



VAT Navigator

San Marino

Information provided is current as of May 2020

Bloomberg Tax & Accounting

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Bloomberg Tax & Accounting's VAT Navigator provides an overview of the VAT, GST or sales tax regime in more than 200 jurisdictions. The VAT Navigator is continuously updated to reflect developments as they happen and is supported by local experts who review and provide in-country expertise.

This San Marino guide is a sample of our content. The full version of this guide is available with a subscription to Bloomberg Tax. To learn more or request a demo, visit pro.bloombergtax.com/international-tax-resources.

1. Legal Basis

San Marino's primary indirect taxes are a single-stage tax on imports (*Imposta sulle Importazioni* or *Monofase*) ("import tax") and a supplementary tax on services (*Imposta Complementare sui Servizi*) ("service tax").

San Marino import tax is governed by Law No. 40 of December 22, 1972 (the "Import Tax Law"), as amended from time to time. Other relevant laws include Decree No. 163 of November 29, 2004, (the "Import Tax Refund Regulation").

San Marino service tax is governed by Article 48 of Law No. 194 of December 22, 2010 (the "Service Tax Law"), as amended and supplemented by Title I to Delegate Decree No. 50 of March 22, 2011 (the "Service Tax Decree").

The San Marino Tax Office ("Tax Authority") is responsible for the collection, control and assessment of indirect taxes in San Marino.

2. Scope of Tax

Import Tax

Under Article 1 of the Import Tax Law, import tax is levied on the importation of goods and connected services into San Marino.

Article 2 of the Import Tax Law provides that importation means the effective introduction of goods and connected services into San Marino.

Under Article 5 of the Import Tax Law, the importer is generally responsible for paying import tax at the time the goods enter San Marino.

Under Article 2 of the Import Tax Law, as amended by Article 2 of Decree 108 of October 2, 1997 (the "Import Tax Amendment Decree"), certain imports are excluded from the application of import tax, such as money and cash credits, imports made by state agencies, certain securities, and certain goods provided as a discount, bonus or rebate.

Service Tax

Under Article 48 of the Service Tax Law, unless specifically exempt, services are taxable if they are made for consideration and relate to transport, shipment, agency, mediation, deposit, leasing, rental, advertising, data processing, maintenance contracts, or under a contract for the provision of work.

In addition, service tax is levied, with some exclusions, on the services enumerated in Articles 4-13 of the Service Tax Decree, as amended by Article 3 of Decree-Law No. 124 of August 3, 2011, including advisory and intellectual work, maintenance, repair and cleaning services, services connected with the sale of goods, construction services, property intermediary and management services, and accommodation services.

Nonresident persons who supply taxable services to private consumers in San Marino are required to account for and pay San Marino service tax, under Article 48 of the Service Tax Law.

Services not included in Article 48 of the Service Tax Law and Articles 4-13 of the Service Tax Decree are not subject to San Marino service tax.

Under Article 48 of the Service Tax Law and Article 14 of the Service Tax Decree, service tax does not apply to certain services, including the leasing of building and catering, passenger transport, telecommunication, insurance, banking, financial, welfare services and private medical services. In addition, San Marino service tax does not apply to services provided by the state and government entities.

Services are treated as supplied when the invoice, receipt or equivalent document is issued or, if no document is issued, when payment is made.

3. Registration

In General

In San Marino, businesses are referred to as "economic operators" (*operatori economici*). Article 2 of Law No. 40 of March 31, 2014 (the "Business License Law") provides that all natural or legal persons who intend to carry on an industrial, service, artisan, or commercial activity in San Marino are required to register as economic operators. There is no registration threshold.

Import Tax

Under Article 5 of the Import Tax Law, importers are responsible for paying import tax, whether they are registered as economic operators or not.

Service Tax

Under Article 2 of the Service Tax Decree, economic operators who provide a taxable service to private customers in San Marino are responsible for paying service tax.

Tax Number

All persons carrying on an economic activity in San Marino are issued with an economic operator code (COE), under Article 22 of the Business License Law. The COE, which is equivalent to a VAT number, is a 5-digit number of the format 07647. The validity of a COE can be checked online on the website of the San Marino Chamber of Commerce.

4. Chargeable Amount

Import Tax

Under Article 3 of the Import Tax Law, the value of imported goods and connected services for import tax purposes is equal to the total sum of the fees payable to the supplier.

Service Tax

Under Article 48 of the Service Tax Law and Article 3 of the Service Tax Decree, service tax is calculated on the amount paid by the customer, excluding late payment interest and disbursements.

5. Tax Rates

Import Tax

The standard rate of San Marino import tax is 17% under Article 4 of Import Tax Law, as amended by Article 1 of Delegate Decree No. 183 of November 22, 2011 (the "Import Tax Amendment Delegate Decree").

Under Article 4 of the Import Tax Law, reduced rates of import tax of 2% and 6% apply to certain categories of imported goods, including certain foodstuffs, agricultural products, live animals, works of art, and pharmaceutical products.

Additionally, various other rates apply to specific supplies, varying between 1% and 21%.

Service Tax

The rate of San Marino service tax is 3% under Article 48 of the Service Tax Law.

6. Input Tax

There is no input tax credit for import tax or service tax purposes.

7. Refunds

Import Tax

Under Article 1 of the Import Tax Refund Regulation, goods and connected services, previously imported into San Marino, are eligible for a refund when they are subsequently re-exported, with some exceptions.

Domestic supplies of goods within San Marino are also eligible for a refund of the tax paid on importation, if reduced rates of import tax are payable under Articles 2 and 5 of the Import Tax Refund Regulation.

Only eligible economic operators registered in San Marino can normally apply for a refund.

Service Tax

Refunds of service tax are not available.

8. Administrative Matters

8.1. Invoicing

Import Tax

When goods are brought into San Marino, importers are required to submit the relevant purchase invoices to the San Marino Tax Authority for the payment of import tax, under Article 19 of the Import Tax Law and Article 1 of the Import Tax Amendment Law.

Service Tax

Under Article 48 of the Service Tax Law, service tax is payable whether or not an invoice is issued for the transaction. Economic operators who are normally not required to issue invoices, must do so if the customer requests one.

8.2. Filing and Payment

Import Tax

The deadline for filing the annual declaration is June 30 of the year following the end of the taxable period, under Article 8 of the Import Tax Refund Regulation, as amended by Article 62 of Law No. 189 of December 22, 2015.

Under Article 19 of the Import Tax Law, import tax is paid after submission of the purchase invoices to the Tax Authority following the importation of the goods into San Marino. Payment is due upon receipt of the relevant payment notice issued by the Tax authority.

Article 13 of the Import Tax Refund Regulation provides that any additional import tax due as a result of filing the annual declaration must be paid by the filing deadline.

Service Tax

Under Article 48 of the Service Tax Law, economic operators are required to submit an annual summary statement to the Tax Authority at the time of the filing of the annual income tax return, showing the taxable base and service tax payments for each six-month taxable period.

Service tax payments are made twice a year, in July and in January, for invoices or payments received in the previous six-month period.

9. Interest and Penalties

Import Tax

Interest on unpaid import tax is levied at statutory rates.

Failure to pay import tax and the late submission of invoices are punishable with a financial penalty of between 50% and 300% of the unpaid tax, under Article 27 of the Import Tax Law and Article 1 of Annex E to Delegate Decree No. 1 of January 2, 2018 (the "Administrative Infringements Decree").

Failure to file or the late filing of the annual declaration triggers a financial penalty of up to 5,000 euros, under Article 19 of Import Tax Refund Regulation and Article 11 of Annex E to the Administrative Infringements Decree.

Service Tax

Interest on unpaid tax is levied at the statutory rate, plus an additional 2%, under Article 48 of the Service Tax Law and Article 17 of the Service Tax Decree.

Failure to pay service tax is punishable with a financial penalty of up to 300% of the unpaid tax, under Article 48 of the Service Tax Law, as amended by Article 17 of the Service Tax Decree.

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Andrea has been accountant and advisor at Cecchetti, Albani & Associati since 2017. The firm provides tax, corporate and administrative consulting. The firm assists its clients on mergers, demergers, and acquisitions of companies. Andrea graduated in economics and accounting. He specialized in tax law, commercial law, corporate auditing and privacy consulting.

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University of Bologna - Master's Degree in Personal Data Processing and Privacy Officer (2019)

University of San Marino - Higher professional training for accountants (2016)

University of Bologna - Alma Mater Studiorum - Economics and Accounting (2014) - masters course

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Many specialization courses with leading training companies.
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