


## Financing adult learning database

<b>Name of the instrument - Local language</b>	Credito di imposta formazione 4.0
<b>Name of the instrument - English translation</b>	Training tax credit 4.0
<b>Scheme ID</b>	292
<b>Country</b>	 Italy
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Tax incentive for companies
<b>Sub-type of instrument</b>	Incentive for promoting training
<b>Type of entry</b>	Single instrument
<b>Short description</b>	Companies are eligible to a tax credit as contribution to the costs of training related to technological and digital transformation of the company. It is recognised to the following extent: 50% of the eligible expenses and up to a maximum annual limit of EUR 300 000 for small enterprises; 40% of eligible expenses within the maximum annual limit of EUR 250 000 for medium-sized enterprises; 30% of eligible expenses within the maximum annual limit of EUR 250 000 large enterprises. Training hours of employees (wage costs) are considered eligible costs. The same applicant can use the scheme once in each calendar year.
<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Key instrument
<b>Legal basis</b>	Law no. 160 of 27 December 2019, no. 160 of 2019 - containing the "State Budget for the 2020 financial year and multi-annual budget for the 2020-2022 three-year

	period", clauses from 210 to 217.
<b>Objective(s) and target(s)</b>	"The measure is aimed at stimulating investment by companies in the training of their staff on subjects relating to technologies relevant to the companies' technological and digital transformation" (website of the Ministry of Economic Development for the tax credit)
<b>Year of implementation</b>	2018
<b>Year of latest amendment</b>	2020
<b>Year of termination</b>	2022
<b>Operation/management</b>	The credit is given as compensation of the eligible training costs incurred in the previous fiscal year, e.g. reduce the tax income for the fiscal year. It is recognised to the following extent: 50% of the eligible expenses and up to a maximum annual limit of EUR 300 000 for small enterprises, 40% of eligible expenses within the maximum annual limit of EUR 250 000 for medium-sized enterprises, 30% of eligible expenses within the maximum annual limit of EUR 250 000 large enterprises. The tax credit measure is increased for all companies, subject to the maximum annual limits, to 60% if the recipients of the eligible training fall within the categories of disadvantaged or very disadvantaged employees, as defined by the Decree of the Ministry of Labour and Social Policy of 17 October 2017.
<b>Eligible group(s)</b>	Companies established in the territory of the State, regardless of economic activity, including fisheries, aquaculture and primary production of products agricultural sector, its legal nature, its size, its accounting system and the way in which it is determination of income for tax purposes. The tax credit applies only to employees of the company (or Corporate group), including apprentices.
<b>Group(s) with preferential treatment</b>	The tax credit is recognized to the extent of: 50% of the eligible expenses and up to a maximum annual limit of EUR 300 000 for micro and small enterprises, 40% of eligible expenses up to a maximum annual limit of EUR 250 000 for medium-sized enterprises, 30% of eligible expenses up to a maximum annual limit of EUR 250 000 for large companies. The measure of the tax credit is increased for all companies, without prejudice to the annual maximum limits, to 60% in the event that the recipients of the eligible training fall into the categories of disadvantaged or very disadvantaged employees, as defined by the Decree of the Minister of Labour and Social Policy of 17 October 2017.
<b>Education and training eligible</b>	Only training related to technological and digital transformation of the company
<b>Source of financing and collection mechanism</b>	State (loss of tax revenue)
<b>Financing formula and allocation mechanisms</b>	The mechanism recognise 100% of training hours of employees engaged in eligible training activities (e.g. only

	those related to technological and digital transformation of the company). Maximum amount of credit is linked to the size of the company; further reduction is applied to disadvantaged/very disadvantaged employees.
<b>Eligible costs</b>	- the personnel costs related to trainers for the hours of participation in training;- operating costs relating to trainers and training participants directly related to the training project, such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment for the portion to be referred to their exclusive use for the training project. Housing costs are excluded, except for the minimum housing costs necessary for participants who are workers with disabilities;the costs of consulting services related to the training project;personnel costs related to training participants and indirect overhead costs (administrative costs, rent, overhead) for the hours during which participants attended training.
<b>Volumes of funding</b>	Not available
<b>Beneficiaries/take up</b>	Not available
<b>Organisation responsible for monitoring/evaluation</b>	Ministry of Economic Development (Ministero dello sviluppo economico) monitor the use of the tax credit in question while Revenues Agency is responsible for the correct use of tax credits (see Interministerial decree, 6 giugno 2018, art. 7)
<b>Monitoring/evaluation reports available</b>	Not available
<b>Most relevant webpage - in English</b>	<a href="https://www.sviluppoeconomico.gov.it/images/stories/documenti/investime...">https://www.sviluppoeconomico.gov.it/images/stories/documenti/investime...</a>
<b>Most relevant webpage - local language</b>	<a href="https://www.mise.gov.it/index.php/it/incentivi/impresa/credito-d-impost...">https://www.mise.gov.it/index.php/it/incentivi/impresa/credito-d-impost...</a>
<b>Recent changes</b>	01-01-2020. Confirmation of previous provisions, which terminated on 31.12.2019  Recent changes in response to COVID-19  No changes
<b>Sources</b>	Ministry of Economic Development website and its links <a href="https://www.mise.gov.it/index.php/it/incentivi/impresa/credito-d-impost...">https://www.mise.gov.it/index.php/it/incentivi/impresa/credito-d-impost...</a>  ISTAT (National Institute of statistics) <a href="https://www.istat.it/storage/settori-produttivi/2018/Capitolo-4.pdf">https://www.istat.it/storage/settori-produttivi/2018/Capitolo-4.pdf</a>