

## GUIDELINES

Please complete separate forms for each change/update to legislation. Kindly provide entry forms for **all relevant legislative change**.

Contributors are requested to only provide information on changes to legislation that have **75%+** certainty of coming into law, in the Contributor's professional opinion.

Case law/changes to interpretation of regulation are also welcome, provided that these suppose a change for HR compliance.

<b>Name of legislation</b>	<b>Reduction in tax rate on performance bonus</b>	
<b>Author details</b>	The Senate of the Italian Republic	
<b>Jurisdiction</b>	Italy	
<b>Tags*</b>	Deductions   Incentive and bonus plans	
<b>Key dates</b> (please be as specific as possible, eg 18/04/23; if unknown, please provide an estimate where possible, eg April 2023 or Q2 2023)	PROPOSED	
	DRAFT	30/10/2023
	ENACTED	
	EFFECTIVE	29-30 December 2023
<b>Summary</b> (150 words max)	One of the most important changes introduced by the Bill of the Budget Law 2024 is changes in taxation of performance bonuses (ie, bonuses tied to an employee's productivity, quality, efficiency, or innovation). Currently, performance bonuses are subject to a 10% tax rate (instead of the 23-43% on personal income tax, or IRPEF). As of 2024, this will drop to 5%.	
	Beneficiaries of the relief will be employees in the private sector who earned an income of less than €80,000 in the previous tax period.	
	An essential condition for the application of the facilitated measure is that the payment of the performance bonus is in accordance with the provisions of the company or territorial collective agreements with the trade unions.	
If this an update to previous IEL Monitor entry, please provide the date/name of the initial entry		
<b>Link to source material/relevant page on firm site</b>		
<b>Further information</b>		



\*our full and up-to-date list of umbrella categories and subcategories is available [here](#)