

# Relaunch Decree: latest economic-fiscal measures to face Covid-19 pandemic



On 19 May 2020, Law Decree no. 34/2020 (the so-called “Relaunch” Decree) was published in the Italian Official Gazette. The Law Decree aims at strengthening measures to protect health, support work and the economy, as well as social policies related to the Covid-19 pandemic emergency. We explain here below the main novelties the Decree introduced (references to the articles below are to be made to the Law Decree in point). Since it is a Law Decree, the measure have to be turned into law within 60 days; amendments may be made during the course of the parliamentary procedure and we reserve the right to provide additional feedback after its final approval. The Law Decree broadly expounds multiple topics, thus, we summarize the main novelties below: our Clever Desk and Grant Thornton experts are available to carry out any in-depth analysis you may need.

## Provisions on payments

### Provisions on IRAP (regional production tax) payments - art. 24

The payment of IRAP final settlement for 2019 and of the first IRAP advance payment for 2020 are cancelled for all taxpayers that are not financial intermediaries, banks, insurance companies and holding companies and whose revenues do not exceed 250 million euros in the FY preceding that in progress at the entry into force of the Decree.

The cancellation of the first IRAP advance payment for 2020 gives rise to an equal reduction of the IRAP to be paid as final settlement for the relevant FY the advance payment refers to.

The provisions under this article apply within the terms and conditions provided for by the Communication of the European Commission dated 19 March 2020 C(2020) 1863 final “*Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak*” and subsequent amendments.

### Extension of the deadlines for resuming collection of suspended payments - art. 126 and 127

The following payments are postponed until 16 September 2020:

- payments (VAT and social security contributions) extended by art. 18, paragraphs 1, 2, 3, 4, 5 and 6 of the so-called Liquidity Decree;

- payment of withholding taxes (on subordinate employment income) suspended pursuant to articles 25 and 25-bis of Presidential Decree no. 600/1973, in application of the provisions of article 19, paragraph 1, of the Liquidity Decree (Law Decree no. 23/2020)
- payments and fulfilments pursuant to art. 5 of Law Decree no. 9/2020 (i.e. the municipalities identified in Annex 1 of the Prime Minister Decree dated 1 March 2020)
- payments suspended in application of art. 61, paragraph 1 and 62, paragraph 5 of the *Cura Italia* Decree.

These payments may be made in one single payment or by means of an instalment plan, up to maximum four instalments, whose first instalment is due on 16 September 2020.

### Increase in the annual threshold of credits that can be offset through F24 forms - art. 147

Only for 2020, the maximum amount that can be offset through F24 forms is increased to 1 million euros instead of the threshold of 700,000 euros.

### Exemption from IMU-municipal property tax for the Tourism industry sector - art. 177

The first IMU instalment relevant for FY2020 is cancelled for:

1. Immovable properties used as maritime, lake and river bathing establishments as well as spa buildings;

2. Immovable properties falling within the D/2 cadastral category and immovable properties used as holiday farmhouses, holiday villages, youth hostels, mountain refuges, sea and mountain holiday camps, short-stay rooms for rent, holiday homes and apartments, bed and breakfasts, residences and campsites, provided that the owners are also the managers of the activities carried out there.

This measure applies within the terms and conditions provided for by the Communication of the European Commission dated 19 March 2020 C(2020) 1863 final “*Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak*” and subsequent amendments.

## Provisions on capitalisation

### Capital strengthening for middle-size enterprises - art. 26

The Decree provides for various incentives in order to encourage small and medium-sized enterprises - which registered a decrease in turnover because of the Covid-19 pandemic emergency - to strengthen their share capital.

The criteria and methods for the application and use of the relevant tax credits will be laid down in a special provision the MEF shall issue within 30 days of the Decree’s entry into force. These tax credits are granted up to a maximum contribution of 2 billion euros.

The benefits provided by these tax credits can be combined with each other and with any other aid measures, granted by any entity, and which the company has benefited from, pursuant to paragraph 3.1 of the Communication of the European Commission “*Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak*” and subsequent amendments.

### Tax credit for contributions in cash - art. 26, paragraph 4

A tax credit up to 20% is provided for in favour of those taxpayers that make contributions in cash - with a resolution to increase capital and to make payment by 31 December 2020 - to one or more companies that meet both of the following conditions:

- revenues between 5 and 50 million euros in FY 2019 (should the company belong to a group, the amount of revenues shall take into account the consolidated figure);
- having had an overall reduction in revenues - in March and April 2020 and compared to the same period of 2019 - of no less than 33% (amount of revenues on a consolidated basis, should the company belong to a group).

The maximum eligible investment on which the tax credit shall be calculated is 2,000,000 euros, and any prior distribution of reserves of any kind before 31 December 2023 will result in the loss of the benefit. The shareholding resulting from the contribution must be kept until this date.

Companies that directly or indirectly control the transferee company, are subject to common control or are associated with it, or are controlled by the transferee company, cannot benefit from the tax credit.

Finally, investments in permanent establishments of companies with registered offices in Member States of the European Union or in countries belonging to the European Economic Area – which comply with the requirements under i) and ii) above – can also benefit from the tax credit measure.

The credit can be used directly in tax returns or, alternatively, for the direct offsetting referred to in Article 17 of Legislative Decree no. 241/1997.

### **Tax credit from losses - art. 26, paragraph 8**

Companies that generated revenues between 5 and 50 million euros in FY 2019 and that - in March and April 2020 - had a reduction in revenues higher than 33% if compared to the same months in the previous year, are granted a tax credit equal to 50% (up to a maximum of 800,000 euros) of the losses exceeding 10% of the shareholders' equity, gross of the losses themselves, and up to 30% of the capital increase to be approved and fully paid up by 31 December 2020. Furthermore, companies must comply with certain conditions set forth by the law, such as, by way of example, regularity of social security contributions and/or the non-existence of hindering causes referred to in the Code of Anti-Mafia Laws.

The concession ceases in the event of prior distribution of reserves of any kind before 1 January 2024. The tax credit can be used for offsetting purposes as referred to in Article 17 of Legislative Decree no. 241/1997, starting from the tenth day following the day the declaration on the investment period is filed.

### **SMEs' Net Equity Fund Fondo Patrimonio PMI - art. 26, paragraph 12**

A fund - known as the *Fondo Patrimonio PMI* - has been set up to subscribe for, by and no later than 31 December 2020, newly issued bonds or debt securities issued by companies whose revenues ranged between €5 and €50 million in FY 2019 and suffered a reduction in March and April 2020 that is 33% greater than in the same months of the previous year.

The maximum amount that can be subscribed is equal to the lower amount between three times the amount of the capital increase, to be approved and fully paid in by 31 December 2020 by the company, and 12.5% of the amount of revenues relating to FY 2019. The financial instruments will be repaid six years after their subscription. A Decree by the Minister of Economy and Finance, in agreement with the Minister of Economic Development, will define the characteristics, terms and conditions of the financing as well as the financial instruments.

### **Strengthening of the innovative start-up sector - art. 38**

Incentives have been allocated to support the innovative start-up sector, in the form non-refundable allowances aimed at acquiring services from incubators, accelerators, innovation hubs, business angels and other public or private entities operating to develop innovative businesses. A Decree by the Ministry of Economic Development, to be adopted within 60 days since the current Decree enters into force, will set forth the modalities, terms and conditions to grant facilities according to the *de minimis* regime.

In order to encourage research and development activities, expenses incurred for *extra muros* research agreements executed with innovative start-ups form the basis for calculating the tax credit for an amount equal to 150 per cent of their amount.

In addition to this, innovative start-ups enrolment in the special section of the trade register is extended by 12 months.

The Decree in point introduces a *de minimis* incentive for investments made by individuals in innovative start-ups. A deduction from the gross personal income tax is granted for an amount equal to 50 per cent of the amount invested by the taxpayer in the share capital of one or more innovative start-ups, up to a maximum of 100,000 euros for each tax period.

From the date of entry into force of this "Relaunch" Law Decree, an amount equal to fifty per cent of the amount invested by the taxpayer in the share capital of one or more innovative SMEs shall be deducted from the gross personal income tax. In this case too, the deduction is up to a maximum of 100,000 euros for each tax period.

The modalities for the implementation of this allowance will be identified by a Decree by the Minister of Economic Development, in agreement with the Minister of Economy and Finance, within sixty days from the date of entry into force of this Law Decree.

## Provisions on tax credits

### **Tax credit for rents of real estate for non-residential use and for business leasing - art. 28**

A tax credit is granted to all persons carrying out business activities, art and professional activities, whose revenues or remunerations relating to the fiscal year prior to the entry into force of the Decree do not exceed 5 million euros.

The tax credit shall be equal to 60% on rent, leasing or concession of real estate for non-residential use intended for performing the above activities and relating to March, April, and May. The tax credit is reduced to 30% in the case of complex agreements concerning, among other things, real estate for non-residential use intended for the performance of economic activities (e.g. rental agreements of business units).

This tax credit can also be used by non-commercial entities as well as for hotels and holiday farms regardless of the income generated.

A mandatory requirement to have access to this favourable measure is the decrease in turnover by at least 50% compared to the same reference months (March, April, May) in 2019.

The credit can be used directly in tax returns or, alternatively, for the direct offsetting referred to in Article 17 of Legislative Decree no. 241/1997.

As regards March, the tax credit cannot be combined with the one provided for in the *Cura Italia* Decree.

### **Tax credit for the adaptation of working environments - art. 120**

Employers are entitled to a 60% tax credit on the expenses borne in 2020, up to a maximum amount of 80,000 euros, for the performance of the interventions needed to comply with healthcare provisions and Covid-19 containment measures. This includes necessary construction works for the renovation of changing rooms and canteens; for the creation of medical areas, entrances and common areas; for the purchase of safety furniture, as well as works with reference to investments in innovative activities, including those necessary for innovative investments such as the development or purchase of tools and technologies necessary for the performance of working activities and for the purchase of devices to control temperature of employees and users.

Persons carrying out business, art or professional activities in places open to the public, identified for this purpose by an annex to the Decrees, may have access to the relief. Among these, by way of example, are: hotels, tourist villages, catering services serving food and beverage, canteens, movies projection activities, management of bathing establishments and spas.

The measure is applicable in compliance with the terms and conditions provided for by the Communication of the European Commission dated 19 March 2020 C(2020) 1863 final “*Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak*” and subsequent amendments.

The State resources made available for such a measure amount to 2 billion euros. A special Measure by the Director of the Inland Revenue will set the modalities for monitoring the use of the above tax credit.

## **Transfer of tax credits admitted in compliance with the provisions issued to face the Covid-19 emergency - art. 122**

Provisions are made, for the relevant beneficiaries of the following tax credits:

- tax credits for shops and workshops referred to in Article 65 of *Cura Italia* Law Decree;
- tax credit for rents, for non-residential properties and business rentals as provided for by this Law Decree (the so-called Relaunch Decree);
- tax credit for the adaptation of working environments as provided for by this Law Decree (the so-called Relaunch Decree);
- tax credit for the sanitation of working environments and the purchase of personal protective equipment, as provided for by this Law Decree (the so-called Relaunch Decree)

to assign all or part of their tax receivables to third parties, including credit institutions or other financial intermediaries, instead of directly using them (e.g. offsetting).

A specific provision by the Inland Revenue will define the implementation procedures for said option.

## **Tax credit for sanitation and for the purchase of personal protective equipment - art. 125**

The Law Decree provides for a tax credit to encourage the sanitization of working environments and tools used, as well as for the purchase of personal protective equipment and other devices to ensure the health of workers and users.

The tax credit, which can be used by businesses, arts and professional activities, non-commercial entities, including Third Sector entities and religious entities acknowledged by the civil law, is granted for an amount equal to 60% of the expenses incurred in 2020 up to 60,000 euros.

The eligible expenses are those incurred in relation to:

1. the sanitation of working environments in which work and institutional activities are carried out, as well as of the tools used in performing such activities;
2. the purchase of personal protective equipment, such as masks, gloves, visors and protective goggles, protective overalls and overshoes, which comply with the essential safety requirements of European legislation;
3. the purchase of detergents and disinfectants;
4. the purchase of safety devices different from those referred to under point 2, such as thermometers, thermoscanners, decontaminating and sanitising mats and tubs, compliant with the essential safety requirements of the European legislation, including any related installation costs;
5. the purchase of devices to ensure interpersonal safety distance, such as barriers and protective panels, including any installation costs.

The tax credit can be used directly in tax returns or, alternatively, for the direct offsetting referred to in Article 17 of Legislative Decree no. 241/1997.

The amount of State resources made available for such a measure is up to 2 billion euros. A provision by the Director of the Inland Revenue will set the terms and modalities for using the above tax credit and for monitoring the overall expense cap (200 million euros).

Simultaneously, the provisions on the same subject set forth under art. 64 the *Cura Italia* Decree and under art. 30 of the Liquidity Decree are repealed.

### **Tax credit for advertising investments - art. 186**

With reference to 2020 only, the tax credit related to advertising investments on newspapers, magazines and local TV and radio stations is granted in a unified percentage equal to 50% on the total advertising investment carried out.

The electronic filing in favour of the Department for Information and Publishing of the Presidency of the Council of Ministers containing information on advertising investment already carried out or that are going to be carried out can be filed from 1 September and 30 September 2020.

### **Tax credit on digital services - art. 190**

For 2020, a tax credit - equal to 30% of the actual expenses incurred in 2019 for the acquisition of servers, hosting and evolutionary maintenance services for newspapers and magazines that are digitally published, and for information technology to handle connectivity - is granted to publishers of newspapers and magazines registered in the Register of Communications Operators.

The enterprises referred to above are eligible for the allowance if they employ at least one permanent subordinate employee.

The tax credit can only be used for offsetting purposes, pursuant to Article 17 of Legislative Decree no. 241/1997 and in compliance with the European regulation on de minimis.

### **Tax credit on R&D activities in the Italian Southern regions - art. 244**

An increase in tax rates related to the tax credit for research and development activities is set forth for investments made by companies operating in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily. In particular, the tax credit has increased:

- from 12 to 25% for large enterprises employing at least two hundred and fifty people, whose annual turnover is at least equal to 50 million euros or whose total assets are at least 43 million euros
- from 12 to 35% for medium enterprises employing at least fifty people, whose annual turnover is at least 10 million euros
- from 12 to 45% for small enterprises employing less than fifty people and whose annual turnover is, or whose total assets are, not higher than 10 million euros.

The majority of tax rates applies in compliance with the terms and conditions set forth in the Commission Regulation (EU) No 651/2014 of 17 June 2014, which declares certain categories of aid compatible with the internal market, in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, and in particular of Article 25 thereof on “*Aid for research and development projects*”.



## Provisions on energy efficiency

### Incentives aimed at improving energy efficiency, *sisma bonus*, photovoltaic and EV charging columns - art. 119

Facilitating measures to boost energy efficiency expenditure have been strengthened. In particular, the tax deduction on expenses incurred from 1 July 2020 until 31 December 2021, relating to the interventions below, increased to 110%:

- thermal insulation work on vertical and horizontal opaque surfaces affecting the building coat with an incidence of more than 25 per cent of the building's gross dispersing surface;
- works on the common parts of the buildings to replace existing winter air-conditioning systems with condensation centralised systems for heating, cooling or domestic hot water supply;
- works on single-family buildings to replace existing winter air conditioning systems with heat pumps systems for heating, cooling or domestic hot water supply, including hybrid or geothermal systems.

In order to qualify for the deduction, the works carried out shall ensure the improvement of at least two energy classes of the building or, if not possible, the achievement of the higher energy class, to be demonstrated by means of the Energy Performance Certificate (A.P.E).

The 110% deduction rate also applies for costs related to the adoption of anti-seismic measures and for the installation of grid-connected photovoltaic solar systems on buildings. Facilitating measures also apply to the installation of EV charging infrastructures in buildings.

The aforementioned benefits are granted to condominiums, individuals outside business, arts and professional activities, on real estate units, IACP (Autonomous Institute of Public Housing) and housing co-operatives with undivided joint ownership.

The deduction also applies to works carried out on buildings used as "second homes", with the exclusion of single-family buildings used for this purpose.

### Conversion of tax deductions in discount on the considerations due and into a transferable tax credit - art. 121

Taxpayers who bear the costs, in 2020 and 2021, for heritage buildings recovery, energy efficiency, earthquake-proofing measures, recovery or restoration of the facade of existing buildings, installation of photovoltaic systems or EV recharging columns, have other options instead of directly using the relevant tax deduction. They can alternatively opt either for i) a contribution, in the form of a discount on the consideration due and up to a maximum amount equal to the consideration due, which will be advanced by the supplier, who in turn, will recover the amount as a tax credit; or ii) for the transformation of the corresponding amount into a tax credit, with the option of subsequent transfer to other third parties. A Measure by Director of the Inland Revenue, to be adopted within thirty days from the date of entry into force of the Decree, will define the implementing procedures.

## Provisions on value added tax

### Abolition of the safeguard clauses on VAT and excise duty - art. 123

The Decree finally repeals the regulatory provisions concerning a gradual increase in VAT rates. VAT rates are therefore definitively steadied at the reduced rate of 10% and at the ordinary rate of 22%.

### Reduction in VAT rate on supplies of goods needed to contain and manage the Covid-19 pandemic emergency - art. 124

A reduced VAT rate of 5% is set forth on supplies of some goods necessary to contain and manage the Covid-19 pandemic emergency. The list of necessary goods includes: pulmonary ventilators for intensive



and sub-intensive care units; multiparameter monitors, also easy to transport; infusion pumps for medications and peristaltic pumps for enteral nutrition; endotracheal tubes; helmets for continuous positive airway pressure (CPAP); masks for non-invasive ventilation; suction systems; humidifiers; laryngoscopes; devices for vascular access; electric aspirators; intensive care monitoring unit; portable eco-tomograph; electrocardiograph; computer tomograph; surgical masks; Ffp2 and Ffp3 masks; healthcare protective clothing such as latex, vinyl and nitrile gloves, visors and protective goggles, protective overalls, footwear and overshoes, headgear, waterproof gowns, surgical gowns; thermometers; hand disinfectant detergents; wall dispensers for disinfectants; hydroalcoholic solution in liters; 3% peroxide in liters; emergency trolleys; RNA extractors; diagnostic equipment for Covid-19; clinical swabs; sterile test tubes; equipment for the construction of field hospitals.

It is also provided that transfers of these goods, carried out by 31 December 2020, are to be considered VAT exempt transactions, but will maintain the right to deduct the VAT charged on them in compliance with Article 19, paragraph 1, of Presidential Decree no. 633/1972.

### **Storage and electronic filing of daily considerations/cash receipts - art. 140**

The Decree provides for the non-application of sanctions (according to art. 2, paragraph 6 of Legislative Decree n. 127/2015), as regards the first six months of validity of the obligation to store and electronically file considerations/cash receipts, should the e-filing of the relevant data for daily cash receipts be carried out within the next month following the transaction, without prejudice to the VAT payment deadlines.

## **Provisions to support liquidity and economic development**

### **Non-refundable allowance - art. 25**

A non-refundable allowance is granted to subjects running a business activity, self-employed, and agricultural workers – whose revenues or considerations lower than 5 million and whose turnover in April 2020 suffered a 2/3 decrease compared to the turnover in April 2019. The contribution is quantified as a percentage (10%, 15% and 20%) calculated on the difference of the above turnover figures and the different modulation is based on revenues relevant to the FY preceding that in which the Decree came into force.

An application should be filed with the Revenue office, which will publish the useful forms and instructions through a proper order.

The allowance does not concern financial intermediaries and holding companies, subordinate employees, and professionals registered with private mandatory social security institutions under legislative decrees dated 30 June 1994, no. 509 and 10 February 1996, no. 103, as well as all those subjects who terminated their activity before the filing of the application for the allowance.

The non-refundable allowance will be issued by the Revenue office through a direct credit to the bank account.

### **Dedicated resources allocated by Cassa Depositi e Prestiti - art. 27**

In order to implement interventions and operations to support and relaunch the economic and production system after the Covid-19 emergency, *Cassa Depositi e Prestiti S.p.A.* has been authorised to allocate dedicated resources for businesses with a turnover higher than 50 million euros, having their registered office in Italy, which do not operate in the bank, financial and insurance industry. Such interventions will concern joint-stock companies – also listed ones – including those incorporated as cooperative companies.

A decree by the Ministry of economy and finance will disclose the relevant access requirements, conditions and procedures.

### **Fund for technology transfer - art. 42**

With the aim of fostering and speeding up a durable innovation, growth and re-start of the national production system, the Ministry of Economic Development has established a “Fund for technology transfer” of 500 million euros for 2020, to promote initiatives and investments for the valorization and utilization of research carried out by companies operating in Italy, with particular reference to innovative start-ups. The Fund initiatives aim to foster the collaboration of public and private entities for the realization of innovation and spin-off projects and, therefore, the Ministry of economic development is authorized to intervene through the indirect participation in risk capital and debt capital, in compliance with the European regulation on State aids.

A decree of the Ministry of economic development – in coordination with the Ministry of economy and finance – in force within 60 days from the coming into force of this decree, identifies the possible actions, criteria, procedures and conditions set for the indirect participation in the risk capital and debt capital.

### **Measures on export and internationalization - art. 48**

The fund for the integrated promotion into foreign markets, created with an initial amount of 150 million for 2020 has been increased to 400 million. Moreover, it is provided that the Ministry of foreign affairs can enter into conventions with public and private entities for the acquisition of specialized consultancy services for the internationalization of the national economic system.

The fund aimed at granting loans at reduced rates to exporting companies to foster commercial penetration projects is increased by further 200 million euros for 2020. The maximum loan limits can be increased up to twice as much as those currently provided.

### **Aids in the form of guarantees on business loans - art. 55**

Local authorities (regions, provinces, other local entities, chambers of commerce) can implement measures to grant, by 31 December 2020, guarantees on loans, both for investment and for share capital purposes. For each loan, guarantees are established at a minimum level, which will progressively increase with the increase of the loan term. The loan term is limited to maximum 6 years.

### **Aids in the form of business loans at reduced interest rates - art. 56**

Local authorities (regions, provinces, other local entities, chambers of commerce) can implement measures to grant, by 31 December 2020, loans at reduced interest rates, both for investment and for share capital purposes. The term is limited to maximum 6 years.

### **Liberalization and simplification of administrative proceedings in relation to Covid-19 emergency - art. 264**

In order to simplify and speed up administrative proceedings, as well as to remove any bureaucratic hindrances to the obtainment of incentives, contributions, social safety aids and any other economic measure related to Covid-19 emergency – particularly to *Cura Italia* decree and *Liquidità* decree – up to 31 December 2020, it will be sufficient to fill in a substitute declaration with one's own details (or those of the business) and indicate the requirements met and the type of contribution or financing which the application is about.

## Provisions on tax assessments and tax proceedings

### Provisions on tax proceedings and court fee - art. 135

#### Court fee

From 8 March to 31 May 2020, the payment notice, sent by Tax Courts, due to omitted or delayed payment of the court fee for the entry of the suit in the list of cases, as well as the application of penalties and interest, are suspended.

#### Remote attendance at hearings

Upon request by the parties, public hearings can be attended remotely through audio-visual connection between the courtroom and the place of attendance of the taxpayer, of the defence counsel, of the Tax Authority or collection agent, and of the tax judges and the Tax Courts' administrative personnel.

### Relief from time limits and suspension of payments requested following the automated and formal check of tax returns - art. 144

#### Relief from time limits for overdue payments

Relief from time limits is provided for payments due between 8 March 2020 and the day preceding the coming into force of the decree, also with regard to ongoing instalments, concerning amounts due based on irregularities notified after an automated calculation or formal check of tax returns, as well as through the notification of calculated amounts related to income subject to separate taxation. Payments are due by 16 September 2020 in a single payment or through four equal monthly instalments starting from September 2020 and due on day 16 of each month.

#### Suspension of payments falling due

The same payments as described above, which are due between the coming into force of the decree and 31 May 2020 can be made by 16 September 2020 in a single payment or through four equal monthly instalments starting from September 2020 and due on day 16 of each month, without applying any penalty and interest.

### Suspension of the offsetting between tax credit and assessed arrears - art. 145

In 2020, the Revenue Office, when paying refunds, will not offset the tax credit due and the possible payables of assessed taxpayers.

### Suspension of payments due following tax settlement agreements, compositions, tax adjustments or settlements, and tax credit collection - art. 149

#### Extension of terms for the notification of first instance appeals

The term for the notification of first instance tax appeals due between 9 March and 31 May 2020 is postponed to 16 September 2020, provided that these concern executive assessment notices and some payment notices. Notifications of penalties and of the infliction of sanctions, as well as, in general, all acts for which a settlement agreement application has been filed, are excluded.

#### Extension of payment terms related to settlement agreements, compositions and mediations, tax adjustments and settlements, and tax credit collection

The term for the payment of the first or single instalment related to settlement agreements, mediations, compositions, tax credit collection, and some payment notices, due between 9 March and 31 May 2020, is postponed to 16 September 2020.

### **Procedure for the reimbursement of undue amounts related to social security contributions and remunerations subject to withholding taxes paid as advances - art. 150**

Amounts unduly paid by employers – in their quality as withholding agents - to perceivers, should be refunded to the same employers net of the withholding tax applied at the moment of payment, except for cases in which no withholding tax was applied.

Those withholding agents that obtain the refund of such amounts net of applied and paid withholding tax can benefit from a tax credit equal to 30% of received amounts, which is relevant for the calculation of income.

This provision applies to amounts refunded starting from 1st January 2020.

### **Suspension of attachments on wages and pensions by the tax collector - art. 152**

Starting from the coming into force of this decree and until 31 August 2020, the garnishee is not obliged to allocate the amounts claimed through attachments made by the tax collector before the above last date, if such amounts concern wages, salaries, other allowances related to the employment or working contract, including those due following a dismissal, those due as pensions and allowances in lieu of pensions, or as retirement benefits. The amounts that should have been allocated in the same period are not locked up and the garnishee can make them available to the debtor subject to attachment, even if a credit transfer injunction by the judge is issued before the coming into force of the decree.

### **Suspension of inspections under art. 48-bis of Presidential Decree no. 602/1973 - art. 153**

For the period between 8 March and 31 May 2020, the procedure for the freezing of payments by Public Administrations in case of assessed arrears higher than 5,000 euros is suspended.

This provision will have effects on inspections already carried out at the effective date of the decree and before the abovementioned period, on which the collection agent did not notify the relevant payment order.

### **Extension of the suspension period of the Collection office activities - art. 154**

#### **Extension of the suspension of payment terms of charges assigned to the collection agent**

The final term of the suspension of payment terms of charges assigned to the collection agent has been postponed from 31 May to 31 August 2020.

#### **Lapse of instalment payments**

For instalment payments existing at 8 March 2020 and accepted instalment payment applications filed up to 31 August 2020, the lapse of such instalments agreed with the collection agent occurs in case of omitted payment of ten instalments, instead of five.

#### **Payment term of instalments of the so-called *Rottamazione-ter* and so-called *Saldo e stralcio* due in 2020**

Payments of all instalment of so-called *Rottamazione-ter* and *Saldo e stralcio* settlement plans due in the current year can be performed by 10 December 2020.

#### **New deferral of outstanding payments from concessional settlement plans**

It is now possible to apply for the deferral of the deadline for unpaid amounts due within the so-called *Rottamazione-ter* and *Saldo e stralcio* settlement plans.

### **Extension of terms to ease a gradual recovery of economic and social activities - art. 157**

- Acts concerning settlement agreements, notification of penalties, infliction of sanctions, tax credit collection, settlements, as well as adjustments and settlements, lapsing between 9 March 2020 and 31 December 2020, should be issued by 31 December 2020 and notified not earlier than 1st January 2021 and up to 31 December 2021. Proof of their prompt issue can be provided by the IT systems of the competent tax authority. The decree also provides for the extension by one year of the limitation of actions period for the notification of assessed arrears determined from:
  - calculation of income subject to separate taxation, only for tax returns filed in 2017
  - automatic calculation, concerning tax returns filed in 2018
  - formal checks, concerning only tax returns filed in 2017 and 2018.

### **Cumulativeness of the suspension of trial terms and the suspension within the settlement agreement procedure - art. 158**

The decree provides for the cumulativeness of the suspension terms of the settlement agreement procedure (90 days) with the suspension of trial terms provided under the *Cura Italia* decree (from 9 March to 11 May) for the purposes of the filing of a first instance appeal as well as for collection purposes.

### **Further provision**

#### **Deferral of the term for the delivery of new capital goods to obtain a mark-up related to depreciation - art. 50**

The term for the delivery of new tangible capital goods useful to obtain a mark-up related to depreciation, previously set at 30 June 2020, has been postponed to 31 December 2020. It is specified that the purchase order of such goods is required to be accepted by the seller by 31 December 2019 and an advance payment of at least 20% of the purchase cost is required to be paid by the same date.

#### **Supporting measures for companies to reduce the risk of contagion in working places - art. 95**

*INAIL* will promote, through direct financing, extraordinary measures for companies to support their interventions to comply with the provisions aimed at reducing the risk of Covid-19 contagion. Particularly, support is provided for the purchase of:

- appliances and equipment useful to isolate or distance workers, including their relevant installation costs;
- electronic devices and sensors useful to distance workers;
- equipment useful to isolate or distance workers from external persons and from workers of third suppliers of goods and services;
- equipment for the sanitization of working environments; systems and tools to monitor access to working environments useful to identify any indicator of contagion;
- individual protection equipment and other devices.

*Invitalia* will issue such contributions to businesses.

### **Deferral of the effectiveness of provisions on the tax for the consumption of disposable products and of soft drinks - art. 133**

The decree provides the deferral of the effectiveness of the provisions concerning the so-called sugar tax and plastic tax to 1<sup>st</sup> January 2021.

### **Modification to IVAFE regulation for subjects other than individuals - art. 134**

Regarding IVAFE purposes (tax on the value of financial assets held abroad) for subjects other than individuals, the decree provides that the fixed amount of 100 euros shall be applied also to what concerns the taxation related to the issue of bank statements of account and the taxation limit is set to 14,000 euros.

### **Extension of the recalculation of the purchase cost of land and shares not traded in regulated markets - art. 137**

The decree provides for facilitating provisions relating to the recalculation of the purchase cost of land and shares not traded on regulated markets and held at 1 July 2020. The expert's report must be drawn up and sworn by 30 September 2020.

Substitute taxes, equal to 11% for both shares and land, may be paid in up to three equal yearly instalments, starting from 30 September 2020; a 3% interest per year, to be paid jointly, is due on the amount of the instalments subsequent to the first one.

This revaluation is in addition to and does not replace the revaluation provided for in the 2020 Budget Law (Law no. 160/109).

### **Lottery of payment receipts - art. 141**

The decree provides the deferral of the so-called lottery of payment receipts to 1<sup>st</sup> January 2021.

### **Modifications to the regulation on tax reliability indicators (ISA) - art. 148**

Some changes are introduced concerning the application of the regulation on tax reliability indicators in order to take into account, for the FYs at 31 December 2020 and 2021, the effects derived from the Covid-19 pandemic emergency.



Our experts are available should you need any further information.

Please consult Clever Desk visiting the dedicated section on our website [bgt-grantthornton.it](http://bgt-grantthornton.it) for any matter regarding Covid-19.

