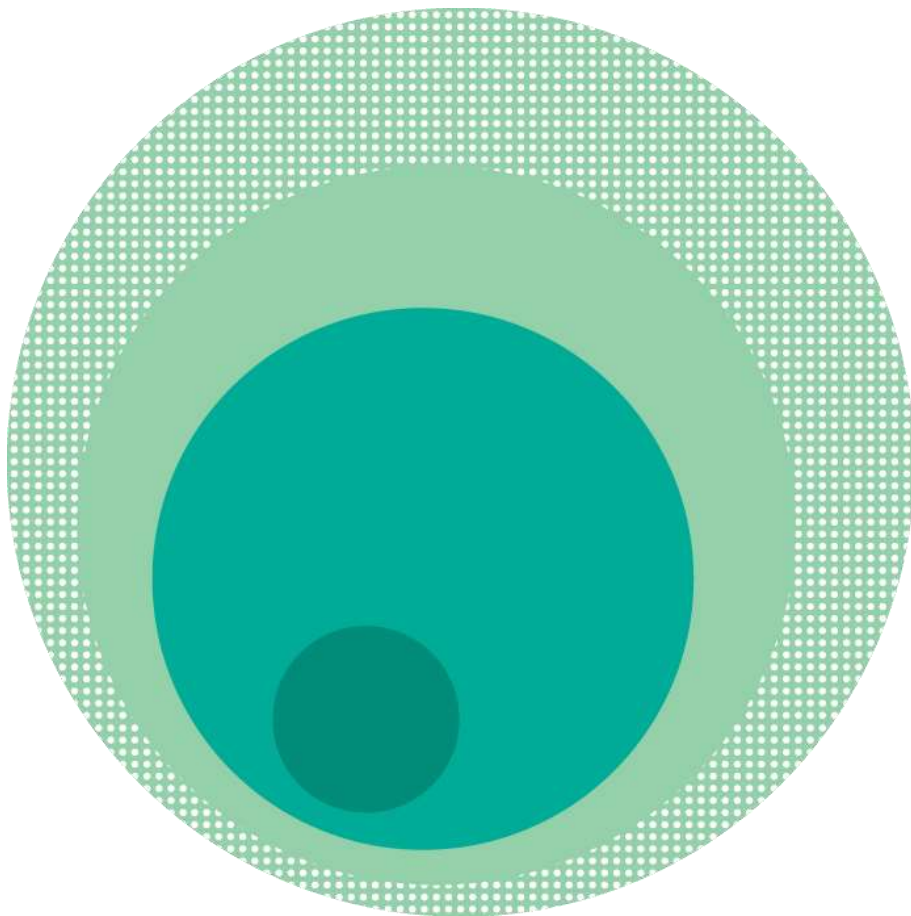


Extension to 2025 of the single ZES tax credit for Southern Italy

This Taxnews outlines the updates regarding the extension of the tax credit for investments in the ZES (Special Economic Zone) for Southern Italy (as per Article 16 of Decree Law No. 124/2023), as established by the 2025 Budget Law.



New 2025 resources for ZES

The incentive, which **had ended** with investments made by **November 15, 2024**, has been extended to **investments made from January 1, 2025, to November 15, 2025**. The maximum limit for each investment project remains 100 million euros. Furthermore, investment projects with a total cost of less than 200,000 euros are not eligible for incentives. For the year 2025, an expenditure of 2.2 billion euro has been authorized, in addition to the 1.8 billion euro allocated for 2024.

It is reminded that this is an **automatic incentive** aimed at all businesses (both existing ones and those establishing themselves in the ZES), which does not require any prior authorization regarding the objective and subjective requirements to access the benefit.

Eligible investments are those made within the scope of the ZES, that is, investments intended for production facilities located in the Regions and areas of Southern Italy that are supported and granted the exemption under Article 107, paragraph 3, letters a) and c) of the Treaty on the Functioning of the European Union, as identified in the State Aid Map for Regional Purposes 2022-2027. Therefore, the entire national regulation of the incentive must be integrated with EU Regulation No. 651/2014, whose limits and conditions are binding.

The 2025 prior notification

In order to benefit from the **ZES tax credit for 2025 investments**, the interested companies will have to **notify** the Tax Office the amount of the **eligible expenses** incurred from November 16, 2024 and those they plan to incur up to November 15, 2025. This communication must be made between **March 31, 2025** and **May 30, 2025**.

The notification of completion of 2025 investments

Companies that make the aforementioned notification must subsequently submit a **further supplementary communication, certifying** that the investments already notified **have been realised by** the deadline of **November 25, 2025**.

This **further communication** must be submitted between **November 18, 2025** and **December 2, 2025**, under penalty of disqualification, and it must also indicate the

following, under penalty of rejection of the communication itself:

- the amount of the tax credit accrued in relation to the investments actually made and the related electronic invoices, as well as
- the details of the accounting certification issued by a legal auditor/audit firm, as required by the implementing decree of May 17, 2024 of the Minister for European Affairs, the South, the Cohesion Policies and the NRRP.

The forms used for the aforementioned communications will be approved by a specific decree from the Director of the Tax Office.

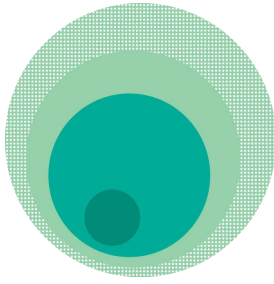
Considering the cap on **available resources** for the ZES tax credit, in relation to investments for 2025 (2,200 million euro allocated), the **maximum amount** of tax credit available to **each beneficiary** will be equal to the amount of the credit resulting from the supplementary communication submitted, multiplied by the percentage published through a decree of the Director of the Tax Office (to be issued within 10 days from the deadline for submitting such supplementary declarations). Therefore, this is a proportional distribution of the available resources and not a 'click day' which would have advantaged the businesses that were faster in submitting the supplementary communication.

Cumulability of the ZES with the Tax Credit Transition 5.0

As a result of the 2025 Budget Law in question, the prohibition on the cumulation of the Transition 5.0 tax credit with the tax credit for investments in the Special Economic Zone for the South – ZES, as referred to articles 16 and 16-bis of Decree-Law no. 124/2023, and in the Simplified Logistics Zone (ZLS) as per article 13 of Decree-Law no. 60/2024, has also been eliminated in compliance with their respective regulations.

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

January 31st, 2025



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