



NEWSLETTER NO. 15 - 2025

November 12 2025 Page 1/4

DIRECT TAXES

COVID-19 SUPPORT PAYMENTS

According to the Italian Ministry of Economics and Finance (MEF) and to the Italian tax authority, companies that in the tax periods affected by the COVID-19 pandemic:

- have received various COVID support payments, and
- ended the business year with a tax loss,

may carry forward the tax loss net of the tax-exempt COVID support payments (corporate and individual income tax IRES/IRPEF), which they have received (Answer by the Italian Ministry of Economics and Finance (MEF) to parliamentary question no. 5-04589).

This interpretation is criticised in doctrine and will most likely give rise to disputes. However, the legislator will hopefully enact an interpretative law that overcomes the position adopted by the Italian Ministry of Economics and Finance (MEF).

CAPITAL GAINS FROM THE SALE OF REAL ESTATE

Capital gain from the sale of real estate properties with the following characteristics:

- received as a donation,
- not used as a main home,
- subjected to construction works that entitle to

income tax deduction, as provided for under article

119 of the Italian law decree 34/2020 (so-called superbonus),

- sold before ten years have elapsed since the completion of the construction works,

are subject to taxation pursuant to article 67 (1b-bis) of the Italian income tax code (TUIR). Real estate properties received by inheritance, however, are excluded from taxation (Italian tax authority, resolution 62 of 30 October 2025).

HOUSING TAX DEDUCTIONS

In the event of inheritance, the tax deduction for expenses related to:

- regeneration works on existing building stock pursuant to article 16-bis (8) of the Italian income tax code (TUIR);
- the “cultivation” of private outdoor green spaces of existing buildings and for the construction of green roofs and roof gardens (so-called green bonus) pursuant to article 1 (12-15) of the Italian law 205/2017;
- energy efficiency improvement works on buildings (so-called eco bonus) pursuant to article 1 (344-349) of the Italian law 296/2006;
- energy efficiency, earthquake-resistant works and the installation of photovoltaic plants and infrastructure for charging electric vehicles in buildings (so-called super-bonus) pursuant to article 119 of the Italian law-decree 34/2020;

NEWSLETTER NO. 15 - 2025

November 12 2025 Page 2/4

is transferred to the heir, who acquires the material and direct possession of the property, as long as he or she maintains it uninterrupted throughout the entire tax period.

If upon the opening of the estate none of the heirs has the material and direct possession of the property (e.g. because the property is granted under a loan for use agreement or a lease agreement to third parties), it is not possible to deduct the share attributable to the year.

However, if during subsequent years, one or more of the heirs acquire the material and direct possession of the property (e.g. because the loan for use or the lease agreement is terminated), it will be possible for them to deduct the remaining annual shares, if any (Italian tax authority, *Interpretative principle no. 7* of 2 October 2025).

TAX DEDUCTION FOR REGENERATION WORKS ON EXISTING BUILDING STOCK

For the 2025-2027 period the deduction of expenses relating to regeneration works on existing building stock pursuant to article 16-bis of the Italian income tax code shall be:

- 36 percent for 2025,
- 30 percent for 2026 and 2027,

increased respectively to 50 percent and to 36 percent, if the expenses are incurred by the owner for works on a property used as a main home.

Hence, if the owner is resident abroad, the property cannot qualify as habitual place of residence and therefore deduction is granted at the lower rate of 36 percent (in 2025) and of 30 percent (in 2026 and in 2027) (Italian tax authority, answer to request for advance ruling 273 of 2 October 2025).

ASSIGNMENT OF TAX CREDITS ARISING FROM THE CONVERSION OF DTA

Tax credits arising from the conversion of DTA, as provided for under article 44-bis of the Italian law-decree 34/2020, may be assigned pursuant to article 43-bis (or pursuant to article 43-ter) of the Italian DPR 602/1973.

Pursuant to article 43-bis of the Italian DPR 602/1973 the purchaser may only monetize the amount of the purchased tax credit by collecting the sums claimed for refund, whereas it will not be possible to set off such sums against other taxes due, or to further assign them (Italian tax authority, answer to request for advance ruling 259 of 2 October 2025).

SPECIAL TAX SCHEME FOR REPATRIATES

Deferred emoluments (i.e. *Long Term Incentive Plan and Deferred Bonus Plan*) received by an employee, who became resident abroad, are still subject to tax in Italy, if they are related to work performed in Italy.

If the work was performed in Italy, when the employee was resident there and benefited from the "special tax scheme for repatriates", the deferred emoluments are nonetheless not eligible for such tax scheme, since the employee was not resident in Italy anymore at the time of receipt of such deferred emoluments. Therefore, such emoluments must be subjected to tax in Italy according to ordinary tax rules.

The Italian tax authority also confirms the interpretation provided in the request for advance ruling 199/2025 (which corrected advance ruling 81/2025) regarding the opposite situation, in which the employee performed work abroad and received deferred emoluments once he moved to Italy: In this case, deferred emoluments are taxable in Italy for their full amount (Italian tax authority, answer to request for advance ruling 274 of 28 October 2025).

REIMBURSEMENTS CALCULATED ON A PER-KILOMETRE BASIS

Reimbursements calculated on a per-kilometre basis, which are commensurate to the actual kilometres travelled and to an agreed rate, do not qualify as "analytically charged" expenses pursuant to article 54 of the Italian income tax code (in fact, there is no a third-party receipt). Therefore, the reimbursement adds to the recipient's income from self-employed work and is deductible by the principal (Italian tax authority, answer to request for advance ruling 270 of 23 October 2025).

NEWSLETTER NO. 15 - 2025

November 12 2025 Page 3/4

REPRESENTATION EXPENSES

For representation expenses to be deductible, they must be business-related not only in abstract terms, but it is necessary to prove that they are actually used for promotion purposes (Italian Supreme Court, judgement 26553 of 2 October 2025).

DECLARATION OF CASH ACCOMPANYING TRANSPORT

The declaration of cash accompanying transport of EUR 10,000 or more must be delivered upon crossing the border by the person concerned.

The declaratory obligation cannot be fulfilled by filling out the form directly at the border office counter or at a neighbouring office (Italian Supreme Court, judgement 26710 of 3 October 2025).

CONNECTION OF ELECTRONIC DATA ACQUISITION DEVICES TO ELECTRONIC PAYMENT SYSTEMS

The Italian 2025 Budget Law introduced the requirement of connecting electronic data acquisition devices to electronic payment means for transaction made on or after 1 January 2026.

The Italian tax authority issued measure 424470/2025, which contains the rules to be complied with to connect POS terminals and other electronic payment systems to electronic data acquisition devices.

Please find below the most important instructions contained in such measure.

1. Connection modes

Electronic data acquisition devices are to be connected to daily receipts certification devices by using the appropriate web features available in the personal account only.

The obliged entities will establish connection by registering the unique identification data of each electronic payment system used, in combination with the unique identification data of each daily receipt certification device, previously recorded and activated in the personal account. To ensure the correct conduct of any controls by the Italian tax administration, the

obliged entities will register also the address of each local unit,

at which the electronic payments systems are used.

If data on daily receipts is not stored and submitted electronically through an electronic data acquisition device, but by using the Italian tax authority's web procedure, the connection may be established as part of the same procedure.

The new features will be available in early March, starting from the date, which will be published via a notice on the official website. (Cfr. press release by the Italian tax authority of 31 October 2025).

2. Registration deadlines.

For electronic means of payment:

- already used on 1 January 2026, or used from 1 January 2026 until 31 January 2026, a 45-day deadline, starting from the date on which the online service is made available, is granted to complete registration;
- whose affiliation agreement is entered into after 31 January 2026, for first affiliation or for any amendments, registration shall always be made as of the sixth day of the second month after the date, on which the electronic means of payment is actually available and - in any case - no later than on the last working day of the same month.

3. Modes of real-time recording and submission of aggregate payment data for daily receipts

Real-time recording of electronic payment data occurs at the time of recording of the sales or service performance transactions by the daily receipt certification device by registering the payment modes used and the relevant amount in the commercial document. The electronic payment data, as recorded above, is submitted in aggregate form on a daily basis, in compliance with the technical specifications of the measures relating to daily receipt certification devices.

NEWSLETTER NO. 15 - 2025

November 12 2025 Page 4/4

INDIRECT TAXES

PENALTIES FOR LATE REGISTRATION OF MULTI-YEAR LEASE AGREEMENTS

The Italian tax authority aligns with the well-established jurisprudential guidance on the extent of the penalty to be imposed for late registration of multi-year property lease agreements. Hence, it is clarified that the penalty:

- for late registration of a multi-year property lease agreement pursuant to article 69 of the Italian registration tax code (TUR),
- according to which the tax is paid annually,

must be commensurate to the registration fees calculated on the annual lease (and not on the amount of the lease payments agreed upon for the entire term). This is without prejudice to make use of the voluntary correction scheme ("*ravvedimento*"), if requirements are met (Italian tax authority, resolution 56 of 13 October 2025).

MOUNTAIN AREA INCENTIVE

The granting under a loan for use agreement of a building:

- purchased as an appurtenance to a hereditary agricultural estate (under the Italian "*maso chiuso*" scheme) with the tax benefits for the so-called "mountain areas" pursuant to article 9 (2) of the Italian DPR 602/1973,
- before the expiry of five years from the purchase,

results in forfeiture of the tax benefit since the functional link between the building and the agricultural activity ceases to exist (Italian tax authority, answer to request for advance ruling 262 of 13 October 2025).

REGISTRATION TAX EXEMPTION

The transfer by way of gift of the bare title of the majority share of a company to children, jointly owned by them, in concomitance with the transfer of the majority of voting rights in the ordinary shareholders' meeting, constitutes the transfer of control of the company, as provided for under article 2359 (1.1) of

the Italian civil code, to the children, who will actually exercise it through the appointment of a common representative. Such transfer by gift, therefore, is eligible to benefit from the donation tax exemption scheme, as provided for under article 3 (4-ter) of the Italian registration tax code (TUS) (Italian tax authority, answer to request for advance ruling 271 of 27 October 2025).

IMU (Municipal Property Tax)

For IMU purposes "urban undeveloped areas" (classified as F/1) must be considered in the same way as "developable areas". This means that the tax must be settled based on the "fair market value", and taking into account the development potential inferred from urban planning provisions (Italian Supreme Court, judgement 26673 of 3 October 2025).

Yours sincerely,

HAGER & PARTNERS