

COSTANZO & ASSOCIATI

CONSULENTI DI IMPRESA

C&A Magazine



“Networking worldwide for a mutual benefit”



Costanzo&Associati
desires to share with You
relevant events
happened recently in
Italy.

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Budget Act 2017– What’s new?

Voluntary Disclosure 2.0

The new recently published Law Decree ha recently implemented the new “Voluntary Disclosure” procedure for undisclosed financial assets and investments held abroad.

Partecipating to the V.D. will permit taxpayers to settle their tax position with Tax Authorities and access to more favorable penalty treatments for both tax and/or criminal purposes.

In order to apply to the new procedure, tax payers are deemed to be Italian resident for tax purposes (both under the domestic tax or Treaty legislation).

- *Investments / fast Visa to foreigners who invest in startups.*
The "investors visa" for periods exceeding three months is extended to foreigners who make an investment of at least 500 thousand Euros in innovative startups
- *SME / Companies in crisis, 10 million to coop workers.*
Easy-term loans to cooperatives founded by crisis company and social cooperative workers
- *Fight the tax evasion / The lottery of receipts.*
The prize-winning chance of this lottery increased by 20% for transactions with debit and credit card than those with cash.

News about the Law

Reduction of nominal rates of corporate tax (IRES), 2017.

The budget law provides for reduction of tax rate from 27,5% to 24%, with effect for the next tax periods. The corporate tax at 24% brings benefit to corporate income tax. The tax has been revised downwards, the next year will register a decrease of 3,5 percentage points applied to taxable income.

Fiscal benefit of higher depreciation rate

The individual income tax deduction of 50% is extended for Building renovation incurred in the year 2017 (up to € 96,000 for each housing unit) and could be paid in 10 shares in the Annual Income Statement. It is also extended the tax deduction of 50% on the purchase of furniture and large appliances high energy class, for expenses incurred in 2017 up to EUR 10,000.

R&D

The tax credit on R&D expenses has gone up from 25% to 50% on the excess of the average investments made in the three years' time. The maximum annual benefit increases from 5 million to 20 million. The beneficiaries' range extends as well to the recognized research activities carried out by Italian companies based on purchasing contracts with residents or located in other European Union countries.

Innovative start up with no charges

No stamp duty and secretarial fees to be paid by newly founded innovative startups. The deed of incorporation can be met either by digital signature, or by certified advanced electronic signature.

A series of facilities might encourage the development of startups, for example innovative startups can draw the constitutive act and its subsequent amendments through a typed standard model making the digital signature with no intermediaries.

The deed is a standard form adopted by the Minister of Economic Development that would be transmitted to the office of the Registrar of Companies.

A contribution of 30% for investments of individuals and legal persons will be applied if the innovative startups are due to a social vocation or the energy sector.

For taxable individual income, the actual facility consists of a gross tax deduction of 19% of the made significant contributions, while the corporate tax can enjoy a 20% deduction of relevant investments from their total income.

For startups

The innovative characters required are:

- social welfare, health and social services;
- education, education and training;
- environment and ecosystem;
- promotion of cultural heritage;
- social tourism;
- university and post-university education;
- Research and provision of cultural services;
- Extra-school education;
- instrumental services to social enterprises.



Bonus tax for startups

The effectiveness of the New Provisions at the moment is pending approval of the European Commission, pursuant to Article 108, Paragraph 3, of the Treaty on the Functioning of the EU.

Talking about incentives for the provision of easy-term loans public financing to promote the development and the creation of innovative start-ups, the allocation for the fund for sustainable increased the amount of 47.5 million euro for the 2017 and 2018.

The delivery of loans is under the supervision of Invitalia spa, it consists of a zero-interest loan to cover the 70%, 80% of eligible costs (both investment and management).

The losses produced by startup in the first three years could be tranfered in favour of listed companies which have a shareholding of 20 percent, at least.