

Italy Enacts Budget Law for 2023

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Italy has gazetted the Budget Law for 2023 enacting several important tax measures including amendments to the windfall tax (*contributo solidaristico straordinario contro il caro bollette*), the extension of certain tax credits for energy expenses and the postponement of the entry into effect of the tax on the consumption of disposable plastic products (*imposta sul consumo dei manufatti con singolo impiego*) (plastic tax) and the tax on sweetened drinks (sugar tax) (see [Italy-2, News 22 November 2022](#)).

The main tax measures include the following:

- the increase of the income threshold for the application of the favourable tax regime providing for a 15% substitute tax on business and professional income of qualifying individuals;
- the decrease of the substitute tax rate on premiums connected to increases of productivity received by qualifying employees of private companies;
- the introduction of specific tax rules on crypto activities;
- the extension of the tax credits for energy and natural gas expenses;
- the introduction of a one-off substitute tax on the undistributed profits of subsidiaries subject to a privileged tax regime;
- the introduction of limitations to the deductibility of expenses related to transactions with persons located in non-cooperative jurisdictions;
- amendments to the windfall tax in line with the [Regulation on an Emergency Intervention to Address High Energy Prices \(2022/1854\)](#);
- the postponement of the entry into effect of the plastic tax and the sugar tax;
- amendments to the reporting obligations of digital platforms with respect to supplies of certain goods;
- the cancellation of qualifying tax debts not exceeding EUR 1,000;
- the activation of a procedure for the settlement of tax liabilities entrusted to collection agents between 1 January 2000 and 1 June 2022; and
- the introduction of a procedure to facilitate the settlement of pending tax litigations.

Law No. 197 of 29 December 2022, the Budget Law for 2023, was published in Official Gazette No. 303 of 29 December 2022, Ordinary Supplement No. 43. The Law entered into force on 1 January 2023.

Further details will be published in due course.

