

18 March 2020

## COVID-19: Update on Law Decree No. 18 of 17 March 2020 Tax support measures

### 1. What are the tax support measures available to businesses in the entire Italian territory?

#### Suspension of Taxes and Penalties Arising from Tax Assessments<sup>1</sup>:

Payments of tax and penalties falling due between 8 March and 31 May 2020 arising out of tax assessments issued by the Italian Tax Authorities, the National Social Security Agency (INPS), the Italian Customs Agency and by Regional and Local Authorities, and any other enforcement claims aimed at collecting tax revenues, must be made in a single instalment by 30 June 2020. Payments made before the issuance of the Decree cannot be reimbursed to the taxpayer.

The deadline for paying any installments due under the so-called “*rottamazione-ter*”<sup>2</sup> and “*saldo e stralcio*”<sup>3</sup> (i.e. an instalment plans approved by the Italian Tax Authorities upon settlement<sup>4</sup>) is postponed until 31 May 2020.

The communications of ineligibility (“*comunicazioni di inesigibilità*”<sup>5</sup>) relating to the instalments managed by the Revenue Collecting Agent for years 2018, 2019 and 2020 shall be respectively submitted by the Revenue Collecting Agent within 31 December 2023, 31 December 2024 and 31 December 2025.

#### Measures to Encourage Workplace Sanitation<sup>6</sup>:

Persons engaged in a business, craft or professional activity are entitled to a tax credit of 50 per cent of the expenses incurred, in fiscal year 2020, for the workplace sanitation, up to a maximum amount of EUR 20,000.

The tax credit aims at encouraging workplace sanitation as a preventive measure to contain the spread of COVID-19.

The overall expenditure cap for fiscal year 2020 is EUR 50 million.

Within 30 days of the date of entry into force of the Decree, the Ministry of Economic Development and the Ministry of Economy and Finance will issue a joint decree to implement this measure.

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<sup>1</sup> Art. 65 of the Decree.

<sup>2</sup> Pursuant to Articles 3 and 5 of the Law Decree No. 119 of 23 October 2018 and Law Decree No. 34 of 30 April 2019.

<sup>3</sup> Pursuant to Article 1(190) Law. No. 145 of 30 December 2018

<sup>4</sup> Pursuant to Articles 3 and 5 of the Law Decree No. 119 of 23 October 2018 and Law Decree No. 34 of 30 April 2019.

<sup>5</sup> Art. 19 Legislative Decree No. 112 del 1999.

<sup>6</sup> Art. 64 of the Decree.

## Measures to Support Businesses Not Engaged in the Tourism Sector - Suspension of Payments Related to Withholding Taxes, Social Security Contributions and Insurance Premiums for Mandatory Insurance Policies<sup>7</sup>

For the physical and legal persons active in the industries listed below, the withholding taxes payments on employment income, social security contributions and mandatory insurance premium falling due between 2 March 2020 and 30 April 2020 are suspended until **30 April 2020**:

- a) National sports federations, sports promotion entities professional and amateur sports associations and clubs, and stadia, sports facilities, gyms, clubs and structures for dance, fitness and bodybuilding, sports centres, swimming pools and swimming centres;
- b) theatres, concert halls, cinemas, including ticketing services and support activities for artistic performances, night-clubs, game rooms and billiards;
- c) lottery offices, lotteries, bets, including the management of related machines;
- d) fairs and events (including those of an artistic, cultural, recreational, sporting and religious nature) promoters;
- e) restaurant, catering, ice cream shops, patisseries, bars and pubs;
- f) museums, libraries, archives, historical places and monuments and similar places, botanical gardens, zoos and nature reserves;
- g) nursery schools and day care services for disabled children, educational services for children as well as first and second degree educational services, professional training courses, sailing, navigation and flight schools, which issue patents or commercial licenses, schools of professional guide for drivers;
- h) non-residential social assistance activities for the elders and disabled;
- i) spa (Law No. 323 of 24 October 2000) and wellness centres;
- j) amusement parks or theme parks;
- k) bus, railway, underground, sea or airport stations;
- l) land, air, sea, river, lake and lagoon freight and passenger transport services, including the management of funiculars, cableway, funicular, chair-lifts and ski-lifts;
- m) lease of (land, sea, river, lake and lagoon) transport vehicles;
- n) rental of sports and recreational equipment or structures and equipment for events and shows;
- o) driving and tourist assistance services;
- p) registered non-profit organizations (ONLUS; Article 10 of the Legislative Decree No. 460 of the 4 December 1997), service organizations registered in the Regional register and of the autonomous provinces (Law No. 266 of the 11 August 1991), social promotion associations registered in the national, regional and autonomous provinces of Trento and Bolzano registers (Article 7 of the Law No. 383 of 7 December 2000) which performs, exclusively or principally, activities of general interest (Article 5, par. 1 of the Legislative Decree No. 117 of the 3 July 2017).

For the above mentioned persons, the Decree also suspends the **VAT payment deadline** set for March 2020.

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<sup>7</sup> Art. 61 of the Decree

Suspended payments must be made, without any penalties or interest, in a single instalment by 31 May 2020 or in up to five monthly installments starting from May 2020.

Moreover, the Decree contains a specific provision for national sports federations, sports promotion entities, professional and amateur sports associations and clubs. For these associations and clubs, the suspension applies until 31 May 2020. Any suspended payments must be made, without any penalties or interest, in a single instalment by 30 June 2020 or in up to five monthly installments starting from June 2020.

### **Measures to Support Businesses Engaged in the Tourism Industry - Suspension of Payments related to Withholding Taxes and VAT<sup>8</sup>:**

The Decree suspends the tax payment deadlines falling due between 2 March 2020 and 30 April 2020 for withholding taxes due by tourism-related businesses, travel agencies and tour operators. This suspension lasts until 30 April 2020 for withholding taxes on employment income.

The Decree also suspends the VAT payment deadline set for March 2020 for tourism-related businesses, travel agencies and tour operators.

The payments covered by the suspension must be made in a single instalment by 31 May 2020 or in up to five monthly installments starting from May 2020. No penalties or interest apply.

### **Measures to Support Shops and Workshops<sup>9</sup>:**

The Decree grants to persons engaged in business activities a tax credit of 60% of the rental fee of March 2020 in relation to buildings falling under cadastral category C1 (*i.e.* shops and workshops).

This tax credit:

- a) does not apply to business activities that have not been suspended by the Prime Minister's Decree of 11 March 2020 (*e.g.* grocery stores, pharmacies, laundries, kiosks, petrol stations, and certain other activities listed in Annexes 1 and 2 to the aforementioned Prime Ministerial Decree of 11 March 2020); and
- b) can only be used to be offset against other tax debts, pursuant to article 17 of Legislative Decree 241/1997 (*i.e.* cannot be claimed for reimbursement).

### **Measures to Support Gaming Industry<sup>10</sup>:**

The Decree extends to 29 May 2020 the deadline for the following payments falling due by 30 April 2020:

- a) payments related to gaming activities, pursuant to art. 110, paragraph 6, letter a) and letter b), of the Royal Decree no. 773 of 18 June 1931 (these are entertainment machines and gaming activities that are activated exclusively through a connection to the network processing system pursuant to art. 14-bis, paragraph 4, of Presidential Decree no. 640 of 26/10/1972); and
- b) the relevant concession fees.

Moreover, the concession fee is not due for bingo activities (article 1, paragraph 636, of Law no. 147 of 27 December 2013, et seq. and ii.) as from March and for the entire period of suspension of such activities.

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<sup>8</sup> Art. 61 of the Decree

<sup>9</sup> Art. 65 of the Decree.

<sup>10</sup> Art. 69 of the Decree.

The following terms are also extended by 6 months:

- a) the deadlines for the public competitive and non-discriminatory tender procedure for gaming concessions by the Customs and Monopolies Agency (initially expiring on 31 December 2020);
- b) the deadline for the start of the so-called "receipts lottery" (initially expiring on 1 July 2020);
- c) the deadline for betting and bingo concessions (initially expiring on 31 December 2020 and 30 September 2020);
- d) the deadlines for the replacement of gaming machines;
- e) the deadline for the establishment of the Register of public gaming operators.

#### **Disclosure on the Ministry of Finance's Website<sup>11</sup>:**

Any taxpayer which voluntarily chooses not to benefit from the suspension of payments under article 36 and under the provision listed in Title IV of the Decree may require that its payments are mentioned on the institutional website of the Ministry of Economy and Finance.

## **2. What tax support measures are available for the workforce?**

#### **Incentives for Public & Private Workers<sup>12</sup>:**

Workers, employed either in the public or private sector, with a taxable income not exceeding 40,000 euros, are granted with a bonus, for the month of March 2020.

The bonus rewards those employees who continue to work in their offices during March 2020.

The bonus is proportional to the days spent by the employee in his/her workplace in March 2020. The bonus cannot exceed 100 euros.

The bonus is not included in the recipient's income tax basis.

The bonus is paid by the employer (withholding agent). The payment should be included in the salary of March 2020. In any case, the payment must occur not later than the end of the 2020.

The payment of the bonus by the employer (withholding agent) gives rise to a tax credit for it. The employer (withholding agent) is entitled to offset the tax credit in accordance with article 17 of Legislative Decree no. 241 of 9 July 1997.

## **3. Are there any tax incentives aimed at promoting private donations?**

#### **Tax Incentives for Donations to fight COVID-19<sup>13</sup>:**

The measure aims to encourage donations to limit the spread of COVID-19 through a tax incentive granted to the donors.

Donations in cash or in kind, made by individuals and non-commercial entities, in favor of the State, regions, and local public bodies, non-profit foundations and/or associations, give rise to a tax credit for the

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<sup>11</sup> Art. 71 of the Decree.

<sup>12</sup> Art. 63 of the Decree.

<sup>13</sup> Art. 66 of the Decree.

donor. The tax credit amounts to 30% of the donation and cannot exceed €30,000. The tax credit can be offset by the donor against his/her gross income tax.

Donations in cash or in kind, made by individuals or legal entities engaged in a business activity, fall within the scope of application of article 27 of Law no. 133 of 13 May 1999. In a nutshell, these donations (i) are deductible from the donor's taxable income (ii) if they are in kind they do not trigger the deemed realization of the relevant dormant capital gains and are not relevant for VAT purposes (iii) fall outside the scope of the Italian gift tax.

For the purposes of the Regional Tax on Productive Activities (IRAP), these donations are deductible in the financial year in which the donation is made.

#### 4. Are there any consequences for tax litigation pending before Italian courts?

##### Postponement of Hearings to 15 April 2020<sup>14</sup>:

The hearings of tax proceedings (including those concerning a tax criminal offence) scheduled between 9 March 2020 and 15 April 2020 (“**Suspension Period**”) are postponed to 15 April 2020.

##### Suspension of Judicial Activities until 15 April 2020<sup>15</sup>:

During the Suspension Period, any activities related to tax proceedings (including those concerning a tax criminal offence) and preliminary investigations, the adoption of judicial measures and the filing of their grounds, the lodging of the documents for the instruction of the proceeding and the enforcements proceedings, and the appeals are suspended.

It is further established that:

- terms starting within the Suspension Period, are suspended and start again at the end of the Suspension Period; and
- where a term is determined by counting backwards with respect to the date of a hearing or an activity and the relevant time period falls even partly within the Suspension Period, the date of the hearing or activity shall be deferred accordingly to fulfill the time period requirement; and
- terms for lodging the appeal before Tax Courts of first instance and for the conclusion of the procedure of tax mediation (“*reclamo/mediazione*”) are suspended during the Suspension Period<sup>16</sup>.

##### Exceptions to the Postponement of Hearings and the Suspension of Judicial Activities:

Pursuant to the provisions of the Decree<sup>17</sup>, specific hearings and judicial activities may be held during the Suspension Period:

- in case a delay would cause a serious prejudice to the parties; and/or

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<sup>14</sup> Art. 83(1) and (21) of the Decree.

<sup>15</sup> Art. 83(2) and (21) of the Decree.

<sup>16</sup> Pursuant to Art. 17-*bis*(2) of Legislative Decree no. 546 of 31 December 1992.

<sup>17</sup> Art. 83(3) of the Decree. With specific reference to criminal tax proceedings, those cases are specifically listed, and include *inter alia* (and, for certain cases, at some conditions): proceedings aimed at validating arrest or apprehension; where custodial security measures are pending; where detention/pre-trial/prevention measures are in place; against juvenile defendants; evidence gathering activities in specific cases where as per the ordinary procedural law evidence-gathering cannot be postponed.

- if they are of an urgent nature, declared by the judicial office or his delegate (at the end of the summons or appeal), the investigating judge or the president of board of arbitrators (for ongoing proceedings). Decisions concerning the urgent nature of the hearing or judicial activity are not subject to appeal.

However, hearings and judicial activities must be conducted in a way that is compliant with the health and hygiene instructions provided by the Ministry of Health to avoid any gatherings and close contacts between persons.

#### **Anti-Gathering Measures Applicable to Judicial Offices<sup>18</sup>:**

During the Suspension Period, for non-suspended activities, and, in any case, from 16 April 2020 to 30 June 2020, the judicial offices must implement the necessary organizational measures to allow compliance with the health and hygiene instructions provided by the Ministry of Health to avoid the gatherings and close contacts between persons ("**Anti-Gathering Measures**"). These measures include, in particular:

- the limitation of public access to judicial offices, also by limiting opening hours, closing offices or regulating access to services by telephone or electronic reservation;
- the holding of all public hearings behind closed doors, the holding of hearings via remote connections, and through the exchange and electronic filing of written notes, with subsequent adoption outside the hearing of the judge's decision;
- the mandatory filing of acts and documents relating to tax proceedings by electronic means;
- the mandatory payment of the unified contribution by electronic payment systems.

#### **Suspension of the Statute of Limitations and Forfeiture of Rights Until 30 June 2020<sup>19</sup>:**

During the Suspension Period and until 30 June 2020, the statute of limitations and forfeiture of rights that can only be exercised contravening the Anti-Gathering Measures, are also suspended.

#### **Measures Concerning Tax Criminal Proceedings<sup>20</sup>:**

The Decree suspends the limitation period and, for the time the proceedings are postponed (but, in any case, not beyond 30 June 2020), the time limits for:

- the maximum duration of pre-trial detention<sup>21</sup>;
- the maximum duration of coercive measures other than pre-trial detention<sup>22</sup>;
- the review of orders establishing a coercive measure<sup>23</sup>;
- the review of orders establishing preventive seizure<sup>24</sup>;
- the decision by the Court of Cassation in relation to orders establishing a coercive measure<sup>25</sup>;

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<sup>18</sup> Art. 80(5-7) of the Decree.

<sup>19</sup> Art. 83(9), (12), (13-15) and (18) of the Decree.

<sup>20</sup> Art. 80(9), (12), (13-15) and (18) of the Decree.

<sup>21</sup> As per Art. 303 of the Criminal Procedure Code ("CPC").

<sup>22</sup> As per Art. 308 of the CPC.

<sup>23</sup> Pursuant to Art. 309(9) of the CPC.

<sup>24</sup> Pursuant to Art. 324(7) CPC.



- the filing of the decree ordering the confiscation of seized assets<sup>26</sup>;
- the ruling by the Court of Appeal on the measure of confiscation of seized assets<sup>27</sup>.

In order to reduce the access to the criminal judicial offices *inter alia*:

- persons detained or in custody will participate to hearings through videoconferences or remote connections from 9 March 2020 to 30 June 2020;
- communications and notifications relating to notices and measures adopted in criminal tax proceedings will be made electronically, as an exception to the current provisions of the CPC. In particular, communications and notifications to defendants and other parties will be made by registered email to the trusted (or *ex officio*) lawyer (save for notifications made to the *ex officio* lawyer by law).

Finally, the Decree postpones any hearings before the Courts of Assise and the Appeal Courts of Assise in progress at the date of entry into force of the Decree until 30 June 2020.

## 5. Are there any consequences for Italian Tax Authorities' activities?

### Suspension of Tax Ruling Procedures<sup>28</sup>:

From 8 March to 31 May 2020, the following Italian Tax Authorities' activities are suspended:

- liquidation, audit, tax inspections, tax collection and litigation;
- issuance of rulings<sup>29</sup>.

Within this time frame, taxpayers must submit any ruling applications as follows:

- for Italian resident taxpayers, via certified electronic mail (PEC);
- for non-Italian resident taxpayers, via e-mail.

Ruling applications submitted during the above time frame will be processed by the Italian Tax Authorities starting from 1 June 2020 (first day of the month following the end of the suspension period).

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<sup>25</sup> As per Art. 311(5) and (5-bis) of the CPC.

<sup>26</sup> As per Art. 24(2) of Legislative Decree no. 156 of 6 September 2011 ("Anti-Mafia Law Code").

<sup>27</sup> As per Art. 27(6) of the Anti-Mafia Law Code.

<sup>28</sup> Art. 67 of the Decree.

<sup>29</sup> "interpello interpretativo o qualificatorio" – Art. 11 (1)(a) of the Law No. 212/2000; "interpello probatorio" – Art. 11(1)(b) of the Law No. 212/2000; "interpello anti-abuso" – Art. 11(1)(c) of the Law No. 212/2000; "interpello disapplicativo" – Art. 11(2) of the Law No. 212/2000; "interpello sui nuovi investimenti" – Article 2 of Legislative Decree No. 147/2015, "regime dell'adempimento collaborativo" – Art. 6 of Legislative Decree No. 128 of the 5 August 2015; communications related to the admission to regime dell'"adempimento collaborativo" (Article 7, paragraph 2 of Legislative Decree No. 128 of the 5 August 2015); communications related to the access to "procedura di cooperazione e collaborazione rafforzata" – Art. 1-bis of the Legislative Decree No. 50 of the 24 April 2017; communications related to "accordi preventivi per le imprese con attività internazionale" – Art. 31-ter of Presidential Decree No. 600 of the 29 September 1973; communications related to "rettifica in diminuzione del reddito per operazioni tra imprese associate con attività internazionale" – Art. 31-quater of Presidential Decree No. 600 of the 29 September 1973; communications related to the "Patent Box Regime" – Art. 1, par. 37 to 43 of the Law 190 of the 23 December 2014.

## 6. Are there any other tax related support measures?

### Suspension of deadlines for various tax compliance obligations<sup>30</sup>

#### Remittance in Terms for Payments to the Public Administration<sup>31</sup>:

Payments to public authorities expiring on 16 March 2020 are postponed until 20 March 2020, without any penalties or interests.

The Decree explicitly includes among these payments any social security and welfare contributions and any premiums for mandatory insurance.

Although not expressly specified in the Decree, it is reasonable to assume that also tax payments expiring on 16 March 2020<sup>32</sup> are postponed until 20 March 2020.

#### Suspension of tax obligations<sup>33</sup>:

For taxpayers who have their fiscal domicile, registered office or place of effective management in Italy, tax obligations<sup>34</sup> falling due between 8 March 2020 and 31 May 2020 are suspended, except for: (a) tax payments; (b) withholding taxes; and (c) regional and municipal surtaxes (“*addizionale regionale e addizionale comunale*”).

The payments covered by the above suspension must be made by 30 June 2020. No penalties apply.

Furthermore, the postponement of the deadline for the Italian Tax Authorities to issue the pre-completed declarations relating to 2019 (730/2020 Tax Form and Unico PF 2020 Income Tax Form) from 15 April 2020 until 5 May 2020 is confirmed.

#### Suspension of tax obligations<sup>35</sup>:

For taxpayers who have their fiscal domicile, registered office or place of effective management in Italy, tax obligations<sup>36</sup> falling due between 8 March 2020 and 31 May 2020 are suspended, except for: (a) tax payments; (b) withholding taxes; and (c) regional and municipal surtaxes (“*addizionale regionale e addizionale comunale*”).

The payments covered by the above suspension must be made by 30 June 2020. No penalties apply.

Furthermore, the postponement of the deadline for the Italian Tax Authorities to issue the pre-completed declarations relating to 2019 (730/2020 Tax Form and Unico PF 2020 Income Tax Form) from 15 April 2020 until 5 May 2020 is confirmed.

#### Suspension of Certain Self-liquidation Tax Payments<sup>37</sup>:

For taxpayers who (i) have their fiscal domicile, registered office or place of effective management in Italy, and (ii) are engaged in a business, craft or professional activity and (iii) earned revenues not exceeding

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<sup>30</sup> Artt. 58-89 of the Decree.

<sup>31</sup> Art. 57 of the Decree.

<sup>32</sup> For more details, please see the tax compliance schedule for the 16 March 2020, available on the ITA website at the following [link](#).

<sup>33</sup> Art. 62(1) and (6) of the Decree.

<sup>34</sup> For more details, please see the tax compliance schedule for the months from March to May 2020, available on the ITA website at the following [link](#).

<sup>35</sup> Art. 59(1) and (5) of the Decree.

<sup>36</sup> For more details, please see the tax compliance schedule for the months from March to May 2020, available on the ITA website at the following [link](#).

<sup>37</sup> Art. 62(2), (3) and (5) of the Decree.



Euro 2 million in the fiscal year 2019, self-liquidation tax payments falling due between 8 March 2020 and 31 March 2020 are suspended for: (a) withholding taxes on employee and similar income; (b) deductions relating to the regional and municipal surtax; (c) VAT; (d) social security and welfare contributions; (e) compulsory insurance premiums.

For taxpayers who (i) have their fiscal domicile, registered office or place of effective management in the Province of Bergamo, Cremona, Lodi and Piacenza and (ii) are engaged in a business, craft or professional activity, VAT tax payments falling due between 8 March 2020 and 31 March 2020 are suspended regardless the amount of revenues derived in fiscal year 2019.

Any suspended self-liquidation tax payments must be made, without penalties and interests, (i) in a single instalment by 31 May 2020; or (ii) in up to five monthly instalments starting from May 2020. Self-liquidation tax payments made before the issuance of the Decree cannot be reimbursed to the taxpayer.

### **Suspension of Tax Payments and Tax obligations in the so-called “Red-Zone”<sup>38</sup>:**

With respect to taxpayers who have their fiscal domicile, registered office or place of effective management in the municipalities included in the so-called "red zone" (*i.e.*, Bertinico, Casalpusterlengo, Castelgerundo, Castiglione D’Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Buggini, Vo’) the deadlines of tax payments and tax obligations, including those related to tax collection notices, tax assessment notices, tax penalties notices, falling due between 21 February 2020 and 31 March 2020 are suspended.

The suspension applies also to withholding tax agents who shall not levy withholding taxes on employee income from 21 February 2020 and 31 March 2020.

Any suspended tax payments must be made, without penalties and interests, (i) in a single instalment by 31 May 2020; or (ii) in up to five monthly instalments starting from May 2020. Self-liquidation tax payments made before the issuance of the Decree cannot be reimbursed to the taxpayer.

### **Non-application of certain withholding taxes<sup>39</sup>:**

For taxpayers who (i) have their fiscal domicile, registered office, or place of effective management in Italy, (ii) earned revenues not exceeding Euro 400,000 in the fiscal year 2019, and (iii) did not incur employee expenses in February 2020, withholding tax will not be levied on income from self-employment and other similar income<sup>40</sup> realized between 17 March 2020 and 31 March 2020.

The amount of the withholding taxes not withheld by the withholding agents is paid, without the penalties and interests, by the taxpayer: (a) in a single instalment by 31 May 2020; or (b) in up to five monthly instalments starting from May 2020. To benefit from the above tax relief, the taxpayer must complete a specific declaration.

### **Financial relief - Turning Deferred Tax Assets Into Tax Credit:**

Article 55 of the Decree allows corporate taxpayers selling bad-debts (*i.e.* receivables vis-à-vis debtors that are more than 90 days past due) by 31 December 2020, to turn specific deferred tax assets into tax credit.

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<sup>38</sup> Art. 62(4) and (5) of the Decree.

<sup>39</sup> Art. 62(7) of the Decree.

<sup>40</sup> Income referred to in Artt. 25 and 25-*bis* of the Presidential Decree No. 600/73.

This measure aims at providing a financial relief to companies that, because of the financial crisis, have accumulated bad-debts. As a result of this measure, the sale of the bad-debts appears appealing for companies/sellers as it gives rise to a tax credit.

The tax credit is granted to companies (other than companies in significant financial distress) with deferred tax assets (whether or not accounted for in their financial statements) associated with:

- tax losses existing at the date of the sale;
- allowance for corporate equity (ACE) existing at the date of the sale.

For the purposes of the tax credit, the above items may be taken into account for an amount not exceeding 20% of the nominal value of the transferred bad-debts.

The ceiling nominal amount of the bad-debts is EUR 2 billion and it applies at the group level taking into account all the transfers occurred in December 31, 2020. Intra-group transfers of bad-debts do not qualify for the tax incentive at stake.

The sale of the bad-debts triggers the transformation of the relevant deferred tax assets into tax credits. From that date:

- tax losses linked to deferred tax assets converted into a tax credit; and
  - allowance for corporate equity (ACE);
- associated with the deferred tax assets converted into a tax credit, can no longer be employed by the taxpayer.

The credits concerned may be:

- used to offset taxes pursuant to art. 17 of Legislative Decree no. 241 of 9 July 1997; and/or
- be transferred to companies belonging to the same group pursuant to art. 43-*bis* or 43-*ter* of Presidential Decree no. 602 of 29 September 1973); and/or
- asked for reimbursement.

The above tax credits do not bear interest and do not trigger regional tax on productive activities.

Furthermore, to benefit from the rule under Article 55 of the Decree, the taxpayer must elect the option under article 11, paragraph 1, of Decree Law no. 59 of 3 May 2016 by the end of the year when the sale occurs.

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