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. 48/2025

Bolzano, 23 December 2025

Subject: Reimbursement of travel expenses to employees – since 1 January 2025 (!) mileage reimbursements for business trips within the municipality of employment are also tax-free

Just before Christmas, some genuinely good news: with Circular No. 15/E of 22 December 2025, the Italian Revenue Agency published important clarifications on the tax treatment of reimbursements of travel expenses incurred on external assignments and on the documentation requirements and payment traceability for such expenses. The changes result in particular from the IRPEF/IRES reform (Law Decree No. 192/2024) and from the 2025 Budget Law. The interpretations, however, go far beyond this. Below we summarise the most important points for employers and employees.

1. Definition of a business trip

A business trip is deemed to be exclusively a temporary relocation of the place of work with respect to the usual place of work. A permanent transfer does not constitute a business trip and is therefore subject to a different tax treatment.

2. Business trips within the municipality

The revolution concerns this point: in the view of the Italian Revenue Agency, the legal position

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

(Art. 51 para. 5 TUIR) is, since 1 January 2025, to be interpreted in such a way that reimbursements of travel and transport costs within the municipality of employment are also tax-free, provided that they are properly evidenced and documented. Until now, the Italian Revenue Agency had always strictly maintained the interpretation that, within the municipality, only costs supported by documents issued by a transport operator (e.g. a taxi receipt) were tax-free.

It follows that mileage allowances for the use of the employee's private vehicle may also be settled in accordance with the general criteria for journeys within the municipality of employment.

This clarification represents a considerable simplification compared with previous practice. It should be added that, of course, for journeys within the municipality as well, a business assignment and a clear justification in the expense statement must be available.

3. Tolls and parking fees

Likewise not taxable are reimbursements of toll charges, provided they are properly documented, and reimbursements of parking costs, where the vehicle and the parking transaction are clearly identifiable from the supporting documents. Earlier restrictive interpretations by the tax authorities, according to which these expenses would not be deductible for journeys within the municipality of employment, are to be regarded as superseded in this respect. Naturally, these expenses must always be connected with a business trip.

4. Traceability of payments

The restrictions introduced at the beginning of the year regarding proof of payment for expenses for meals, accommodation and taxi journeys are confirmed. This requirement also applies to business trips within the municipality. Conversely, it is confirmed that the restrictions do not apply abroad.

5. Application over time

The new rules apply to all reimbursements paid out from 1 January 2025, even where the reimbursed costs relate to business trips of the previous year (subject to the extended cash principle).

<u>Addendum: unfortunately, the circular contains no clarification on those cases in which, under the current interpretation, mileage reimbursements may not be based on the ACI rate but must instead be based on the „normal value“.</u>

We remain at your disposal for any further information.

Yours sincerely
Josef Vieider