



To whom it may concern

Reggio Emilia, July 1, 2025

MEMORANDUM N. 45/2025

Insight

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Subject: Travel and representation expenses - Obligation to trace payments - New in DL 17.6.2025 No. 84

1 PREMISE

Art. 1 co. 1 - 5 of DL 17.6.2025 no. 84, which came into force on 18.6.2025, made some changes to payment traceability obligations (introduced by Art. 1 co. 81 - 83 of L. 30.12.2024 no. 207, Budget Law 2025) for the deductibility, from business and self-employment income, as well as from the IRAP tax base, of expenses for food and lodging, travel and transportation, made by cab or rental with driver (NCC).

Similar conditions operate for the deductibility of entertainment expenses and expenses for gifts to customers.

Effective date

The newly introduced by DL 84/2025 have a differential effective date depending on the type of expenditure.

In any case, both the changes provided by DL 84/2025 and those introduced by L. 207/2024 will impact the REDDITI 2026 model for the first time, while they do not yet have an effect on the REDDITI 2025 model, since they are not expected to be applied before the tax period following the one running on Dec. 31, 2024 (2025, for "solar" subjects) anyway.

2 TRAVEL EXPENSES SUBJECT TO TRACEABILITY

For the purposes of the non-taxability of amounts reimbursed to employees or self-employed persons and the deductibility, in the hands of the employer or principal, of the charges incurred, the following expenses must be paid by instruments that allow the traceability of the disbursement:

- board and lodging;
- Travel and transportation by non-scheduled public bus services.

As a novelty, DL 84/2025 provided that only expenses incurred within the territory of the state are subject to the obligation to be paid by traceable instruments. Therefore, expenses incurred outside the territory of the state may

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continue to be incurred in cash or by one of the instruments identified in § 7.2 below.

It should be noted that, for the purposes under consideration, the documentation requirements already provided for under existing provisions remain in place. In other words, the new traceability requirements do not replace existing ones, but are in addition to them.

2.1 NOTION OF NON-SCHEDULED PUBLIC BUS SERVICES

For the purposes of the provision under comment, non-scheduled public bus services are defined as those that, at the same time:

- provide for the collective or individual transportation of people, with a complementary and supplementary function to scheduled public transportation by rail, automobile, sea, lake and air;
- are carried out, at the request of those transported or transported, on a non-continuous or periodic basis, on routes and according to timetables established from time to time.

They constitute non-scheduled public self-services:

- The cab service with passenger car, motor coach, watercraft and animal-drawn vehicles;
- rental service with driver (NCC) and passenger car, motorcar, velocipede, watercraft and animal-drawn vehicles.

2.2 EXAMPLE TABLE

In light of the above, the following is an illustrative and non-exhaustive list of some “typical” room and board, travel, and transportation expenses that must be tracked and other “typical” expenses that, instead, may continue to be incurred in cash.

Expenses with traceability requirement	Expenses without traceability requirement
Hotel and restaurant (incurred in Italy)	Hotel and restaurant (incurred abroad)
Taxi (incurred in Italy)	Taxi (incurred abroad)
Rental with driver (incurred in Italy)	Car rental with driver (incurred abroad)
	Public transportation ticket (e.g., train, airplane, bus, streetcar, etc.), wherever incurred
	Motor vehicle parking (wherever incurred)
	Car rental without driver (wherever incurred)

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3 EMPLOYEE TRAVEL REIMBURSEMENTS

3.1 EXCLUSION FROM INCOME IN THE HEAD OF THE EMPLOYEE

Reimbursements of travel expenses as identified in § 2 above do not contribute to employee income if payments for such expenses, incurred in the territory of the State (new in DL 84/2025), were made by bank or postal deposit or through the other payment systems identified in § 7.1 below. Expenses incurred outside the

territory of the state may continue to be incurred in cash or by one of the instruments identified in § 7.2 below.

Specifically, the new obligation covers travel expenses incurred:

- Both within the municipal territory where the place of employment is located;
- and outside that municipal territory.

3.1.1 Travel within the municipal area

Allowances and reimbursements of expenses received for travel within the municipal area in which the place of employment is located contribute in full to income, with the exception of reimbursements of proven and documented transportation expenses.

Directors and coordinated and continuous employees

For income exclusion purposes, the new tracking requirements also operate with respect to travel:

- Of coordinated and continuous collaborators;
- Of directors holding income assimilated to that of employees.

3.1.2 Travel outside the municipality

In the case of travel outside the municipal area where the place of work is located, three systems, one alternative to the other, can be distinguished:

- Flat-rate allowance;
- mixed reimbursement;
- analytical reimbursement (so-called “flat-rate”).

Type of reimbursement	Treatment for employment income purposes
Flat-rate allowance	<p>Allowances, net of travel and transportation expenses, up to:</p> <ul style="list-style-type: none"> • 46.48 euros per day for travel within Italy; • 77.47 euros per day for travel abroad. <p>The portion exceeding these amounts, however, contributes to income.</p>

Type of reimbursement	Treatment for employment income purposes
Mixed reimbursement (where a travel allowance is paid along with the analytical reimbursement of room and board expenses)	<p>The above limits are reduced to:</p> <ul style="list-style-type: none"> • 30.99 euro for travel in Italy and 51.65 euro for travel abroad, in case of reimbursement of both board and lodging expenses, as well as in case of board and lodging provided free of charge; • 15.49 euro for travel in Italy and 25.82 euro for travel abroad, in case of reimbursement of both board and lodging expenses, as well as in case of board and lodging provided free of charge.
Analytical reimbursement (so-called	Reimbursements of expenses for room, board, transportation and travel (including mileage allowances) do not contribute to employee income.

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Type of reimbursement	Treatment for employment income purposes
"footnote")	Reimbursements for other expenses (e.g., telephone, laundry) do not contribute to income in the daily limit of: <ul style="list-style-type: none"> • 15.49 euros for travel within Italy; • 25.82 euros for travel abroad.

3.1.3 Effective date

The disapplication of the payment traceability regime for expenses incurred abroad, introducing a simplification that operates in a more favorable sense for the taxpayer, takes effect from the tax period following the one in progress on Dec. 31, 2024 (2025, for "solar" subjects).

The payment traceability obligations for expenses incurred in the territory of the State, under the conditions specified above, apply from the tax period following the one in progress on Dec. 31, 2024 (2025, for "solar" subjects), as already provided by Law 207/2024.

3.2 DEDUCTIBILITY FOR THE ENTERPRISE AND THE PROFESSIONAL

The traceability requirements for expenses identified in § 2 above, incurred in the territory of the state, also operate for the purposes of their deductibility from business and self-employment income and from the IRAP tax base, under the conditions and within the limits highlighted below.

3.2.1 Deductibility measure

Regarding the extent of deductibility, a distinction should be made between:

- analytical reimbursement (so-called "footnote" reimbursement);
- flat-rate and mixed reimbursements.

Analytical repayments

Analytical reimbursements paid to employees or collaborators are deductible from business and self-employment income within the limit of:

- 180.76 euros per day, for travel made in Italy;
- 258.23 euros per day, for transfers made abroad.

In the tax return, an upward adjustment must therefore be made for companies in ordinary accounting to the extent of any nondeductible costs charged to the income statement.

Flat-rate and mixed reimbursements

Flat-rate and mixed reimbursements are fully deductible from business and self-employment income. In fact, the aforementioned deductibility limits do not operate in relation to them.

3.2.2 Directors and coordinated and continuous employees

The new traceability requirements also extend to travel expenses analytically reimbursed to coordinated and continuous collaborators or holders of other income treated as employees (e.g., non-VAT-registered directors).

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3.2.3 Effective date

The obligations of traceability of payments of expenses referred to in § 3.2.1 and § 3.2.2 above shall apply from the tax period following the one in progress as of Dec. 31, 2024 (2025, for “solar” entities), as they are substantially already provided for by Law 207/2024.

4 REIMBURSEMENT OF TRAVEL EXPENSES OF SELF-EMPLOYED WORKERS

Also for the purposes of deductibility of analytical reimbursements of expenses for room and board, travel and transportation by cab or NCC, incurred in the territory of the state (new in DL 84/2025), paid to self-employed persons, including artists and professionals, these expenses must have been incurred by tracked instruments.

4.1 CLIENT COMPANY

Notwithstanding the need for the professional consultant to incur expenses for food, lodging, travel and transportation by cab or NCC, incurred in the territory of the State, by means suitable to allow their traceability, the related reimbursements are also deductible in the hands of the company or corporation for the part exceeding 180.76 euros per day, for “transfers” made in Italy, and to 258.23 euros per day, for “transfers” made abroad. In fact, the reference to the traceability of expenses incurred for services commissioned to self-employed workers has been expunged from Art. 95 co. 3-bis of the TUIR and inserted in Art. 109 co. 5-ter of the same TUIR, thus making certain the inapplicability of the aforementioned limits for the services under consideration.

Effective date

The expense traceability rules under consideration will apply to expenses incurred on or after 6/18/2025 (the effective date of LD 84/2025), for tax periods after those in progress as of 12/31/2024.

As originally envisaged, in the case of a tax period 1.7.2024 - 30.6.2025, the new traceability requirements will only apply in any case from 1.7.2025, with reference to the tax period 1.7.2025 - 30.6.2026. In fact, expenses incurred from 18 to 30.6.2025 still fall in the tax period 1.7.2024 - 30.6.2025, which is not subject to the new provisions.

4.2 PROFESSIONAL CLIENT

If the principal of the artist or professional is himself an artist or professional, with DL 84/2025 the provision on new traceability obligations has been coordinated with that of reimbursements of costs incurred by the art or professional for the performance of an assignment and charged analytically to the principal.

In fact, as of 2025, reimbursements of such costs are no longer included in the formation of self-employment income (Art. 54 co. 2(b) of the TUIR). At the same time, such charges are no longer deductible from the self-employment income of the person incurring them (Art. 54-ter co. 1 of TUIR), except in cases of insolvency of the principal (Art. 54-ter co. 2 - 5 of TUIR).

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4.2.1 Income irrelevance of refunds - Need for payment traced

As an exception to the above general rule, the amounts received as reimbursement of expenses, incurred in the territory of the State, related to board, lodging, travel and transportation by cab or NCC, contribute to the formation of self-employment income if the payments are not made by bank or postal deposit or through the systems listed in § 7.1 below.

Similarly, in cases of insolvency of the principal governed by Art. 54-ter co. 2 - 5 of the TUIR, expenses, incurred in the territory of the State, related to board, lodging, travel and transportation by cab or NCC, are deductible provided that the payments were made by bank or postal deposit or through the systems listed in § 7.1 below.

4.2.2 Effective date

The traceability requirements for expenses related to food, lodging, travel and transportation by cab or NCC (incurred in the territory of the state), subject to chargeback, and related reimbursements apply to expenses incurred as of the tax period in progress as of June 18, 2025 (thus as of 2025, for “solar” subjects).

4.2.3 Addebito forfetario

If the expenses claimed for reimbursement from the principal were calculated on a lump-sum basis, the new traceability requirements should be inapplicable, since the rule requires that the charges be charged “analytically” to the principal. In this case, in fact, on the principal, the charging of a lump sum would be in the nature of a professional fee and would still be deductible, without the need for the consulting professional who incurred the expense to provide proof of it.

5 TRAVEL EXPENSES OF THE BUSINESSMAN OR PROFESSIONAL

Putting an end to the doubts that the original wording of the rule had raised, DL 84/2025 stipulated that, in order to be deductible, expenses related to food, lodging, travel and transportation by cab or NCC, incurred in the territory of the state directly by the entrepreneur or the exerciser of arts and professions for his or her activity, must be paid by bank or postal deposit or through the other systems identified in § 7.1 below.

Effective date

The traceability requirements related to the costs under consideration apply to expenses related to food, lodging, travel and transportation by cab or NCC incurred on or after 06/18/2025 (the effective date of DL 84/2025). Therefore, such expenses, if incurred up to 17.6.2025, are deductible even if paid by other than traceable means (such as, for example, cash).

6 ENTERTAINMENT EXPENSES SUBJECT TO TRACEABILITY

Also subject to the traceability requirement are:

- entertainment expenses;
- expenses related to goods distributed free of charge with a unit value not exceeding 50.00 euros (so-called “gift expenses”).

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This obligation, initially provided only for companies by Law 207/2024, was extended by DL 84/2025 to artists and professionals as well.

Therefore, the expenses under consideration are deductible:

- on the one hand, if the payment is made by the instruments identified in § 7.1 below;
- on the other, if they fall within the quantitative limits already currently set by Art. 108 co. 2 of the TUIR (for business income holders) and Art. 54-septies co. 2 of the TUIR (for self-employed income holders).

For the purposes of deductibility, the documentary charges provided for in current regulations also remain in place.

6.1 EXCLUSION OF ADVERTISING AND SPONSORSHIP EXPENSES

Since they are different in nature from entertainment expenses, they are excluded from the new traceability requirements:

- both advertising expenses;
- and sponsorship expenses.

However, for the purposes of their deductibility, the usual documentary requirements defined by the current provisions remain applicable to these expenses.

6.2 EFFECTIVE DATE

For business income holders, the obligations of traceability of payments of entertainment expenses and for gifts apply from the tax period following the one in progress as of Dec. 31, 2024 (this is 2025, for “solar” subjects).

For those engaged in the arts and professions, on the other hand, the payment traceability requirements for entertainment and gift expenses apply to entertainment and gift expenses incurred on or after 6/18/2025 (the effective date of DL 84/2025). Therefore, for the purpose of their deductibility from self-employment income and IRAP tax base, entertainment and gift expenses incurred in 2025 must be paid:

- fino al 17.6.2025, senza vincoli particolari (anche, ad esempio, in contante);
- dal 18.6.2025, esclusivamente con gli strumenti tracciabili indicati nel successivo § 7.1.

7 IDENTIFICATION OF TRACEABLE PAYMENT INSTRUMENTS

In order for expenses and related reimbursements to continue to be, respectively, deductible for the enterprise and the practitioner of arts and professions and nontaxable in the employee's hands (under the conditions and in the amounts highlighted above), the payment must be “traceable” in accordance with the following.

7.1 PERMISSIBLE PAYMENT INSTRUMENTS

The following means of payment are considered traceable:

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- bank or postal deposit;
- payment made through an authorized Electronic Money Institution by means of an application (app) via smartphone that, by entering IBAN code and cell phone number, allows the user to make money transactions without a credit or debit card and without the need for a device equipped with NFC technology (e.g., Satispay);
- electronic toll collection linked to an IBAN (e.g. Telepass).

As of now, however, it does not appear clear whether credit cards issued by foreign entities not required to report to the Tax Registry meet the traceability requirement. On this point, clarification from the tax authorities appears necessary.

7.2 NON-PERMITTED PAYMENT INSTRUMENTS

The following means of payment are not considered traceable:

- commercial credit circuits through which exchanges of goods and services take place and which do not use any of the payment systems listed in § 7.1 above;
- *software* made for the purpose of making traceable payments made in cash by customers, for example, because they do not have a bank account, even though said system allows for the identification of contributors;
- cash.

7.3 SUMMARY TABLE

The following is an illustrative and non-exhaustive summary of permissible and non-permissible payment instruments for the purposes of complying with the new traceability requirements.

Permitted payment instruments	Non-permitted payment instruments
Credit or debit card (ATM)	Cash
Satispay or other smartphone app linked to an IBAN	<i>Software</i> that makes cash payments traceable without linking to an IBAN
Telepass linked to an IBAN (e.g., Telepass)	Commercial credit circuits that do not use any of the permitted payment systems
Bank or postal transfer	
Check	

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8 PROOF OF "TRACED" PAYMENT

In the absence of regulatory guidance, in order to demonstrate to the employer or principal that he or she has used the traceable means of payment listed in § 7.1 above, the employee, associate, or consultant of the company or professional should, alternatively:

- use a credit or debit card for business or professional use;
- hand over to the employer or principal photocopies of POS receipts issued, for example, by the taxi driver or driver, in cases where one does not have a company card and therefore has to make payment by one's own traceable means.



In cases where the expenses are incurred by professionals, it seems appropriate that, in the engagement letter, it should be stipulated that the payment of expenses subject to the new traceability requirements be made with the aforementioned traceable instruments.

The Firm remains available for any clarification.

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