



invest in  
**Lombardy**

# **INCENTIVES**

**LOMBARDY AND ITALY**

UPDATED SEPTEMBER 2022

# NATIONAL INCENTIVES AND FISCAL BENEFITS 1/3

## ***R&D INVESTMENTS*** **R&D Circular Economy**

The aid supports the transition of economic activities **towards a circular economy model**, supporting R&D projects aimed at a more efficient and sustainable use of resources. Eligible expenses between **€ 500k and € 2mln**, with a duration  $\geq 12$  months and  $\leq 36$  months. Soft loan up to the 50% of the eligible expenses and direct contribution to expenditure (micro and small companies: 20%, medium companies 15%, large companies 10%).

## ***R&D*** **Patent Box**

**A 110% super tax deduction**  
Optional preferential tax regime for income derived from the use of **copyrighted software, industrial patents, and designs**. Companies can access the preferential tax regime by recovering, for tax purposes, R&D costs incurred in maintaining, enhancing, protecting, and growing the above-mentioned intangible assets.

## **Tax Credits R&D and Innovation**

Companies investing in research and development, ecological transition, technological innovation (4.0 and Circular Economy), and other innovative activities can benefit from a tax credit rate of **5%, 10%, 15%, 20%** depending on the fiscal year considered

# NATIONAL INCENTIVES AND FISCAL BENEFITS 2/3

## ***NEW INVESTMENTS*** **Tax Credits Industry 4.0**

Companies investing in tangible and intangible capital goods accordingly to the Industry 4.0 national strategy can benefit from a wide range of tax credits from 40%, 20%, or 10% of the investment, cost depending on its amount (e.g. 40% tax credit is granted for investments up to 2.5 MLN)\*.

## **Industry 4.0 Training**

The tax credit rate depends on the enterprise size  
50% (medium enterprises), 70% (small enterprises), 30% (large enterprises), on the costs of personnel employed in training courses for the acquisition and consolidation of skills in 4.0 fields

## ***HUMAN CAPITAL*** **Employment**

Firms that employ workers under the age of 36 are exempted from paying social security contributions for their employees if certain conditions are met. One above all is the employee's age. The incentive covers 100% of the social security contributions.

## **Impatriate workers**

Tax relief regime (reduction of the personal income tax base by 50 - 70%) applicable for a five-year period to the "worker" who:

- transfers the residence to the territory of the Italian State;
- has not been resident in Italy in the two tax periods prior to the transfer and undertakes to reside there for at least two years;
- carries out the work activity mainly in the Italian territory.

# NATIONAL INCENTIVES AND FISCAL BENEFITS 3/3

## ***NEW ENTERPRISES***

### **New enterprises Zero Interest Rate**

Investments with eligible expenses up to € **1.5m** to be implemented by micro and small companies established by **no more than 12 months** and composed, for more than half of members and shares, of people aged between **18-35 years or by women**. Program duration  $\geq$  3 years from completion. Benefits are granted in the form of a subsidized loan (max. 8y) with a zero-interest rate covering up to **75%** of the eligible expenses.

### **ACE (Allowance for Corporate Equity)**

Encouraging capitalization through the possibility of deducting from the net income and mitigating the different tax treatments for companies funded with debt and equity. Benefits: notional deduction from the taxable net income equal to the net increase in the “new equity”, multiplied by a rate determined annually (**1.3% for FY 2020**).

## ***STARTUPS***

### **Smart&Start Italia**

Projects must include expenses and eligible costs between € 100,000 and € 1.5 and not exceeding 24 months after the contract sign. The aid finances innovative startups, established for no more than 60 months, that operate in the digital economy, and enhance research results (spin-offs from research). Interest-free loan up to 80% of the total investment (10 years repayment schedule). Up to 90% if composed exclusively by women or people under the age of 35, or if it includes at least one Italian PhD who is working abroad and wants to return in Italy.

## ***“ENTERPRISES SAFEGUARD”***

The Fund aims at acquiring minority stakes in the equity of distressed companies. It establishes a partnership between the property/management and Invitalia aimed at creating value for all shareholders, Invitalia makes equity direct investments in the distressed company or the acquirer, under the following conditions:

- i. the direct acquired share (Equity) must be a minority stake;
- ii. the total intervention per single operation cannot exceed the amount of **€ 10 MLN**;
- iii. 5-year exit with conditions already defined in the investment transaction;
- iv. the investment operation is made jointly and simultaneously with independent third private investors who contribute at least 30% of the planned resources and the proposing company that guarantees a contribution of at least **25%** for small enterprises, **40%** medium enterprises, and **50%** large enterprises



# REGIONAL INCENTIVES

## **HUMAN CAPITAL**

### **Dote Impresa**

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Beneficiaries are private companies operating in the Lombardy Region of any sector and size. The contribution offered includes **part of the wage cost** of the disabled person hired. Reimbursements are also provided for: the activation of internships for training and/or guidance or job placement/re-employment of people with disabilities, the purchase of counseling services, the adaptation of workstations, the establishment of a “training island”, and grants for cooperatives of type B.

The measure is structured in **3 different Axis** provided by the Provinces or the Metropolitan City of Milan.

## **HUMAN CAPITAL**

### **Apprenticeships**

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The apprenticeship contract allows the company to hire and train new professionals at an advantageous labor cost, as both remuneration and social security and welfare charges are reduced.

**Apprenticeship Level I** - Allows the apprentice to work and at the same time undergo training to obtain a professional qualification or diploma. Young people between the ages of 15 and 25 (not yet made) can be hired in all sectors of activity.

**Apprenticeship Level III** - Eligible for employment in all sectors of activity, public or private, are young people between the ages of 18 and 29 who have an upper secondary education diploma or a professional diploma



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