



# EDITORIAL

# ADMINISTRATION

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## 730/2017 FORM CHANGES AND NEW OPPORTUNITIES FOR WORKERS

*The “Modello 730” income tax return has seen some important and interesting changes that integrate the evolutions in the tax legislation produced by a legislator attentive to both reducing state costs but also easing the tax burden for taxpayers.*

The submission of the income tax return and the relative instructions provides a great point of departure for a “brief overview” on the interventions occurring in 2016 during the Renzi government, starting of course with the changes introduced by the Stability Law (Law no. 208/2015) on corporate welfare, through to the controversial issue of the so-called “brain gain” with relative tax incentives.

A first consideration must go to the objectives of the Legislator who, on the one hand, wanted to create the conditions for the recovery of the country with the intervention of numerous measures, and on the other hand, seemed to have paid less attention to simplification, which he had declared was a priority.

In this regard, the way things stand today, Italian taxpayers have to manage numerous (there are still about one thousand a year!) physical “events.”

The processing of the “Modello 730” by the Administration is an important opportunity to evaluate the achievement of the objectives set by the Government during the planning phase, given the impact that the regulations have in all socio-economic areas, from the home to the business world, to private individuals, and even the world of association, work and school.

For example, production bonuses of amounts not exceeding €2,000 gross (€2,500 gross, if the company engages workers equally in the organisation of the work) will now be reported in income tax returns. Companies resorted frequently to these bonuses due to the particularly favourable tax regime contained in the 2016 Stability Law. In this regard, recent regulatory changes excluded bonuses from the taxation, which were granted in the form of benefits or reimbursement of socially-relevant expenses incurred by the worker, which otherwise would have been subject to IRPEF substitute tax and additional taxes, equal to 10% on the sums received.

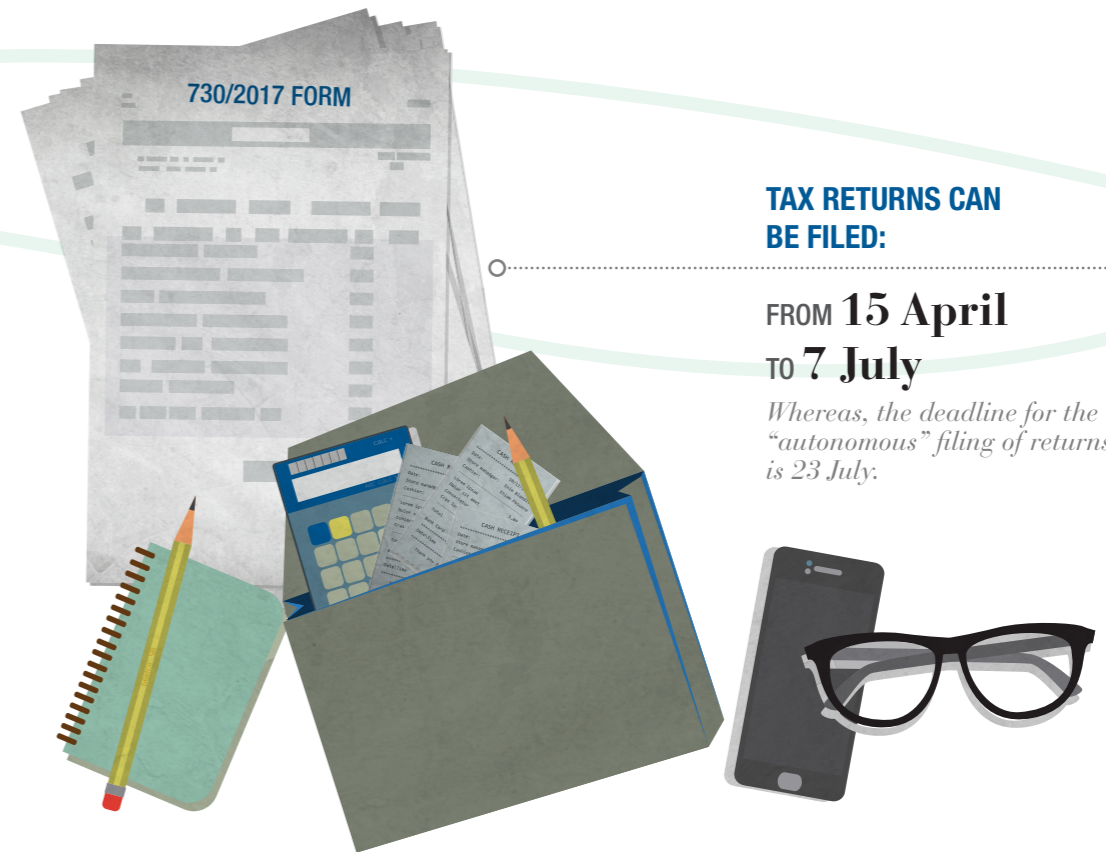
The tax incentive relating to the so-called “brain gain” set forth in Leg. Decree 147/2015 will make its “debut” in the tax return. This is a wide-ranging action which has the ambitious goal of linking the enhancement of human, cultural and professional experiences gained abroad and the

development of the country’s economy. In line with what already happens in other European Union countries, such as France and Spain which already have a special scheme for so-called “repatriated” workers, this measure involves that only 70% of the income received in Italy will contribute to forming the taxable personal income tax for these workers. It is also worth considering that this measure, although initially received positively due to the reduction in the tax burden, as well as the attempt to reorder the previous regulations on the matter, has nevertheless disappointed expectations due to the interpretative problems that it has caused and that have not been resolved, not even by subsequent implementing rules.

The operating instructions include, as part of the changes to the 730/2017 Form, tax incentives for insurance covering the risk of death for people with severe disabilities, charitable donations, donations and other gratuitous acts in favour of trusts or special funds operating in the field of charities, as well as charitable donations in favour of national education institutions.

Lastly, some particularly diverse and interesting deductions will also be reported in the tax return, such as furnishing expenses and a deduction in rental fees for main residence. VAT paid in 2016 for the purchase of a home with Energy Class of A or B is also deductible, as well as costs for remote control multimedia devices.

With regards to simplification, instead, the



**TAX RETURNS CAN  
BE FILED:**

**FROM 15 April  
TO 7 July**

*Whereas, the deadline for the “autonomous” filing of returns is 23 July.*

legislator introduced measures to encourage the use of pre-filled forms. This was mainly achieved by widening the audience of people required to transmit the information that flows into this form to the tax authorities (including drugstores, vets, opticians for eyewear and contact lenses, and psychologists) and also by postponing the terms for its filing.

However, there are no significant changes relating to the filing date of the ordinary form (in particular, this year’s tax return can be filed from 15 April until 7 July, if submitted through an intermediary). The pre-filled 730 form can be filed from 15 April until 23 July if submitted directly to the Italian Revenue Office. In case of submission to the withholding agent or to Tax Assistance Centre or a professional accountant, the deadline of 7 July remains.

More time is granted, finally, to intermediaries authorised to correct inaccurate forms. In fact, the form is in line with the provisions of article 7-quater, paragraph 48 of Law Decree no. 193/2016 which states that the inaccuracy of the authorisation, if not already disputed, can be the subject of a submission of a corrective tax return, which can be submitted even after 10 November of the year of submission of the incorrect return.

There was no change in the number of attachments to the form, or in the identification of persons who may file the ordinary 730 Form. The withholding agent who provides tax assistance, an authorised professional or the Tax Assistance Centre (CAF) are still among those authorised to file the form. Employees (including Italian employees working abroad) can benefit from the filing of the 730 form (pre-filled or ordinary), as well as those who receive allowances as a replacement for employee income (e.g. wage integration, unemployment benefits).

The obligations for filing still remain “burdensome.”

Withholding agents who provide tax assistance in 2017 must submit electronically to the Italian Revenue Office, directly or through authorised representatives, the data contained in the 730/2017 Form. The papers for choosing the eight, five and two per thousand of the IRPEF, 730-1 Forms, must then be sent to a post office or a person in charge of electronic filing, sealed in the appropriate envelope.

The changes and efforts made by the legislator have been received positively by citizens and companies, especially because

they deviate from previous measures, which mainly focused on austerity measures.

However, it should be noted that the measures of the government, although in line with other Eurozone countries, have led to a deficit expansionary economic measure that, if it does not meet its goals, could have a heavier impact on the future tax burden of citizens and enterprises.