

Italy: Changes made to patent box ruling procedure

Italy's tax authorities issued guidance on 6 May 2016 that amends the procedural rules relating to the application for a tax ruling under the patent box regime introduced in the 2015 stability law (for prior coverage, see Italy tax alert, 10 December 2015). (The authorities also issued guidance on the patent box regime on 7 April 2016 to address certain implementation matters that required clarification.)

URL: <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-alert-italy-10-december-2015.pdf>

The patent box regime grants a partial exemption from corporate income tax and the regional tax on productive activities for income deriving from qualifying intangible assets; for 2016, the exemption is equal to 40% of qualifying income, increasing to 50% in 2017. Where the taxpayer uses the relevant intellectual property directly, the taxpayer must obtain a tax ruling from the Italian tax authorities (a ruling is optional where the intellectual property is based on an intercompany license).

According to the new guidance, which applies immediately, qualifying taxpayers with tax revenue exceeding EUR 300 million must submit their ruling applications and supporting documentation to the competent regional directorate of the tax authorities where the taxpayer is resident. Taxpayers with turnover below this threshold must submit their ruling applications to the office for advance rulings and international disputes.

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