



Urgent Measures in Tax Matters – New Provisions under Decree-Law No. 84 of 17 June 2025

1. INTRODUCTION

Decree-Law No. 84 of 17 June 2025, published in the Official Gazette No. 138 of 17 June 2025, introduces several urgent measures in the tax field (the so-called “Tax Decree”).

Decree-Law 84/2025 entered into force on 18 June 2025, the day following its publication.

This document analyses the main new provisions introduced by Decree-Law 84/2025, excluding those regarding the extension of tax payment deadlines and changes to the obligation of traceability for travel and representation expenses, which have been discussed in previous circulars.

Decree-Law 84/2025 is currently undergoing conversion into law, and its provisions are therefore subject to possible changes and amendments.

2. SUPER-DEDUCTION FOR NEW HIRING – EMPLOYMENT GROWTH – EXCLUSION OF ASSOCIATED COMPANIES

Regarding the super-deduction of labour costs for new permanent hires, Art. 3 of Decree-Law 84/2025, amending Art. 4(2) of Legislative Decree 216/2023, provides for the exclusion of associated companies from the group perimeter when determining employment growth.

Therefore, as a result of these changes, employment growth must be calculated net only of employment reductions that occurred in controlled companies pursuant to Art. 2359 of the Italian Civil Code or attributable, even indirectly, to the same entity.

Effective date

This change applies from the tax period following the one in progress on 31 December 2023 (i.e. the 2024 tax period for calendar-year taxpayers), thus from the first tax period in which the incentive applies.

3. TRANSFER OF INTERESTS IN PROFESSIONAL ASSOCIATIONS AND COMPANIES ENGAGED IN ARTISTIC OR PROFESSIONAL ACTIVITIES

Art. 1 of Decree-Law 84/2025 introduces a series of provisions into the Italian Consolidated Income Tax Act (TUIR) aimed at classifying capital gains and losses arising from the transfer of interests in associations and companies engaging in artistic or professional activities as miscellaneous income under Art. 67 of the TUIR.

3.1 CLASSIFICATION UNDER MISCELLANEOUS INCOME

Art. 1(1)(c)(2) of Decree-Law 84/2025 inserts new paragraph 3-ter into Art. 54 of the TUIR, under which capital gains and losses arising from the transfer for consideration of interests in associations and companies engaging in artistic or professional activities — including professional partnerships (STP) and other companies operating in regulated professional fields under Art. 177-bis of the TUIR — constitute miscellaneous income.

Hence, these gains and losses do not contribute to determining self-employment income.

Furthermore, Art. 1(1)(f) of Decree-Law 84/2025 amends Art. 67(1)(c) and (c-bis) of the TUIR, explicitly including interests held in professional associations under Art. 5 of the TUIR among those whose disposal generates miscellaneous income.

Application of the substitute tax at 26%

As a result of these amendments, capital gains from the disposal of interests held in the above-mentioned companies and associations are subject to a 26% substitute tax.

Inapplicability of separate taxation

Art. 1(1)(a) of Decree-Law 84/2025 removes from Art. 17(1)(g-ter) of the TUIR the provision allowing for separate taxation of “capital gains arising from the transfer for consideration of interests in associations and companies engaging in artistic or professional activities generating self-employment income.”

This provision is now obsolete given the classification of such capital gains under miscellaneous income.

3.2 EFFECTIVE DATE

The new provisions apply for the determination of income produced from the tax period in progress on 31 December 2024 (i.e. the 2024 tax period for calendar-year taxpayers).

4. INTEREST AND FINANCIAL INCOME EARNED IN THE EXERCISE OF ARTISTIC AND PROFESSIONAL ACTIVITIES

Under Art. 1(1)(c)(2) of Decree-Law 84/2025, a new paragraph 3-bis is introduced into Art. 54 of the TUIR, under which interest and other financial income earned in the exercise of artistic or professional activities constitute capital income and do not contribute to determining self-employment income.



This legislative measure thus clarifies that such interest and financial income qualify as capital income, even after the introduction of the “comprehensive income” principle into the self-employment income regime by Legislative Decree 192/2024.

Effective date

This new provision applies for determining income produced from the tax period in progress on 31 December 2024 (i.e. the 2024 tax period for calendar-year taxpayers).

5. AMENDMENTS TO THE LOSS CARRYFORWARD RULES

Art. 2 of Decree-Law 84/2025 modifies the rules on carrying forward tax losses:

- adjusting the criteria for determining losses that can be carried forward when payments and contributions are made in the last 24 months;
- extending the limitations on loss carryforward to companies receiving business contributions.

Effective date

Both changes apply to transactions carried out from the tax period in progress on 31 December 2024 (i.e. the 2024 tax period for calendar-year taxpayers).

5.1 PAYMENTS AND CONTRIBUTIONS IN THE LAST 24 MONTHS

Articles 84(3-ter) and 172(7) of the TUIR (the latter for mergers, whose principles are also extended to demergers under Art. 173(10)) are amended concerning the reduction of the quantitative limit of net equity, where valued at real values certified by an appraisal, in cases of payments made in the last 24 months.

No changes are introduced where the accounting net equity criterion is used for this quantitative limit.

Specifically, the amendment provides that when the real value of net equity certified by an appraisal is used, the reduction is equal to twice the payments made in the last 24 months.

This amendment aims to prevent payments and contributions exceeding the accounting net equity from erasing the amount of carryforward losses, even where the economic value criterion is used.

5.2 BUSINESS CONTRIBUTIONS

A new paragraph 5-bis is added to Art. 176 of the TUIR, stipulating that the provisions of Art. 173(10) also apply to the recipient company in a business contribution. Consequently, the losses of a company receiving a business contribution are treated similarly to those of a company benefiting from a demerger and may be carried forward subject to the company's "vitality" (determined based on revenue and employment costs) and limited to the net equity (accounting or real value).

This case also benefits from the protection provided by Art. 177-ter of the TUIR for intra-group transactions, ensuring the non-application of limitations and conditions on the carryforward of losses incurred while the companies were already part of the same group or on "homologated" losses.

6. CHANGES TO THE CFC REGIME

Art. 4 of Decree-Law 84/2025 amends the Controlled Foreign Companies (CFC) regime under Art. 167 of the TUIR, providing for:

- changes to paragraph 4-bis of Art. 167 TUIR, concerning the criterion under which the national equivalent minimum tax must be considered when calculating the effective taxation in the foreign controlled company's country;
- a revision of paragraph 4-ter of the same Art. 167, dealing with the option to verify actual income through a 15% tax on the foreign controlled company's profit.

Paragraph 9 of Art. 167 TUIR is also amended to regulate the deductibility from the controlling company's IRES of the amount of the national equivalent minimum tax allocated to the CFC under paragraph 4-bis.

Finally, paragraph 5 of Art. 167 TUIR is modified to coordinate current regulations with the reform of advance ruling procedures introduced by Legislative Decree 219/2023.

6.1 EFFECTIVE DATE

These changes apply for determining income produced from the tax period following the one in progress on 29 December 2023 (i.e. from the 2024 tax period for calendar-year taxpayers).

Thus, the new rules affect the preparation of 2025 income tax returns.

6.2 MODIFICATION OF THE ETR TEST

A first change involves calculating the Effective Tax Rate (ETR) of the foreign controlled company, providing for the relevance of the Qualified Domestic Minimum Top-up Tax (QDMTT) due.

The foreign QDMTT is not an individually calculated tax but is due in relation to the (sub-)jurisdiction where the potential CFC is located. Therefore, for ETR calculation purposes, a portion of the total amount due for the relevant jurisdiction must be allocated to the controlled company. This amount contributes to the numerator in the ETR calculation fraction.

The new rule provides that the foreign QDMTT is relevant proportionally between the excess profits of the controlled entity located in a given country and the total excess profits of entities subject to the domestic minimum tax, following the attribution rules established by the legislation of the country where the foreign controlled entity is located.

6.3 OPTIONAL MECHANISM FOR DETERMINING EFFECTIVE TAXATION

Regarding the optional mechanism for determining the effective taxation of foreign controlled companies (the so-called “ETR test”), paragraph 4-ter of Art. 167 TUIR is amended regarding the payment of 15% on the controlled company’s profit. It now provides that:

- it is always calculated based on the net accounting profit for the year, proportionally to the share of profits held, directly or indirectly, by the controlling entity, determined under the rules in Art. 167 TUIR;
- it is explicitly considered non-deductible from income taxes and IRAP;
- it satisfies the condition set out in letter a) of paragraph 4 of Art. 167 TUIR (adequate effective taxation), also for purposes of taxing dividends received by shareholders.

The Explanatory Memorandum to Decree-Law 84/2025 clarifies that profits distributed by the foreign controlled company, realised in the tax period for which the optional mechanism is used, are not deemed to come from countries with privileged tax regimes for the shareholder.

It is confirmed that, if control remains in place, the option for the simplified calculation method lasts for three financial years for the controlling entity and is irrevocable. After the three-year period, the option is automatically renewed for the next three years unless revoked, following the procedures and deadlines for communicating the option.

7. HYBRID MISMATCHES – PENALTY PROTECTION REGIME – TRANSITIONAL REGIME

Art. 5 of Decree-Law 84/2025 amends the transitional rules regarding penalties in the field of hybrid mismatches introduced by Art. 61 of Legislative Decree 209/2023.

Specifically, the new provision sets the deadline for preparing (and declaring possession of) adequate documentation as the deadline for filing the income tax return for the tax period in progress on the date of approval of the implementing Decree of 6 December 2024. This corresponds to the 2024 tax return for calendar-year taxpayers (the filing deadline being 31 October 2025).

Regarding the procedures and forms to be used, the possession of the documentation must be indicated in the 2025 income tax returns, with specific reference in the “Other Data” section of the Front Page, both for the 2024 tax period (ordinary regime) and for previous periods (transitional regime).

8. ENTRY INTO FORCE OF THE TAX REGIME OF THE THIRD SECTOR CODE AND SOCIAL ENTERPRISES

Arts. 8 and 14 of Decree-Law 84/2025 intervene to define the entry into force of the tax regime for Third Sector entities (Legislative Decree 117/2017) and entities qualifying as social enterprises (Legislative Decree 112/2017), starting from the tax period following the one in progress on 31 December 2025.

8.1 ENTRY INTO FORCE OF TITLE X OF THE THIRD SECTOR CODE

Art. 8 of Decree-Law 84/2025 removes both the requirement for authorisation from the European Commission and the operation of the Single National Register of the Third Sector (RUNTS) as conditions for the effectiveness of Title X of the Third Sector Code, entitled “Tax regime for Third Sector entities.”

Title X of Legislative Decree 117/2017 will apply to entities registered with RUNTS starting from the tax period following the one in progress on 31 December 2025 (i.e. from 2026 for calendar-year taxpayers).

It should be noted, however, that certain provisions of Title X (e.g. Art. 82 on indirect taxes and local taxes, and Art. 83 on deductions and tax credits for donations to Third Sector entities) are already in effect on a transitional basis and will be fully applicable from the 2026 tax period.

8.2 ENTRY INTO FORCE OF TAX INCENTIVES FOR SOCIAL ENTERPRISES

Similarly, Art. 14 of Decree-Law 84/2025 removes the European Commission’s authorisation as a condition for the operation of tax incentives for entities qualifying as social enterprises.



The requirement for EU authorisation is maintained only for the provisions on deductions and tax credits for amounts invested in social enterprises, under Art. 18(3), (4), and (5) of Legislative Decree 112/2017.

9. LATE FILING OF 2024 INCOME AND IRAP TAX RETURNS UNTIL 8 NOVEMBER 2024

Art. 12 of Decree-Law 84/2025 establishes that 2024 income and IRAP tax returns, initially due by 31 October 2024, will be considered timely if filed by 8 November 2024.

9.1 VOLUNTARY DISCLOSURE FOR LATE FILING

Where payments were made as voluntary disclosures for the late filing of tax returns between 1 November and 8 November 2024 under Art. 13(1)(c) of Legislative Decree 472/97, taxpayers are not entitled to refunds of these amounts.

9.2 ADHERENCE TO THE PREVENTIVE AGREEMENT FOR 2024-2025

Tax returns for income tax purposes filed after 31 October 2024 but by 8 November 2024, though considered timely under this provision, are irrelevant for:

- eligibility to adhere by 12 December 2024 to the preventive agreement (concordato preventivo) for 2024-2025, as this required the valid filing of the tax return by 31 October 2024 and the subsequent filing of an amended return (Art. 7-bis of Decree-Law 155/2024);
- accessing the special voluntary disclosure scheme under Art. 2-quater of Decree-Law 113/2024 for taxpayers who joined the preventive agreement for 2024-2025, even following its reopening by 12 December 2024.

10. VAT – REVERSE CHARGE IN THE TRANSPORT, HANDLING, AND LOGISTICS SECTORS

Art. 9 of Decree-Law 84/2025 modifies the scope of the provisions introduced by the 2025 Budget Law (Art. 1(57)–(63) of Law 207/2024), which provide for:

- the reverse charge mechanism in the sectors of goods transportation, handling, and logistics services;
- on a transitional basis, an optional regime for the client to pay VAT in these sectors.



Both regimes will apply (respectively, following EU authorisation and the issuance of the implementing measure) to service contracts executed through contracts of works, subcontracts, assignments to consortium members, or other agreements of any kind concluded with businesses engaged in the above activities.

The restriction limiting these provisions to contracts or agreements primarily involving the use of labour on the client's premises with the client's equipment or assets has been removed.

Subcontracts

It is also provided that the option for the above transitional regime may be exercised in relationships between the contractor and any subcontractors.

11. VAT – EXCLUSION OF LISTED COMPANIES FROM SPLIT PAYMENT

Art. 10 of Decree-Law 84/2025 excludes companies listed in the FTSE MIB index of the Italian Stock Exchange and identified for VAT purposes from the split payment mechanism starting from 1 July 2025. This provision applies to transactions for which invoices are issued from that date onwards.

The legislative amendment aims to align national rules with the EU Decision No. 1552 of 25 July 2023, which authorised Italy to apply the split payment mechanism until 30 June 2026 but excluding the above-mentioned companies from its scope from 1 July 2025.

12. IMU RATES FOR 2025 – EXTENSION OF DEADLINES FOR APPROVING THE RATES TABLE

Art. 6 of Decree-Law 84/2025 extends from 28 February 2025 to 15 September 2025 the deadline for municipalities to adopt resolutions approving the IMU rates table for the year 2025, to be prepared using the IT application available on the Fiscal Federalism Portal as per the Decree of 7 July 2023.

12.1 VALIDITY OF “LATE” RESOLUTIONS

Nevertheless, resolutions approving the rates table adopted via the IT application on the Fiscal Federalism Portal between 1 March 2025 and 18 June 2025 (the date Decree-Law 84/2025 entered into force) remain valid.

12.2 UPLOADING AND PUBLICATION OF THE RATES TABLE



It remains mandatory for the IMU rates table, to be effective for 2025, to also be:

- uploaded to the appropriate section of the Fiscal Federalism Portal by 14 October 2025;
- published on the website of the Ministry of Economy and Finance by 28 October 2025 (Art. 1(767) of Law 160/2019).

12.3 FAILURE TO ADOPT OR PUBLISH WITHIN DEADLINES

If the IMU rates table is not adopted or published within the deadlines, the “basic” rates established under Art. 1(748)–(755) of Law 160/2019 will apply.