Studio Colombo Altamura Pometto

Commercialisti

The «Relaunch» Decree

Information newsletter

Studio Colombo Altamura Pometto

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The «Relaunch» Decree

This newsletter succinctly summarizes some of the main measures, not only in tax matters, included in Decree Law no.34 of 19 May 2020, the so-called "Relaunch" Decree.

Measures concerning IRAP

Article 24

Cancellation of the June IRAP (regional tax on productive activities) balance and advance payment, for companies with turnover up to €250 million. Such provision does not apply to banks, other financial entities and insurance companies.

Non repayable contribution

Article 25

Taxpayers carrying out business activities and practitioners of crafts or professions registered for VAT purposes may be entitled to non repayable contributions provided the following requirements are met: i) amount of revenues or remunerations not exceeding 5.000.000 euros in tax year 2019; ii) activity is not terminated at the time request is filed; iii) total amount of turnover and proceeds in April 2020 decreased by more than 2/3 compared to April 2019, except for activities started in 2019 and taxpayers carrying out business activities and practitioners of crafts or professions domiciled in specific areas hit by Covid-19 emergency.

Amount of non repayable contibutions are quantified by applying a certain percentage to the difference between amount of turnover and proceeds in April 2020 and amount of turnover and proceeds in April 2019 as follows:

a) 20% in case of revenues or remunerations up to 400.000 euros in 2019.

b) 15% in case of revenues or remunerations exceeding 400.000 euros up to 1.000.000 euros in 2019.

c) 15% in case of revenues or remunerations exceeding 1.000.000 euros up to 5.000.000 euros in 2019.

Minimun amount of non repayable contribution is 1.000 euros for individuals and 2.000 euros for taxpayers other than individuals.

Measures to promote capital increase

Article 26

In case of capital increase of SPA, SAPA, SRL, SRLS, Soc.Coop., SE, SCE, with legal seat in Italy - exlcuding those under art.162bis of Italian Income Tax Act and insurance companies – with revenues in 2019 between 5 and 50 milion euros which, as a consequence of Covid19 emergency, incurred, in the March-April 2020 two month period a 33% revenues decrease compared to March-April 2019 two month period, provided specific requirements are met, the following benefits are granted:

i) Tax credit for shareholders subscribing the capital increase in the amount of 20% of the capital paid in with a 2.000.000 euros maximum relevant investment and consequently 400.000 euros tax credit;

ii) Tax credit for the company increasing its capital to be quantified through a specific formula.

iii) Subscription of bonds – issued by companies increasing their capital – by Fondo Patrimonio PMI.

Tax credit for rental agreements

Article 28

Taxpayers carrying out business activities and practitioners of crafts or professions with revenues or remunerations not exceeding 5.000.000 euros in the tax year before the one of the entry into force of the present decree may benefit from a tax credit equal to 60% of the amount of the paid monthly rent for March, April, May 2020 (April, May and June for hotels and other tourism devoted buildings). The amount of the tax credit decreases to 30% in case of business rental agreements including also business buildings.

Access to the tax credit is conditional on the circumstance that the lessee incurred in a reduction of turnover and proceeds in the relevant month amounting to at least 60% compared to the same month in the previous tax year; tourism businesses are entitled to the tax credit regardless of such requirement.

The tax credit can be used in the tax return for the year the rent is paid, is not relevant for taxable base calculation purposes, can be used to set off other taxes due and can be assigned.

Measures in favour of the innovative startups environment

Article 38

Individuals investing in the risk capital of innovative startups, directly or through collective investment vehicles investing mainly in innovative startups and SMEs, may benefit from an increased deduction from income tax equal to 50% (before it was 30%) of the investment.

The maximum amount that can be invested per tax year is 100.000 euros and the therefrom shares cannot be sold for the following three years.

Extension of deadline for capital equipment delivery for increased depreciation purposes

Article 50

The 30.06.2020 deadline under article 1 of Law Decree no.34/2019, converted into Law no.58/2019 is postponed to the 31.12.2020.

Derogation from the prohibition on State Aids provision to beneficiaries of State Aids illegally obtained and whose reimbursement is still pending

Article 53

Enterprises beneficiaries of State Aids illegally obtained and whose reimbursement is still pending, may, because of the Covid19 emergency, be exceptionally granted further state aids in compliance with the EU «Temporary Framework».

Measures in favour of entreprises at local level

Articles 54, 55, 56

In the light of the Coronavirus emergency Regions, Autonomous Provinces, other local entities and Chambers of Commerce may provide businesses with tax advantages, guarantees for loans, subsidised loans. All measures must be compliant with State Aids regulations.

Support for entreprises to reduce risk of contagion in the workplace

Article 95

INAIL will provide financial support to entreprises which have purchased devices aimed at reducing risk of contagion in the workplace.

Such support cannot be combined with others beneficial measures. The maximum amount is 15.000 euros for entreprises with up to 9 employees, 50.000 euros for entreprises with a number of employees between 10 and 50, 100.000 euros for entreprises with more than 50 employees.

Incentives for the energy efficiency of buildings, safety measures, home photovoltaics and charging columns

Article 119

A 110% Personal Income Tax deduction can be requested for expenses incurred from 1 July 2020 and until 31 December 2021 for energy efficiency works, safety measures against seismic risk and for the installation of photovoltaic systems, storage systems and infrastructures for charging electric vehicles.

Taxpayers can take advantage of the tax credit directly in five equal annual installments or sell it directly to the involved provider in exchange for an invoice discount. In this case such discount would bring the expense to zero. In turn, providers can use the bonus to reduce taxes or they can transfer it to third parties.

Tax credit for work places expenses

Article 120

Taxpayers carrying out business activities and practitioners of crafts or professions in places open to public as identified in attachment no.1 to the present decree are entitled to a tax credit equal to 60% of the costs incurred in 2020 for a maximum amount of 80.000 euros for renovation works for COVID19 prevention.

The tax credit at stake does not prevent taxpayers from benefiting from other advantageous measures and can be used in 2021 also to set off other taxes due.

Conversion of tax deductions in discounts or assignable tax credits

Articolo 121

Taxpayers incurring, in 2020 and 2021, expenses for energy efficiency works, safety measures against seismic risk and for the installation of photovoltaic systems, storage systems and infrastructures for charging electric vehicles as per paragragh 2 of this article may choose, rather than taking direct advantage of related tax deduction, to alternatively opt: a) for a discount of equal amount on the price to be paid for the works at stake; b) to convert the tax deduction in a tax credit that can be assigned to third parties including banks and other financial intermediaries.

Assignment of tax credits

(Article 122)

As from the entry into force of the present decree and until 31.12.2021, taxpayers beneficiaries of the following tax credits:

a) Tax credit under art.65 of Decree Law no. 18/2020, converted with amendments into Law no.27/2020;

b) Tax credit under art.28 of the present decree;

c) Tax credit under art.125 of the present decree;

d) Tax credit under art.120 of the present decree;

are entitled to assign, rather than taking direct advantage, the tax credit at stake to third parties, including banks and other financial intermediaries.

VAT and excise duties safeguard clauses repeal

Article 123

Safeguard clauses providing for an automatic increase of VAT and excise duty in certain cases, as from 1.01.2021, are repealed.

VAT reduction on supply of goods for Covid-19 prevention

Article 124

Temporarily supply of masks and other medical devices are treated as VAT exempt until 31.12.2020 and the supplier has right of deduction under art.19, paragraph 1, of DPR 633/1972. From 2021, a 5% VAT rate will be applied.

Tax credit for decontamination and purchase of virus proctection medical devices

Article 125

Taxpayers carrying out business activities and practitioners of crafts or professions are entitled to a 60% tax credit for expenses incurred in 2020 for decontamination of work rooms and used tools and for purchase of individual protection devices and other devices to ensure health of employees and clients.

The tax credit maximum amount for each beneficiary is 60.000 euros; it can be used in the tax return for the year in which related expense is incurred and to set off other taxes due. It is not relevant for taxable base calculation purposes.

Extension of deadlines for suspended payments

Articles 126, 127, 144, 149

The Decree postpones to September 16 all tax payments suspended by the previous decrees for March, April and May 2020.

Payment must be made in full in a single instance by 16.09.2020 or in a maximum of 4 monthly installments of equal amount starting from 16.09.2020, without interest nor penalties.

Postponement of plastic and sugar tax
Article 133

Plastic tax and Sugar tax are postponed until 01.01.2021.

Amendments to IVAFE for taxpayers other than individuals
Article 134

IVAFE (tax on value financial acitivities abroad) on current accounts and savings accounts for taxpayers other than individuals is due in the amount of 100 euros.

Furthermore, the maximum amount of IVAFE for taxpayers other than individuals is 14.000 euros.

Revaluation of purchase price of lands and participations in unlisted companies

Article 137

It is possible to revaluate the fiscal value of participations in unlisted companies and lands held on 01.07.2020 by applying an 11% subsitute tax to be paid in up to three annual instalments of equal amount starting from 30.09.2020. A 3% annual interest is due on the amunts of the second and third instalment. An appraisal is to be prepared and it must be sworn by 30.09.2020.

Lottery provision

Article 141

Lottery linked to daily purchases is postponed until 01.01.2021.

Suspension of set-off between tax credit and tax debt enrolled on the collection agent registers

Article 145

In 2020, in the light of the current emergency, in order to promote injection of liquidity, reinbursements of tax credits without applying the setting off procedure under art. 28ter of DPR 602/73 are allowed.

Increase of maximum amount of tax credit to be set off through F24 form

Article 147

Only for 2020 the maximum amount of tax credit that can be set off through F24 form is increased to 1.000.000 euros.

Suspension of assessments under art.48-bis of DPR no. 602/1973

Article 153

In the light of the COVID-19 emergency, during the suspension period under art.68, paragraphs 1 and 2bis of Decree Law no. 18/2020, art.48-bis of DPR no.633/1972 is not applied so as to allow taxpayers to receive payments due by the Public Administration also in case of non-fulfillment of payment obbligations from served notices of payments.

Postponement of deadlines

Article 157

Notices of tax assessment issued by 31.12.2020 that should be served on taxpayers between 8.03.2020 and 31.12.2020 will not be served on taxpayers before 01.01.2021 but by 31.12.2021 except in exceptional cases.

Guarantee by the State through the Ministry of Economy and Finance

Article 165

The Ministry of Economy and Finance is authorised, for six months following the entry into force of the present decree, to grant, according to the present decree and in compliance with EU State Aid rules, the State guarantee for debts of italian banks up to a nominal value of 19 billion euros.

Tax Credit for holidays

Artcle 176

Tax credit of up to €500 for holidays in Italy.

Exemption from payment of IMU for tourism sector

Article 177

Exemption from the first IMU instalment for 2020 for tourism sector buildings provided owners of such buildings are also in charge of tourism business run through buildings at stake.

Support for public exercises

Article 181

Restaurants, bars and other businesses open to public are, as from 01.05.2020 and until 31.10.2020, exempt from payment for occupation of public spaces and areas.

Advertising investment tax credit

Article 186

Only for 2020 the advertising investment tax credit is increased from 30% to 50%.

Tax credit for R&D in Southern Italy

Article 244

Tax credit for R&D investments in entreprises running business activity in Southern Italy, namely Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna e Sicilia, is increased from 12% to 25%, 35% and 45% depending on number of employees and turnover of the entreprises beneficiary of the investment.

Rimaniamo al vostro fianco al 100%

***Staying 100% by* Your side**

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