



Gatti Pavesi Bianchi

COVID-19 Update – DECRETO RILANCIO
REAL ESTATE

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DECRETO RILANCIO: MEASURES TO SUPPORT THE REAL ESTATE SECTOR

Law Decree 19 May 2020 no. 34, published in the Official Journal no. 120 on 19 May 2020 (“**Decreto Rilancio**”), effective as from 19 May 2020, enacted several measures in the field of health, support to work and economy, as well as social policies, related to the epidemiological emergency from Covid-19.

Here below you can find a brief overview of certain relevant real estate measures enacted by means of the Decreto Rilancio.

A. Leases of non-residential properties and business lease agreements

Article 28 of the Decreto Rilancio grants to all those carrying out entrepreneurial, artistic or professional activities a tax credit equal to 60% of the rent paid in March, April and/or May 2020 under a concession, property or financial lease agreement, in relation to the use of premises destined to the carrying out of entrepreneurial, commercial, handcraft, agricultural, touristic or professional activities, as well as the institutional activity of non-commercial entities, provided that in the relevant month (March, April and/or May 2020) the taxpayer’s revenues decreased by more than 50% compared to revenues registered in the same month of 2019.

In case of services contracts and business lease agreements, including at least a building destined to the carrying out of entrepreneurial, commercial, handcraft, agricultural, touristic or professional activities, the tax credit is equal to 30% of the rent paid.

The tax credit is accrued by:

- all those carrying out entrepreneurial, artistic or professional activities with a turnover not exceeding Euro 5 million in the last fiscal year;
- hotels and farm-holidays facilities, in relation to which the Euro 5 million turnover threshold does not apply;
- non-commercial entities and charitable entities.

Such tax credit shall not be cumulated with the tax credit for the month of March 2020 provided for by the Law Decree 17 March 2020 no. 18 (Decreto Cura Italia).

Pursuant to article 122 of the Decreto Rilancio, as an alternative to the direct use of such tax credit, it will be possible, until 31 December 2021, to transfer said credit to third parties, including banks and other financial intermediaries.

The Decreto Rilancio needs to be converted into law by the Italian Parliament within 60 days following its publication and it cannot be excluded that a few amendments to the Law Decree may be proposed and taken into consideration in the context of its conversion into law.

B. Leases of gyms, swimming pools and sport facilities

Article 216, paragraph 3, of the Decreto Rilancio provides for the right of the tenant of gyms, swimming pools and sport facilities to obtain a reduction of the rent due for the period March-July 2020 equal to 50%.

According to the explanatory report published with the Decreto Rilancio, the ratio behind the different treatment of sports facilities lays in the specificity of the relevant premises and the difficulty of both the tenant to relocate and the landlord to find alternative tenants on the current market, which calls for a compromise solution.

C. Incentives for energy efficiency and anti-seismic measures, installation of photovoltaic plants and columns for recharging electric vehicles

Article 119 of the Decreto Rilancio provides for certain incentives for energy efficiency measures, anti-seismic measures, installation of photovoltaic plants and columns for charging electronic vehicles.

A tax deduction of 110% is granted for certain costs incurred between 1 July 2020 and 31 December 2021 and related to specific interventions aimed at increasing the energy efficiency of buildings (e.g. thermal insulation of walls and roofs, replacement of existing air conditioning systems), reducing of seismic risk and installing photovoltaic systems and columns for recharging electric vehicles.

Subject to certain conditions and caps, the tax deduction is granted to:

- condominiums;
- individuals not in connection with an entrepreneurial activity carried out and for the interventions related to building units;
- social housing entities (*istituti autonomi case popolari*);
- housing associations (*cooperative di abitazione a proprietà indivisa*).

This tax deduction can be transformed in a discount applied directly by the supplier of the services or in a tax credit that could be transferred to third parties, including banks or other financial intermediaries (see article 121 of the Decreto Rilancio).

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TEAM



Equity Partner

Rocco Ferrari

rocco.ferrari@gpblex.it



Partner

Guido Sagliaschi

guido.sagliaschi@gpblex.it

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CONTACTS

Milan

Piazza Borromeo, 8
20123 Milano (MI)
Tel. +39 02 859751
Fax +39 02 809447
studio@gplex.it

Rome

Piazza dei Caprettari, 70
00186 Roma (RM)
Tel. +39 06 68134961
Fax +39 06 68134701
studioroma@gplex.it

www.gplex.it