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. 18/2025

Bolzano, 5 April 2025

Subject: Reinvestment premium for 2025 - caution when appropriating profits in the approval of the 2024 financial statements!

We already informed you of the basic features of this relief in our Circular No. 5/2025: pursuant to Art. 1 paras. 436-444, Law 207/2024, reduced taxation of retained and invested profits is provided for, initially limited to the year 2025. Corporations (or, more broadly, taxpayers subject to IRES) which do not distribute their 2024 profits and reinvest them are taxed at a reduced rate, namely the IRES rate is reduced from 24% to 20%. In order to claim the relief, five restrictive requirements are laid down, all of which must be met simultaneously:

1. 80% of the profit for the 2024 financial year must be allocated to a dedicated reserve, and these profits may not be distributed at least until the end of 2026.
2. By 31 October 2026, investments must be made in tangible fixed assets having the characteristics (not necessarily meeting all the requirements) of Industry 4.0 or Transition 5.0, in an amount of at least 30% of the profit retained in 2024 and, in addition, in an amount corresponding to at least 24% of the profit for 2023.

<u>Example: if a profit of 1 million euros was achieved in 2024, at least 800.000 euros must be allocated to the reserve and the investment must amount to at least 240.000 euros.</u>

Under no circumstances may the aforementioned investments be less than 20.000 euros. Furthermore, the assets may not be disposed of within the following 5 years. The new

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

investments may be made exclusively in Italy. The acquisition may also be financed through leasing. These new investments under the reinvestment premium are in principle independent of the tax credits for new investments under Industry 4.0 or under the Transition Plan 5.0, whereby it is also possible to opt not to claim the latter. In any event, the reduced IRES rate may be combined with the tax credits for Industry 4.0 or Transition 5.0 investments.
3-5. Three of the five requirements concern staff: (1) the average headcount for 2025 (measured on the basis of „ULA“ annual work units) may not decrease compared with the 2022-2024 average, (2) the absolute number of employees, with reference to employees on permanent employment contracts, must increase by at least 1% (with a minimum of 1 additional employee) compared with the headcount as at 31.12.2024, and (3), apart from a few specific exceptions, no recourse may have been made to the wage supplementation fund (Cassa Integrazione) in the years 2024 and 2025.

And now to the appropriation of profits in the annual financial statements for 2024:
If it is foreseeable that the requirements outlined above can be met, at least 80% of the profit for the 2024 financial year must be allocated to a reserve within the meaning of Art. 1 Law 207/2024. On a prudent interpretation, this provision must already be taken into account when the 2024 financial statements are approved in the coming weeks, because once the profit has been allocated to an unrestricted reserve in the course of the approval of the financial statements, it can hardly be earmarked for another purpose at a later stage. Tomorrow I may well be able to change the earmarking of an existing reserve, but no longer that of the profit for 2024!
Hence our recommendation: whenever it is foreseeable that the requirements for the so-called reinvestment premium can be met, at least 80% of the profit shown in the 2024 annual financial statements should be allocated to the aforementioned reserve already in the course of the approval of the financial statements. If I subsequently fail to meet the requirements, no one prevents me from releasing the reserve again in favour of an unrestricted reserve or from distributing it. The reverse route, namely converting an unrestricted reserve into a reserve under Art. 1 Law 207/2024 at a later stage, appears - at least on a prudent interpretation - to be barred.

We remain at your disposal for any further information.
Yours sincerely
Josef Vieider