Comploj Vieider Lorenzon
Lechner Zanellato

PDC Partner
Wirtschaftsprüfer und Steuerberater
Dottori Commercialisti

Equity partner
Dott. Lodovico Comploj
Dott. Josef Vieider
Dott. Emilio Lorenzon
Dott. Alessandro Zanellat
Dott. Martin Lechner
Dott. Stefan Lanznaster

Partner
Dott. Nicola Sartori
Dott. Thomas Pichler
Dott. Samuel Vittur

Wirtschaftsprüfer und
Steuerberater / Dottori
Dott.sa Elena Gattolin
Dott.sa Sabrina Tabiadon
Dott.sa Monika Mattivi
Dott. Christian Gentilini
Dott.sa Serena Giacomoz
Dott.sa Giulia Fortin
Dott. Luca Crepaz

Bilanzbuchhalter / Espe
Antonio Gocev

To all
clients

Circular No. 06/2026
Bolzano, 6 January 2026

Subject: Benefit in kind on the provision of company cars 2026

The ACI tables used in 2026 to calculate the per-kilometre running costs of cars and motorcycles were once again published in the Official Gazette of 23 December 2025. These tables are also decisive for determining the benefit in kind for vehicles made available to employees for mixed use (business and private).
The ACI rates applicable for the current year for each vehicle can be consulted at the following address: https://aci.gov.it/servizio/fringe-benefit/https://aci.gov.it/servizio/fringe-benefit/

1. Calculating the benefit in kind for 2026

In the absence of simplifications and clarifications from the tax authorities, the actual calculation remains complicated in 2026 as well. As already reported in our Circular no. 33/2025, depending on when the vehicle was acquired and when it was made available to the employee, six (!) categories must be distinguished for calculating the benefit in kind (see also Revenue Agency Circular no. 10 of 3 July 2025). Given the complexity of the rules, we set out the six cases again below:

1. Vehicles first registered before 1 July 2020 and also made available to the employee before 1 July 2020;

GGi A GLOBAL ALLIANCE OF INDEPENDENT PROFESSIONAL FIRMS

39100 Bolzano / Bozen
via F.Crispi / F.Crispi-Straße 9
tel +39 0471 288333 - info@pdc-partner.it

20121 Milano / Mailand
Foro Buonaparte 70

39036 Stern / La Villa di Badia
Str. Ninz 63
tel +39 0471 847360

2. Vehicles first registered after 1 July 2020 and also made available to the employee after 1 July 2020, but by 30 June 2025;
3. Vehicles first registered before 1 July 2020 but made available to the employee for mixed use after 1 July 2020;
4. Vehicles first registered after 1 January 2025 and made available for mixed use after 1 January 2025;
5. Transitional rule: vehicles ordered by the employer before 31 December 2024 and made available to the employee between 1 January 2025 and 30 June 2025; and
6. **The "sting in the tail": vehicles ordered/first registered before 31 December 2024 and made available to the employee from 1 July 2025 onwards.**

On 1) The benefit in kind for the private use of company vehicles registered before 1 July 2020 and also made available to employees before 1 July 2020 continues to be calculated using the specific ACI rate for the vehicle for 15,000 km, based on a (statutorily) assumed 4,500 km of private use per year (equal to 30% of 15,000 km), less any contribution to costs by the employee. For combustion engines this is certainly the most favourable rule. The catch: given the age of the vehicles, the rule will apply less and less frequently.

On 2) For agreements concluded from 1 July 2020 onwards (but before 1 July 2025) concerning vehicles likewise registered only after 1 July 2020 (but before 1 January 2025), the annual benefit in kind is determined under Art. 1(632) of Law 160/2019 according to the vehicle's emissions as follows, always by reference to the ACI rate for 15,000 km:

- up to 60 g/km: 25% of 15,000 km (equal to 3,750 km/year);
- over 60 g/km and up to 160 g/km: 30% of 15,000 km (equal to 4,500 km/year);
- over 160 g/km and up to 190 g/km: 50% of 15,000 km (equal to 7,500 km/year);
- over 190 g/km: 60% of 15,000 km (equal to 9,000 km/year).

The flat-rate kilometres for private use per year determined in this way are then multiplied by the specific ACI rate for the vehicle for 15,000 km, and the benefit in kind for private use results after deducting any contribution to costs by the employee.

This method therefore covers all vehicles which, after 1 July 2020 and before 1 January 2025,

- were registered,
- were acquired by the employer during that period by purchase, leasing or rental agreement, and
- were made available to employees for mixed use from 1 July 2020 and before 1 July 2025.

On 3) The third case above – where a vehicle already registered before 1 July 2020 is made available to an employee after 1 July 2020 (but before 1 July 2025) – remains without any

specific statutory rule, and the benefit in kind must be determined according to open market value, which we explain in more detail under case 6). Incidentally, the scope of application for these vehicles is likely to be very limited given their age.

On 4) For vehicles registered after 1 January 2025 and made available to employees for mixed use under agreements concluded after 1 January 2025, the following rule applies – always by reference to the ACI rate for 15,000 km/year:

- For hybrid (plug-in) vehicles, 20% of 15,000 km (equal to 3,000 km/year) counts as private use.
- For electric vehicles, by contrast, 10% of 15,000 km (i.e. 1,500 km/year) counts as private use.
- And for all other vehicles a flat 50% (equal to 7,500 km/year) is taken as private use; this corresponds to the treatment of vehicles with emissions of over 160 g/km and up to 190 g/km under the old rule.

On 5) Transitional rule: for vehicles first registered after 1 January 2025 but demonstrably ordered by the employer by 31 December 2024 and made available to an employee for mixed use by 30 June 2025, the earlier rule under case 2) continues to apply, under which the benefit in kind is determined according to the vehicle's emissions as follows, always by reference to the ACI rate for 15,000 km:

- up to 60 g/km: 25% of 15,000 km (equal to 3,750 km/year);
- over 60 g/km and up to 160 g/km: 30% of 15,000 km (equal to 4,500 km/year);
- over 160 g/km and up to 190 g/km: 50% of 15,000 km (equal to 7,500 km/year);
- over 190 g/km: 60% of 15,000 km (equal to 9,000 km/year).

We informed you in detail about the background to this transitional rule in our Circular no. 20/2025.

<u>Important: Circular no. 10/2025 referred to above clarified that this transitional or concessionary rule is to be applied only where it is advantageous for the taxpayer. It follows that for combustion engines one will as a rule opt for the "old" rule under case 2), whereas for hybrid or electric drives, where the vehicle was ordered before 31 December 2024, it will make sense to use the new rule.</u>

On 6): And now the sting in the tail. In Circular no. 10 of 3 July 2025 referred to above and in ruling no. 192 of 22 July 2025, the Agency concludes that vehicles made available to an employee for mixed use under agreements concluded from 1 July 2025 onwards, but which were ordered by the employer before 31 December 2024 (or generally registered before that date), no longer fall within any of the flat-rate rules set out in cases 1), 2), 4) or 5). Accordingly, for these vehicles the value of private use must be determined under the general rules on open market value, as set out under case 3) above. It follows that:

Where a vehicle registered before 31 December 2024 is made available to an employee for mixed use after 1 July 2025, the benefit in kind must be determined according to the criteria of "open market value".

The weak point is that – as was already the case with the 2020 reform – there is no clear official rule for determining this value. According to the sparse clarifications given at the time (Resolution no. 46/E of 14 August 2020), one should proceed as follows: determine the market value for use of the car, less the amount attributable to business use. The market value could be determined by reference to the cost of a hire car (long-term rental). The business share could be calculated in proportion to the kilometres driven for business and privately, or on a time basis (e.g. five sevenths, because the car is used predominantly for business on weekdays). At the time the Agency also referred to the corresponding guidance on the private use of telephones (Resolution no. 74/2017).

The problem of reassigning vehicles:

In this connection, note a further clarification in the recent Circular no. 10/2025: when an "old" vehicle is assigned to a "new" employee, the relevant legal position is not that applicable when the vehicle was first assigned to an employee, but that applicable when the vehicle is assigned to the "new" employee.

Example: if a vehicle purchased in June 2024 and assigned at the time to an employee under the rules then in force (with the benefit in kind determined under case 2) as set out above) is now, in July 2025, made available for mixed use to a different employee following one employee's departure and another's recruitment, the legal position of the previous year (case 2) can no longer be relied on; instead case 6) applies, with the result that the cumbersome open market value must be used to determine the benefit in kind.

2. Fringe benefit and the effects on income tax

Where a company vehicle is made available for mixed use to an employee for more than half of the financial year, under Art. 164(1)(b-bis) TUIR not merely 20% but 70% of the acquisition and running costs are deductible for tax purposes; moreover, the ceiling of EUR 18,075.99 on acquisition costs does not apply, so costs exceeding that amount may also be depreciated for tax purposes.

This relief applies where the vehicle is made available to the employee for mixed use for the greater part of the tax period. According to Circular no. 48/1998, this condition is met where the vehicle is made available for at least half of the tax period plus one day.

Please note: the relief described applies only to employees, not to freelance collaborators such as members of the board of directors; for the latter, even in the case of mixed use, deductibility of expenses (net of any contributions or benefits in kind attributed to the collaborator) remains limited to 20%, and the ceiling of EUR 18,075.99 on tax-recognised acquisition costs also continues to apply.

The greatest point of criticism, incidentally, is that the aforementioned cost threshold of EUR 18,075.99, introduced back in the 1990s, has again not been adjusted for inflation this year.

3. Fringe benefit and the effects on VAT

For VAT purposes, particularly where acquisition and running costs are high, it is advantageous from the company's point of view not to provide the vehicle to the employee free of charge but to invoice private use with VAT at 22%. This is because full input VAT deduction on acquisition and running costs is then granted both for employees and for collaborators treated as such, in particular members of the board of directors. If, on the other hand, the benefit in kind is merely reflected as remuneration in kind on the employee's payslip but not invoiced, the general 40% ceiling applies to the deduction of input VAT on acquisition and running costs; the Revenue Agency most recently confirmed this in ruling no. 631 of 29 December 2020. Since invoicing will ultimately be linked to the employee's remuneration, each individual case must be examined separately.

As a general principle, however, invoicing private use is the more worthwhile for the company the higher the vehicle's acquisition and running costs are.

4. Benefits in kind for shareholder-directors and family members

Under the law as it stands, shareholder-directors who use a company car for mixed use must, where the vehicle is provided free of charge (loan agreement), tax between 1,500 and 9,000 km (depending on emissions class and year of registration – see above) at the ACI rate for 15,000 km as a benefit in kind within their employment income. This obligation falls away if an invoice for private use in that amount is issued to them as well; however, unlike with employees, this does not give the company deductibility of costs at 70%. At least the company can deduct the VAT in full.

In this connection we also recall once again that the benefit in kind arising from private use is taxable for shareholders and family members. Art. 2(36-terdecies) and (36-duodevicies) of Decree-Law 138/2011 introduced a rule under which, for the private use of business assets by shareholders of partnerships and corporations and also by family members of sole traders and shareholders, the benefit in kind is taxable as other income where they use business assets partly or exclusively for private purposes and do not pay the business appropriate consideration for this. At the same time, restrictions were introduced on the deductibility for the business of the acquisition and running costs associated with those assets. With regard to passenger cars, the tax authorities stated in Circular no. 36/E of 24 September 2012 that the benefit in kind is calculated using the ACI rate as set out above. Conversely: if this amount is invoiced, no other income arises.

5. The new ACI tables

The "fringe benefit annuale" shown in each table reflects the benefit in kind for private use for the whole of 2026 at the rate for 15,000 km and already includes VAT. If, for example, private use is to be invoiced for one month, the value shown in the table must be divided by 12 and then by 1.22, and VAT of 22% is then calculated on that amount.

We remain at your disposal for any further information.

Yours sincerely
Josef Vieider