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## **EU Commission: VAT fraud and evasion, 134 billion lost in the EU in a year. Italy first**

According to a report released by the European Commission today, EU Member States “lost an estimated €134 billion in Value-Added Tax (VAT)” in 2019. This figure “represents revenues lost to VAT fraud and evasion, VAT avoidance and optimisation practices, bankruptcies and financial insolvencies, as well as miscalculations and administrative errors”. For the Commission, “while some revenue losses are impossible to avoid, decisive action and targeted policy responses could make a real difference, particularly when it comes to non-compliance”. Moreover, lost VAT revenues “have an extremely negative impact on government spending in public goods and services upon which we all depend, such as schools, hospitals and transport. The missing VAT could also prove beneficial as Member States strive to cover debt incurred during the initial recovery from the COVID-19 pandemic, or raise their climate financing ambitions”. According to the Commission’s data, Italy ranks first in the EU27 for VAT evasion in nominal value: the country lost €30.1 billion in a single year. Also, Italy (with 21.3%) ranks fifth among the EU countries with the highest VAT gap, that is, the difference between expected VAT revenues and the amount actually collected. Only Romania (34.9%), Greece (25.8%), Malta (23.5%) and Lithuania (21.4%) do worse than Italy.

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