


Financing adult learning database

Name of the instrument - Local language	Deduzione dell'Irap - Imposta regionale sulle attività produttive per spese sostenute dall'impresa (anche retributive) connesse all'apprendistato
Name of the instrument - English translation	Regional tax on productive activities (IRAP)
Scheme ID	255
Country	 Italy
Reporting year	2015
Type of instrument	Tax incentive for companies
Type of entry	Single instrument
Short description	In connection with apprenticeships, the Italian tax law allows a deduction of the regional tax (IRAP) based on a reduction of the taxable income. The tax is applied on the net value of the production deriving from the activity carried out in the region.
Short description of the related instruments	nap
Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Legal basis	Decreto legislativo 15 dicembre 1997, n. 446 istitutivo dell'IRAP; [1] Legge n° 244 del 24 dicembre 2007 (id: legge finanziaria 2008) (art. 50-52), [1] Legge di Stabilità per il 2015 (Legge n. 190/2014).
Objective(s) and target(s)	The Regional tax on productive activities is established in the Presidential Decree "Decreto legislativo 15 dicembre 1997" and it is stated that: "The tax is applied on the net value of the production deriving from the activity carried out in the region". This additional tax on production has always been opposed by the companies who interpreted it

	as a double of the VAT. This conflict has been raised even in front of the European Justice Court, which has established in 2006 that IRAP is compatible with the pre-existing VAT. However to ease the fiscal pressure on Italian SMEs the government has introduced many cases of deduction (as tax allowance) and one case is relevant in this framework as it is concerning apprenticeship with the evident objective of promoting this training contract in the SMEs.
Year of implementation	1997
Year of latest amendment	2014
Operation/management	Regions collaborate with the Agency of revenue (central institution) to determine criteria and procedure of control and inspection
Eligible group(s)	Companies providing apprenticeship places
Group(s) with preferential treatment	None
Education and training eligible	Apprenticeship (young adults aged 15-29 years old)
Source of financing and collection mechanism	State (loss of tax revenue) company
Financing formula and allocation mechanisms	100% of the costs borne by the company for apprentice costs (including wage) can be deducted from the tax base for companies.
Eligible costs	Fees and other costs related to education and training
Frequency of the use	Each year
Volumes of funding	No data related to the deduction of costs for education and training is available. Data is available in regard of the overall volume of tax revenues: 2013 EUR 24 813 000; 2014 EUR 20 921 000; the development of 2013 to 2014: - EUR 3 892 000 to 4 299 000 (-12,4% to 15,7%)
Beneficiaries/take up	na
Organisation responsible for monitoring/evaluation	Ministry of Economy.
Monitoring/evaluation reports available	http://www.finanze.gov.it/export/download/entrate_tributarie_2014/Bolle... http://www.finanze.gov.it/export/download/entrate_tributarie_2015/Bolle...
Most relevant webpage - in English	http://www.tax-news.com/news/IRAP_Compatible_With_European_Law_ECJ_Rule...
Most relevant webpage -	http://www.parlamento.it/parlam/leggi/deleghe/97446dl.ht

local language	m http://www.gazzettaufficiale.it/eli/id/2007/12/28/007G0264/sg http://www.gazzettaufficiale.it/eli/id/2014/12/29/14G00203/sg
Recent changes	The recent Law Legge n° 244 del 24 dicembre 2007 introduced a full deduction of all the costs related to apprenticeship contracts in the companies. The subsequent Law n. 190/2014 confirmed this principle.
Sources	<p>Agenzia entrate Informative page http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFa...</p> <hr/> <p>Monitoraggio Apprendistato - Isfol http://www.isfol.it/highlights/xiv-rapporto-di-monitoraggio-apprendista... http://sbnlo2.cilea.it/bw5ne2/opac.aspx?WEB=ISFL&IDS=19830</p>