

Inventory regularization

29/01/2024

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**NEWSLETTER**

**INFORMATION LETTER N.04/2024**

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Disegno di Legge *“Capitali”*

**Inventory regularization**

The **2024 Budget Law** (Law 213/2023), **effective from January 1st 2024**, confirms the possibility of **inventory regularization**, adjusting it to the actual inventory situation[[1]](#footnote-1).

* **Subjective profiles**

From a subjective standpoint, the option to adjust the accounting data of inventory to the actual physical stock is limited to **business operators who do not adopt international accounting principles** and, therefore, to the so-called *“OIC adopters”* [[2]](#footnote-2).

* **Objective profiles**

Operationally, the **adjustment** of initial inventory can occur through:

* **accounting elimination** of initial inventory or values higher than actual ones.

In this circumstance, it is necessary to pay VAT and a **substitutive tax** for personal income tax (*Irpef*), corporate income tax (*Ires*) and regional tax (*Irap*);

* **accounting registration** of previously omitted initial inventory.

In case of eliminating initial inventory, it is provided that VAT is determined by applying **the average rate for the year 2023 to the amount obtained by multiplying the eliminated value by a specific ratio of increase for each activity**, which will be identified by a specific Decree.

In particular, the average VAT rate is determined - taking into account the existence of exempt transactions, or subject to special regimes - by the **ratio** between:

* VAT, related to the operations, reduced by that related to sales of depreciable assets;
* turnover[[3]](#footnote-3).

Regarding the **substitutive tax**, the related rate is fixed at **18%**, to be applied to the difference between:

* the eliminated value, multiplied by the a/m ratio of increase;
* the value of the eliminated inventory.

In case of **accounting registration** of inventory previously omitted, taxpayers should pay the a/m 18% substitutive tax to be calculated on the new recorded value.

In any case, both VAT and substitutive tax are **non-deductible** for income taxes and related supplements, as well as for Irap[[4]](#footnote-4).

Taxes due should be paid in **two equal instalments** and, precisely:

* the first, by the deadline for the payment of the outstanding amount of 2023 income taxes (i.e., for “solar” taxpayers, **by June 2024**);
* the second, by the deadline for the payment of the second or only instalment of 2024 income taxes (therefore, by **November 2024**).

The adjustment **does not affect** penalty purposes: the lower or higher value indicated regarding initial quantities for 2023 does not result in the application of administrative tax penalties.

It is further noted that the values resulting from inventory regularization are recognized for both accounting and tax purposes, starting from 2023, and can be used for assessment purposes concerning previous tax periodsInizio modulo

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Our Firm remains at disposal for any further clarification.

Studio Nicolini Commercialisti Associati

Milan, 29 January 2024

The information contained in this Information letter has a mere general and informative scope and does not constitute an advice on the subjects covered.

Our Firm remains at complete disposal for any additional information.



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1. The option to adhere to the regularization applies to the tax period ending on **September 30th 2023** (thus, the year 2023 for “solar” taxpayers). [↑](#footnote-ref-1)
2. Businesses using simplified accounting are excluded from the possibility of regularization, given the impossibility to benefit in light of the temporal allocation criterion for inventory. [↑](#footnote-ref-2)
3. Therefore, the **cost** of adjustment, with regards to VAT, is equal to the following calculation: average VAT rate for 2023 x eliminated value x ratio of increase. [↑](#footnote-ref-3)
4. The adjustment should be reported in the income tax return for 2023 (i.e., in the 2024 *Redditi* and *Irap* models). [↑](#footnote-ref-4)