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# NEW TAX REGIME – TRANSFER OF ECONOMIC ACTIVITIES TO ITALY WITH A 50% REDUCTION IN TAXES

Article 6 of the Legislative Decree implementing the tax reform on international taxation

## WHICH ACTIVITIES ARE FACILITATED ?

The rule concerns companies that decide to move their business **from non-EU (or EEA) territories to Italy**. The law is aimed at attracting investments and activities in Italy.

Activities carried out in the territory of the State in the 24 months prior to their transfer are not included

## WHICH INCOME IS SUBJECT TO REDUCTION ?

- **Business income derived from company**
- **Income derived from the exercise of arts and professions**

## HOW MUCH IS THE REDUCTION ?

**Reduction by 50% income taxes** (Ires o Irpef) and Regional Tax on Productive Activities (Irap). It is useful to remember that in Italy ordinary Ires taxation is 27.5% and Irap 3.9%

## HOW LONG DOES THE REDUCTION LAST?

- **6** tax periods (in the tax period ongoing at the time of the transfer and in the five subsequent tax periods)
- **10** if it concerns large enterprises

The relief ceases if in the five tax periods following the expiry of the relief regime, or ten in the case of large companies, following the expiry of the facilitation regime, the beneficiary transfers the

activities subject to the previous transfer outside the territory of the State, even partially.

## **CONCLUSIONS**

The introduction into our tax system of legislation that encourages the return of companies previously relocated abroad is in continuity with similar measures adopted by other countries.

At the moment, the rule is still very generic and further investigations will necessarily have to be awaited for its concrete application