



Italy: VAT on MLBO transaction costs – Refund claim deadlines

Tax & Legal Alert
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Overview

The Italian Tax Authority (“ITA”) has provided new guidance on the recovery of input VAT on transaction costs incurred by a special purpose vehicle (“SPV”) in a merger leveraged buyout (“MLBO”). According to the new guidance, SPVs are taxable persons for VAT purposes. Moreover, input VAT on the costs incurred by an SPV can be recovered if the company resulting from the MLBO makes taxable supplies. In order to recover input VAT incurred on transactions prior to FY2025 – previously considered irrecoverable by ITA – companies cannot include that input VAT in a corrective VAT return but need to submit a claim under article 30-*ter* of Presidential Decree no. 633/72 (an “Article 30-*ter* Claim”).

The Italian Tax Authority’s previous position and the Supreme Court judgment

ITA had historically disallowed the recovery of input VAT by SPVs, on the grounds that they are not taxable persons but merely “passive holding companies” that acquire and hold shares without engaging in economic activities (see Circular no. 6/E/2016 and ITA rulings no. 758/2021 and no. 529/2022).

However, in judgment no. 22608, published on 9 August 2024, the Italian Supreme Court held that an SPV is entitled to deduct the VAT incurred on consultancy services in an MLBO (see our previous Tax & Legal Alert [here](#)). Following this judgment, companies resulting from MLBOs have filed refund claims with ITA to recover input VAT previously treated as irrecoverable.

ITA’s recent guidelines – Resolution no. 7/2026 of 12 February 2026 and Ruling no. 58/2026 of 2 March 2026 – clarify (i) its new position on the recovery of input VAT on transaction costs incurred by SPVs, and (ii) the mechanism for claiming a refund of previously unrecovered input VAT.

The Italian Tax Authority's new position

ITA confirms in Resolution no. 7/2026 that an SPV is a taxable person for VAT purposes, given the connection between the costs incurred in the acquisition of the target company and the taxable activities of the company resulting from the MLBO. Therefore, ITA's previous position is no longer valid: if a new company emerging from an MLBO makes taxable supplies, it can deduct the input VAT incurred on the MLBO costs. The input VAT on costs in future MLBO transactions will therefore be handled under the normal VAT mechanisms.

However, a question arises in relation to input VAT incurred on costs in MLBO transactions before the publication of the new guidance. ITA confirms in Ruling no. 58/2026 that companies can indeed claim a refund of such input VAT, previously treated as unrecoverable. However, the refund claim must not be made by submitting a corrective VAT return incorporating that input VAT – such a return can only be used to correct 'errors or omissions by the taxpayer'.

Instead, ITA clarifies that a refund claim must be submitted under Article 30-ter, which allows taxpayers to claim a refund of VAT which was not due. Article 30-ter Claims must be filed within two years of the date on which the VAT has been paid or, if later, the date on which the basis for refund has arisen. ITA states in Ruling no. 58/2026 that this basis is the Supreme Court's judgment of 9 August 2024; therefore, for input VAT incurred up to 9 August 2024, the deadline for the refund claim is 9 August 2026. For input VAT incurred after that date, the deadline is two years after the date of payment of the VAT.

Course of action for companies resulting from merger leveraged buyouts

According to the new guidance, SPVs can recover input VAT on MLBO transactions costs in three different ways, depending on when it is incurred.

Input VAT	Refund route	Refund claim deadline
Up to 9 August 2024	Article 30-ter Claim	9 August 2026
Between 10 August and 31 December 2024	Article 30-ter Claim	Within two years of the date the input VAT is incurred
After 1 January 2025	VAT return	VAT return filing deadline for the relevant period

SPVs should therefore note that they only have a **short time – up to 9 August 2026 – to recover input VAT on MLBO costs predating 9 August 2024.**

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