



## Reductions on donations by natural persons

**TAX DEDUCTIONS:** this is a tax provision that allows the taxpayer to make deductions from the amount of their total income in order to calculate their tax base.

**TAX EXEMPTIONS:** this is a tax provision whereby the taxpayer can reduce their gross taxes by deducting all or some of incurred expenses. This category includes natural persons, sole proprietors, self-employed persons and partners in partnerships (simple partnerships, general partnerships, limited partnerships and *de facto* partnerships treated as under letter b), paragraph 3 of Art. 5 of the Consolidated Income Tax Act in Italy (*Testo Unico delle Imposte sui Redditi 2022/TUIR.*).

They may opt either for:

- claiming **deductions** of cash donations from their tax basis up to a ceiling of 10% of total declared income.
- claiming **exemptions** from personal income tax (*imposta sul reddito delle persone fisiche/IRPEF*) of 30% of the amounts donated up to a maximum of EUR 30,000.

In both cases, the prerequisite for doing this is that the payments are made through a bank or post office or bank draft. For payments made by credit card, presenting an account statement from the credit card company in the event it is requested by the tax authorities is sufficient.

## Reductions in corporate donations

This category includes corporations, cooperatives, consortia or entities of a different type, public or private, whose exclusive or main purpose is to engage in commercial activities (i.e. another category of taxpayer under the IRPEF).

These taxpayers may make:

- **deductions** from taxable income for cash donations amounting to up to 10% of declared total income. In addition to and by virtue of other benefits, if the income is not sufficient to allow deductions from the entire disbursement, the undeclared part may be carried forward for the next four years.

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