

COVID-19

“Decreto Rilancio”

Decree-Law no. 34 of 19 May 2020 *“Urgent measures on healthcare, the support of employment and of the economy, and social policies in connection with the COVID-19 public health emergency”*

(Official Journal no. 128 of 19 May 2020 – Ordinary Supplement no. 21)

Decree-Law no. 34 of 19 May 2020 (*“Decreto Rilancio”*) was published in Official Journal no. 128 (Ordinary Supplement no. 21) and entered into force on 19 May 2020. It is a very long Decree (composed of 266 articles) which contains urgent measures on healthcare, the support of employment and the economy, and social policies in connection with the COVID-19 public health emergency.

We set out below our initial comments on the main tax measures and aid to companies introduced by the Decree. Further notes on other provisions will follow.

Measures in support of companies and the economy

PAYMENT OF IRAP (article 24)

Companies and self-employed whose 2019 revenues or fees did not exceed 250 million Euro, shall not be required to make the IRAP balancing payment for 2019. They shall instead be liable for the 2019 IRAP payment on account.

Furthermore, the first IRAP payment on account for 2020 will not be due and **will in any case not be included in the computation of the IRAP balancing payment for 2020.**

This provision does not apply to banks and other financial companies and entities, to insurance companies, public authorities and public bodies.

The provisions of this article apply within the limits and on the conditions provided by the Communication from the Commission of 19 March 2020, C(2020) 1863 final, as amended.

NON-REFUNDABLE GRANTS (article 25)

Anyone registered for VAT and carrying out a business, self-employment work or farming activities shall receive a non-refundable grant, ranging between 20% and 10% of the difference in turnover or fees between April 2020 and April 2019, with a minimum of 1,000 euro for individuals and 2,000 euro for companies, as per the following table:

% GRANT	REVENUE OR FEES IN 2019
20%	< 400,000 Euro
15%	> 400,000 Euro and < 1,000,000 Euro
10%	> 1,000,000 Euro and < 5,000,000 Euro

The grant is not included in the taxpayer's taxable base (for income taxes and IRAP).

ELIGIBLE TAXPAYERS

Anyone carrying on business or self-employment activities, holders of income from a farming business and VAT registered persons who meet the following conditions:

- ◆ revenue or fees not exceeding 5 million euro in 2019;
- ◆ turnover or fees for April 2020 less than two thirds the turnover or fees in April 2019 (entities that started doing business on 1 January or were already in financial difficulties due to other disastrous events at the date on which the COVID-19 state of emergency was declared).

The non-refundable grant is not payable to entities which had ceased to do business at the date of filing the documentation attesting satisfaction of the conditions for eligibility thereto.

Anyone unable to provide the antimafia certificate shall not be eligible for the grant.

APPLICABLE PROCEDURE

The grants will have to be requested via an online application within sixty days from the start date of the procedure and will be directly credited by the Revenue Agency to the recipient's bank or post office account.

The procedure will be established by a special-purpose Revenue Agency Director enactment.

STRENGTHENING THE CAPITAL OF OF MEDIUM-SIZED COMPANIES

(article 26)

A 20% tax credit will be granted to anyone who makes a cash injection upon subscription of a share capital increase in any of the companies with the characteristics outlined by the rule¹ (see below) by 31 December 2020 (up to a maximum capital contribution of Euro 2,000,000). The shareholding thus acquired will have to be held until 31 December 2023.

Cash injections within a group (by companies that directly or indirectly control, are under common control with or are related to the company receiving the contributions) do not qualify for the tax credit.

Following the approval of the financial statements for FY2020, companies which resolved a share capital increase shall be entitled to a tax credit corresponding to 50% of the losses exceeding 10% of the shareholders' equity (including the losses) up to 30% of the share capital increase².

There is an obligation not to distribute the reserves until 1 January 2024: the distribution of any reserves before that date by the company that received the cash injection will result in the loss of the benefit and the obligation to repay the tax credit deducted, plus interest at the legal rate.

ELIGIBLE PERSONS

As regards the 20% tax credit: investors, private individuals and bodies corporate who pay in the share capital increase in the following companies.

As regards the tax credit of 50% the losses exceeding 10% of the shareholders' equity: corporations (*società di capitali*), cooperative companies, SEs and cooperative SEs, whose revenue ranges between 5 and 50 million Euro which, owing to the healthcare emergency, in March and April 2020 suffered from a loss of revenue of no less than 33% compared to the same period the prior year. If

¹ These beneficial measures may be combined between them and with any other aid which the company increasing the share capital benefited from, pursuant to paragraph 3.1 of Communication from the European Commission on the "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak". The aggregate gross amount of the aid shall not exceed for each company 800,000 Euro, or 120,000 Euro for companies in the fishery or aquaculture sector or 100,000 Euro for companies in the primary agricultural sector.

² See footnote 1.

the company is a member of a group, reference is made to the value of the revenue reported at the highest level of consolidation, without including intra-group revenue.

Among other things, companies must be able to prove that they have complied with:

- ◆ The tax and social security payment obligations;
- ◆ The building, zoning, employment, accident-prevention and environmental protection rules in force.

Furthermore:

- ◆ The company must not be one of the companies which received, and subsequently failed to repay or credit to a frozen account, any aid which the European Commission deemed to be unlawful or incompatible; and
- ◆ The company's directors, shareholders or beneficial owner must not have been convicted, by a final decision, for tax crimes in the past five years.

HOW TO CLAIM THE RELIEF

The 20% tax credit may be used in the income tax return for the fiscal year in which the investment was made and in the subsequent tax returns until it has been used up, or may be available for offset starting from the tenth day subsequent to that in which the return for the period of the investment was filed (without limits). The tax credit is not included in the taxpayer's taxable base (for income taxes and IRAP).

The 50% tax credit may be available for offset starting from the tenth day subsequent to that in which the return for the period of the investment was filed (without limits). It is not included in the taxpayer's taxable base (for income taxes and IRAP) and is not relevant for the purpose of determining the ratio referred to in articles 61 and 109(5) of the Italian Income Tax Code.

IMPORTANT!

This measure is conditional on the authorization by the European Commission pursuant to article 108(3) of the Treaty on the Functioning of the European Union.

FONDO PATRIMONIO PMI (FOR MEDIUM-/SMALL-SIZED COMPANIES) (article 26, comma 12)

AVAILABLE BENEFIT AND ELIGIBLE ENTITIES

A special-purpose fund named "*Fondo Patrimonio PMI*" (to be managed by Invitalia, the Italian Ministry of Economy's national development agency) has been created for the subscription by 31 December 2020 of newly issued bonds or debt obligations – for a maximum amount corresponding to three times the share capital increase made or 12.5% of aggregate revenue, whichever is lower – of companies having the characteristics stated with respect to the incentive described above.

Additional conditions for the issuing companies are:

- ◆ Revenue between 10 and 50 million Euro;
- ◆ A headcount of less than 250;
- ◆ Minimum share capital increase of 250,000 Euro.

The financial instruments will be reimbursed after six years from subscription. The financial instruments are immediately reimbursed if an administrative antimafia measure (*interdittiva antimafia*) is issued.

The issuer must assume, inter alia, the following undertakings:

1. until full repayment of the securities, no reserves will be distributed, no treasury shares purchased and no shareholders' loans repaid;
2. the funds will be used to cover personnel, investment or working capital costs incurred in respect of Italian factories and business activities;
3. provide Invitalia with a periodical statement - with the contents, frequency and procedure specified by the agency - to monitor compliance with the company's undertakings.

TAX CREDIT IN CONNECTION WITH LEASE PAYMENTS FOR NON-RESIDENTIAL PROPERTY (article 28)

AVAILABLE BENEFIT

Tax credit corresponding to 60% of the monthly lease, finance lease or concession fee for non-residential property used to conduct an industrial, commercial, artisanal, agricultural, tourist activity or to habitually and professionally carry out self-employment activities.

The tax credit is proportional to the amounts paid in March, April and May 2020 [April, May and June for tourist facilities carrying out seasonal activities only].

IMPORTANT

The tax credit amounts to 30% in the case of a lease of business (or service agreements covering also the availability of spaces – *contratti di servizi a prestazioni complesse*) including at least one non-residential property used to conduct an industrial, commercial, artisanal, agricultural, tourist activity or to habitually and professionally carry out self-employment activities.

ELIGIBLE TAXPAYERS

Anyone carrying out a business or a profession who in 2019 earned revenue and fees not exceeding 5 million Euro. Hotel and farm holiday facilities are eligible for the tax credit regardless of the revenue and fees realized in 2019.

A necessary condition is that the tenants who carry out a business suffered a loss in revenue of fees of at least 50% in the relevant month compared to the same month the prior year.

HOW TO USE THE TAX CREDIT

The tax credit may be used in the income tax return for the year in which the costs are incurred or is available for offset after payment of the lease (without limits) and is not included in the taxpayer's taxable base (for income taxes and IRAP).

STRENGTHENING OF INNOVATIVE START-UP COMPANIES (article 38)

This measure, which is included in the "*Smart&Start Italia*" package, is designed to provide support to innovative start-up companies, including through "new actions facilitating the encounter between such companies and the ecosystems for innovation". For FY 2020, 10 million euro have been allocated to innovative start-up companies for non-refundable grants to obtain services from incubators, accelerators, innovation hubs, business angels and other public or private entities involved in the development of innovative companies.

JOB PROTECTION AND BUSINESS CONTINUITY FUND (article 43)

A job protection and business continuity fund has been established, with an allocation of 100 million euro for 2020, to rescue and turnaround struggling companies that hold historical trademarks of national interest and corporations with no less than 250 employees.

MEASURES FOR EXPORTATION AND INTERNATIONALIZATION (article 48)

The projects in support of exportations and the internationalization of Italian enterprises have been refinanced.

The participation of Italian enterprises in European and international institutions and project has been fostered.

A guarantee fund has been set up to give borrowing SMEs relief from the costs of bank and insurance sureties.



**EXTENSION OF THE DEADLINE TO DELIVER NEW CAPITAL ASSETS TO QUALIFY FOR SUPER-DEPRECIATION
(article 50)**

Due to the COVID-19 emergency, the 30 June 2020 deadline for the delivery of new capital assets in order to qualify for superdepreciation has been extended to 31 December 2020.

State aid rules

DEROGATION FROM THE PROHIBITION TO GRANT STATE AID TO COMPANIES WHICH RECEIVED, AND DID NOT RETURN, UNLAWFUL STATE AID (article 53)

Since the COVID-19 pandemic has been classified as an exceptional event, it has been temporarily provided that, by way of derogation from EU legislation, aid may be granted also to companies that must still reimburse unlawfully received aid. Such aid will be granted after deduction of any amounts yet to be returned and relevant interest accrued.

AID IN THE FORM OF DIRECT GRANTS, REPAYABLE ADVANCES OR TAX ADVANTAGES (article 54)

The Regions, the Autonomous Provinces, other local authorities and the Chamber of Commerce may provide aid to companies up to 800,000 Euro per company. The aid may not exceed 120,000 Euro for companies in the fishery or aquaculture sector or 100,000 Euro for companies engaged in the primary agricultural sector, and may be given in the form of direct grants, tax advantages, payment incentives, repayable advances, guarantees and loans.

AID IN THE FORM OF GUARANTEES ON LOANS TO COMPANIES (article 55)

The Regions, the Autonomous Provinces, other local authorities and the Chamber of Commerce may provide aid to companies in the form of guarantees on investment and working capital loans granted directly or through banks or other authorized credit institutions in Italy.

The guarantees are given no later than 31 December 2020.

Guarantee premiums are set at a minimum level as set out follows, which progressively increases with the duration of the guaranteed loan, as per the table under point 25(a) of the Communication from the Commission, C(2020) 1863 final:

Type of recipient	For the first year of the loan	For the second and third year of the loan	For the fourth to sixth year of the loan
SMEs	25 basis points	50 basis points	100 basis points
Large enterprises	50 basis points	100 basis points	200 basis points

The total amount of the loans for each recipient shall not exceed:

- (i) the double of the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertakings site but formally in the payroll of subcontractors) for 2019, or for the last year available; or
- (ii) 25% of total turnover of the beneficiary in 2019.

The duration of the guarantee is limited to maximum six years and shall not exceed:

- (i) 90% of the loan principal where losses are sustained proportionally and under same conditions, by the credit institution and the State; or
- (ii) 35% of the loan principal, where losses are first attributed to the State and only then to the credit institutions (i.e. a first-loss guarantee); and
- (iii) in both of the above cases, when the size of the loan decreases over time, for instance because the loan starts to be reimbursed, the guaranteed amount has to decrease proportionally.

AID IN THE FORM OF SUBSIDISED INTEREST RATES FOR LOANS (article 56)

The Regions, the Autonomous Provinces, other local authorities and the Chamber of Commerce may provide aid to companies in the form of guarantees on investment and working capital loans granted directly or through banks or other authorized credit institutions in Italy. The loan agreements must be entered into by 31 December 2020 with a maximum duration of six years.

Loans may be granted at a reduced rate, corresponding to at least the base rate (-31 annual basis points) applicable on 1 January 2020, plus the credit risk margins set out in the table under point 27(a) of the of the Communication from the Commission, C(2020) 1863 final. The reduced rate may not in any case be less than 10 basis points p.a. The table provides for the following credit risk margins:

Type of recipient	Credit risk margin for a 1-year maturity loan	Credit risk margin for a 2-3 years maturity loan	Credit risk margin for a 4-6 years maturity loan
SMEs	25 bps	50 bps	100 bps
Large enterprises	50 bps	100 bps	200 bps

The total amount of the loans for each recipient shall not exceed:

- (i) the double of the annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the undertaking's site but formally in the payroll of subcontractors) for 2019, or for the last year available; or
- (ii) 25% of total turnover of the beneficiary in 2019.

AID TO COMPANIES AND COVID-19 (articles 57, 58 and 59)

The Regions, the Autonomous Provinces, other local authorities and the Chamber of Commerce may provide aid in support of:

- ◆ coronavirus and other relevant antiviral R&D;
(article 57)
- ◆ support for the construction and upscaling of testing facilities needed to develop and test products useful to tackle the coronavirus outbreak, up to first industrial deployment;
(article 58);
- ◆ investments enabling the rapid production of coronavirus-relevant products.
(article 59)

Aid may be given in the form of direct grants, repayable advances, tax advantages and no-loss guarantees.

AID IN THE FORM OF SUBSIDIES FOR THE PAYMENT OF EMPLOYEES' SALARIES TO AVOID TERMINATIONS DURING THE COVID-19 PANDEMIC (article 60)

The Regions, the Autonomous Provinces, other local authorities and the Chamber of Commerce may provide aid to companies may provide aid towards the personnel costs of companies, including social security and welfare contributions, and the costs of self-employed, in order to avoid terminations during the COVID-19 pandemic.

COMMON PROVISIONS ON STATE AID (article 61)

As regards the provisions outlined above (articles 54 to 60):

- ◆ the enterprises which were already in difficulty within the meaning of the General Block Exemption Regulations, at 31 December 2019, fall outside the scope of the rule;
- ◆ the deadline for granting the aid is 31 December 2020; for aid granted in the form of tax advantages, the deadline is the due date for filing the recipient company's 2020 income tax return;
- ◆ the measures are conditional on the European Commission's authorization.

Tax measures

ENERGY EFFICIENCY INCENTIVES, EARTHQUAKE BONUS, INCENTIVES FOR INVESTMENTS IN PHOTOVOLTAIC SYSTEMS AND ELECTRIC CAR CHARGING STATIONS (article 119)

AVAILABLE BENEFIT

The IRPEF (personal income tax) allowance for documented expenses borne by taxpayers in connection with works for energy efficiency, reduction of the seismic risk, installation of photovoltaic systems and of electric car charging stations in the period between 1 July 2020 and 31 December 2021, has been increased to 110%.

The incentive has been extended to the installation of specific photovoltaic systems and relevant integrated accumulators, made between 1 July 2020 and 31 December 2021, subject to sale of the unused power to the utility provider (GSE).

The allowance is available in 5 annual equal instalments.

ELIGIBLE TAXPAYERS

- ◆ condominiums;
- ◆ private individuals, other than individuals carrying on a business or a profession³;
- ◆ italian social housing authority (IACP);
- ◆ housing cooperatives with undivided property, in respect of works carried out on property owned by them and assigned to their members for use.

TAX CREDIT FOR WORKPLACE ADJUSTMENT WORKS (article 120)

AVAILABLE BENEFIT

Tax credit of 60% the costs incurred in 2020, up to a maximum of 80,000 Euro, in connection with works necessary to meet the healthcare guidelines and implement the COVID-19 containment measures.

These include the works to redo locker rooms and canteens, to create a doctor's office, entrances and common spaces, to install safety features and to invest in innovative activities.

³On property other than single-unit buildings used other than as principal residence.

The tax credit may be combined with other incentives on the same costs, within the limit of the expense incurred, and is available for offset (without limits) in 2021.

ELIGIBLE TAXPAYERS

Anyone carrying on a business or a profession in places open to the public, including Third-Sector entities.

TRANSFORMATION OF TAX ALLOWANCES INTO DISCOUNTS ON THE CONSIDERATION PAYABLE AND ASSIGNABLE TAX CREDIT

(article 121)

AVAILABLE BENEFIT

With regard to the costs incurred for the qualifying works listed below, in FYs 2020 and 2021 it is possible for taxpayers, as an alternative to the tax allowance:

- ◆ to opt for a contribution of an equivalent amount in the form of a discount on the consideration payable, which is advanced by the supplier who carried out the works; or
- ◆ to transform the allowance into a tax credit – which may be assigned to third parties – available for offset (without limits) with the same annual instalments as the allowance.

Qualifying works are:

- a) renovation of properties;
- b) energy efficiency works;
- c) measures to reduce the seismic risk;
- d) renovation of the façade of existing buildings (including cleaning or repainting works);
- e) installation of photovoltaic systems;
- f) installation of electric car charging stations.

ELIGIBLE TAXPAYERS

Taxpayers entitled to the allowances.

NOTA BENE

A Revenue Agency Director Enactment will be issued to implement the practical aspects of the new rule.

ASSIGNMENT OF TAX CREDITS GRANTED BY MEASURES IMPLEMENTED TO TACKLE THE COVID-19 OUTBREAK (article 122)

AVAILABLE BENEFIT

Until 31 December 2021, the tax credits listed below may wholly or partly be assigned to third parties, including banks and other financial intermediaries.

The assignees may use the tax credit to offset any tax liabilities (without limits) with the same number of instalments as the allowance. Any unused portion of the tax credit for the year may not be carried over to subsequent years or claimed for refund.

Qualifying tax credits are:

- ◆ tax credit for shops;
- ◆ tax credit in connection with lease payments for non-residential property and the lease of businesses;
- ◆ tax credit for workplace sanitization costs and the purchase of personal protective equipment;
- ◆ tax credit in connection with costs for workplace adjustments.

ELIGIBLE TAXPAYERS

Taxpayers eligible for the tax credits introduced to tackle the COVID-19 emergency.

REMOVAL OF THE GRANDFATHERING CLAUSES ON VAT AND EXCISE TAX (article 123)

The So-called "*clausole di salvaguardia*" (grandfathering clauses) on VAT and excise tax have been definitely removed and accordingly (to date) the gradual increase envisaged for VAT rates up to 13% (reduced rate) and up to 25% (ordinary rate) will not occur.

ELIGIBLE PERSONS

All companies.

REDUCTION OF VAT RATE FOR THE SALES OF GOODS NECESSARY TO TACKLE THE COVID-19 EMERGENCY (article 124)

A 5% VAT rate has been introduced for sales of masks and other medical and personal protective equipment.

On a transitional basis, taking into consideration the situation of health emergency in progress, until 31 December 2020, sales of such goods are exempted from VAT, with the right to deduction of the tax paid on the purchases and imports of goods and services related to such sales.

ELIGIBLE PERSONS

All companies.

TAX CREDIT FOR SANITIZATION COSTS AND FOR THE PURCHASE OF PROTECTIVE EQUIPMENT (article 125)

This article provides that entities are entitled to a tax credit corresponding to 60% of the expenses incurred in 2020 for the sanitization of working environment and equipment as well as for the purchase of personal protective equipment and other equipment to protect the workers' health.

This tax credit is granted up to maximum Euro 60,000 per person and can be used in the income tax return related to the tax period in which the expenses have been incurred or is available for offset (without limits).

The tax credit is not included in the taxable base for income taxes and IRAP purposes.

The tax credit may be granted for the following expenses:

- ◆ sanitization of the working environment and equipment;
- ◆ purchase of personal protective equipment, masks, protective gloves, visors, goggles, overalls and footwear, satisfying the essential requirements of safety prescribed by European regulations;
- ◆ purchase of hand detergents or disinfectants;
- ◆ purchase of safety equipment other than those listed under b), such as thermometers, temperature measuring scanners, decontamination and sanitizing mats and trays, satisfying the essential safety requirements prescribed by European regulations, including installation costs, if any;
- ◆ purchase of equipment ensuring personal safety distance, such as protective barriers and panels, including installation costs, if any.

ELIGIBLE PERSONS

All entities carrying on a business or a profession, non-commercial entities, including third-sector entities and ecclesiastic entities recognized under civil law.

EXTENSION OF SUSPENDED PAYMENTS

(article 126)

The suspended payments of withholding taxes at source on employment income and similar income, withholding taxes related to the regional and municipal surcharge, value-added tax and social security contributions, as well as compulsory insurance premiums, for April and May 2020, have been postponed to 16 September 2020.

Suspended payments may be made in a maximum of four monthly equal instalments, starting from 16 September 2020.

ELIGIBLE PERSONS

All eligible persons.

EXTENSION OF THE DEADLINE FOR OBLIGATIONS AND PAYMENTS REGARDING TAXES AND SOCIAL SECURITY CONTRIBUTIONS

(article 127)

The deadline for the payment of the suspended sums pursuant to articles 61 and 62(2 and 3) of Decree-Law no. 18/2020 for entities operating in several sectors affected by COVID-19 emergency has been extended to 16 September 2020.

Suspended sums may be paid in a maximum of four monthly equal instalments, starting from 16 September 2020.

EXTENSION OF THE DEADLINE FOR REDERMINATION OF THE PURCHASE COST OF LAND AND SHAREHOLDINGS NOT TRADED IN REGULATED MARKETS

(article 137)

The deadline for redetermining the value of the shareholdings not traded in regulated markets and of land has been extended again.

The value of shareholdings not traded in regulated markets and of land owned as at 1 July 2020 could be redetermined.

Substitute tax of 11% will be applied to either qualifying and non-qualifying shareholdings for building land and agricultural land.

The tax can be paid in a maximum of three annual equal instalments, starting from 30 September 2020.

STORING AND ONLINE TRANSMISSION OF DATA ON DAILY CASH RECEIPTS (article 140)

No fines will be inflicted until 1 January 2021 to entities which do not yet use a cash register with an online connection (*registratore telematico*) or the Revenue Agency's web.

The deadline for using cash registers with an online connection for transmitting the data on daily cash receipts has been extended to 1 January 2021.

ELIGIBLE PERSONS

All persons concerned.

LOTTERIA DEI CORRISPETTIVI (article 141)

The effective date of the lottery of cash register receipts (*lotteria dei corrispettivi*) has been postponed to January 2021.

POSTPONEMENT OF THE EFFECTIVE DATE OF THE SERVICE OF PROCESSING THE DRAFT PRE-FILLED-IN VAT DOCUMENTS (article 142)

The experimental start of the procedure to prepare the draft VAT ledgers and notifications of VAT settlements by the Revenue Agency has been postponed to 1 January 2021

ELIGIBLE PERSONS

VAT registered persons.

POSTPONEMENT OF THE AUTOMATED PROCEDURE TO PAY THE REGISTRATION TAX ON E-INVOICES (article 143)

The procedure by which the Revenue Agency supplements the registration tax due on e-invoices sent by the Interchange System (*Sistema di Interscambio*) and not stating the payment thereof has been postponed to 1 January 2021.

ELIGIBLE PERSONS

All persons concerned.

POSTPONEMENT OF THE DEADLINE AND SUSPENSION OF THE PAYMENT OF AMOUNTS DEMANDED AS A RESULT OF THE AUTOMATED AND FORMAL CONTROL OF INCOME TAX RETURNS

(article 144)

The payments expiring between 8 March 2020 and 31 May 2020, including the payments by instalments in progress, of the amounts demanded as a result of the automated and formal control of the income tax returns (articles 36-*bis* and 36-*ter* of Presidential Decree no. 600/1973 and 54-*bis* of Presidential Decree no. 633/1972) and as a result of the settlement regarding income subject to separated taxation will be postponed to 16 September 2020.

Suspended payments may be carried out in a maximum of four monthly equal instalments, starting from 16 September 2020. Any amounts already paid will not be reimbursed.

ELIGIBLE PERSONS

All persons concerned.

SUSPENSION OF OFFSETS BETWEEN TAX CREDITS AND TAX LIABILITIES REGISTERED ON PERMANENT LIST OF TAXES DUE

(article 145)

In 2020 it is allowed to pay tax refunds to all taxpayers without offsets between tax credits and tax liabilities registered on the permanent list of taxes due.

ELIGIBLE PERSONS

All persons concerned.

INCREASE OF THE ANNUAL THRESHOLD OF TAX CREDITS TO BE OFFSET BY WAY OF F24 FORM

(article 147)

Starting from 2020 the annual threshold of the tax credits to be offset by way of F24 form, or to be refunded on "*conto fiscale*" (special bank account for tax credit refunds and tax payments), has been increased from Euro 700,000 to 1,000,000.

ELIGIBLE PERSONS

All persons concerned.

CHANGES TO THE RULES ON TAX RELIABILITY INDICATORS

(article 148)

For 2020 and 2021, the rules on the tax reliability indicators (*Indici Sintetici di Affidabilità fiscale - ISA*) will be amended, inter alia by identifying new specific grounds for exclusion from their application. The dates for the adoption of the indicators and their amendment have been deferred respectively to 31 March and 30 April of the year subsequent to the year of application.

ELIGIBLE TAXPAYERS

Persons concerned.

SUSPENSION OF PAYMENTS DUE PURSUANT TO NEGOTIATED SETTLEMENT AGREEMENTS, CONCILIATIONS, PAYMENT NOTICES AND RECOVERY OF TAX CREDITS

(article 149)

The payment of any amounts due (in the period 9 March 2020- 31 May 2020) in respect of:

- ◆ the negotiation settlement agreements signed;
- ◆ mediations;
- ◆ conciliation proceedings;
- ◆ the recovery of tax credits;
- ◆ payment notices (*atti di liquidazione*) in connection with the failure to register rent and other agreements;
- ◆ documents for the recovery of tax credits;
- ◆ payment notices (*atti di liquidazione*) in connection with the non-payment, or the late or insufficient payment of registration tax, inheritance and gift tax, substitute tax on loans, insurance tax,

has been postponed to 16 September 2020.

Also the **deadline for filing an appeal with provincial tax courts** in connection with the above proceedings and for other proceedings which may be settled by “acquiescence” – pursuant to which payments fall due between 9 March and 31 May 2020 – has been postponed to 16 September 2020.

IMPORTANT!

The extension also applies to instalment payments falling due between 9 March and 31 May 2020, **including instalment payments pursuant to the “*definizioni agevolate*” procedure** (forgiveness of penalties and interest on outstanding taxes due, subject to full payment of tax amount and to relinquishing the right to appeal) **provided by articles 1, 2, 6 and 7 of Decree-Law no. 119 of 23 October 2018, converted with amendments into Law no. 136 of 17 December 2018.**

NOTA BENE

The extended payments will be made in a single instalment by 16 September 2020 or in up to 4 monthly equal instalments starting from 16 September 2020 (on the 16th day of each month), without penalties and interest.

ELIGIBLE PERSONS

Persons concerned.

EXTENSION OF DEADLINES TO FACILITATE THE GRADUAL RESUMPTION OF ECONOMIC AND SOCIAL ACTIVITIES

(article 157)

All notices of deficiency, penalty payment notices, notices of recovery of tax credits and other tax payment notices **whose last day of the limitation period falls between 9 March 2020 and 31 December 2020, will be served not earlier than 1 January 2021 and until 31 December 2021. The extension applies to any payment notices issued but not served by 31 December 2020.**

No late-payment interest shall be payable for the period between 1 January 2021 and the date of service on the notices benefiting from the extension and served in 2021.

The foregoing does not apply to the service of urgent notices, such as those concerning tax fraud, or notifications of the commission of a crime pursuant to article 331 of the Italian Code of Criminal Procedure, or notices resulting from the application of precautionary proceedings pursuant to article 22 of Legislative Decree no. 472 of 18 December 1997.

CONCURRENT APPLICATION OF THE SUSPENSION OF THE LIMITATION PERIOD FOR TRIAL PROCEEDINGS AND OF THE SUSPENSION OF NEGOTIATED SETTLEMENT PROCEDURES

(article 158)

An interpretation rule has clarified that where a taxpayer filed an application for a negotiated settlement procedure, the suspension of the 90-day term from the date of filing the application and the 38-day suspension of the limitation period for trial proceedings introduced by Decree *Cura Italia* will apply concurrently.

EXTENSION OF CUSTOMS DUTY PAYMENTS

(article 161)

Custom duty payments falling due between 1 May 2020 and 31 July 2020 have been extended by sixty days, without penalties and interest. All holders of a debit account for customs duty purposes, who find themselves in severe economic and social difficulties, qualify for the extension.

Other tax measures

EXEMPTION FROM THE MUNICIPAL PROPERTY TAX IN THE TOURISM SECTOR (article 177)

This article prescribes the elimination of the payment of the first instalment of the Municipal Property Tax (*IMU*) falling due on 16 June 2020 for the owners of properties with D/2 land registry classification, and of farm holiday facilities, resorts, youth hostels, mountain huts, sea and mountain holiday camps, short-term lodging facilities, holiday houses and apartments, B&Bs, apartment hotels and campsites, provided that the owners also manage the business conducted therein. This tax exemption is granted also to private beach facilities and spa facilities and wellness centres.

TAX CREDIT FOR INVESTMENTS IN ADVERTISING (article 186)

For FY 2020, the tax credit for investments in advertising has been increased to 50%.

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