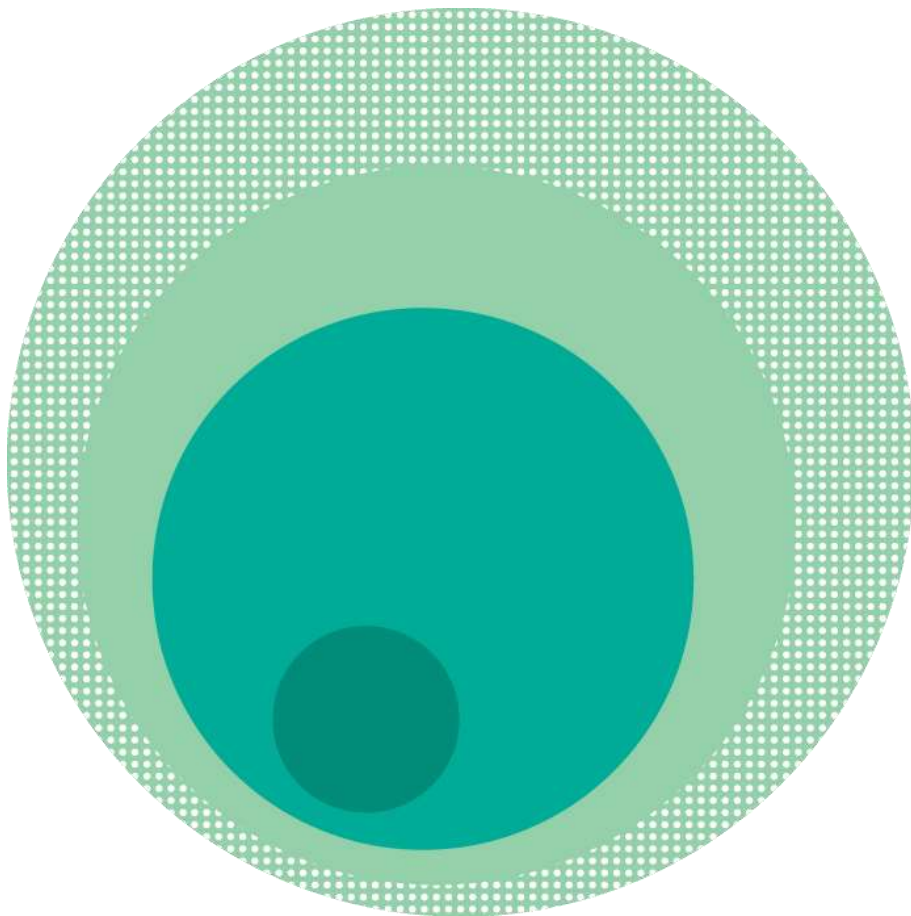


IRES Premium at 20% for 2025

The 2025 Budget Law introduced, limited to year 2025, the so-called “IRES Premium”, reducing the IRES rate from 24% to 20% for companies that allocate at least 80% of their 2024 profit to reserves, invest part of it in 4.0 and 5.0 assets and hire new staff. This Taxnews provides a summary of the relevant regulations.



IRES Premium at 20%: conditions to be met

Article 1, paragraphs 436-444 of the 2025 Budget Law introduce the so-called “IRES Premium”. Under specific conditions, this measure entails the reduction, limited to year 2025, of the IRES rate from 24% to 20% on the income declared by IRES taxpayers. The benefit is not available to companies and entities subject to liquidation procedures in the tax period following the one ending on December 31, 2024 (i.e., 2025 for ‘solar’ entities), nor to those determining their taxable income, even partially, based on flat-rate regimes.

In order to benefit from the reduced IRES rate, those affected will have to:

1. accrue to an equity reserve at least 80% of the profits for the financial year as at December 31, 2024;
2. allocate an amount not lower than 30% of the accrued profits (which, however, must not be less than 24% of the profits relating to the 2023 financial year) to investments indicated in Annex A and B of Law 232/2016 (tangible goods 4.0) and Art. 38 of Legislative Decree 19/2024 (goods 5.0).

The regulation requires, in fact, the need to make investments amounting to the greater of 24% of the 2024 profit (i.e., 30% of 80%, which is the minimum set aside for reserves) and 24% of the 2023 profit.

In detail:

1. investments in new tangible assets must be made (pursuant to Article 109 of the TUIR) between January 1, 2025, and the deadline for submitting the 2026 Tax Return for the 2025 tax period (i.e., October 30, 2026). These assets must be maintained (i.e., not sold, disposed of, or relocated abroad) until the fifth year following the investment (failure to comply will result in the forfeiture of the benefit);
2. in any case, the investments must not be less than 20,000 euros.

In addition to the above, the following must be met to benefit from the reduced IRES tax rate for the tax period following the one ending on December 31, 2024 (i.e., the 2025 tax period for ‘solar’ entities):

1. the number of employees per year (so-called ‘ULA’) must not be reduced compared to the average of the previous three years (2022-2024);
2. new permanent employee hires must be made, resulting in an increase of at least 1% in the number of permanent employees on average compared to the year 2024 and, in any case, at least 1 employee with a permanent contract;

3. the company must not have implemented the Cassa Integrazione Guadagni (Income Support Fund) in 2024 or 2025.

Finally, the regulation provides for the forfeiture of the benefit (with the subsequent recovery of the benefit previously received) in the event that:

1. the portion of the 2024 accrued profit is distributed within the second fiscal year following the one ending on December 31, 2024 (i.e. by December 31, 2026);
2. the assets subject to investments are disposed of, sold to third parties, used for purposes unrelated to business or permanently assigned to production facilities located abroad, even if owned by the same entity, within the fifth tax period following the one in which the investment was made (i.e., for investments made in 2025, by 2030).

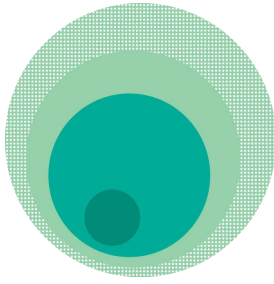
The tax benefit provision also includes specific rules in the case of tax consolidation and taxation by transparency. In particular:

1. for companies and entities participating in the domestic tax consolidation: the amount on which the reduced IRES rate applies (determined by each entity participating in the consolidation) is used by the controlling company or entity to calculate the tax due, up to the extent of the income exceeding the losses deducted;
2. in case of option for tax transparency: the amount on which the reduced IRES rate applies (determined by the participating company) is allocated to each shareholder in proportion to their share of the profits.

Finally, the regulation does not include any specific provisions regarding the compatibility with other tax benefits; however, the adoption of implementing regulations (also to introduce coordination with other rules and to regulate the recovery of the benefit in the event of forfeiture) is deferred to a decree of the Minister of Economy and Finance is envisaged.

The office is available to clients for any clarification and assistance.

January 31st, 2025



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