

To the clients:

Subject: from 1 January 2025, travel expenses must be paid by traceable means

The Budget Law 2025 (207/2024) article 1, paragraphs 81-83 introduce innovations in the field of travel expenses and reimbursement of board and lodging, travel and transportation, including taxis and NCCs (car with driver). Basically, the payment of these must be made by the employee using traceable methods to benefit from the relative deductibility for IRES/IRPEF and IRAP purposes, as well as to avoid taxation for the purposes of employment income for the employee.

An exception is made for transportation by public bus services, to which the new restrictions do not apply.

Basically, the employee on a business trip must be provided with a personal or company credit card to meet current expenses, such as taxis and restaurants.

We remind that a business trip is a temporary transfer of the worker from the normal place of work to another place of work. The worker is obliged to go on business trip upon the employer's unilateral order and in case of refusal may be subject to disciplinary proceedings.

Article 51, paragraph 5, of the Tuir on analytical reimbursements theme, allows that "other expenses", such as laundry, parking, etc., even if not documentable, and incurred by the employee on the occasion of business trips or missions, can be certified up to the maximum daily amount of euro 15,49 raised to euro 25,82 for trips abroad, without the need for them to be documented. Waiting for official clarifications, these expenses would seem to be outside the scope of the new legislation and related penalties.

Normally, to compensate for the inconvenience during travel periods, the CCNLs provide for the payment of a travel allowance and/or the reimbursement of expenses incurred by the worker for food, accommodation, travel or transportation.

In the event of non-payment by traceable means of the expenses incurred on the trip, it is considered that the employer must proceed with the reimbursement of the expenses incurred by the employee, however, these expenses will be subject to taxes and contributions.

The worker, essentially, will receive net sums lower than the amounts actually spent. Alternatively, as a more favourable treatment, the employer could reimburse the amounts incurred without traced payment by rendering them gross to neutralize the effects on the net payroll



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It is also worth noting the introduction of paragraph 6-ter to Article 54 of the TUIR, as a result of which, without prejudice to the limits provided for in paragraphs 5 and 6 (i.e. 75 per cent for hotel and restaurant expenses within the maximum ceiling of 2 per cent of the remuneration received), the expenses of self-employed workers for hotel services, serving of meals, transport carried out by taxi or NCC (car with driver), if analytically charged to the customer, and reimbursements for business trips, can only be deducted if payment is made by traceable means.

In addition, as mentioned above, paragraph 3-bis of Article 95 of the TUIR also provides for companies that the board and lodging expenses of their employees and collaborators, as well as analytical reimbursements for transport expenses, will be deductible from business income only if paid by traceable means.

Finally, the amendments to Article 108, paragraph 2, of the TUIR, introduce a further obligation regarding the deductibility by companies of entertainment expenses, the payment of which must be made by bank or postal transfer or through other traced payment systems.

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