



NEWSLETTER NO. 3 - 2026

16th April 2026

TAX DECREE

The various new taxation measures introduced under the Italian law-decree no. 38 of 27 March 2026 (Italian Official Gazette no. 72 of 27 March 2026) are explained in more detail below.

DIVIDENDS AND CAPITAL GAIN

The amendments to the rules applicable to dividends and capital gains on equity interests introduced under the Italian law no. 199/2025 (2026 Budget Law), according to which exemption is subject to the possession of a direct equity interest of no less than 5 percent or of a fiscal value of at least EUR 500K, are repealed as of 1 January 2026.

Therefore, the rules in force until 2025, i.e. prior to the Budget Law, are reinstated.

HYPER-DEPRECIATION

The requirement that goods must be produced in an EU or EEA Member State is eliminated for hyper-depreciation purposes.

5.0 TRANSITION PLAN

The tax decree reduced the “Transition 5.0” credit to only 35% of the tax credit requested (1/3 of the benefit due), for companies that had submitted the communication and were on the waiting list due to the exhaustion of available resources. In addition, the tax credit was limited to investments relating to Annexes A and B of Law 232/2016, i.e. to investments in capital

goods. Investments in energy management systems and renewable energy plants for self-consumption purposes were therefore excluded.

Subsequently, Legislative Decree no. 42 of 03.04.2026 increased the rate to 89.77%.

Legislative Decree 42/2026 also introduced a contribution within the following maximum amounts:

- €57.7 million for the year 2026,
- €80 million for the year 2027,
- €60 million for the year 2028,

in proportion to the expenses incurred for:

- investments in plants for the self-production of electricity from renewable sources for self-consumption, including expenditure on systems for the storage of the energy produced, in compliance with the principle of “Do No Significant Harm” (DNSH), and
- expenses incurred for certifications relating to accounting documentation and for those necessary to demonstrate the reduction of energy consumption and the compliance with the DNSH principle, issued by qualified parties.

Such contribution may not exceed, for each application, the amount of tax credit claimed for the same expenses.

VAT RULES ON EXCHANGES

With the amendments introduced by the 2026 Budget

NEWSLETTER NO. 3 - 2026

Law (art. 1, c. 138, l. 199/2025), in the event of an exchange, the VAT taxable amount is given by the value of the respective goods and services, determined by the total amount of all costs referable to such supplies or services.

The new regime applies to exchanges made in execution of contracts entered into or renewed as of 1 January 2026.

This is without prejudice to previous conduct adopted before 1 January 2026 as well as those in accordance with art. 1, c. 138, Law 199/2025, from 1 January 2026 to the date of entry into force of this decree. In any case, there is no tax refund or adjustment with respect to the tax previously paid.

REPATRIATES AND NEW-RESIDENTS' RULES

For subjects who transfer their tax residence to Italy starting from the 2027 tax period, the combination of the repatriated regime and the new residents' regime is not permitted.

PAYMENT BY INSTALMENTS OF NEGATIVE GOODWILL FOR IAS ENTITIES

For IAS entities, the negative difference between the consideration and the value of the assets and legal relationships that make up the business or business unit, in transactions involving the transfer of a business with continuation of the activity and maintenance of employment (pursuant to Article 1, c. 237, Law 234/2021), limited to the portion recognised in the income statement, contributes on a straight-line basis to the formation of income in the same year and in the following four years.

The provision applies from the tax period in progress as of 31 December 2024, both for IRES and IRAP purposes.

DEPOSIT GUARANTEE SCHEMES

Until 31 December 2028, interest on bonds paid to deposit guarantee schemes established pursuant to art. 96 of the TUB are exempt from the substitute tax.

DIRECT TAXES

FLAT TAX SCHEME

In the event of the collection of fees in excess – due to an error by the principal/client – with the consequent exceeding of the threshold of € 85K, provided for the purposes of applying the flat-rate regime, the regime would cease to apply in any case starting from the following year (Revenue Agency, response to ruling request no. 26 of 10.02.2026).

The previous rule was subsequently adjusted: Consequently, in the event of collection of fees in excess of those due (based on an error by the principal/client), the taxpayer does not forfeit the flat-rate regime (Revenue Agency, response to ruling request no. 68 of 06.03.2026 correcting answer no. 26 of 10.02.2026).

TAX CREDIT - SEZ

Subject to the existence of the other conditions, the investment in a property made through a leasing contract (under construction) is eligible for the SEZ tax credit. In any case, the investment can only be considered made starting from the delivery (Revenue Agency, response to ruling request no. 32 of 11.02.2026).

INCOME FROM EMPLOYMENT ACTIVITY

The stock options accrued by an employee during his or her activity:

- carried out abroad in the past years, as a resident in Italy,
- whose income has been subject to conventional taxation pursuant to art. 51, c. 8-bis, TUIR,

are to be considered absorbed in the flat-rate determination of the taxable amount determined in relation to conventional salaries (Revenue Agency, response to ruling request no. 37 of 12.02.2026).

E-BIKES

E-bikes with power not exceeding 250 watts, assistance up to 25km/h and pedal assistance only,

NEWSLETTER NO. 3 - 2026

are not considered motor vehicles. Consequently, for income tax purposes, the related cost is not subject to the limitations provided for motor vehicles in art. 164 TUIR.

Similarly, for VAT purposes, the limitation to the deduction of 40% does not apply.

The general principle of business relevance remains unchanged both for IRES/IRPEF and for VAT purposes (Revenue Agency, response to ruling request no. 41 of 16.02.2026).

4.0 TRANSITION PLAN

The submission of the prior communication and the completion communication represent a substantial fulfilment, in the absence of which the use of the Transition 4.0 tax credit is precluded.

It is possible to remedy the violation within the deadline for submitting the tax return relating to the year in which the violation was committed, pursuant to Article 13, paragraph 4-ter, Legislative Decree no. 471/1997.

In the absence of remedy, the set-off is undue as it is carried out against an undue credit (Revenue Agency, response to ruling request no. 40 of 16.02.2026).

CONTRIBUTION OF SHAREHOLDINGS AND SUBSEQUENT DONATION OF BARE OWNERSHIP

A corporate reorganization implemented through:

- a contribution of shareholdings held by a father and his two children in a holding company (pursuant to art. 177, c. 2, TUIR),
- the subsequent donation from the father to his children of the bare ownership of such shares,

is not devoid of economic substance if it is aimed at creating a family group designed in such a way as to allow the coordinated management of the transferred companies.

Consequently, the reorganization is not abusive, despite the fact that it allows an undue tax saving given by the lower taxation of the donation of the bare ownership of the shares in the holding company

compared to the donation of the bare ownership of the shares in the company transferred by the father (Revenue Agency, response to ruling request no. 42 of 18.02.2026).

EXCHANGE OF SHAREHOLDINGS THROUGH CONTRIBUTION WITH DIFFERENTIATED PREMIUMS

The exchange of shareholdings by contribution pursuant to Article 177, paragraph 2, of the TUIR can be carried out by different contributors with a "differentiated" premium or with increases in equity (by way of capital and share premium) by the receiving company, in respect to each contribution (Revenue Agency, response to ruling request no. 91 of 31.02.2026).

DEMERGER WITH SPIN-OFF – “DURF”

The beneficiary company established following a demerger with spin-off does not inherit the accrued years of the demerged company for the purposes of DURF issuing (Revenue Agency, response to ruling request no. 50 of 25.02.2026).

ARTISTS AND SPORTSPEOPLE

The income that non-resident artists and sportspeople receive from activities carried out in Italy is taxable in Italy both based on domestic legislation (art. 23, letter d, TUIR) and based on conventional provisions in accordance with the OECD model (usually art. 17 of the Double Taxation Convention) (Revenue Agency, response to ruling request no. 66 of 06.03.2026).

REDUCTION OF ASSESSMENT TERMS

The two-year reduction of the assessment deadlines pursuant to Article 3 of Legislative Decree no. 127/2015 applies to VAT subjects who:

- document all active transactions through electronic invoicing via SDI and/or electronic storage and electronic submission of the consideration data;
- guarantee the traceability of all payments received and made for an amount exceeding €500;
- indicate in their tax return the existence of the aforementioned conditions.

NEWSLETTER NO. 3 - 2026

The absence of even one of these requirements (e.g., carrying out a single payment of more than €500 in cash) constitutes a conduct that is not suitable for allowing the reduction (Revenue Agency, response to ruling request no. 77 of 12.03.2026).

REATTRIBUTION OF PROFESSIONAL ASSOCIATION WITHHOLDINGS

In the event of transformation of a professional association into a company of professionals (STP), such STP can use the withholdings reattributed by the members (Revenue Agency, response to ruling request no. 85 of 26.03.2026).

CAPITAL GAIN ON CONDOMINIUM ASSETS

In the event of sale of a condominium property (e.g. house used by the concierge), each condominium owner must verify, with reference to his or her real estate unit, whether the causes of exclusion from taxation are present. Therefore, for co-owners that have benefited from the *Superbonus* since less than 10 years, the capital gain deriving from such sale of condominium asset will be subject to taxation in proportion to the thousandths of ownership. The capital gain will be calculated as the difference between the consideration and the purchase cost, which can be determined through an appraisal (Revenue Agency, response to ruling request no. 86 of 27.03.2026).

VAT

MLBO TRANSACTIONS

The Revenue Agency changed its orientation regarding MLBO operations, aligning itself with the case law of the Supreme Court (cf. Cass. judgm. 22649 and 22608 of 9 August 2024). It is therefore recognized that, in the context of an MLBO (leveraged buy-out merger) transaction, pursuant to Article 2501-bis of the Italian Civil Code, the special purpose vehicle ("SPV") plays a preparatory role for the exercise of the economic activity that will be carried out following the acquisition of the target company. Consequently, the VAT charged in relation to the transaction costs incurred by the SPV is deductible (Revenue Agency, resolution no. 7 of 12.02.2026).

In the event that, in order to align with the previous orientation of the Agency, the company should not have deducted VAT in relation to transactions carried out in past tax periods, it is not possible to submit a supplementary return. On the other hand, the company can submit a request for reimbursement pursuant to Article 30-ter of Presidential Decree 633/1972 with effect from 9 August 2024 (Revenue Agency, resolution no. 58 of 02.03.2026).

Yours sincerely,

HAGER & PARTNERS