

NEW TAX RULES ON TRAVEL EXPENSES FOR EMPLOYEES AND SELF-EMPLOYED WORKERS 2025 TAX DECREE

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Article 1, paragraphs 1 to 5, of Decree-Law No. 84 of June 17, 2025, effective from June 18, 2025, introduced changes regarding the traceability of payments, as initially set out in Article 1, paragraphs 81–83, of Law No. 207 of December 30, 2024 (2025 Budget Law). These changes directly affect deductibility, for corporate and self-employment income tax purposes, as well as for the calculation of the IRAP taxable base, of expenses incurred for meals, accommodation, travel, and transportation, when paid via taxi or chauffeur-driven rental services (NCC).

Travel Expenses for Employees	Starting from the 2025 tax year, expenses for meals, accommodation, travel, and transportation (including taxis and NCC) do not count as employee income only if: • They are incurred within Italian territory; • They are paid using traceable methods (cards, bank transfers, payment apps, checks, etc.). For foreign travel, traceable payment methods are no longer required: reimbursements are tax-exempt even if expenses were paid in cash. Examples of expenses requiring traceability: • Hotel and restaurant expenses incurred in Italy; • Taxi expenses incurred in Italy; • Chauffeur-driven rental services incurred in Italy.
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**Travel Expenses for Employees**

Examples of expenses not requiring traceability:

- Hotel and restaurant expenses incurred abroad;
- Taxi expenses incurred abroad;
- Chauffeur-driven rental services incurred abroad;
- Public transport tickets (e.g., train, plane, bus, tram) incurred both in Italy and abroad;
- Car parking expenses incurred both in Italy and abroad;
- Car rentals without a driver incurred both in Italy and abroad.

Travel Expenses for Self-Employed Workers

The decree revised Article 54 of the TUIR (Income Tax Code) regarding the determination of self-employment income, introducing the following rules:

- Reimbursements for expenses incurred in Italy are considered income if paid in cash;
- Non-reimbursed expenses are deductible only if traceable;
- Expenses incurred abroad are deductible even if paid in cash.

These traceability rules apply to expenses incurred from June 18, 2025 (the effective date of Decree-Law 84/2025), for tax periods following the one ending on December 31, 2024.



Representation Expenses and Assignments to Third Parties

From the effective date of the decree, the following expenses are deductible only if paid using traceable methods and within the quantitative limits already set by Article 108(2) and Article 54-septies(2) of the TUIR:

- Representation expenses;
- Expenses for meals, accommodation, travel, and transportation (including taxis and NCC);
- Expenses for assignments to other self-employed workers or for employee business trips.

For business income earners, traceability obligations for representation expenses (e.g., gifts) apply from the tax period following the one ending on December 31, 2024. For professionals (arts and professions), traceability obligations for representation and gift expenses apply to those incurred from June 18, 2025.

From the effective date of the decree, the following expenses are deductible only if paid using traceable methods and within the quantitative limits already set by Article 108(2) and Article 54-septies(2) of the TUIR:

- Representation expenses;
- Expenses for meals, accommodation, travel, and transportation (including taxis and NCC);
- Expenses for assignments to other self-employed workers or for employee business trips.



Representation Expenses and Assignments to Third Parties	For business income earners, traceability obligations for representation expenses (e.g., gifts) apply from the tax period following the one ending on December 31, 2024. For professionals (arts and professions), traceability obligations for representation and gift expenses apply to those incurred from June 18, 2025.
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Your reference professional in the firm is at your disposal to provide any further clarification.

**Kind regards.
CARNELUTTI Law Firm**

