



Italian reforms: opportunity for investors

Colin Jamieson
Belluzzo & Partners
Partner

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1. Legge di Stabilita'

Contents

- Legge di Stabilita'
 - Income tax Measures
 - Euro 80 Tax Credit
 - Baby Bonus
 - Imu-Tasi
 - Personal income tax rates largely unchanged



2. Pensions & Investments



Pensions & Investments

- Pension fund changes – increase in rates
- Proceeds of life insurance taxable where paid to the beneficiaries of life insurance in excess of pure life cover
- “TFR” in the hand
- Art bonuses - extension of tax incentives introduced in 2014) for disbursements in support of operatic and symphonic charitable foundations and traditional theatres



3. Business Tax Measures



Business Tax Measures (1)

- Set-off of tax due against receivables from public administration
- Meal tickets
- Ecobonus and Building Rennovations
- IRAP & the Cuneo Fiscale
- Minimum lump-sum tax



Business Tax Measures (2)

- Tax credit for research and development
- Tax Credit disadvantaged areas
- Patent Box
- ACE/Start-up regime
- Extension of substitute tax on revaluation of land & buildings and shareholdings – June 30 2015 Deadline.
- Ravvedimento Operoso” – Self-disclosure of under- or non-paid tax



Business Tax Measures (3)

- Changes to CFC and Black List Regimes
 - Reclassification of black list regimes
 - Exchange of information agreements with numerous countries
 - “White list” to be published
 - Over-arching principal of 50% tax rate
 - Automatic non-deductibility rules to be revised



4. Indirect Taxes



Indirect Taxes (1)

- VAT

- VAT authorised to rise:

- Lower rate

- From 10% to 12% - 1 Jan 2016

- To 13% - 1 Jan 2017

- Standard Rate

- From 22% to 24% - 1 Jan 2016

- To 25% - 1 Jan 2017

- To 25.5% - 1 Jan 2018

- Exise Duty

- Further increases planned on fuel



Indirect Taxes (2)

- VAT Extension of Reverse Charge
 - Already applies to certain services in the real estate and energy sectors.
 - Extended to
 - cleaning, demolition, equipment installation and other services in relation to immovable property
 - supply of goods made to hypermarkets, supermarkets, discount stores and food (subject to the granting of a derogation from the EU Council.)
 - the supply of recycled wooden pallets (pallets)
 - Greenhouse gas emissions trading and similar rights
 - Shifts burden of payment of VAT from the supplier to the buyer
- The VAT rate for e-books is reduced to 4%.



Indirect Taxes (3)

- Split-payment system for supplies to Italian public bodies
 - suppliers charge Italian VAT (where due) as normal;
 - Public authority splits payment of the invoice
 - Consideration due is paid to the supplier
 - VAT to a blocked Treasury bank account
 - The blocked VAT bank account can only be used by the supplier for paying VAT to its suppliers' blocked VAT bank account
 - Reduces VAT fraud
 - Suppliers of public bodies likely to end up in a chronic VAT repayment position - the 2015 Stability Law contains provisions for priority VAT refunds

- The VAT rate for e-books is reduced to 4%.

Other Measures

- Made in Italy
- Italian Constitutional Court has declared the ‘Robin Hood Tax’ – a corporate income tax surcharge applied to certain taxpayers in the energy sector, to be illegitimate (but without retroactive effect).
- Jobs Act “Revolution”



Stradone San Fermo, 14
37121 **Verona**
T+39 045 8005353
F+39 045 8012788
studio@belluzzo.net



Via Cordusio, 2
20123 **Milano**
T+39.02.365.696.57
F+39.02.365.698.29
studio@belluzzo.net



38, Craven Street
WC2N 5NG **London**
T+44 20 70042660
F+44 20 70042661
london@belluzzo.net

www.belluzzo.net

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