

# **Relaunch Decree: revaluation of shareholdings and lands extended to 15 november 2020**

# Focus on

Art. 137 of Law Decree n. 34/2020 (so-called Relaunch Decree), converted by Law n. 77 dated 17 July 2020 extends until 15 November 2020 the possibility to recalculate the purchase value of shareholdings not negotiated in regulated markets and of lands for development and agricultural lands.

Below are the main points of this new provisions.

## Subjective scope

The benefit is available to the following categories:

- individuals, for operations not falling within the performance of a business activity
- partnerships and equivalent entities
- non-commercial entities, if the operation generating the income is not carried out within the performance of a business activity
- non-resident subjects, for the extraordinary gains deriving from the transfer of shareholdings of companies resident in Italy for a consideration, except for permanent establishments, without prejudice to the provisions contained in double tax treaties excluding their taxation in Italy.

Subjects having a business income cannot benefit from the revaluations above.

## Prerequisites, fulfilments and substitute tax

The conditions to be met to access the norm above can be summarised as follows:

- the shareholdings and lands to be revalued should have been held by the applicant as at 1st July 2020
- an authorised professional (e.g. a chartered accountant) will have to prepare a sworn appraisal - concerning the value of the shareholding and/or of the land to be revalued - by and no later than 15 November 2020
- interested taxpayers will have to pay a substitute tax equal to 11%, both in case of revaluation of shareholdings and lands.



## Payment criteria

The substitute tax can be paid in a single instalment by 15 November 2020, or in three yearly instalments for an equal amount.

Should the taxpayer opt for the payment in 3 instalments, the first one will be due by 15 November, to confirm the intention to benefit from the revaluation option. The two remaining instalments are to be paid by 15 November 2021 and 15 November 2022, respectively.

The payment in instalments implies a 3% increase as interest to be calculated on a yearly basis starting from 15 November 2020.

## Convenience calculation

It is advisable to carefully examine the shareholdings revaluation option in advance, in order to determine whether it would be convenient in case of a possible later transfer of the shareholdings held.

Actually, in order for the tax benefit above to be indeed advantageous, the 11% substitute tax - applied to the entire value of the revalued shareholding - should be lower than the taxes due (i.e. 26%) related to the exceptional gain which would have been attained without the revaluation.



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

Please refer to Clever Desk on our website - [bgt-grantthornton.it](http://bgt-grantthornton.it) - for further details on any issues concerning COVID-19.

