

## *Tax credit for the purchase of capital goods to South Italy*

**APPLICABLE LAW:** The art. 1, paragraphs 98 to 110 of the 2016 Stability Law introduced a tax credit for the purchase of new capital goods

**BENEFICIARIES SUBJECTS:** Pursuant to art. 1, paragraph 98 of the 2016 Stability Law companies making the acquisition even under finance leases for new equipment intended to production facilities located in assisted areas of the Regions:

- Campania, Puglia, Basilicata, Calabria and Sicily, eligible for the derogations provided for by Article 107, par. 3, letter. a) of the Treaty on the Functioning of the European Union;
- Molise, Sardinia and Abruzzo eligible for the derogations provided for by Article 107, par. 3, letter. c) of the Treaty on the Functioning of the European Union;
- For agricultural enterprises active in primary production, fisheries and aquaculture, processing and marketing of agricultural products of fisheries and aquaculture, the facilities in question are granted within the limits and conditions imposed by the European legislation on aid status of the related industry.

**EXCLUDED SUBJECTS:** Pursuant to art. 1, paragraph 100 of the 2016 Stability Law facilitation does not apply to entities operating in the sectors of industry:

- Steel industry;
- Carboniferous;
- Of shipbuilding;
- Of synthetic fibers;
- Of the transport and related infrastructure;
- In the production and distribution of energy;
- Of the energy infrastructure;
- credit sectors, finance and insurance;

The facility also does not apply to firms in difficulty as defined by the European Commission Communication 2014 / C249 / 01 of 31 July 2014

**SUBJECT BENEFICIARIES:** Article. 1, paragraph 99 of the 2016 Stability Law states that investments are eligible for aid as part of an initial investment project as defined in Article 2, paragraphs 49, 50 and 51 of Regulation (EU) No. 651/2014 of the Commission of 17 June 2014, relating to the purchase, also through leasing contracts, machinery, equipment and various equipment using existing production facilities or that are implanted in the territory. The

acquisition of the property in the tax year must be allocated according to the accrual criteria set out in 109 TUIR, according to which:

- the acquisition costs of movable assets shall be deemed to be incurred at the date of delivery or shipment (or, if different, and after, the date of occurrence of the effect of translating or incorporation of the property or other property rights);
- expenses relating to services directly related to the execution of the investment are considered incurred on the date when they are finalized;
- in the event that the investment is made through a contract to third parties, the costs incurred shall be deemed the date of completion of the services or, in the case of work progress at the date of acceptance of the same.

**EFFECTIVE DATE OF TERMS:** The tax credit is granted in relation to investments made with effect from 1<sup>st</sup> January 2016 until 31<sup>st</sup> December 2019, linked to an initial investment project.