NEWSLETTER NO. 9 - 2025

DIRECT TAXES

MOTOR VEHICLES GRANTED FOR MIXED USE TO EMPLOYEES

The income tax regime for fringe benefits relating to the grant of vehicles to employees, as amended by Law No. 207/2024 and Legislative Decree No. 19/2025 (converted with variations by Law No. 60/2025), is summarized below, in light of the clarifications provided by the Revenue Agency with Circular No. 10/2025.

Registration/grant/delivery in 2025, depending on the type of power supply.

Starting from 1 January 2025, for newly registered vehicles that (acc. to Art. 51, par. 4, letter a, TUIR) have been:

- registered starting from 1 January 2025,
- granted for mixed use to employees with contracts entered into starting from 1 January 2025 (or whose assignment deed has been signed by the employer and the employee starting from 1 January 2025),
- assigned (i.e. delivered) to employees starting from 1 January 2025,

the fringe benefit is determined by applying the following percentages to the amount corresponding to the conventional mileage of 15,000 km, as per ACI tables, net of any withheld sums:

- battery-powered vehicles with purely electric traction: 10%,
- plug-in hybrid electric vehicles: 20%;
- other vehicles: 50%.

Registration/grant/delivery from 01.07.2020 to 31.12.2024, based on CO2 emission values.

On a transitional basis, for vehicles registered and granted for mixed use (i.e. delivered) from 1 July 2020 to 31 December 2024, the fringe benefit continues to be determined based on CO2 emission values with the following percentages (art. 6, c. 2-bis, Legislative Decree 19/2025):

- not exceeding 60 g/km: 25%;
- between 60 g/km and 160 g/km: 30%;
- between 160 g/km and 190 g/km: 40% for 2020 and 50% from 2021;
- above 190 g/km 50% for 2020 and 60% from 2021.

Registration/grant/delivery from 01.01.2025 to 30.06.2025, based on CO2 emission values, but with option depending on the type of power supply.

On a transitional basis, also for vehicles ordered by the employer within 31 December 2024, but registered and granted for mixed use (i.e. delivered) from 1 January 2025 to 30 June 2025, the fringe benefit may continue to be determined based on CO2 emission values with the same percentages (art. 6, c. 2-bis, D.L. 19/2025):

- not exceeding 60 g/km: 25%;
- between 60 g/km and 160 g/km: 30%;
- between 160 g/km and 190 g/km: 40% for 2020 and 50% from 2021;
- above 190 g/km, 50% for 2020 and 60% from 2021.

However, the company may choose to apply the new percentages determined according to the type of power supply,

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if more favourable (e.g. 10% for battery vehicles with purely electric traction, 20% for plug-in hybrid electric vehicles).

Registration/grant/delivery between 2024 and 2025, based on normal value.

Apart from the cases highlighted above, the quantification of the fringe benefit deriving from the mixed use of company vehicles follows the general criterion acc. to art. 51, par. 3, first sentence, of the TUIR, or the normal value pursuant to art. 9 TUIR, relating to the private use of the vehicle.

As an example, the general criterion applies in the case of vehicles:

- ordered within 31 December 2024,
- registered in 2024,
- granted and/or delivered to the worker in July 2025 or later.

In this case, registration, grant and assignment do not occur in 2025, and therefore the new regulation based on the type of power supply cannot apply.

In addition, the concession and delivery do not take place within 31 December 2024 nor by 30 June 2025, and therefore the transitional rules cannot apply.

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Finally, it should be noted that, in the event of an extension of the concession agreement for the mixed use of a vehicle, the tax rules applicable at the time of signing the original contract remain confirmed until its natural expiry.

Whereas, in the event of reassignment of the vehicle to another employee with the stipulation of a new agreement, the tax regime in force at the time of the reassignment applies.

COSTS RELATED TO BOARD, LODGING, TRAVEL AND TRANSPORT BY NON-SCHEDULED PUBLIC TRANSPORT SERVICES

The tax regime for income tax purposes of expenses relating to board, lodging, travel and transport by non-scheduled public services, as amended by Legislative Decree no. 84/2025, is summarised below.

Expense reimbursements to employees

Reimbursements of expenses relating to board, lodging, travel and transport by non-scheduled public services, incurred by the employee on the occasion of travel journeys on behalf of the employer (company or self-employed worker):

- do not contribute to form employment income, within the limits established by art. 51, par. 5, TUIR,
- are deductible from business income within the limits established in art. 95, par. 3, TUIR,
- are deductible from self-employment income pursuant to Art. 54-septies, par. 6-bis, TUIR,

provided that these expenses - if borne on Italian territory - are incurred with traceable payment methods. Traceability is not required for expenses incurred abroad.

Reimbursement of expenses to self-employed workers

The reimbursement of expenses relating to board, lodging, travel and transport with non-scheduled public services, incurred by self-employed workers and charged analytically to the principal, does not contribute in forming the self-employment income (pursuant to Article 54, par. 2 and 2-bis, TUIR), provided that these expenses, if borne on Italian territory, are incurred with traceable payment methods. Traceability is not required for expenses incurred abroad.

The related costs are not deductible from self-employment income. Exception made for:

- expenses not reimbursed by the principal, which are deductible starting from the date on which: a) the principal has made use or was subject to one of the institutions referred to in Legislative Decree 14/2019, or equivalent foreign procedures in States or territories with which there is an adequate exchange of information, b) the individual enforcement procedure against the principal remained unsuccessful, c) the right to collect the corresponding credit expires (pursuant to Art. 54-ter, par. 2, TUIR);
- expenses of an amount, including the fee relating to them, not exceeding € 2,500 which are not reimbursed by the employer within one year from their invoicing (pursuant to Art. 54-ter, par. 5, TUIR);

these expenses are deductible if borne on Italian territory and if they are incurred with traceable payment methods.

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Traceability is not required for expenses incurred abroad (pursuant to Art. 54-ter, par. 2, 5 and 5-bis, TUIR).

Finally, it should be noted that in any case, expenses relating to board, lodging, travel and transport with non-scheduled public services, including those incurred directly by the self-employed worker, as principal of another self-employed worker, are deductible from self-employment income, provided that these expenses, if borne on Italian territory, are supported with traceable payment methods (pursuant to Art. 54-septies, par. 6-bis, TUIR). Traceability is not required for expenses incurred abroad.

DEDUCTION FOR THE PURCHASE OF EARTHQUAKE-PROOF BUILDINGS

The IRPEF deduction provided for by art. 16, c. 1-septies, Legislative Decree 63/2013 for the purchase of "anti-seismic houses" cannot be applied for those buyers who, although in possession of the legal requirements, declare in the deed of sale that the purchase of the property took place using a provision of money made available by their parents or through an indirect donation (Revenue Agency, answer to ruling no. 165 of 19.06.2025).

ELIMINATED ASSETS

Pursuant to art. 102, c. 4, TUIR, the deductibility of residual costs for eliminated assets, not yet fully depreciated, is not excluded when the good, although part of a larger asset, is functionally autonomous and, therefore, independently usable (Cass. 16480 of 18.06.2025).

SANCTIONS – FAVOR REI

The most favourable sanctions introduced by Legislative Decree no. 87/2024 apply to violations committed from 1 September 2024, while they do not apply to violations committed earlier. According to the Court of Cassation, such non-retroactivity does not violate the principle of 'favor rei' (Cass. judgement no. 1711 of 25.06.2025).

VAT

AGRIVOLTAIC PLANT

The construction of an agrivoltaic plant on agricultural land, therefore not functional to or serving a building, does not fall within the scope of the reverse charge regime referred to in art. 17, c. 6, lett. a-ter) of the VAT Decree (Revenue Agency, answer to ruling no. 156 of 16.06.2025).

VAT REFUND FOR DEPRECIABLE ASSETS MADE ON THIRD PARTY'S ASSETS

The refund of VAT paid on the purchase of photovoltaic plants built on the roofs of industrial buildings or on land under a thirty-year concession (by virtue of a surface right), is admissible, on the assumption that the plants are investment/assets intended for the business of the company for a medium-long period of time (Revenue Agency, answer to ruling no. 155 of 12.06.2025).

DEPRECIABLE ASSETS

For the purposes of exclusion from the calculation of the pro-rata VAT deduction, "depreciable assets" are those "intended for the business operation for a medium-long period of time", without considering the income tax provisions or civil law provisions for financial statements (Cass. sentence no. 16664 of 22.06.2025).

COMPANY LAW

ENERGY PERFORMANCE CERTIFICATE

The lease contract of a property for residential use (signed pursuant to Law 431/1998) which, after the second expiry, is tacitly renewed pursuant to art. 1597 of the Italian Civil Code, requires a new energy performance certificate (“*attestato di prestazione energetica*” - APE) if the original certificate expired during the term of the contract (Ministry of Environment and Energy Security, answer to ruling no. 30213 of 17.02.2025).

CERTIFIED EMAIL (PEC) - DIRECTORS

The deadline for the communication of the PEC of directors to the Business Register by already established companies, is postponed to 31 December 2025 (Ministry of Enterprise and Made in Italy, note no. 127654 of 25.06.2025).

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Kind regards,

HAGER & PARTNERS

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