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DIRECT TAXES

Self-employed income - Expenses - Interest from special voluntary disclosure - Non-deductibility (Revenue Agency reply 3.3.2025 n. 56)

In response to the request for clarification 3.3.2025 n. 56, the Revenue Agency specified the tax treatment of interest paid by a professional who used the special voluntary disclosure mechanism (ex Article 1, paragraphs 174-178 of Law 197/2022). This response is also interesting because it summarizes the concept of "relatedness" applicable to self-employed income derived from the exercise of arts and professions.

Concept of Relatedness in the Context of Self-Employed Income
In the absence of specific provisions regarding the deductibility of interest from self-employed income, the response states that the general rules regarding the necessary documentation of the expense and its direct connection to the activity performed apply.

In this regard, over the years, it has been clarified that:

- Relatedness must be understood as the direct and immediate correlation between the expense incurred and the art or profession exercised (Cassation ruling 18.2.2015 n. 3198);
- An expense can be considered deductible from self-employed income only if "and to the extent that it is functional to the generation of that income" (Revenue Agency Circular 20.6.2002 n. 55, § 5);

- Expenses must "be related to the activity as a whole, regardless of the economic viability of each individual transaction, and therefore there should not be a strict link between the deduction and the individual compensations" (Revenue Agency Ruling 16.2.2006 n. 30).

Based on the above principles, therefore, expenses related to professional activity are those incurred for the performance of the activity or for the acquisition of goods that generate compensations contributing to the formation of professional income. It is necessary, therefore, that there be a functional, even indirect, connection between the costs and expenses incurred and the generation of compensations contributing to self-employed income.

Consistent with this, the instructions for line RE13 of the REDDITI tax return form state that deductible expenses from self-employed income, as they are related, include "interest paid during the tax period for financing related to artistic or professional activity (including those incurred for the purchase of instrumental property) or for deferred payments on goods purchased for the exercise of the art or profession." However, "interest paid by taxpayers who opted for quarterly VAT payments" (ex Article 66, paragraph 11 of Decree Law 331/93) is non-deductible.

Non-deductibility of Interest with Moratorium Nature
Interest due for ordinary voluntary disclosure under Article 13 of Legislative Decree 472/97 has a moratorium nature (see paragraph 2 of the cited article, under which "payment of the reduced penalty must be made simultaneously with the regularization of the tax payment or the difference, if due, as well as the payment of the moratorium interest calculated at the legal rate on a day-by-day basis").

The moratorium nature (as opposed to compensatory) of interest from voluntary disclosure, as they arise from a taxpayer's failure to pay taxes on time, makes them accessory to the main obligation (i.e., the payment of the tax), with the result that they share the same tax treatment.

This appears to be the stance of the ruling 4.10.2022 n. 28740, in which the Supreme Court denied the deductibility of moratorium interest due to late tax payments. Despite the judges stating that moratorium interest from delayed payments does not have a punitive function, as its purpose is to restore the full amount to be paid to the Treasury, the Court maintains that these interests do not arise from business activity, related to the financial function typically performed, but from the failure to fulfill an obligation regarding tax payment, for which the right to deduction is excluded from the outset.

Nature of Interest Due to Special Voluntary Disclosure Participation
Similar conclusions should be drawn with regard to the interest due following participation in the special voluntary disclosure mechanism (ex Article 1, paragraphs 174-178 of Law 197/2022). Therefore, in the case addressed in the request for clarification, the non-deductibility of the reprocessed taxes (IRPEF, additional IRPEF taxes, and IRAP) implies that the moratorium interest paid, as accessory charges to the aforementioned taxes, must also be considered non-deductible.

Different Nature of Interest from Settlement Acts and Assessment with Agreement
According to the Revenue Agency, the clarifications provided in response to request for clarification 20.8.2024 n. 172 (which concerned business income) are not applicable to the current case. In that case, the Revenue Agency clarified that interest due on increased taxes defined through settlement acts and assessment with agreement is deductible in the tax period when the agreements that established their payment were signed, regardless of:

- The business event that generated them;

- The deductibility of the cost to which they are related.

In fact, such interest would serve a “compensatory” function for the delay in tax collection, different from the “damages” function that characterizes interest from voluntary disclosure.

Critical Aspects
The position in the current response raises some concerns. In the past, Assonime, with Circular 11.6.2012 n. 18 (§ 2.6.1), had observed that moratorium interest would represent "the quantification of a financial loss suffered by other parties," whether public or private, having relations with the business. As such, as affirmed by the Supreme Court in ruling 27.9.2011 n. 19702 regarding penalty clauses, these would be deductible costs.

Furthermore, the fact that Article 109, paragraph 7 of the TUIR (Consolidated Law on Income Taxes) states that, contrary to the principle of accrual, moratorium interest contributes to the formation of income in the fiscal year in which it is received or paid implicitly supports the deductibility of such costs. Otherwise, the reference to paid interest would be redundant.

Finally, regarding moratorium interest, Assonime, with Circular 18.11.2011 n. 46, had excluded from the scope of Article 96 of the TUIR those income components, such as active and passive moratorium interest for the late payment of debts, which, despite having the legal nature of interest, "do not stem from any financing relationship voluntarily established by the business."

Article 54, paragraph 1 DPR 22.12.1986 n. 917
Revenue Agency Response 3.3.2025 n. 56
Il Quotidiano del Commercialista of 4.3.2025 - "Non-deductible from self-employed income: interest from special voluntary disclosure" - Corso
Guide Eutekne - Direct Taxes - "Self-employed income - Expenses" - Fornero L., Valente G.

DIRECT TAXES
IRES - Expenses for labor services - Chairman of the board - Employee costs attributed to him - Non-deductibility (Cassation ruling 28.2.2025 n. 5318)

With ruling 28.2.2025 n. 5318, the Supreme Court returned to the issue of the compatibility between the position of company director and employee of the same company, a matter already addressed in the past.

Position of the Court of Cassation
In this ruling, the Court reiterated the incompatibility, for income tax purposes, between the position of director and that of a subordinate employee, with the consequence that the related employee labor costs are non-deductible.

In particular, the principle of law states that "the combination in the same person of the powers of representation, direction, control, and discipline of the company makes it impossible to distinguish the parts of the employment relationship and their respective duties, which is necessary for the essential and indispensable element of subordination to be found...".

According to the judges, for the purposes of deductibility of the related cost from business income, the compatibility between the position of shareholder director, member of the board of directors of a capital company, and that of an employee of the same company must be verified by checking whether there is a hierarchical subordination relationship, directive powers, and disciplinary powers, and in particular, the performance of tasks distinct from those inherent to the corporate

position held. It is not sufficient to simply verify these aspects in a formal manner, referring exclusively to the statute and corporate resolutions.

In the Same Direction, the Judgment of 23.11.2021 No. 36362
Position of Doctrine and INPS
In Document Notes and Studies No. 7/2022, Assonime pointed out that, according to the majority doctrine, in internal relationships between the company and the director, the establishment of an independent subordinate employment relationship is considered admissible, provided that the actual subordination of the individual to the directive, control, and disciplinary powers of the company's governing body as a whole can be proven.
In this context, the following conditions should be met (cf. INPS message 17.9.2019 No. 3359):

- The deliberative power, aimed at forming the entity's will, must be entrusted to the collegiate administrative body of the company as a whole and/or another corporate body expressing the entrepreneurial will, which exercises an external power;
- It is necessary to demonstrate the existence of the subordination bond (even, if necessary, in the form of managerial work) and, i.e., the subjection of the worker concerned, despite their social position, to the actual hierarchical superiority (directive, organizational, disciplinary, oversight, and control power) of another individual or other members of the social body to which they belong;
- The person must actually perform tasks unrelated to the corporate relationship with the company.

Only in the case of the sole director can the two roles not coexist, since, in this case, the coexistence of the powers of representation, direction, and control of the company in the same individual would de facto make the worker a "self-employer."

From a fiscal standpoint, Assonime also observes that even Article 50, paragraph 1, letter c-bis) of the TUIR (Consolidated Income Tax Act) seems to implicitly admit the simultaneous existence of the two roles, as it assimilates the compensation received for the office of director to dependent work income, except in the case of inclusion under professional income.
In any case, the duality of the relationships for the same individual requires verification and distinction of the two roles, as the deduction methods for costs to the company differ. In fact, according to Article 95, paragraph 5 of the TUIR, director compensation is deductible in the year it is paid, thus following the cash basis principle.

Effects of the Cassation Orientation
In addition to the aforementioned non-deductibility as employee costs, the potential requalification of the compensation as a director's remuneration could also prevent its deductibility under Article 95, paragraph 5 of the TUIR, since it would be considered remuneration paid without prior approval (cf. among others, Cassation ruling 15.5.2023 No. 13181).

In practice, as a result of the inability to deduct the related costs, even without posing a risk to fiscal matters, the chairman's compensation would be taxed twice (cf. the cited Document Notes and Studies No. 7/2022):

- Once on the director's side;
- And again on the company's side.

This approach seems overly rigid when considering that the IRES (corporate income tax) tax base is legally based on the income statement result, with the consequence that fiscal deductibility requires

the expense to be attributed to the income statement and meet the relevance requirement, irrespective of civil law form.

Article 95 DPR 22.12.1986 No. 917
Cassation Ruling 28.2.2025 No. 5318
Il Quotidiano del Commercialista of 4.3.2025 - "Cassation Confirms Non-Deductibility of Compensation for Employee Chairman of the Board" - Cotto
Guide Eutekne - Direct Taxes - "Directors - Compensation" - Cotto A.

DIRECT TAXES
IRES - General Rules on Business Income - Competence - Correction of Accounting Errors - Classification and Temporal Allocation Errors - Relevance in the Reporting Period (Revenue Agency Response to Request for Clarification 4.3.2025 No. 63)

In response to the request for clarification 4.3.2025 No. 63, the Revenue Agency provided clarification on the rules for correcting accounting errors under Article 83, paragraph 1 of the TUIR.
Facts
In the case examined, a company engaged in transporting goods on behalf of third parties had purchased two used semi-trailers in fiscal year X. The related cost had been recorded in the income statement, rather than as part of tangible fixed assets in the balance sheet, since these were instrumental goods. From a fiscal perspective, the cost of the goods was entirely deducted for IRES and IRAP in the tax period X, rather than being allocated over the asset's useful life based on the depreciation process. The following year, the company realized the error and corrected it directly in the financial statements for the year ending 31.12.X+1, by including the semi-trailers among the tangible fixed assets and the corresponding depreciation for year X, impacting the opening balance of net equity (retained earnings). According to the company, the correction could be applied for IRES and IRAP in the declarations related to fiscal year X+1, via a recovery for an amount equal to the difference between the acquisition cost of the goods and the depreciation for year X, according to the rules for correcting accounting errors under Article 83, paragraph 1 of the TUIR.

Correction of Accounting Errors
According to Article 83, paragraph 1 of the TUIR, for entities that adopt the principle of reinforced derivation and subject the balance sheet to legal review, the criteria of "temporal allocation" provided by accounting standards (which, under the principle of reinforced derivation, also have fiscal relevance, together with the criteria for classification and qualification) "apply for fiscal purposes in relation to items accounted for following the correction of accounting errors." In essence, the principle of reinforced derivation allows the fiscal adoption of the accounting approach, recognizing the fiscal relevance of income components recorded in the financial statements (either on the balance sheet or income statement, depending on the significance of the error) in the period in which the correction is made, without requiring the submission of an additional declaration for the period in which the error occurred.

Classification Errors with Effects on Temporal Allocation
According to the Revenue Agency, given the goal of simplification behind the legislation (i.e., exempting operators from submitting corrective declarations when making corrections to accounting errors that comply with accounting principles), corrective items for a "classification" error that also involved an incorrect "temporal allocation" of negative income components become relevant in the period in which the correction is made under Article 83, paragraph 1 of the TUIR, without the need to submit an additional declaration.

Effects of Correction on ROL
The Revenue Agency has also analyzed the effects of correcting the error in relation to the deduction mechanism for passive interest under Article 96 of the TUIR. Specifically, the Agency pointed out that the company must take into account the costs that reduced the ROL related to year X, making a corresponding increase to the ROL for year X+1. The depreciation of assets for year X, on the other hand, should not contribute to the formation of ROL, as depreciation is excluded from ROL under Article 96, paragraph 4 of the TUIR.

Financial Statement Subject to Statutory Audit
An additional clarification concerns the requirements for applying the accounting error rules as explained above, which, provided the other conditions are met, only apply to entities that submit their financial statements for statutory audit. In relation to this requirement, the Revenue Agency clarified that the audited financial statement must relate to the fiscal year in which the error is corrected (not the fiscal year in which the error occurred).

Article 83, paragraph 1, Presidential Decree 22.12.1986, no. 917
Response to Inquiry by Revenue Agency 4.3.2025 no. 63
Il Quotidiano del Commercialista, 5.3.2025 - "Tax relevance of correcting accounting errors from misclassification" - Sgattoni
Il Sole - 24 Ore, 5.3.2025, p. 34 - "Accounting errors, correction on assets affecting ROL" - Germani
Guide Eutekne - Direct Taxes - "Correction of accounting errors" - Latorraca S.

DIRECT TAXES
IRES - Non-commercial Entities and ONLUS - Income from the economic exploitation of patents - Qualification as miscellaneous income (Revenue Agency inquiry response 28.2.2025 no. 51)

With response to inquiry 28.2.2025 no. 51, the Revenue Agency clarified that for a foundation, qualified as a non-commercial entity with the institutional purpose of scientific research, income from the economic exploitation of patents registered on results obtained by researchers employed by the foundation constitutes miscellaneous income under Article 67, paragraph 1, letter g) of the TUIR.

Non-commercial Nature of the Foundation
The foundation is an IRES taxpayer that, according to Article 73 of the TUIR, can be classified as:

- **Commercial entity**, if its exclusive or predominant purpose is commercial activity; in this case, the overall income is considered business income, regardless of its source.
- **Non-commercial entity**, if its exclusive or predominant purpose is not commercial activity; in this case, the overall income consists of income from land, capital, business, and miscellaneous sources, regardless of their destination or origin.

In the case under review, the applicant judged that the foundation qualifies as a non-commercial entity because its statutory activity is scientific research, with results made public through seminars, presentations at scientific conferences, publications in international journals, and accessible through open-access systems on international platforms. This activity may occasionally lead to patentable results. Conducting commissioned research is considered a non-prevalent commercial activity compared to its institutional purpose.
The non-commercial nature of the foundation was assumed uncritically by the Revenue Agency.

Income from Patent Exploitation
In defining the tax treatment of income from the economic exploitation of patents resulting from significant discoveries, special importance was given to the fact that, at the time the employment relationship with the researcher was established, the researcher committed to transferring the economic exploitation rights of their research results (including the right to patent and economically use the patent) to the foundation, in exchange for recognition as the inventor and a fair financial reward. This implies that the economic exploitation of the patent is not carried out directly by the author but is acquired for consideration by the foundation.

Within the TUIR framework, the economic use of an intangible asset, when not conducted by a commercial business, may generate:

- **Income assimilated to self-employment income** (Article 53, paragraph 2, letter b) of the TUIR), when performed by the author or inventor;
- **Miscellaneous income** (Article 67, paragraph 1, letter g) of the TUIR), when performed by an entity other than the author or inventor who has acquired the right to exploit the patent for consideration or free of charge.

Based on these circumstances, since the economic exploitation of the patent is acquired by the foundation through an agreement with the individual researcher, the income generated is classified as miscellaneous income. If the patent is contributed to a limited company, according to Article 9, paragraph 5 of the TUIR, the transaction should be taxed as miscellaneous income, with the fair market value of the patent as the recognized income.

Otherwise, if, based on an overall assessment, the entity is classified as a commercial entity other than companies, the income would be classified under business income.

Article 53, Presidential Decree 22.12.1986, no. 917
Article 67, Presidential Decree 22.12.1986, no. 917
Response to Inquiry by Revenue Agency 28.2.2025 no. 51
Il Quotidiano del Commercialista, 1.3.2025 - "Income from the economic exploitation of patents by a foundation is miscellaneous income" - Editorial Team
Il Sole - 24 Ore, 1.3.2025, p. 27 - "Patents assignment taxed as miscellaneous income" - Gro - Sepio
Guide Eutekne - Direct Taxes - "Author's Rights" - Rivetti P.
Guide Eutekne - Direct Taxes - "Miscellaneous Income" - Rivetti P.
Guide Eutekne - Direct Taxes - "Foundations" - Girinelli A., Rivetti P.

INDIRECT TAXES
VAT - Obligations of Taxpayers - Annual Return - VAT 2025 - Annual VAT Return for 2024 - ATECO Code Compilation Guidelines 2025 - Payment of Balance - Compensation

On 5.3.2025, the Revenue Agency, in response to a specific query published on its website, provided important clarifications regarding the compilation of activity codes in the 2025 VAT Annual Return. This clarification was necessary due to the upcoming implementation (on 1.4.2025) of the ATECO 2025 classification.
The 2025 VAT model (for the 2024 period) must be submitted by 30.4.2025, with only a few days remaining to pay the annual balance in a single payment without surcharge, as the deadline is set for 17.3.2025 (with the 16th being a public holiday).
This contribution reports the guidelines provided by the Revenue Agency in the FAQ published on

5.3.2025 and focuses on the fulfillment due in the coming days, analyzing both the situation where a debt amount arises from the annual return and the case where a credit balance emerges.

Indication of ATECO 2025 Codes in the Annual VAT Return

On January 1, 2025, the new ATECO 2025 classification came into effect. It will be adopted administratively from April 1, 2025, replacing the previous ATECO 2007 classification, last updated in 2022.

In a joint information note issued by ISTAT, Unioncamere, and the Italian Revenue Agency, published on December 11, 2024, it was specified that:

- Starting from April 1, 2025, "the tax system will provide all taxpayers with updated forms in light of the new classification";
- For tax purposes, all VAT operators "will be required to use the activity codes indicated in the new ATECO 2025 classification in documents and declarations submitted to the Revenue Agency, unless otherwise specified in the tax form instructions."

In this regard, the Revenue Agency has published an FAQ clarifying the correct way to enter the activity code in the 2025 annual VAT returns (referring to 2024), which will be filed from April 1, 2025. It should be noted that in line VA2 of the form, the code must be taken from "the classification table of economic activities in force at the time of filing the return" (see the instructions for the VAT 2025 form).

In its response, the tax administration clarifies that, for these tax forms, taxpayers may alternatively indicate:

- The previous ATECO 2007 codes (as updated in 2022);
- Or the "new" ATECO 2025 codes, in which case they must enter code "1" in the "Special Situations" box on the cover page.

The FAQ also specifies that before April 1, 2025, the VAT 2025 form's preparation software and validation procedure will be updated to enable this compilation method.

Payment Methods for the 2024 VAT Balance

The 2024 VAT balance may be paid by:

- March 17, 2025 (since March 16, 2025, falls on a Sunday), as per the ordinary deadline established by Article 6 of Presidential Decree 542/99;
- June 30, 2025, with a 0.4% interest increase for each month or fraction thereof beyond the ordinary deadline (total increase of 1.6%);
- July 30, 2025, with an additional 0.4% increase, calculated on the previous one (total increase of 2.0064%).

Based on the approach outlined in Revenue Agency Resolution No. 73 of June 20, 2017, it is believed that the possibility of deferring VAT balance payment only to these deadlines applies to all VAT taxpayers, including IRES taxpayers, regardless of the timing of:

- The end of the tax period for corporate income tax (IRES) purposes (for "non-calendar year" IRES taxpayers);

- The approval of financial statements (for "calendar year" IRES taxpayers postponing approval).

The 2024 VAT balance payment may also be made in equal monthly installments, with the payment plan completed by December 16, 2025 (Article 20, paragraph 1 of Legislative Decree 241/97, as amended by Article 8 of Legislative Decree 1/2024). The maximum number of installments is therefore:

- 10 installments for payments starting by March 17, 2025;
- 7 installments for payments starting by June 30, 2025;
- 6 installments for payments starting by July 30, 2025.

In this case, monthly interest (0.33%) applies starting from the second installment (Article 5, paragraph 1 of Ministerial Decree of May 21, 2009).

Offsetting or Refund of the 2024 VAT Credit

If the VAT return for 2025 shows a credit exceeding €5,000.00, the horizontal offsetting (as per Article 17, paragraph 1 of Legislative Decree 241/97) is subject to the restrictions set by Article 10 of Decree-Law 78/2009, namely:

- The requirement to affix a compliance certification (or an alternative signature by the statutory auditor) to the tax return;
- The ability to use the credit for offsetting via the F24 form only starting from the tenth day following the submission of the annual VAT return.

The VAT credit can be offset without the need for compliance certification (or an alternative signature) on the annual return up to a higher threshold for:

- So-called "innovative start-ups" (limit of €50,000.00);
- Entities with a high level of tax reliability (ISA) in 2022 and 2023 (limit of €50,000.00 or €70,000.00);
- ISA-compliant taxpayers who have opted for the 2024-2025 biennial tax agreement, as provided by Article 19, paragraph 3 of Legislative Decree 13/2024 (limit of €70,000.00; see Revenue Agency Circular No. 18/2024).

If the VAT credit is requested as a refund instead, compliance certification (or the alternative signature) is not required up to €30,000.00. However, the stricter conditions for refund applications remain in place, requiring at least one of the conditions outlined in Article 30, paragraph 2 and following, of Presidential Decree 633/72 to be met (e.g., the average VAT rate requirement or conducting non-taxable transactions accounting for at least 25% of total transactions).

TAX INCENTIVES

Tax Credit for Investments in Capital Goods – "Reserved" Investments by December 31, 2021, and Completed by December 31, 2022 – Unforeseen Additional Costs Incurred in 2022 – Calculation of the Benefit (Revenue Agency Ruling No. 60 of March 3, 2025)

In Ruling No. 60 of March 3, 2025, the Revenue Agency examined a case involving unforeseen additional costs incurred after reserving an investment in a "4.0" asset.

Case Study
A 4.0 machine was reserved in 2021, manufactured, and interconnected in 2022. In 2022, an additional standalone machine was purchased, along with unforeseen accessory costs for both machines. These costs could not have been predicted at the time of reservation.

The issue concerns the applicable tax credit rate, particularly for these accessory costs. The eligible cost for the "4.0" investment tax credit is calculated under Article 110 of the Italian Income Tax Code (TUIR), including directly attributable accessory costs (Article 1, paragraph 1054 of Law 178/2020).

Relevance of the Investment and Reservation Date
To determine when an investment is considered made, general tax competence rules under Article 109, paragraphs 1 and 2 of the TUIR apply:

- Acquisition costs for tangible assets are considered incurred on the delivery or shipment date, or, if later, the date on which ownership or another real right is transferred.
- Service acquisition costs are incurred on the date the service is completed.

In the given case, for the second machine and its accessory costs, the Revenue Agency confirmed that a 40% tax credit applies, as the investment was made in 2022 without prior reservation.

Unforeseen Accessory Costs
For the main installation, since hydraulic intervention costs "could not have been planned or estimated in the initial project phase," the Revenue Agency has referred to previous rulings allowing for such costs to be included, even if the initial deposit did not meet the 20% reservation requirement.

This ruling clarifies that unforeseen accessory costs may still qualify for the relevant tax benefit under specific conditions.

Therefore:

- For the cost of the "main" system, provided that the relevant reservation was correctly made in 2021, the tax credit is granted at a rate of 50% pursuant to paragraph 1056 of Article 1 of Law 178/2020, according to the Revenue Agency.
- For non-foreseeable ancillary costs related to work carried out in 2022, the tax credit is granted at a rate of 40% pursuant to paragraph 1057 of Article 1, paragraph 1054 of Law 30.12.2020 no. 178.

References:

- Article 1, paragraph 1056, Law 30.12.2020 no. 178
- Article 1, paragraph 1057, Law 30.12.2020 no. 178
- Revenue Agency ruling 3.3.2025 no. 60

- "Il Quotidiano del Commercialista" of 4.3.2025 - *"Bonus investimenti 4.0 sugli oneri accessori non preventivabili poi sostenuti"* - Alberti
- "Il Quotidiano del Commercialista" of 8.4.2022 - *"Bonus investimenti con acconto inferiore al minimo 'ex post'"* - Alberti
- *Eutekne Guides - Direct Taxes - "Investment Bonus for Capital Goods"* - Alberti P.

TAX INCENTIVES

Inbound tax regime (Article 5 of Legislative Decree 209/2023) - Connection requirement - Not necessary (Revenue Agency ruling 6.3.2025 no. 66)

Revenue Agency ruling 6.3.2025 no. 66 overrides the established interpretation under the previous inbound tax regime (Article 16 of Legislative Decree 147/2015), which required a connection between the relocation of tax residence to Italy and the start of employment.

Connection between inbound relocation and employment commencement

Although the previous regulation (Article 16 of Legislative Decree 147/2015) did not impose a minimum period between these two events, the Revenue Agency (Circular no. 17/2017, Part II, § 3.1, and Circular no. 33/2020, §1), supported by case law (C.G.T. I Rome 20.2.2024 no. 2399/8/2024), firmly required this additional limitation. In this context, any disputes from the tax authorities could be addressed by demonstrating compliance with the statutory requirements without additional conditions imposed by the Revenue Agency (C.G.T. I Milan 10.7.2023 no. 2587/10/23).

Inbound relocation with remote work and subsequent employer change

Ruling no. 66/2025 concerns an Italian citizen residing abroad since December 2020, who was hired in Italy in April 2025 by a different employer than the one abroad. However, the individual relocated to Italy in early 2025 while continuing to work remotely in Italy for the foreign employer.

The new regime under Article 5 of Legislative Decree 209/2023 states that if a worker performs work in Italy for the same employer (or group) they worked for abroad, the required minimum period of prior foreign residence increases from three to six or seven tax periods, depending on whether the employer was the same before the initial move abroad.

In this case, since the individual resided abroad for only four tax periods, the work performed remotely in Italy in early 2025 is not eligible for the incentive. However, this does not preclude the possibility of benefiting from the new inbound tax regime for income earned from April 2025 under the new employer, as the standard three-year foreign residency requirement is met.

Confirming a completely new stance, the Revenue Agency specifies that, unlike the previous regime, “it is no longer necessary to verify the existence of a *functional* connection between the relocation of tax residence to Italy and the commencement of an income-eligible activity in Italy.” The eligibility criteria for the tax benefit can thus be met even after relocation.

Critical Aspects

The Revenue Agency's clarification lacks clarity.

One possible interpretation is that this applies specifically to the case examined, where the requirement of prior foreign residency was not met for employment during the first three months of 2025 (under the same foreign employer) but was satisfied for the new job.

Another interpretation stems from the Agency's statement that requirements can be met even after entering Italy, potentially in relation to the same job. Taken to the extreme, this could imply that workers returning to Italy under the same foreign employer before reaching the six-year minimum period—e.g., after only four years of foreign residence—would face two years of ordinary taxation followed by three years of tax benefits. However, this appears inconsistent with Article 5, paragraph 1, letter b) of Legislative Decree 209/2023, which requires six years of foreign residence *before* the move to Italy (not before each year of potential tax benefit).

References:

- Article 5 of Legislative Decree 27.12.2023 no. 209
- Revenue Agency ruling 6.3.2025 no. 66
- *Il Quotidiano del Commercialista* of 7.3.2025 - *"No Causal Link for 'New' Inbound Workers"* - Corso - Odetto
- *Eutekne Guides - Direct Taxes - "Inbound Tax Regime"* - Corso L.

PENSION SYSTEM

Pension regulations - Flexible early retirement "Quota 103" - Incentive for continued employment - Updates from Law 207/2024 (Budget Law 2025) (INPS Circular 5.3.2025 no. 53 and INPS Message 5.3.2025 no. 799)

The National Social Security Institute (INPS) has issued new guidance on:

- Immediate changes to pension regulations introduced by Law 207/2024 (Budget Law 2025) (INPS Circular 5.3.2025 no. 53);
- Incentives for delaying retirement (INPS Message 5.3.2025 no. 799).

Key Updates

INPS Circular 53/2025 focuses particularly on:

- Pension effects of changes to the standard retirement age for public administration employees (Article 1, paragraph 162, Law 207/2024);
- Repeal of pension recalculation for self-employed workers (Article 1, paragraph 172, Law 207/2024);
- Flexible early retirement for women (Article 1, paragraph 173, Law 207/2024);
- Flexible early retirement ("Quota 103") (Article 1, paragraph 174, Law 207/2024);
- Extension of the APE sociale early retirement scheme until 31.12.2025 (Article 1, paragraphs 175 and 176, Law 207/2024);
- Increase in pensions at or below the minimum INPS benefit (Article 1, paragraph 177, Law 207/2024);
- Increase in the additional social allowance (Article 1, paragraph 178, Law 207/2024);
- Reduction of the minimum retirement age under the contributory system for mothers (Article 1, paragraph 179, Law 207/2024).

Repeal of Pension Recalculation for Self-Employed Workers

Article 1, paragraph 172, of Law 207/2024 repeals, effective 1.1.2025, Article 2-ter of Decree-Law 30/74, which allowed pensioners under the Special Schemes for Self-Employed Workers (or their survivors) to request the recalculated pension under the General Compulsory Insurance (AGO) of the Employees' Pension Fund (FPLD). This was possible when all eligibility requirements were met, regardless of contributions paid into the Special Schemes. Previously, these contributions could be used to qualify for a pension under the General Compulsory Insurance system.

Following the exercise of this option, the pension paid by the Special Fund for Self-Employed Workers was revoked, effective from the date of the pension under the AGO of the FPLD, and the contributions paid into the Special Funds for self-employed workers could, upon request, result in a supplementary pension.

With circular no. 53/2025, INPS specifies that the repealed regulation remains in force for pension applications submitted by pensioners and surviving pensioners by 31.12.2024.

Women's Option Article 1, paragraph 173, of Law 207/2024 extends the possibility to access the women's option under article 16, paragraph 1-bis of DL 4/2019 to female workers who meet the required conditions by 31.12.2024, namely:

- They must have a contribution history of at least 35 years and be at least 61 years old;
- They must be in one of the conditions listed in the same regulation at the time of the application.

The required age of 61 is reduced by one year for each child, with a maximum reduction of two years. The maximum reduction applies even if there are no children for female employees or those dismissed from companies with an active crisis management table at the business crisis unit under article 1, paragraph 852, of Law 296/2006.

With circular no. 53/2025, INPS clarifies that, for women who meet the required conditions during 2024, the business crisis management table must be active as of 01.01.2025 or activated at a later date.

Flexible Early Pension (Quota 103) Article 1, paragraph 174, of Law 207/2024 amends article 14.1 of DL 4/2019, extending the flexible early pension regime (so-called Quota 103) to 2025. In particular, the law grants the right to flexible early pension upon reaching, in 2025:

- An age of at least 62;
- A minimum contribution history of 41 years.

In this case, the flexible early pension takes effect 7 months after the eligibility criteria are met for private-sector workers, or 9 months for public-sector employees.

Incentive for Postponing Retirement With message 799/2025, INPS has announced the implementation of a system to handle pension applications for employees who meet the minimum requirements for flexible early pension and/or ordinary early pension in 2025. The application can be submitted in the following ways:

- Via the INPS website;
- Through patronage institutions;
- By contacting the Multichannel Contact Center.

Agency for Tax Revenue Provision 15.1.2025 No. 9454

FISCAL ASSESSMENT - DECLARATIONS - CERTIFICATION OF WITHHOLDING AGENTS - SINGLE CERTIFICATION - 2025 Model - Approval - Certification of Capital Gains

This provision:

- Approves the new Single Certification 2025 for the 2024 tax period, to be transmitted electronically to the Agency for Tax Revenue and provided to the taxpayer, pursuant to Article 4 of Presidential Decree 22.7.98 No. 322;
- Establishes the certification procedures for capital gain transactions by intermediaries involved, pursuant to Article 10 of Legislative Decree 21.11.97 No. 461.

Approval of the Single Certification 2025 The "Single Certification 2025" concerns:

- Employment income, equivalent and similar, under Articles 49 and 50 of the TUIR, paid in 2024, subject to ordinary taxation, separate taxation, withholding tax, or substitute tax;
- Self-employment income under Article 53 of the TUIR (e.g., professional fees, royalties, etc.), paid in 2024;
- Commissions, regardless of their name, for services, even occasional, related to agency, mediation, commercial representation, and business procurement, paid in 2024, subject to withholding under Article 25-bis of Presidential Decree 600/73;
- Commissions from door-to-door sales under Article 19 of Legislative Decree 31.3.98 No. 114, subject to withholding tax;
- Amounts paid by the condominium in 2024 for services related to contracts, subject to withholding under Article 25-ter of Presidential Decree 600/73;
- Amounts for short-term leases of residential properties not exceeding 30 days (so-called "short-term leases"), under Article 4 of DL 50/2017 (converted into Law 96/2017);
- Some other income under Article 67 of the TUIR (e.g., compensation for occasional self-employment activities, etc.) paid in 2024;
- Payments to sports workers in 2024;
- Severance pay for agency contracts, notarial functions, or sports activity cessation when the employment relationship is of an autonomous nature;
- Total amounts paid in 2024 following attachment procedures, under Article 21, paragraph 15, of Law 27.12.97 No. 449;
- Total amounts paid following expropriation procedures, under Article 11 of Law 30.12.91 No. 413;
- Related withholding taxes;
- Tax deductions made;
- Social security contributions due to INPS and other agencies;
- INAIL insurance data.

The Single Certification 2025 consists of:

- An "ordinary" model to be transmitted electronically to the Agency for Tax Revenue by 17.3.2025 (since the 16th is a Sunday), or by 31.3.2025 for self-employment income from habitual professional activity, or by 31.10.2025 (deadline for the 770/2025 form), if it only includes exempt income or non-declarable income via pre-filled declaration;
- A "simplified" model to be provided to the taxpayer by 17.3.2025 (since the 16th is a Sunday).

The Single Certification 2025, for INPS-related social security and assistance data, must also be issued by employers who are not withholding agents but are required to fill out the 01/M model or the DAP/12 model (for executives of industrial companies).

If the withholding agent has already issued certification for income paid in 2024 before the approval of Single Certification 2025 (e.g., 2024 Certification due to termination of the employment relationship), the new Single Certification 2025 must be issued to replace the previously issued certification, by the deadline of 17.3.2025.

The Single Certification 2025, related to 2024, can also be used to certify 2025 data (e.g., termination of the employment relationship) until a new certification is approved. In this case, the references to the years 2024 and 2025 in the Single Certification 2025 and related instructions are to be understood as referring to subsequent periods.

Exemption from Certification for "Flat-Rate" and "Minimum Tax" Taxpayers Under Article 3 of Legislative Decree 8.1.2024 No. 1 (the so-called "Compliance Decree"), those who pay compensation to taxpayers under the flat-rate tax regime (Article 1, paragraphs 54-89 of Law 190/2014) or the "minimum tax" regime (Article 27 of DL 98/2011, the so-called "minimum taxpayers") are exempt from issuing the Single Certification 2025 to the recipient and transmitting it to the Agency for Tax Revenue.

However, certain allowances, such as maternity benefits not subject to withholding, are not exempt from this regime.

Communication of the "Telematics Address" for Receiving Data from 730 Forms Along with the Single Certifications 2025, withholding agents must communicate to the Agency for Tax Revenue the "telematics address" (their own or an authorized intermediary's) for receiving communications related to adjustments from the settlement of 730 models (730-4 forms), by completing the "CT" section of the "ordinary" model.

The CT section must be filled out by withholding agents who have not previously communicated their "telematics address" and transmit at least one certification of employment income or similar.

The specific "CSO" model (approved with provision by the Agency for Tax Revenue 12.3.2019 No. 58168) must be used between April 9 and January 31 of the following year when the telematics transmission of Single Certifications with the "CT" section is no longer allowed (according to the FAQ from the Agency for Tax Revenue on 22.5.2024).

Capital Gains Reporting in Declaration - Certification by Intermediaries Notaries, professional intermediaries, companies, and entities involved in transactions generating financial income (so-called "capital gains") under Article 67, paragraph 1, letters c) to c-quinquies) of the TUIR must provide the parties with the corresponding certification. This certification is not required if the taxpayer opts for the "administered savings" or "managed savings" regimes under Articles 6 and 7 of Legislative Decree 461/97.

The certification must be provided by the intermediary by the deadline of 17.3.2025 and must include:

- The taxpayer's name and tax code;

- The nature, object, and date of the transaction;
- The quantity of the financial assets involved in the transaction;
- Any compensations, differentials, and premiums.