

Tax bonuses for building renovations



Focus on

In the last few months, the Government introduced material amendments to the norms regulating the 110% Superbonus and the so-called “minor tax bonuses”, which led, with the so-called “Sostegni-Ter Decree” to an actual block of the tax credits market. The Government started this initiative with the issuance of the Anti-fraud Decree (Law Decree no. 157 dated 11 November 2021), aimed at limiting the transfers of credits other than those originating from the 110% Superbonus which, there being no checks in place, allowed to take advantage of tax benefits by significantly inflating the prices of the works or even by pretending to carry out eligible works, only to accrue non-existing credits. For this reason, in order to prevent frauds, it was deemed advisable to introduce, also for works not benefitting from the 110% Superbonus, the obligation to obtain a stamp of approval and a sworn appraisal of the expenses.

As we intend to analyse only the latest news, introduced starting from 2022, we will consider below the new norms contained in Budget Law 2022 (Law no. 234 dated 30 December 2021), in the so-called Sostegni-Ter Decree (Law Decree no. 4 dated 27 January 2022), in the MITE Decree (Decree by the Ministry of Ecological Transition dated 14 February 2022) and in the Transfers Decree (“Decreto Cessioni”, i.e. Law Decree no. 13 dated 25 February 2022).

Budget Law 2022 (Law no. 234 dated 30 December 2021)

Art. 1, para. 28 of the Budget Law confirmed the extension of the period of validity of the 110% Superbonus. This differs depending on the beneficiaries, in particular:

- for condominium residents, individuals who do not carry on business, practice arts or other professions, non-profit organisations of social value, voluntary organisations and associations for social advancement, an extension of the terms of the bonus up to end 2025 is provided, with decreasing rates as follows: (i) 110% for expenses borne by 31 December 2023; (ii) 70% for expenses borne by 31 December 2024; (iii) 65% for expenses borne by 31 December 2025;
- for detached houses, the 110% bonus is due for expenses borne by 31 December 2022, upon condition that at least 30% of the works is performed by 30 June 2022

Para. 39 of the same Law extended the term for the so-called “Façade Bonus” (“Bonus Facciate”) up to end 2022, reducing the relevant rate from 90% to 60%.

As far as the other minor bonuses are concerned, the period of validity has been extended until 31 December 2024 for the 50% Renovation Bonus (“Bonus Ristrutturazioni”), the 50%-65% Ecobonus, the 50% Furniture Bonus (“Bonus Mobili”) and the 36% Green Bonus.

The Anti-fraud Decree was converted into Budget Law which, partially amending the original provisions for minor tax bonuses, allowed for the possibility to opt for the credit transfer, also through a discount applied in the invoice, without the need to comply with the requirement of obtaining a sworn appraisal of the expenses and of a stamp of approval in the following cases:



- the works do not require a building permit;
- the works are for a total amount not exceeding Euro 10,000, carried out on single real estate units or on the common parts of a building.

It is specified that these simplifications do not apply to works relevant to the so-called “façade bonus”.

Ter Decree (Law Decree no. 4 dated 27 January 2022)

In order to contain the growing phenomenon of significant frauds related to the free movement of tax credits and their continuous transfers, the Government had introduced, through art. 28 of the Sostegni-Ter Decree, material amendments to art. 121 and 122 of the Relaunch Decree which regulated the various methods for benefitting from the tax bonuses in addition to the offsetting against other taxes. This article has already been repealed by art. 1 of Law Decree no. 13/2022, on which more information will be provided below. The norm has essentially been directly transposed into Law Decree no. 34/2020. Specifically, the Sostegni-Ter Decree precluded the possibility of further transfers after the first one, resulting in the obligation for the transferees to use the credit only to offset other taxes using the F24 form.

These were, therefore, the options remained available:

- discount applied in the invoice in advance by the supplier which then recovers the amount as a tax credit, transferable to other subjects (including credit institutions and other financial intermediaries), without the need to a further transfer;
- transfer of the tax credit to other subjects (including credit institutions and other financial intermediaries), without the need to a further transfer;

This norm had an immediate effect on the credits market, leading to the total block of their transfer. Various financial institutions, in such an uncertain situation, asked for the termination of contracts with General Contractors and with online platforms such as those of Poste Italiane (Italian Post) and Cassa Depositi e Prestiti (Italian loan and deposit bank), which were temporarily shut down. The norm has actually been fiercely opposed the field experts, who reported how it provided for no differences between works already underway and works about to start, for which the possibility to transfer the credit is essential and, in any case, already agreed upon by the parties.

MITE Decree (Ministerial Decree dated 14 February 2022)

As provided by the Anti-fraud Decree first and then by Budget Law 2022, on 14 February 2022 the Ministry for Ecological Transition undersigned the Decree which sets the new ceiling for the sworn appraisals of expenses relevant to the energy upgrade works on buildings.

The Ministry, basing on data provided by Enea (i.e. the Italian agency for new technologies, energy and sustainable development), reviewed the expenditure ceilings for some specific types of works, revaluating them by approx. 20% in order to align them with the actual market costs.

These are in particular 40 cost items (among which thermal cladding, boilers, window frames, solar shading systems, photovoltaic plants and charging stations).

It is worth specifying that these ceilings apply in all cases to works falling within the scope of the 110% Superbonus and, in case of credit transfer and discount applied in the invoice, also to minor bonuses (such as the Econbonus and the 50% home renovation bonus).

In order to avoid application misalignments and to make the ceilings set by the Decree more realistic, the Ministry clarified that said ceilings are to be referred only to works. Moreover, the Ministry provided for that they will be updated on a yearly basis to reflect the changes in prices actually found on the market and they will be used alongside with the price list prepared by Regions and autonomous Provinces, with the lists of the Chambers of Commerce and of those of the publishing company Dei.

The new values will apply to works for which the application for a building permit, where required, is filed after the entry into force of the Decree, scheduled for the 30th day following its publishing in the Official Gazette.

Law Decree no. 13 dated 25 February 2022, n. 13

The strong criticism and objections mentioned above led the Government to review the block of credit transfers and subsequent negative effects on the whole industry. The Council of Ministers held on 18 February 2022 issued Law Decree no. 13/2022 in the Official Gazette no.

47 dated 25 February 2022, which partly reconsiders the block of credit transfers, guaranteeing in any case a better control over tax frauds.

The Decree introduced various updates on credit transfers and, in particular, it fully repealed the objected art. 29 of Sostegni Ter Decree, partly restoring the possibility of more subsequent transfers of the tax credits originating from the building renovation bonuses ex art. 121, para. 1 of Law Decree no. 34/2020.

This article has actually been completely redrafted to introduce the possibility of two further transfers of the tax credit after the first one, in favour of regulated entities ex art.

106 of the Consolidated Banking Act, such as banks and financial intermediaries, as well as companies part of banking and insurance groups. In practice, the newly approved norm allows to benefit from the discount applied in the invoice granted by the supplier, with the possibility of a first free credit transfer.

Should the beneficiary opt for the integral payment of the invoice, instead, he will nonetheless also have the possibility to transfer the credit to any other subject. It will then be possible to transfer the credit two more times, but only in favour of regulated entities.

Para 1-quarter added to art. 121 of Law Decree no. 34/2020 introduced significant amendments to the methods of transfers. The prohibition of breakdown and securitisation of credits have actually been provided. To this end, each tax credit will be assigned a unique identification code, so that the tax authorities will be able to trace back the first beneficiary upon inspection.



The rules for the implementation of the provisions relevant to the electronic transfer and traceability of tax credits will be defined by an order of the Revenue Office Director. These provisions will apply only starting from 1 May 2022.

Another key step to deter fraud is the strengthening of criminal penalties for professionals issuing false sworn appraisals: the crime now becomes punishable by imprisonment from two up to five years and with a fine from 50k to 100k Euro. The possible penalties will concern both the 110% bonus and the sworn appraisals related to minor bonuses. The failure to provide significant information on the technical requirements of the renovation works, or on the actual execution of the project, will also be sanctioned. Said omission will have to be malicious, i.e. voluntary. Increased sanctions are provided if the crime is committed to attain an unfair advantage for themselves or for other people.

A significant novelty has been introduced under art. 4, to which para. 43-bis has been added, directly from art. 1 of Budget Law 2022. Said paragraph provides for that for all renovation works for an amount exceeding Euro 70,000, tax credits are granted only if the contract for works clearly states that the works are performed by employers applying the national and local collective labour agreements for the building sector, entered into by the most representative association of the industry's employers and trade unions. The applied collective labour agreement, indicated in the works contract, need to be indicated also in the invoices issued with reference to the works performed.

This provision will enter into force starting from 27 May 2022, i.e. 90 days after the entry into force of Law Decree no. 13/2022.

Lastly, the new Decree makes it compulsory for the professionals issuing sworn appraisals to have an insurance policy with limits of liability equal to the amount of all the works for which they have provided appraisals, similarly to what provided for the 110% Superbonus, aimed at safeguarding both the beneficiary and the State budget from possible damages caused by professionals' mistakes. Authorised intermediaries who issue the stamp of approval are required to assess that the collective labour agreement is mentioned in both the works contract and in the invoices.

Our professionals remain available for any further information requests.



Grant Thornton

bgt-grantthornton.it

© 2022 Bernoni & Partners. All rights reserved.

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. "GTIL" refers to Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership.

Bernoni Grant Thornton (Bernoni & Partners) is a member firm of GTIL. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients.

GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.