

Get a break if purchasing big ticket items

Living on the economy in Europe could make one think kindly about our tax system in the U.S. While we may pay federal and state income taxes, and pay a tax when we purchase items like clothing, cars, televisions and more—at least we're not slapped with a 20 percent "Value Added Tax."

Fortunately, there are ways to get around paying some of the taxes in Italy and the Tax Relief Office (TRO) can help you figure this out.

For example, you decide you want new china for the holidays. You visit several shops and finally decide on a pattern. The price quoted usually includes the 20 percent VAT tax. However, under the Status of Forces Agreement act, you are not obligated to pay this tax for purchases of more than 140 euro. But you can't just say that to the sales clerk—paperwork must be filled out and stores are not obligated to participate.

Here's the process:

Step 1: Obtain an estimate (called a *Preventivo*) from the vendor. The estimate must be on company letterhead with the company information—address, phone number, etc.—the date of the estimate and the amount of the purchase with the VAT added in and the amount of the purchase without the VAT added in.

Step 2: Go to any Italian bank and obtain a bank draft (called *assegno circolare*) for the amount of the purchase minus the VAT. You can make a deposit on the purchase, but it may be no more than 20 percent of the total purchase price minus the VAT.

Step 3: Bring the estimate, bank draft and a \$10 fee, along with your U.S. or NATO identification card to the TRO.

Step 4: The TRO personnel will give you an envelope with the estimate, bank draft, and official Tax Free purchase letter for you to take back to the vendor.

The process is valid for many items: Electronics, clothing, outdoor items, appliances, tools, bicycles, etc.

The rule of thumb is: The item must be able to leave Italy.

But if you aren't sure—ask the TRO. The following items are not allowed: Medical expenses, services (moving, hotels, lawyer fees, non-government authorized car rental, and airline tickets), land, homes, and apartments.

TRO programs are available to active duty, U.S. and NATO personnel, authorized U.S. civilians and their families assigned to or on Orders for Temporary duty to SETAF. Family members with ID cards may participate in any of the TRO programs whether or not their spouse accompanies them.

For more information about the tax relief program, or other programs offered by the TRO, visit their office located next to the Italian Bank (BNL) and the Thrift Shop located in Building 243. The TRO may be reached at 634-7080, 0444-717080, or via e-mail at tax.relief@setaf.army.mil.

In Livorno, the TRO is located in Headquarters, Building 303, Room 10, 633-7549 or 050-54-7549.