



User Guide | INTERNAL  
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# SAP Guide - Deduction of Regional Taxation

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# 1 SAP Guide - Deduction of Regional Taxation

## 1.1 Introduction

Starting from 2015 each Italian region can determine an additional tax deduction for family components.

The regional taxation (addizionale regionale all'IRPEF) applies to all Italian citizens.

Each employee has to pay the regional taxation. The tax is calculated in December, or when the employee is dismissed, and the employee pays the tax from January to November of the following year. For example, if the calculation year is 2015, the taxes are paid in 2016.

The SAP solution can manage (if it is the case) all the other Italian regions with possible different amounts and with other kinds of family members involved.

For more information, you can check [2170364](#) 

## 1.2 Customizing

### 1.2.1 Payroll Function ITCTR

The *ITCTR* calculates a family deduction for each region, using as reference the Italian standard regional code deducted from the one registered in the employee's master data (from Infotype 0156).

The standard regional codes are the ones defined centrally by the tax agency:

Regions' Code

Region	Region Code	Region	Region Code
Abruzzo	1	Molise	12
Basilicata	2	Piemonte	13

Region	Region Code	Region	Region Code
Bolzano	3	Puglia	14
Calabria	4	Sardegna	15
Campania	5	Sicilia	16
Emilia Romagna	6	Toscana	17
Friuli Venezia Giulia	7	Trento	18
Lazio	8	Umbria	19
Liguria	9	Valle d'Aosta	20
Lombardia	10	Veneto	21
Marche	11		

The amount of this deduction will be set in the /4WG wage type during the December payroll run or during the balance calculation (conguaglio).

This amount will be immediately deducted by the regional tax amount to be paid by the employee.

In case of deduction higher than regional tax amount, resulting in negative taxation, the tax value will be set to 0. And the effective deduction will be stored in the /4YG wage type as reference.

The amount of this deduction is calculated according with the master data information regarding the family components and the customizing introduced in the table view [V\\_T5ITDT](#).

If the deduction code corresponding to a region does not exist in the customizing tables, the relevant regional deduction is considered to be 0.

In other words, we can say that now function [ITCTR](#) calculates regional family deductions as payroll function [ICODE](#) does (since years) for national family deductions.

## 1.2.2 Wage Type /4WG

The wage type /4WG contains the sum of all family regional deductions (for all family component types). This amount is the “theoretical” amount which could also be higher than the real deduction which cannot exceed the regional tax.

## 1.2.3 Wage Type /4YG

The wage type /4YG contains the amount of the effective regional deduction capped to the regional tax.

In this case, the taxation is set to zero, and the “real” deduction is stored in the /4YG wage type.

## 1.2.4 Table View V\_T5ITDT

The codes for any region must be defined to guide the calculation of the existing regional deductions.

For any Italian region the new version of payroll function `ITCTR` will check for code formed by **RE** + `<region_number>`.

So, for example we have:

- Piemonte: RE13.
- Puglia: RE14.

For any other region, which will adopt the regional deduction, a suitable code must be created in this table; if not, the relevant deduction cannot be determined.

## 1.2.5 Table View V\_T5ITD1

The table view `V_T5ITD1` contains all values relevant for the calculation of the regional family deduction, changing from region to region. It uses the deduction code relevant to the Italian regions defined previously in the table view `V_T5ITDS`.

Let's consider the Piemonte's measures with an example which helps to better understand the implemented logic and the required customizing:

- From January 1, 2015, the deductions for each dependent from art. 12 of the TUIR, are increased by the following regional deductions:
  - EUR 250 per handicapped child.
  - EUR 100 per taxpayers with more than three dependent children, for each child, starting from the first, including recognized natural children, adopted or entrusted children.

The amounts registered in the relevant entries of deduction code RE13 will be considered to determine the amount of deduction for that particular family member.

Considering that the rules to determine the new regional deduction (the real amount) are the same used for the national deduction (see down here the relevant excerpt from the law),

### Example

If we focus on family component type **2** Figli, this kind of family member will benefit of the regional deduction (theoretical) of EUR 100, according to the law issued by Piemonte, but only if the family has at least **four** children.

## 1.3 Piemonte

The first region to introduce the family deduction on regional taxation was Piemonte, following the rules below:

- From January 2015, the deductions dependents referred to in Article 12 of the TUIR are:
  - EUR 250 per handicapped child
  - EUR 100 - for taxpayers with more than three dependent children. For each child, from the first, including recognized natural children, adopted or entrusted children.

## 1.4 Puglia

For Puglia, for the tax year 2015:

- Taxpayers with more than three dependent children are entitled to deduct the regional income tax surcharge of EUR 20 for each child.
- Deduction of EUR 350 for handicapped child.

But this amount must be prorated on the basis of the percentage and of the months in which the child is dependent.

## 1.5 Sardegna

Sardegna has introduced a deduction from the regional taxation that is valid for employees who have children under 18 of age. The conditions are:

1. Employee's income under EUR 55.000, per year.
2. The child must be under 18 of age and be dependent.

If the above conditions are met, the deduction is of:

- EUR 200 per child.
- EUR 300 per child with disability.

The value of EUR 200 or EUR 300 must also be proportioned to the:

1. Number of months that the children are dependent.
2. The percentage of dependency - The possible percentages are 100% or 50%.

### ❖ Example

If the second child is born only in June 2020 and the percentage is 50%, the deduction for the whole year is  $200 * (7/12) * 50\% = \text{EUR } 58,33$ . In case the total amount of the deduction is greater than the regional tax, the deduction can only set the tax to 0 and doesn't create any reimbursement.

In the table view v\_T5ITD1 tab you can customize the values, follows an example:

**Visualizzare view "Detrazione carichi famiglia": dettaglio**

Cod.detr./dedu.  Detrazioni Sardegna  
 Tipo componente  Figli  
 Fascia reddito   
 Tipo valore  Valore annuo

Valuta Corrente:

Reddito da  WT Coefficiente 1   
 Reddito a  WT Coefficiente 2

**Periodi**

Inizio	Fine
<input type="text" value="01.01.2019"/>	<input type="text" value="31.12.9999"/>

**Importi Base**

01	<input type="text" value="0,00"/>	02	<input type="text" value="0,00"/>	03	<input type="text" value="0,00"/>	04	<input type="text" value="0,00"/>
05	<input type="text" value="1,00"/>	06	<input type="text" value="200,00"/>	07	<input type="text" value="18,00"/>	08	<input type="text" value="0,00"/>
09	<input type="text" value="0,00"/>	10	<input type="text" value="0,00"/>	11	<input type="text" value="0,00"/>	12	<input type="text" value="0,00"/>
13	<input type="text" value="0,00"/>	14	<input type="text" value="0,00"/>	15	<input type="text" value="0,00"/>	16	<input type="text" value="0,00"/>
17	<input type="text" value="0,00"/>	18	<input type="text" value="0,00"/>	19	<input type="text" value="0,00"/>	20	<input type="text" value="0,00"/>

- In the field *Reddito da* and *Reddito a* you use to determine the income, in this is case is from EUR 0 to EUR 55.000.
- Field 5: you insert the number of dependents.
- Field 6: you insert the reduction per dependent.
- Field 7: you insert the maximum age, which is 18.

## 1.6 Liguria

From the year 2021, a rule has been introduced. The employee can benefit of a yearly deduction in the regional tax under the conditions:

- The yearly income is below or equal to EUR 28.000,00.
- The employee must have at least 2 dependent children. This check must be performed for all months of the year.

The value of the yearly deduction can be:

- EUR 35 per child with no disability.
- EUR 45 per child with disability.

This yearly deduction must also be proportioned to the:

1. Number of months that the children are dependent.
2. The percentage of dependency - The possible percentages are 100% or 50%.

### 🔗 Example

An employee has two children with no disabilities. Considering that the second child is born only in June 2021 and the percentage is 50% for both children, the deduction for the whole year of 2021 is:  $[35 * (7/12) * 50\%] * 2 = \text{EUR } 20,42$ . In case the total amount of the deduction is greater than the regional tax, the deduction can only set the tax to 0 and doesn't create any reimbursement.



In the table view `v_T5ITD1`, you can customize the values. Follows an example with values for *Tipo componente* '02' (Figli), that are also valid for *Tipo componente* '04' (Figli minore di tre anni):

### Visualizzare view "Detrazione carichi famiglia": dettaglio

Cod.detr./dedu.  Detrazioni Liguria

Tipo componente  Figli

Fascia reddito

Tipo valore  Valore annuo

Valuta Corrente:

Reddito da

Reddito a

Periodi

	Inizio	Fine
<input type="button" value="0"/>	<input type="text" value="01.01.2020"/>	<input type="text" value="31.12.2020"/>
<input type="button" value="1"/>	<input type="text" value="01.01.2021"/>	<input type="text" value="31.12.9999"/>

**Importi Base**

01 <input type="text" value="0,00"/>	02 <input type="text" value="0,00"/>	03 <input type="text" value="0,00"/>	04 <input type="text" value="0,00"/>
05 <input type="text" value="0,00"/>	06 <input type="text" value="35,00"/>	07 <input type="text" value="999,00"/>	08 <input type="text" value="2,00"/>
09 <input type="text" value="0,00"/>	10 <input type="text" value="0,00"/>	11 <input type="text" value="0,00"/>	12 <input type="text" value="0,00"/>
13 <input type="text" value="0,00"/>	14 <input type="text" value="0,00"/>	15 <input type="text" value="0,00"/>	16 <input type="text" value="0,00"/>
17 <input type="text" value="0,00"/>	18 <input type="text" value="0,00"/>	19 <input type="text" value="0,00"/>	20 <input type="text" value="0,00"/>

- In the field *Reddito a*, you determine the employee's yearly income, as EUR 28.000,00.
- In the field *06* is defined the value that the employee is going to receive during the year: EUR 35.
- In the field *07*, the age limit is defined as 999.
- In the field *08* is defined the number of dependents, minimum 02.

#### **i** Note



For children with disability, you can customize table view `v_T5ITD1` for *Tipo Componente* '05' (Figli port. di handicap) or '06' (Figli < 3 anni + handicap). In these cases, you would define the value that the employee is going to receive during the year as EUR 45,00 in the field *06*.

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