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**111 DTR I-6****Italy****Italy to Phase Out Mandatory Use of Tax Collection Agency Equitalia by 2014**

ROME—Italian lawmakers voted June 4 to phase out of the obligatory use of controversial state agency Equitalia for the collection of local government fees and taxes by Jan. 1, 2014, opening the door to greater competition in the sector but likely resulting in higher costs.

Equitalia has been criticized for “aggressive and invasive” policies, according to attorney Maurizio Villani, a leading tax expert. As a result, required use of Equitalia services will be phased out starting July 1, 2013, with a new system in place by the start of next year.

Municipal governments can either decide to take over the collections process themselves or open it up for bids. Equitalia will be allowed to participate in the bidding processes.

Villani said the new system will likely give local governments more choice but also is likely to result in costs higher than the expense ratio of 8 percent to 9 percent traditionally charged by Equitalia. Those costs would be passed along to companies and residents.

The decision to require Equitalia to compete to provide its services was chosen over a plan to reform the agency, government officials said.

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