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NEWSLETTER FEBRUARY 2026

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HIGHLIGHT

News summary

COMPANY MEETINGS HELD IN PERSON AND REMOTELY

- Meetings of LLCs may be held with all or some of the participants not gathered in a physical location, even if the Articles of Association do not provide for the use of audio or video communications.
- This option is also available to joint-stock companies (Ltd), but only until the 30th September 2026; after that date, a clause in the Articles of Association will be required in order to hold virtual meetings. However, if the joint-stock company's Articles of Association do not contain a clause enabling "non-face-to-face" meetings, it is legitimate to hold the meeting with all or some of the participants connected by audio or video, provided that the conditions are met for the meeting to be considered plenary, i.e. all those entitled to vote and the majority of the members of the administrative and control bodies participate.

FLAT-RATE VAT DEDUCTION ON COMPANY VEHICLES

- With its decision of 8th December 2025, the Council of the EU authorised Italy to extend until the 31 December 2028 the application of the transitional legislation, in force since 2007 and extended several times, which sets at 40% the amount of tax deductible on the purchase and use of vehicles used by companies and self-employed persons for purposes that are not exclusively professional.

ACI 2026 TABLES: NEW TABLES PUBLISHED

- The ACI 2026 tables, published in the Official Gazette no. 297 of the 23rd December 2025, propose two scenarios: a decrease in the kilometre cost of vehicles currently in production and an increase in the kilometre cost of diesel and electrified (electric and plug-in) vehicles that are no longer in production).
- The data in the tables are essential for quantifying the taxable fringe benefit value of vehicles assigned for mixed use to employees under the conditions set out in Article 51(4)(a) of the Italian Tax Code (Tuir).
- However, Article 1, paragraph 48 of Law 207/2024 (2025 Budget Law) has rewritten Article 51, paragraph 4, letter a) of the Tuir, stipulating that the new percentages apply only when the following conditions are met simultaneously: registration, mixed use concession and assignment of the vehicle from 1st January 2025.

FRONTLINE WORKERS RETURNING HOME AND WORKING REMOTELY

- Law 217/2025 has been published, authorising the ratification and implementation of the Protocol amending the agreement between Italy and Switzerland on the taxation of cross-border workers. Among the changes, it should be noted that the definition of cross-border workers has been amended with regard to the concept of daily return and remote working.

Changes on income tax regulations (IRPEF)

Here are the main changes concerning personal income tax (IRPEF) and related substitute taxes for employees contained in Law 199/2025, in force since January 1, 2026.

IRPEF TAX RATES

Brackets	Tax rates	Tax due
Up to € 28,000	23%	23% on income.
From € 28,001 Up to € 50,000	**33%**	€ 6,440 + 33% on income exceeding € 28,000 and up to € 50,000.
Over € 50,000	43%	€ 13,700 + 43% on income exceeding € 50,000.

GROSS TAX DEDUCTION

Taxpayers with a total income exceeding € 200,000

- **The amount of the deduction** from gross tax due in relation to the following expenses **has been reduced by €440**:
  a) expenses whose deductibility is set at 19%, with the exception of healthcare expenses and building deductions;
  b) donations to political parties;
  c) insurance premiums for natural disaster risk.
- The reduction is applied after taking into account the reductions:
  - pursuant to ex Art. 16-ter, cc. 1-5 Tuir for incomes exceeding € 75,000;
  - pursuant to ex Art. 15, c. 3-bis Tuir for incomes exceeding € 120,000.

SUBSTITUTE TAX ON INCOME EARNED ABROAD

Individuals who transfer their tax residence to Italy

- The substitute tax on foreign income earned by individuals who transfer their tax residence to Italy has been increased from €200,000 to **€300,000** for each tax period to which the option applies.
- The amount owed by each family member is increased from €25,000 to **€50,000**, at the request of the person exercising the option, who meets the requirements, i.e. who transfers their tax residence to Italy without having resided there for at least 9 of the 10 tax periods prior to the period of validity of the option.
- These provisions apply to persons who have transferred their residence to the territory of the State for the purposes of Article 43 of the Civil Code after January 1st 2026.

IRPEF TAX REDUCTION

On dividends from employee shares

The transitional provision, already in place for 2025, has been extended to 2026. It provides that dividends paid (in the relevant year) to employees and deriving from shares allocated by companies replacing performance-related bonuses to be included in the income tax base at **a rate of 50%,** excluding the portion of such dividends exceeding the limit of €1,500, which remains fully included in the taxable amount.

TAX REGULATIONS FOR VARIABLE REMUNERATION

Allocated to managers in the financial sector

- The tax regulations relating to the surcharge on variable remuneration paid to executives and holders of coordinated and continuous collaboration contracts operating in the financial sector, which provides for the application of an additional tax of 10% on the portion exceeding three times the fixed portion of remuneration, are abolished.
- The non-application of the provision is subject to the condition that the entity paying the remuneration pays a sum corresponding to at least twice the amount of the surcharge due to Third Sector entities provided for in the Third Sector Code, other than entities that directly or indirectly control the aforementioned remuneration payers, are controlled by them or are controlled by the same entity.
- The provisions apply provided that the payment referred to therein relates to the total amount of the surcharge due for the period

CONTRIBUTIONS TO SUPPLEMENTARY PENSION FUNDS

The annual income tax deduction limit for contributions paid by employees and employers or clients to supplementary pension funds has been increased, with effect from the 2026 tax period: the aforementioned annual limit **has been raised from €5,164.57 to €5,300.**

Compensations and year-end reimbursements to directors

The tax treatment of compensation and expense reimbursements paid to directors, employees and equivalent personnel, with specific reference to transactions carried out near the end of the financial year, is outlined below.

ANALYTICAL REFUNDS	• Sums received as reimbursement for expenses incurred by the operator of an art or profession in the performance of an assignment and charged analytically to the client do not contribute to the formation of income. • Expenses related to the performance of an assignment and incurred directly by the client do not constitute compensation in nature for the professional.
TRACEABILITY OF PAYMENTS	Reimbursements for food, accommodation, travel and transport expenses incurred using non-scheduled public transport services do not contribute to income and are deductible for the client if they are made by bank or postal transfer or by other traceable payment systems (Article 23 of Legislative Decree 241/1997).
ALLOCATION CRITERIA	The sums and values generally received in the tax period following that in which they were paid by the withholding agent are attributed to the tax period in which the latter is required to make the withholding.

Expense reimbursements paid to directors without a VAT number

Accrued costs year 2025		Taxability for the beneficiary	Deductibility for the payer
Analytical expense reimbursements • For travel **outside the municipality** of employment: - meals[2]; - accommodation; - travel; - transport; - mileage allowance. Not comparable to remuneration.	To be paid by the 31st Dec 2025	No taxation[1]	• Deductibility 2025 (ordinary **accrual** basis): - up to **€180.76** per day for travel within Italy; - up to **€258.23** per day for travel abroad; - within the limits of car costs up to **17 fiscal horsepower (20 for diesel engines)** with reference to the data in the ACI tables (mileage allowances)
	To be paid by the 12th Jan 2026		
	To be paid by the period from 13th Jan 2026 to 31st Dec 2026		
Flat-rate expense reimbursements	To be paid by the 31st Dec 2025	Income 2025[4]	Deductibility 2025
	To be paid by the 12th Jan 2026	Income 2025[3-4]	Deductibility 2025[3-5]
	To be paid by the period from 13th Jan 2026 to 31st Dec 2026	Income 2026[4]	**Deductibility 2025**[5] When referring to reimbursements within daily limits (art. 51, c. 5 Tuir): "**expense reimbursements**". **Deductibility 2026** With regard to reimbursements exceeding the daily limits (art. 51, c. 5 Tuir): "**directors' remuneration**".

Notes

1. The same rules apply as for employees (Article 51 of the Italian Tax Code). **For 2025, the exemption threshold is €2,000 for employees with dependent children and €1,000 for all other employees**. The taxation mechanism remains unchanged in the event that the limit is exceeded.
2. Meal expenses may be considered entertainment expenses if, for example, the director went to a restaurant with customers, suppliers or agents.
3. The **"extended" cash principle** applies, which includes, among the costs to be charged in the closing year, also the remuneration paid up to 12th January of the following year.
4. If the limits set out in Art. 51, c. 5 Tuir are exceeded otherwise, they are never taxable.
5. Deductibility based on the accrual principle.

Expense reimbursements paid to directors with VAT numbers

Accrued costs year 2025		Taxability for the beneficiary	Deductibility for the payer
Flat-rate expense reimbursements However, they represent a form of **"directors' remuneration"**.	To be paid by the 31st Dec 2025	Income 2025	Deductibility 2025
	To be paid by the period from 1st Jan 2026 to the 12th Jan 2026	Income 2026	Deductibility 2026
	To be paid by the period from 13th Jan 2026 to 31st Dec 2026	Income 2026	Deductibility 2026

Measurement of the legal interest rate

*From the **1st January 2026**, the statutory interest rate **will be 1.6%**. The Ministry of Economy has the option to change this rate each year, based on the average gross annual yield of government bonds with a maturity of no more than 12 months, taking into account the inflation rate recorded during the year. **If no decision is made by December 15**, the rate will remain unchanged for the following year.*

INTEREST ON ARREARS

Obligations not arising from commercial transactions

In the case of obligations involving a sum of money, statutory interest is due **from the date of arrears**, even if it was not previously due and even if the creditor does not prove that they have suffered any damage.

Obligations arising from commercial transactions

- **Specific provisions** apply
- The applicable interest rate is that of the European Central Bank (updated every six months), plus 8 percentage points.
- The late payment penalty shall automatically commence on the day following the payment deadline.

CONVENTIONAL INTERESTS

- Conventional interest is calculated at the **statutory rate** if the parties have not determined the amount.
- Interest exceeding the statutory rate must be **determined in writing**; otherwise, it is payable at the **statutory rate**.

VOLONTARY CORRECTION OF TAX RETURN

- **Payment of the reduced penalty must be made at the same time as the regularisation of the tax payment or the difference,** when due, as well as the payment of **interest on** arrears **calculated at the legal rate**, accruing on a daily basis.
- • Interest shall be calculated with reference to the applicable rate for each year (2% until 31st December 2025; **1.6% from 1st January 2026**).

Example

- Failure to pay VAT for October 2025, by 16 November 2025, amounting to €10,000.
- The violation is rectified on 31 January 2026.
- The tax must be paid, as well as the penalty [€ 139.00, equal to 1.39% (1/9 of 12.5%) of the unpaid advance payment] and of the interests.
- Interest is calculated as follows:

€ 10,000 x 1.6% x 31/365 (from 1st January 2026 to 31st January 2026)	=	€	13.59
€ 10,000 x 2% x 45/365 (from 17th November 2025 to 31st December 2025)	=	€	24.66
Total interest	**=**	**€**	**38.25**

Interest on voluntary corrections must be reported on Form F24, separately from the tax due, using the specific tax code provided (except in the case of codes relating to withholding agents).

INTERESTS NOT DETERMINED BY WRITTEN AGREEMENT

The legal rate also applies to the calculation of interest, not determined in writing, in relation **to loan capital and interest that contributes to the formation of business income, if not determined in writing.**

DEFLATIONARY MEASURES OF THE LITIGATION

Legal interest **also applies in the case of payment in instalments** of sums due as a result of dispute settlement procedures (assessment with acceptance and acquiescence).

Full taxation of capital gains on capital assets from 2026

Aart. 1, c. 42 L. 199/2025 establishes as a general rule that capital gains on capital assets realised contribute to the formation of taxable income, for IRES purposes, for the entire amount in the financial year in which they were realised. As a result of the changes introduced, therefore, companies no longer have the option of choosing to include them, in equal instalments, in the calculation of taxable income for the financial year in which they are realised and in subsequent years, but not beyond the 4th. Similarly, the period governing the taxation of assets constituting financial fixed assets recorded as such in the last 5 financial statements has been abolished.

PARTICIPATION IN INCOME FORMATION

- Capital gains relating to business assets, other than those constituting revenue as referred to in Article 85, contribute to the formation of income if:
  a) they are realised through **transfer for valuable consideration**;
  b) they are realised through **compensation, including in the form of insurance**, for the loss or damage of assets;
  c) the assets are **assigned to shareholders or used for** purposes unrelated to the business.
- Capital gains realised by companies, including goodwill, through a single sale for consideration, also contribute to the formation of taxable income. In particular, if the consideration for the sale consists exclusively of depreciable assets, even if they constitute a business unit or branch, and these are recorded in the financial statements at the same value at which the assets sold were recorded, only any agreed cash adjustment is considered a capital gain

The capital gain is calculated as the difference between the consideration or compensation received, net of directly attributable ancillary costs, and the unamortised cost of the asset.

In the event of the allocation of assets to shareholders or their use for purposes unrelated to the business, the normal value of the asset shall be recognised.

TAXATION

Until the 31st December 2025

In the case referred to in letter c), the capital gain contributes in full to the formation of income for the financial year in which it is realised, while in the cases referred to in letters a) and b), **it is possible to opt for allocation in equal instalments over the financial year in which it is realised and the following 4 financial years (therefore over 5 tax periods).**

From the 1st January 2026

- Capital gains realised, other than those deriving from shareholdings under the Pex regime (art. 87 Tuir)[1], contribute to the formation of taxable income for IRES purposes **for the entire amount in the financial year in which they were realised.**
- The option to choose to include them, in equal instalments, in the calculation of taxable income for the financial year in which they are realised and the following 4 financial years is repealed.
- The provision also applies to financial fixed assets.

Application of updates

The provisions apply to capital gains realised **from the tax period following that in progress on 31st December 2025 (from 2026** for solar entities). Therefore, for capital gains realised up to the 2025 tax period, it is still possible to pay in instalments, as well as to continue with the instalment plans already chosen.

- In determining the advance payment due for the tax period following that in progress on 31st December 2025, the tax for the previous period is assumed to be that which would have been determined by applying the new provisions.
- • Therefore, applying the so-called “historical criterion”, the tax for the previous tax period (for calendar year taxpayers, the tax period ending on 31 December 2025) is considered, which would have been determined by applying the new provisions.

TRANSFER OF BUSINESS OR BUSINESS UNITS

Capital gains realised on the sale of a business or business unit contribute to the total income for the financial year in which they were realised or, if the business or business unit has been owned for a period of not less than three years, at the taxpayer's discretion, **in equal instalments in the same financial year and in subsequent years, but not beyond the 4th.**

CHOICE IN INCOME TAX RETURN

The choices must be reflected in the tax return; if this is not submitted, the capital gain contributes to the total income for the financial year in which it was realised.

Note[1]	This therefore includes capital gains realised on tangible and intangible capital assets and on financial fixed assets without Pex requirements. For IRAP purposes, capital gains realised are taxed in full in the year in which they are realised.

DEADLINE

Main obligations for February 2026

Deadline	Tribute/ Contribution	Description
Sunday[1] 1st February	**VAT**	**Annual return -** The VAT return for the year 2025 must be submitted between 1st February 2026 and 30th April 2026.
Sunday[1] 15th February	**VAT**	**Cumulative Invoice** - For transactions (including the provision of services) carried out in the same calendar month, towards the same person, a single invoice may be issued no later than the 15th day of the month following the execution of the transactions.
		Transactions with foreign countries - For transactions involving the supply of goods and services made and received, as of 1st July 2022, to and from parties not established in the territory of the State, resident VAT operators shall transmit the data to the Tax Office using the Xml format envisaged for electronic invoices and sending the files to the Inter-Exchange System in accordance with the compilation rules envisaged by the technical specifications attached to the provision of 30th April 2018. It follows that the transmission of **active invoices** to persons not established in Italy must take place within the legislative deadlines established for the issuance of invoices (in general, **12 days from the date of execution of the transaction** or a different deadline established by specific provisions such as deferred invoices, etc.), while that referring to **passive invoices** received from foreign suppliers must be made by the **15th day of the month following the month** in which the document proving the transaction was received or the transaction was carried out.
Monday 16th February	**Direct Taxes**	**Withholding tax payment -** Deadline for the payment of withholding taxes made in the previous month concerning income from employment, self-employment, on commissions, on other capital income and in relation to contracts and subcontracts. By this deadline must also be made the payment of withholding taxes made by condominiums as withholding agents if the amount is € 500.00 or more (Art. 1, c. 36 L. 232/2016), as well as the payment of withholding taxes made in relation to short leases (Artt. 4, cc. 1/5-bis e 6 D.L. 50/2017).
	Tfr	**Revaluation balance** - Deadline for payment of the substitute tax balance, equal to 17%, in relation to the revaluation of severance pay accrued as at 31st December 2025.
	Inail	**Voluntary payment**- Deadline for payment, in a single instalment or the first instalment, of contributions for the 2025 balance and the 2026 advance payment and for the notification of reduction in estimated remuneration exclusively by electronic means.
	VAT	**Settlement and payment** - Deadline given to monthly taxpayers to make the settlement for the previous month and to pay any debit tax.
	Inps	**Social security and welfare contributions** - Payment of contributions for the previous month using the F24 form.
		Ex-Enpals - Companies in the entertainment and sports sector must make the payment, using form F24, of the Enpals contributions due for the pay period ending the previous month.
Friday 20th February	**Enasarco**	**Contribution payments**- Deadline for the payment of social security contributions for the October-December 2025 quarter.
Wednesday 25th February	**VAT**	**Intrastat lists** - Deadline for submitting electronically the lists of intra-Community supplies, purchases of goods and services for the previous month.

Main obligations for February 2026 (following)

Deadline	Tribute/ Contribution	Description
Saturday[1] 28th February	**VAT**	**Periodic settlement communication** - Deadline for electronic notification of periodic settlement data for the fourth trimester of 2025.
	Stamp duty	**Electronic invoicing** - Deadline for payment of stamp duty on electronic invoices relating to the fourth trimester of 2025.

Note[1]	• **If the deadline falls on a public holiday, it's extended to the next non-holiday (art. 2963, c.** 3 c.c.). • The art. 18, c. 1 Legislative Decree 9th July 1997, no. 241 establishes that the payments that fall on Saturday or on a public holiday are timely if completed on the 1st next working day. • Deadlines for the submission and transmission of declarations that expire on a Saturday are automatically extended to the first next working day (art. 2, c. 9 D.P.R. 322/1998). • Fulfilments and payments provided by provisions relating to matters administered by articulations of the Ministry of Economy and Finance, including the Tax Offices, even if provided for exclusively by telematic means, which must be made to the same articulations or at their offices, which deadlines expire on a Saturday or public holiday, are extended to the next first working day [art. 7, c. 2, lett. l) D.L. 13 May 2011, no. 70].