

ITALIAN TAX RELIEF MEASURES

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Main tax and corporate measures

Law Decree no. 18 of 17 March 2020

Measures to strengthen the National Health Service and provide economic support for families, workers and companies relating to the COVID-19 epidemic emergency.

Tax measures

Suspension of terms

NEW TERMS FOR PAYMENTS TO PUBLIC ADMINISTRATIONS (ART. 60)

- payments to public authorities, including those relating to social security and welfare contributions and compulsory insurance premiums, due on 16 March 2020 are extended **until 20 March 2020**, without the application of penalties and interest.

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SUSPENSION OF PAYMENTS OF WITHHOLDING TAXES, CONTRIBUTIONS AND COMPULSORY INSURANCE PREMIUMS FOR THE SECTORS MOST AFFECTED BY THE EMERGENCY (ART. 61)

- **For companies in the sectors most affected by the current epidemiological emergency** (such as, for example, transport, tourism, sport, trade fairs, art and culture), the relevant deadlines are suspended for:
 - ❖ payments of withholding taxes on income from employment and similar activities;;
 - ❖ obligations and payment of social security and welfare contributions and compulsory insurance premiums;
 - ❖ terms of payments relating to value added tax (VAT) due in March 2020 are also suspended in favor of such entities.
- The suspended payments shall be made, without the application of penalties and interest, either as a single payment by 31 May 2020 or by maximum 5 monthly installments from May 2020. No refund shall be made of amounts already paid.

Tax measures

Suspension of terms

SUSPENSION OF TERMS FOR TAXES AND CONTRIBUTION S (Article 62, paragraph 1)

- Tax obligations , other than tax payments, withholding taxes and other withholding regional and municipal additional taxes, which are due between 8 March 2020 and 31 May 2020, are suspended. Such suspended obligations shall be performed by 30 June 2020 without the application of penalties.

SUSPENSION OF PAYMENT OF TAXES AND CONTRIBUTION TERMS FOR PARTIES WITH REVENUES UNDER EURO 2 MILLION (ART. 62, paragraph 2)

- For companies and individuals exercising arts or professions with revenues or income not exceeding Euro 2 million in the last taxable period, payments due between 8 March 2020 and 31 March 2020 relating to VAT, withholding taxes, social security and welfare contributions are suspended. For parties residing in the provinces of Bergamo, Lodi, Cremona and Piacenza ,this provision operates regardless of the amount of revenues or income.
- Suspended payments are made, without the application of penalties and interest, either in a single payment by 31 May 2020 or by a maximum of 5 monthly installments starting from May 2020. There shall be no refund of amounts already paid.

Tax measures

Suspension of terms

SUSPENSION OF TERMS RELATING TO TAX AUTHORITIES' ACTIVITIES (ART. 67)

- From 8 March to 31 May 2020, any payment, audit, assessment, collection and litigation activities by the tax authorities are suspended.
- From 8 March to 31 May 2020, the time limits for replying to requests for clarification are also suspended.

SUSPENSION OF PAYMENT TERMS DELEGATED TO COLLECTION AGENTS AND EXTENSION OF TERMS FOR ASSESSMENT (ART. 68)

- Payment terms, due between 8 March to 31 May 2020, arising from payment notes issued by collection agents and enforceable assessment notices are suspended. Suspended payments shall be made with a single payment by 30 June. No refund shall be made of amounts already paid.
- The limitations period relating to the activities of tax authorities, social security and welfare institutions and collection agents which expire by 31 December 2020 shall be extended until 31 December of the second year following the end of the suspension period.

Tax measures

Suspension of terms

SUSPENSION OF WITHHOLDING TAX FOR SELF-EMPLOYED WORKERS WITH LESS THAN € 400,000 (ART. 62, paragraph 7)

- For persons with revenues not exceeding Euro 400,000 in the last taxable period: their revenues received in the period between the date of entry into force of the Law Decree and 31 March 2020 are not subject to withholding tax by the withholding agent provided that in the previous month they did not incur expenses for employee or similar services.
- Such persons shall pay the amount of withholding tax not paid by the withholding agent either with a single payment by 31 May 2020 or with maximum 5 monthly installments from May 2020, without the application of penalties and interest.

SUSPENSION OF TAX PROCEEDINGS (ART. 83)

- From 9 March 2020 to 15 April 2020, hearings for pending civil, criminal and tax proceedings before all courts are postponed after 15 April 2020;
- From 9 March 2020 to 15 April 2020, litigation procedural deadlines are also suspended.

Tax measures

Bonus for employees

BONUSES FOR EMPLOYEES WITH ANNUAL INCOME LESS THAN € 40,000 (ART. 63)

Employees, whose total income in the previous year does not exceed € 40,000 are entitled to a bonus, for March 2020, which is not considered income, equal to €100 in proportion to the number of days worked in their work place of work in that month.

Tax measures

Tax Credits

CONVERSION OF PREPAID TAX ASSETS INTO TAX CREDITS (ARTICLE 55)

INTERESTED PARTIES: companies that sell, by 31 December 2020, receivables due by non performing debtors over 90 days;

RELIEF: prepaid tax assets may be converted into tax credits relating to (i) tax losses not yet computed as reduction of the taxable income at the date of the assignment and (ii) the tax deduction for economic growth incentives (ACE) not yet deducted or used as tax credit at the date of the assignment. The maximum amount that can be converted into a tax credit should not exceed 20% of the nominal value of the assigned receivables and the nominal value of assigned receivables is relevant up to Euro 2 billion.

Tax measures

Tax Credits

TAX CREDITS FOR WORKPLACE SANITATION EXPENSES (ART. 64)

It is allowed, for the 2020 tax period, a tax credit equal to 50% of costs for workplace sanitation and work tools incurred and documented for a maximum amount of € 20,000.

TAX CREDITS FOR SHOPS (ART. 65)

It is allowed, for the 2020 tax period, a tax credit equal to 60% of rent for the month of March 2020 for commercial real estate registered as cadastral category C/1.

Tax measures

Tax deductions and allowances

TAX DEDUCTIONS FOR DONATIONS IN SUPPORT OF MEASURES TO COPE WITH THE HEALTH EMERGENCY (ART. 66)

- Donations in cash and in kind, made in the year 2020 by individuals and non-commercial entities, in favor of the State, regions, local and regional authorities, public bodies or institutions, foundations and no profit associations, aimed at financing measures to contain and manage the COVID-19 epidemic emergency can be deducted from gross income tax, for an amount equal to 30% and not exceeding Euro 30,000.
- Donations in cash and in kind made by companies in 2020 in support of measures to cope with the COVID-19 epidemic emergency are deductible for income tax purposes.

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