

BOOKING COM ACCUSED OF TAX EVASION IN ITALY



Booking com might be in for big trouble in Italy. According to reports from the country, the platform is being accused of tax evasion. The company allegedly did not pay over 150 million VAT (value-added tax) between 2013 and 2019.

This was revealed during an investigation by local authorities in the Liguria region. According to the investigators, Booking.com earned about 700 million euros from 2013 to 2019 through more than 800 thousand transactions.

The investigation started in 2018 from a series of tax assessments in particular in the Eastern Ligurian area. From the examination of the fiscal documents, it emerged that the Dutch company used to issue invoices without VAT by applying the so-called “reverse charge” mechanism.

And they did so even in cases in which the accommodation facility was devoid of the relevant batch, with the consequence that the tax was neither declared nor paid in Italy.

The company had a turnover of about 700 million euros between 2013 and 2019 and for this amount Booking.com should have made the annual VAT return and pay over 153 million in tax to the tax authorities.

Not only that, but the investigation also revealed that the company did not appoint its own tax representative, nor did it identify itself in Italy and therefore did not submit the related declaration.

Thus, Booking com achieved “total tax nonpayment” status, because VAT was not paid both in Italy, nor in the Netherlands.

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