

# THE SUPPORT DECREE

NEWSLETTER NO. 6/2021



Law Decree no. 41 dated 22/03/2021 (hereinafter “Support Decree”) was published in Italian Official Journal no. 70 dated 22 March 2021 and it became effective on 23 March 2021.

The following table recaps major new provisions.

**24 MARCH 2021**

## NON-RETURNABLE CONTRIBUTION TO BUSINESS PLAYERS (ART. 1)

Businesses, artists or professionals or farm income earners are eligible for a non-refundable contribution.

Only taxpayers with fees and revenues in the 2019 tax year equal to or lower than €10 million are eligible and on condition that in 2020 such taxpayers recorded a drop in sales or fees of at least 30% from 2019.

The contribution is calculated by applying a percentage to the difference in average monthly sales in 2020 and average monthly sales in 2019 (in case of taxpayers that registered for VAT in 2019, only the months following registration are considered). The percentage is determined as follows:

Revenues of fees in 2019 (€)	Contribution
Up to 100.000	60% of the average monthly loss
From 100.001 to 400.000	50% of the average monthly loss
From 400.001 to 1 million	40% of the average monthly loss
From 1.000.001 to 5 million	30% of the average monthly loss
From 5.000.001 to 10 million	20% of the average monthly loss

Taxpayers that opened registered for VAT in 2019 are eligible for the contribution even if sales did not drop by 30%.

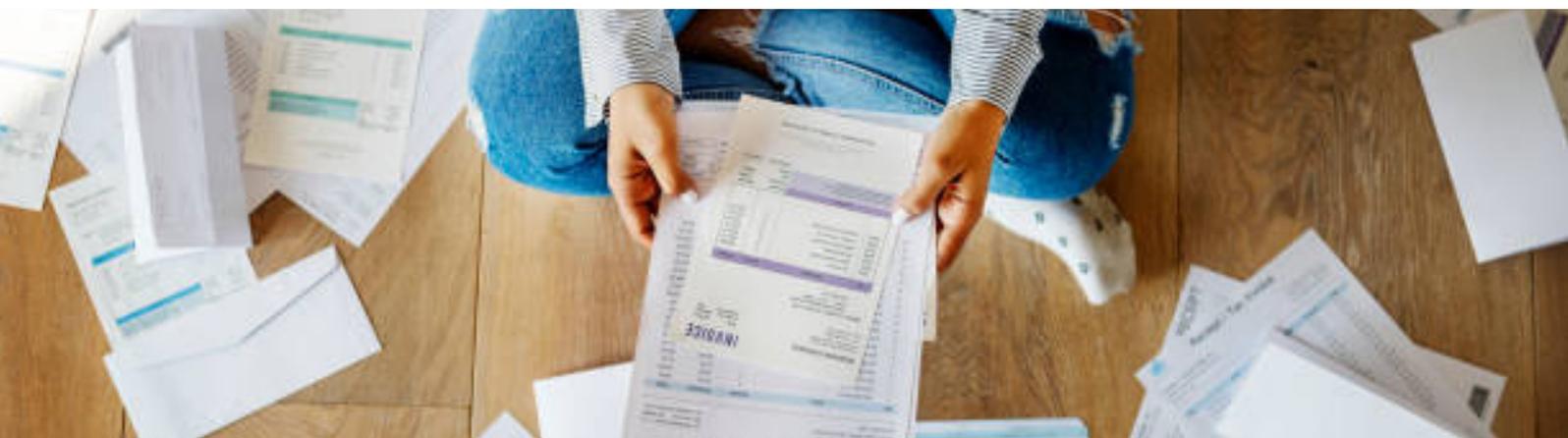
The **minimum amount** of the contribution is:

- **€1.000 for individuals and**
- **€2.000 for taxpayers other than** individuals.

The **maximum amount is €150.000**.

In the alternative, upon the taxpayer's irrevocable option, the contribution may be fully recognized as a tax credit.

The contribution is not included in the calculation of the taxable base for income taxes or IRAP. To benefit from the contribution, taxpayers have to file a specific application with the Revenue Agency (including through an intermediary) starting from 30 March 2021, by and no later than 28 May 2021.



**STATE AIDS (ART. 1, PARAS. 13 - 17)**

The different "Covid-19" aids pertaining to the Temporary framework (currently applicable until the end of the year) must not exceed the thresholds set by the EU Commission, as recently increased. Specifically, Section 3.1, to which the IRAP preferential treatment is related (along with the several non-returnable contributions, tax credits, and so on), was allocated a higher cap, from €800k to 1,8 million (per group of enterprises).

**EXTENSION OF THE SUSPENSION OF THE OPERATIONS OF THE TAX COLLECTION AGENCY (ART. 4, PARA. 1, LETT. A)**

The period of suspension of the payment of all tax and non-tax revenues for the state originating from tax bills, tax assessments and similar documents entrusted to the tax collection agency was extended to 30 April (prior deadline 28 February). Suspended payments need to be made as a single settlement by the month following the suspension period (31.05.2021). However, all instruments and measures adopted and accomplishments made by the tax collection agency from 1 to 23 March 2021 remain valid, without prejudice to legal consequences they generated.

**CANCELLATION OF PENDING TAX BILLS UP TO €5.000 (ART. 4, PARA. 4)**

Tax charges of individuals that in 2019 earned a taxable income of up to €30.000, whose residual amount is up to €5.000, resulting from individual tax bills assigned to the tax collection agency from 2000 to 2021 were automatically cancelled (including if covered by the various preferential settlement procedures). The same measure also applies to taxpayers other than individuals that in the tax year in progress on 31.12.2019 earned a taxable income of up to €30.000. To such effect, a specific decree will be issued. Until the date of cancellation, collection of tax liabilities with a residual amount of €5.000 is suspended.



## PREFERENTIAL SETTLEMENT OF AMICABLE NOTICES TO PAY (ART. 5, PARAS. 1 -10)

Amounts due under amicable notices to pay resulting from automatic calculation of tax liabilities that were not sent in accordance with the suspension but were processed by 3112.2020 (related to 2017 tax returns) and 2021 (related to 2018 tax returns) may be settled on preferential terms. Taxpayers that recorded a drop in sales (or in the amount of revenues/fees terms, where no VAT return is required) of more than 30% are eligible to the preferential. The Revenue Agency will send the settlement proposal if required conditions are met, reducing penalties and additional items, together with the notice of irregularity. In the event of failure to pay by the deadlines, amicable settlement is of no effect.

### EXTENSIONS

Deadline for paying the Tax on digital services:

→ From 16 March to 16 May 2021.

Deadline for storing 2019 electronic invoices:

→ From 10 March to 10 June 2021.

Deadline for transmitting to the Revenue Agency of the Income Certification and delivering it to the relevant income earner taxpayer:

→ From 16 March to 31 March 2021.



## *CONTACT US*

We invite you to speak with your contact professional within the Firm for any further explanation