

Financing adult learning database

Name of the instrument - Local language	Detrazione Irpef per spese di istruzione e formazione
Name of the instrument - English translation	Tax credits - costs related to training are deducted from the tax due
Scheme ID	252
Country	 Italy
Reporting year	2020
Type of instrument	Tax incentive for individuals
Sub-type of instrument	Tax support for families and their costs for education
Type of entry	Single instrument

Short description	The tax deduction applies to all citizens subject to tax revenue in Italy. It allows to deduct up to 19% of the costs of all levels of education as taxable yearly income. The state's co-funding - in the form of foregone tax revenues - equals the eligible costs multiplied by the marginal tax rate (between 23 % and 43 %). All individuals subjected to tax revenue are eligible for this tax incentive. All levels of education from nursery to higher education are eligible (including the deduction of education costs for children). The individual requires tax allowance on yearly basis, by providing evidence of the costs. The National Revenue Agency accepts the requests, therefore the taxable yearly income of the individual is accordingly reduced.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Presidential Decree 917/1986 and following updates (Law 22/06/2015 No. 112 Art. 5)

Objective(s) and target(s)	There are not official objectives: the legal basis is the Consolidated Text of Income Taxes, yearly updated.
Year of implementation	1987
Year of latest amendment	2007
Operation/management	The individual, on yearly income tax declaration, requires the allowance on the limits stated by Law and updated yearly within the Budget Law by presenting the receipts/invoices of the education incurred over the year.
Eligible group(s)	All individuals subjects to tax revenue.
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	All levels of education, from nursery to higher education. It includes since 2007 (Law April, 2nd 2007, n. 40) technical institutions (secondary and tertiary level of education) and VET courses leading to professional qualifications (managed by Regions and included in the National Repertoire of Qualifications).
Source of financing and collection mechanism	The State covers the loss of revenues.
Financing formula and allocation mechanisms	The individual requires tax allowance on yearly basis, by providing evidences of the costs. The National Revenue Agency accepts the requests, therefore the taxable yearly income of the individual is accordingly reduced. The process is subject to check of costs, which is automatic (only traceable costs are allowed).
Eligible costs	Depending on schools and institutions (reported only the post-compulsory levels): Upper secondary schools - registration fee and frequency - school canteen service fees - voluntary contributions and donations - pre and post school - school trips - contributions for the expansion of the educational offer - meal assistance Universities, applicable to levels from EQF6 (technical tertiary education) to EQF8 (PhD): - tuition fees for three-year, master's and specialist tuition even in the case of out-of-course students - career reunion - tuition fees for graduation appeal and parchment release - attendance at single courses, whether or not aimed at admission to a master's degree course - enrolment in entrance tests (even if not followed by enrolment) - University transfers - course transfers. For 2020, the deduction for the rent of students away from home is 19% on a maximum amount of EUR 2 633.
Volumes of funding	Not available
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	National Revenues Agency

Most relevant webpage - in English	Not available
Most relevant webpage - local language	https://www.miur.gov.it/dedurre-le-spese-di-istruzione
Recent changes	<p>Most recent amendment: Law 40/2007 Yearly updated following the Budget Law of the State (last: 2019 for year 2020). The most recent amendment (Law 40 of April 2, 2007) was made to include all levels of education (also professional qualifications) which counts for completing compulsory education in Italy, and to adapt the Law to the reformed scholastic system of upper secondary education and the inclusion 'istituti tecnici superiori', which refers to tertiary technical education (Art 1, clause 631, Law 27 Dec 2006, No. 296).</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	<p>https://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:de...</p> <p>https://www.camera.it/parlam/leggi/070401.htm</p>