Budget Law 2023

Companies operating in the retail sale of consumer products – Industrial buildings – Increase in depreciation

Focus on

Under art. 1, paragraphs 65 and following ones, Budget Law 2023 (Law no. 197/2022) provides, for companies operating in the retail sale of consumer product, for the possibility to increase the deductibility limit related to the depreciation rates of the cost of instrumental buildings.

These goods, therefore, will be deductible within the limit of 6% of their cost (instead of 3%). This measure applies to companies involved in the retail trade of goods such as food and non-food goods (including department stores), tobacco and electronics.

Specifically, the regulation concerns to those activities characterized by the following ATECO codes:

47.11.10 *(Hypermarkets)*; **47.11.20** *(Supermarkets)*; **47.11.30** *(Food discounts)*; **47.11.40** *(Minimarkets and other non-specialised food outlets)*; **47.11.50** *(Retail sale of frozen products)*; **47.19.10** *(Department Stores)*; **47.19.20** *(Retail sale in non-specialized stores of computers, peripherals, telecommunications equipment, audio and video consumer electronics, household appliances)*; **47.19.90** *(Emporiums and other non-specialised shops selling various non-food products)*; **47.21** *(Retail sale of fruit and vegetables in specialized shops)*; **47.22** *(Retail sale of meat and meat-based products in specialized shops)*; **47.23** *(Retail sale of fish and shellfish in specialized shops)*; **47.24** *(Retail sale of bread, cakes, sweets and confectionery in specialized shops)*; **47.25** *(Retail sale of beverages in specialized shops)*; **47.26** *(Retail sale of tobacco products in specialized stores)*; **47.29** *(Retail sale of other food products in specialized shops)*.

In addition, the Law provides that real estate management companies being part of a tax consolidation in relation to buildings leased to companies - adopting the same group taxation regime – which operate in the industries indicated above can benefit from this measure, too. Unless otherwise indicated, the rules under article 102 of TUIR remain confirmed, as well as compliance with the accounting standards and the principle of prior allocation to the income statement pursuant to art. 109 paragraph 4 of TUIR. A provision by the Revenue Office will issue the relevant implementing provisions by 1 March 2023.

Lastly, it should be noted that the changes at issue apply starting from the tax period being current at 31 December 2023 and for the 4 subsequent tax periods (i.e. from 2023 to 2027 if the fiscal year matches the calendar year).

Please feel free to contact us for further details and information on the above issues.

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