTEP are exempt from these taxes.**
- Membership in UTEP requires a \$232.00 annual service charge that will be assessed on a quarterly basis (\$58.00 per quarter).

## *Steps to Joining UTEP*

- A. The Tax Relief Office requires the following information prior to the signing of the application:
  1. Lease / Rental Agreement or Proof of Ownership
  2. Serial Number and Meter Reading, Copy of most recent bill paid if utilities are already on.
  3. Utility Company Name
  4. Power of Attorney for individuals who are not the "SPONSOR" and are initiating an account in the Sponsor's name.
- B. Complete the UTEP Application and Sign the Agreement.
- D. Deliver documents to utility company (procedure varies depending on utility company and region)
- E. Tax-Free service starts only after the contract has been changed to "US ARMY GARRISON VICENZA".

It is possible to receive one or more bills with taxes on it if you are changing a current contract.

**Average annual usage a customer pays is \$1400 - \$1700 per year to heat their residence.**

# UTEP F.A.Q.'s

Q. What exchange rate will be used to convert my bill?

A. Central Accounting Branch uses a fixed monthly rate that is established by the 266<sup>th</sup> Finance Command on the first of every month. This is a normal accounting procedure, and it could affect the utility bill positively or negatively, depending on the strength of the Dollar against the Euro.

Q. When does the tax relief take effect?

A. Each utility company has different processes and procedures for the conversion of contracts. Most take effect immediately when the Tax Relief Office documents are delivered by the customer to the servicing company.

Q. Who bills me and where is the bill sent?

A. The Central Accounting Branch receives the utility bill, pays it, for the member and then sends a "Statement of Account" in dollars to the members CMR with a copy of the Italian invoice.

Q. How do I know I'm saving money through UTEP?

A. Unfortunately, utility companies can't print the taxes on the invoice. If the company prints the tax on the bills, the tax has to be paid. During summer billing cycles there is a good possibility that your service fees will equal if not be greater than the utility company's invoice. When you receive your utility bill compare it with an Italian neighbor, you'll be delightfully surprised.

**Q. I haven't received a bill for a few months and I'm going to clear, how do I close the gas and leave without debt.**

**A. IMMEDIATELY bring meter readings to the TRO so we can estimate your usage.**

Notify the TRO 2 weeks before leaving your property. The TRO will notify the utility company of the closure date. The customer must bring in the "Termination Letter" from housing with the meter readings written on it. The TRO will calculate an estimate that the customer must pay in cash, credit card or money order to clear.

# Home Heating Oil (HHO)

# TAX-FREE Purchases

Home Heating Oil (HHO) is one of the oldest and least used heating methods. The HHO program started in 1988 and expanded to over 80 customers in 1995. As of 2000 Italian property owners have started to switch from HHO to City Gas or Liquid Propane Gas due the ease in billing and control of usage. The price for HHO fluctuates IAW the provisions prescribed in the contract with the Defense Energy Supply Center (DESC) in Virginia. Check with the TRO for the current price per liter.

## Requirements to Order

1. Lease-Rental agreement through Housing Office and letter stating the HHO tank is not shared by unauthorized persons.
2. Street Map that indicates route from Caserma to your residence.
3. Delivery time by contract with DESC is within 7 to 10 working days.
4. Shut off your heater before the delivery and leave off for 2 hours after the delivery.

## NO EMERGENCY DELIVERIES

- Average delivery time is 5 to 7 works days after order is placed.
- Minimum order 1000 liters. Orders may be increased by 500 liter increments.
- Payment Plans may be entered into after the first order. Payment plans will be broken down into 3 payments inclusive of the order date.
- New orders may only be placed after payment plans are completely paid.
- Average usage per year is approximately 4000 liters, however, there may be variations depending on personal heat settings and cold weather.

## MEASURE YOUR TANK REGULARLY

Find a stick or pole that will reach the bottom of your tank without placing your hand into the tank. Mark 14 inches from the bottom of your stick. If the oil is below this line order. Average tanks hold 2500 to 5000 liters.

## FOLLOW THESE STEP (Information for Vendor (page 7)

1. Obtain a Preventivo (estimate) from the Vendor. The preventivo must have the following information written on it:
  - A) The business address **IMPORTANT:** The company that you purchase from is not obligated to participate. The Tax Relief Office **can not accept** requests for businesses in the Friuli Region (Aviano, Pordenone, Udine, etc...).
  - B) Date of the preventivo
  - C) The amount of the purchase with and without IVA (**no purchase** less than Euro €140 with tax)
2. Obtain an Assegno Circolare (bank draft) at any Italian Bank for the amount without tax. Deposits may be made, however, it may be no more than 20% of the total tax-free amount (regulated by Italian Finance Police)
3. Bring the preventivo, assegno circolare and a \$10.00 fee to TRO
4. At this time the customer (**residents of Italy may not apply. Person must be assigned to USASETAF or Supported Commands**) presents their U.S. or NATO I.D. card and pays the IMWRF service fee.
5. The application, preventivo and assegno circolare will be placed in an envelope, which the customer will take to the business.
6. At this time the customer will receive the items or have them delivered to their temporary residence.

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### Note:

The following items may be purchased: - Electronics, Clothing, Outdoor Items, Appliances, Furniture, Tools, Bicycles, etc... (scooters under 50c)

**ASK, If your not sure about an items eligibility**

**Remember the item must be able to leave Italy.**

**The following items are restricted: - Medical expenses, All personal services (moving, hotel, car rental, airline tickets, lawyer fees, etc...), Land, Houses or Apartments & Animals**

**Vehicles:** Vehicle repairs are completed by presenting the TRO Information Sheet and your "AFI" registration to the repair shop. Information for mechanic on **Page 4.**

# Tax-Free Purchase Letter for Vendor

Spett.le Commesceante,

Dal 15 Maggio del 1995, i dipendenti delle forze militari della Caserma Ederle di Vicenza hanno alla loro disposizione un nuovo metodo per fare acquisti. Questo metodo consiste nel fare una richiesta all'ufficio di Finanza della SETAF perche' la merce in questione venga acquistata dalla Caserma Ederle invece dell'individuo privato. In questo modo, tutti gli acquisti effettuati tramite questo sistema saranno, per legge italiana (in particolare, l'articolo 72 della Legge 633 del 26 Oct. 1972, e la legge n. 427 del 29 Ottobre del '93, l'articolo 66, paragrafo 21), completamente esenti dalle tasse, incluso l'IVA.

**Prima di fare la richiesta per l'esenzione, il cliente dovrà ottenere dal commerciante un preventivo con: una descrizione della merce in questione, l'imponibile (il prezzo senza l'IVA), l'ammontare dell'IVA, e il totale. Vi chiediamo di fornire questo preventivo su carta intestata.**

Con ogni acquisto effettuato tramite questo sistema, troverete allegato una dichiarazione intestata dalla SETAF con le relative leggi e normative, con una fattura rosa dall'ufficio di Finanza. Questi documenti sono gli unici che autorizzano l'esenzione per conto della Caserma Ederle. Per ragioni amministrative, i pagamenti per questi acquisti saranno tutti effettuati tramite assegno circolare bancario (per l'ammontare dell'acquisto, senza l'IVA). Inoltre, per motivi di legge, specifichiamo che tutti gli acquisti sono solamente riferiti a beni destinati all'uso privato pari ad un valore minimo di \$130.00 relativamente al cambio circa (Euro 140).

Apprezziamo la Vostra collaborazione nell'accettare questi documenti come prova che gli acquisti sono a carico dell'ente militare americano, e quindi esenti dall'IVA.

Ringraziando per la collaborazione, con l'occasione porgiamo distinti saluti.

Per ulteriori informazioni, per piacere rivolgeteVi a:

**Tax Relief Office**

**Finanza Americana**

**Tel. (0444) 717080/7905 Fax (0444) 718328**

# Tax-Free Vehicle Repair

Per la Officine meccaniche Italiani

OGGETTO: Esenzione IVA per la riparazione di autovetture targate "AFI" (incluso prestazioni e materiali)

E' sufficiente allegare alla fattura una fotocopia del documento "Registrazione e Titolo di Proprieta Militare Veicoli a Motore – Military Registration and Certificate of Title of Motor."

Con la presente vi comunichiamo che I costi dei materiali utilizzati per le riparazioni delle autovetture targate "AFI" (e quelle con copritarghe italiane, se fornite di certificazione di registrazione "AFI"), sono completamente esenti da IVA in base a quanto previsto dall' Art. 9, punto 9, del D.P.R. 633 del 26 Ottobre 1972.

Ringraziando per la collaborazione, con l'occasione porgiamo distinti saluti.

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Allegato al pagine 8 e una esempio della registrazione.

# Deploying and your Tax-Free Utilities

## FAQ's

**Q. Should I shut off my utilities?**

**R.** Difficult decision, with 2 answers

**1. Turn off utilities completely but do not close your utility contracts.**

### **Benefits:**

1. Assured that the no consumption will occur, thus paying only fixed fees to the utility company.

### **Drawbacks:**

1. If during the winter there is an extended time frame of below freezing temperature water pipes could freeze and burst.

2. However real this situation is, remember if you leave your gas, water and electricity on and your thermostat on, the only pipes with water movement are for the heating system. If the pipes for the shower, sinks or toilets are on the external part of the building these pipes may still freeze.

**2. Do not turn off the utilities, leave them on while your deployed.**

### **Benefits**

1. You ensure that the landlord's residence stays warm as long as you leave electricity and gas on so the heating system can work.

### **Drawbacks**

1. You will be billed consumption on a residence you are not living in thus paying for utilities that you are not receiving the benefit.

2. The heating system must be warm enough to heat the walls of the residence where the water pipes are. If you do not have the knowledge of where the water pipes run or you do not heat the room in which these pipes are, the pipes may still freeze and burst.

## Clearing the Tax Relief Office

Documents Required:

- Orders
- Forwarding Address
- Housing Termination Letter Completed with meter readings
- Cash, Credit Card or Money Order
- Personal bank account number and Bank name /address for EFT of refund

Notify the TRO 2 weeks in advance of your leaving the residence (with orders (if available) and forwarding address) and bring in meter readings, the TRO can prepare an estimate for you so you can have an idea of how much your closing estimate will be. By visiting early, this allows for the servicing utility company to schedule the closure of your meters while you are still in country. And, by providing meter readings you can prepare for the payment you will have to make to clear the office.

Once the Housing Termination letter is filled out with the Landlord and You, bring the letter to the TRO. This is the only form the TRO will accept for your meter readings.

Once you have delivered the Housing Termination Letter the TRO will prepare an "**Estimated Final Invoice**" for the time in which an Italian Bill has not been received (this has no bearing on when you last paid a bill.) The final bill will be received by MWR from your servicing company within 2-4 months.

The "**Estimated Final Invoice**" must be paid in cash or money order at the Tax Relief Office in order to clear (no exceptions.) This amount will remain on account with MWR until the final bill is received. Once, the final bill is received MWR will match your credit to the bill and forward your credit or a bill to the forwarding address.

***Be prepared to pay 2-3 times an average bill to clear!!!***

# GLOSSARY OF HELPFUL

**Acconto – Presunta** (Estimated billing) This is a bill that estimates usage. It is often followed by a reconciliation bill based on actual consumption.

**Anticipo** – (Deposit) This is the deposit that utility companies may require for the stipulation of a contract. Deposits may vary depending on the company.

**Arrotondamento/Aggiornameto** – (Rounding) Occurs when billing amounts end in odd numbers. This amount rounded is reconciled on subsequent.

**Allacciamento** – (Connection) Opening contractual costs.

**Assegno Circolare** – (Bank Draft – Money Order) This is a method of payment that is required by the Tax Relief Office for payments made on tax exempt household items. May be obtained at any Italian Bank and is almost always free.

**Codice Fiscale** – Italian tax ID number (USA SSN Equivalent)

**Codice Utente/Numero Utente** – (Client Code) This code identifies an individuals contract.

**Congualio** – (Reconciliation) This is performed after an **acconto** to reconcile differences. It is based on actual data and will show previous paid bills.

**Consumo** – (Consumption) This is the measured units of consumption. Methane and water are measured in cubic meters, HHO is measured in liters, and electricity is measured in kilowatt hours.

**Fattura** – (Billing Invoice) This the invoice that businesses release upon purchase or billing of a product. Regarding tax exempt purchase the **fattura** is mailed directly to the IMWRF.

**Imponibile** – (Taxable amount) This is the amount of a purchase or product prior to the Value Added Tax being added.

# WORDS AND PHRASES

**Imposta Erariale** – (Communal tax) Tax assessed by the local city authorities/commune.

**Imposta Regionale** – (Regional tax) Tax assessed by the regional financial authorities.

**Imposta sul Valore Aggiunto (IVA)** - Tax assessed by the Republic of Italy on all consumer goods. To calculate the amount of an item without tax use the following formula: Gross cost ÷ 1.2 = Cost without IVA. Do not subtract a straight 20 % it is not accurate for tax exempt purchases.

**Indirizzo** – Address

**Lettura** - (Reading) This is the current meter reading for a utility. Mandatory for starting UTEP.

**Lettura Precedente** – (Previous Meter Reading) This is the oldest meter reading on your utility bill.

**Matricola Contatore** – (Counter Serial Number) This is the serial number on any utility meter. It is mandatory to have the **matricola contatore** when signing up for UTEP.

**Preventivo/Stima** – (Estimate or Appraisal) A **preventivo** is obligatory for all tax exempt purchases and must have the information noted on Tax Free Purchase section. A **preventivo/stima** may be provided for UTEP customers in the TRO.

**Quota Fissa/Canone** – (Fixed Fee) This is the fee that companies charge on a monthly basis for service or rental. US Forces are not exempt.

**Ultima Lettura** – (Last Reading) Most recent or current meter reading