

# August Decree: tax exemption doubled for employees



# Focus on

The August Decree, intervening on art. 51, para. 3 of the Italian Consolidated Text on Income Tax (T.U.I.R.) (Presidential Decree n. 917/1986), extends up to Euro 516,16 the lump-sum value of goods sold and services rendered, which does not concur to the formation of employment income.

The exemption threshold is thus doubled, from Euro 258,23 up to Euro 516,46, but this possibility is limited to FY 2020.

It is worth reminding that the norm expressly provides for that, should the value of goods and services exceed the lump-sum threshold above, the entire value of such good and/or of the service rendered will concur to the formation of employment income (see Circular Letter n. 59/E 2018).

**By way of example:** “should the arm’s length total value of goods and services transferred to the employee, in FY 2020, be equal Euro 600, this latter total value will have to be taken as reference to determine the income, and not the mere excess amount (equal, in this specific case, to Euro 83.54)”.

As a last note, we point out that the exemption threshold above concerns only donations in kind or of work, including those towards a single employee, as it is no longer required that such donations be granted on the occasion of holidays or specific occasions to all employees or to categories of employees (Circular Letter n. 59/E 2018).



Our professionals would be pleased to provide you with any further information you may need.

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