

Concessions for mountain areas - News of Law 12.9.2025 n. 131

1 INTRODUCTION

With Law no. 131 of 12.9.2025, published in the *Official Gazette* no. 218 of 19.9.2025, numerous provisions have been provided for the recognition and promotion of mountain areas and their populations.

In particular, in order to encourage the performance of economic and work activities in mountain areas, numerous concessions have been provided in the form of tax credits and contribution exemptions.

The provisions of Law no. 131 of 12.9.2025 entered into force on 20.9.2025, the day after its publication in the *Official Gazette*., but for numerous provisions, including those relating to tax and social security benefits, the issuance of implementing ministerial decrees is envisaged.

The main changes in Law no. 131 of 12.9.2025 are analysed below.

2 TERRITORIAL AND APPLICATION SCOPE

2.1 LIST OF MOUNTAIN MUNICIPALITIES

For the purposes of applying the provisions of this Law 131/2025, with a specific Prime Ministerial Decree:

- the criteria for the classification of the mountain municipalities that make up the mountain areas will be defined, based on the altimetric and slope parameters;
- the consequent list of mountain municipalities will be approved.

Updating of the list of mountain municipalities

Following any mergers or demergers of municipalities, the aforementioned list of mountain municipalities will be updated:

- with Prime Ministerial Decree to be adopted by 30 September of each year;
- with effect from 1 January of the following year.

2.2 LISTS OF MOUNTAIN MUNICIPALITIES BENEFITING FROM THE SPECIFIC CONCESSIONS

As part of the aforementioned list of mountain municipalities, with a subsequent Prime Ministerial Decree:

- the Municipalities targeted by the various support measures provided for by this Law 131/2025 will be identified, on the basis of the adequate weighting of the altimetric and slope parameters and socio-economic parameters, which take into account the specificities and purposes of the aforementioned measures;
- one or more lists of mountain municipalities receiving the aforementioned support measures will consequently be approved.

2.3 EXCLUSIONS FROM THE SCOPE OF APPLICATION

The classification of mountain municipalities, provided for pursuant to and for the purposes of this Law 131/2025, does not apply for the purposes of:

- of the measures provided for under the Common Agricultural Policy (CAP) referred to in art. 38 et seq. of the Treaty on the Functioning of the European Union;
- of the IMU exemption for agricultural land located in mountain municipalities pursuant to art. 1 co. 758 letter d) of Law 160/2019.

In fact, these concessions continue to be regulated by the respective sector regulations.

3 TAX CREDIT FOR YOUNG ENTREPRENEURS WHO START THEIR BUSINESS IN MOUNTAIN MUNICIPALITIES

Art. 25 of Law 131/2025 introduced a tax credit in favor of "young entrepreneurs" who, starting from 20.9.2025 (date of entry into force of Law 131/2025), undertake a new activity in mountain municipalities.

3.1 BENEFICIARIES

The tax credit is due to:

- to companies and micro-enterprises whose owner, on the date of starting the activity, has not reached the age of 41;
- companies and cooperatives whose members are more than 50% natural persons who have not reached the age of 41 on the date of commencement of the activity, or whose share capital is held for more than 50% by natural persons who have not reached the age of 41 on the same date.

3.2 PERIOD OF APPLICATION OF THE TAX RELIEF

In the presence of the above requirements, the tax credit is due (within the limit of available resources) for the tax period during which the new activity is undertaken and for the two subsequent tax periods (provided that the business activity is carried out for at least 8 months, even if not continuously, during the calendar year of reference).

3.3 MEASURE OF THE TAX CREDIT

The benefit is granted (within the limits of available resources) in an amount equal to the difference between:

- the tax calculated by applying the ordinary rates to the income deriving from the business activity started in mountain municipalities, determined in the ordinary ways and up to the amount of 100,000.00 euros, limit raised to 150,000.00 euros for mountain municipalities up to 5,000 inhabitants and at least 15% of residents belonging to historical linguistic minorities referred to in Law 482/99 (these are Albanian linguistic minorities, Catalan, Germanic, Greek, Slovenian and Croatian and those speaking French, Franco-Provençal, Friulian, Ladin, Occitan and Sardinian);
- the tax calculated by applying the rate of 15% to the same income.

3.4 DE MINIMIS REGIME

The tax credit is recognized in compliance with the European rules on state aid under the "*de minimis*" regime.

3.5 HOW TO USE THE TAX CREDIT

The tax credit can only be used in compensation in the F24 form, pursuant to art. 17 of Legislative Decree 241/97.

Exclusion of limits on offsets

The annual limits on compensation referred to in art. 34 of Law 388/2000 and 1 paragraph 53 of Law 244/2007.

3.6 IMPLEMENTING PROVISIONS

A subsequent Ministerial Decree will define the criteria and procedures for granting the tax credit in question.

4 TAX CREDIT FOR INVESTMENTS IN ECOSYSTEM AND ENVIRONMENTAL SERVICES

Art. 19 of Law 131/2025 introduced a tax credit in favor of agricultural and forestry entrepreneurs, forestry consortia and land associations that make investments *"aimed at obtaining ecosystem and environmental services beneficial to the environment and climate"*.

4.1 BENEFICIARIES

The tax credit is due, in the presence of the required requirements:

- agricultural and forestry entrepreneurs (individuals and associates, including agricultural and forestry cooperatives);
- forestry consortia (including those owned by municipalities);
- to land associations.

4.2 REQUIREMENTS

The tax credit is due to beneficiaries who at the same time:

- they are based and carry out their activities mainly in mountain municipalities;
- in the period between 1.1.2025 and 31.12.2027 they make subsidized investments aimed at obtaining ecosystem and environmental services beneficial to the environment and climate, including through land maintenance interventions.

Eligible investments

For the purposes of the recognition of the tax credit, the *"ecosystem and environmental services beneficial to the environment and climate"*:

- they will be identified with a list defined by a subsequent Ministerial Decree;
- include, in any case, the activities and interventions envisaged in the guidance and management plans or in the equivalent instruments referred to in art. 6 co. 6 of Legislative Decree 34/2018, on forest planning and programming.

4.3 EXTENT OF THE TAX CREDIT

The tax credit is due in an amount equal to 10% of the value of the subsidized investments, within the limit of the total resources allocated.

Increase for small municipalities with linguistic minorities

The amount of the tax credit is raised to 20% of the value of the subsidized investments if these investments are made in mountain municipalities that, jointly:

- they have up to 5,000 inhabitants;
- at least 15% of residents belong to one of the historical linguistic minorities referred to in Law 482/99 (these are the Albanian, Catalan, Germanic, Greek, Slovenian and Croatian linguistic minorities and those speaking French, Franco-Provençal, Friulian, Ladin, Occitan and Sardinian).

Cumulation with other benefits

The tax credit for investments aimed at obtaining ecosystem and environmental services beneficial to the environment and climate can be combined with other benefits for the same expenses (provided that they are within the limit of the costs incurred).

4.4 HOW TO USE THE CREDIT

The tax credit can only be used in compensation in the F24 form, pursuant to art. 17 of Legislative Decree 241/97, from the tax period following those in which the costs were incurred.

Exclusion of limits on offsets

The annual limits on compensation referred to in art. 34 of Law 388/2000 and 1 paragraph 53 of Law 244/2007.

4.5 DE MINIMIS REGIME

The tax credit is recognized in compliance with the European rules on state aid under the "*de minimis*" regime.

4.6 IMPLEMENTING PROVISIONS

A subsequent Ministerial Decree will define the criteria and procedures for granting the tax credit in question.

5 PURCHASE AND RENOVATION OF THE MAIN RESIDENCE OF YOUNG PEOPLE - TAX CREDIT ON MORTGAGE INTEREST EXPENSES

Art. 27 of Law 131/2025 recognizes a tax credit to individuals who, after 20.9.2025, take out a mortgage or land loan to purchase or renovate the main residence located in a mountain municipality.

5.1 BENEFICIARIES

The benefit concerns individuals who at the same time:

- have taken out a loan for the purchase or building renovation of real estate units intended as a main residence, located in a mountain municipality;
- In the year in which they took out the mortgage, they did not turn 41 years of age.

5.2 SCOPE OF APPLICATION

For the recognition of the tax credit, the property purchased or subject to building renovation must be at the same time:

- located in a mountain municipality;
- used as a main residence (rural buildings for residential use are also included);
- not registered in categories A/1, A/8 and A/9.

The tax credit applies to loans contracted after 20.9.2025 (date of entry into force of Law 131/2025).

5.3 EXTENT OF THE TAX CREDIT

The tax credit for the mortgage aimed at the purchase or renovation of the main residence in mountain municipalities:

- it is commensurate with the amount of interest expense due on the loan;
- is due, within the limits of available resources, for the tax period during which the loan is taken out and for the four subsequent tax periods.

5.4 HOW TO USE THE TAX CREDIT

The tax credit must be used in the tax return.

Prohibition of cumulation

The tax credit referred to in art. 27 of Law 131/2025 cannot be combined:

- nor with the tax credits provided for health or school personnel who move to the mountain municipality where they work or to a neighboring municipality, referred to in art. 6 and 7 of the same Law 131/2025 (see the following § 6 and 7);
- nor with the IRPEF deduction of 19% of the interest expenses of mortgage loans contracted for the purchase of the real estate unit to be used as a main residence, referred to in art. 15 co. 1 letter b) of the TUIR.

5.5 IMPLEMENTING PROVISIONS

A subsequent Ministerial Decree will define the criteria and procedures for granting the tax credit in question.

6 TAX CREDIT FOR HEALTH PERSONNEL WHO MOVE TO A MOUNTAIN OR NEIGHBORING MUNICIPALITY

Art. 6 of Law 131/2025 recognizes, starting from the year 2025, a tax credit in favor of health personnel who move to the mountain municipality where they work or to a neighboring municipality.

6.1 BENEFICIARIES

The tax credit is due to taxpayers who at the same time:

- they work in mountain health, social and social care facilities or carry out the service of doctor in the single role of primary care, paediatrician of free choice, internal outpatient specialist, veterinarian and other outpatient health professionals affiliated with the National Health Service within the framework of national collective agreements;
- they carry out the aforementioned service in a mountain municipality;
- for service purposes, they rent a property for residential use in the same mountain municipality or in a neighboring municipality, or they purchase a property for residential use in the same mountain municipality or in a neighboring municipality with mortgage or land financing, however denominated.

6.2 MEASURE OF THE TAX CREDIT

In the case of rental of residential property by healthcare personnel, the tax credit is equal to the lower amount of:

- 60% of the annual rent of the property;
- the amount of 2,500.00 euros.

In the event of the purchase, by healthcare personnel, of residential property with mortgage or land financing, the tax credit is equal to the lower amount of:

- 60% of the annual amount of funding;
- the amount of 2,500.00 euros.

Increase for small municipalities with linguistic minorities

The amount of the tax credit for health personnel is increased if the mountain municipality in which they work, jointly:

- it has a population of up to 5,000 inhabitants;
- at least 15% of residents belong to one of the historical linguistic minorities referred to in Law 482/99 (these are the Albanian, Catalan, Germanic, Greek, Slovenian and Croatian linguistic minorities and those speaking French, Franco-Provençal, Friulian, Ladin, Occitan and Sardinian).

In this case, the tax credit for health personnel who move to a mountain or neighboring municipality is due in an amount equal to the lower amount of:

- 75% of the annual rent or the annual amount of the loan;
- the amount of 3,500.00 euros.

6.3 HOW TO USE THE TAX CREDIT

The tax credit must be used in the tax return.

Prohibition of cumulation

The tax credit referred to in art. 6 of Law 131/2025 cannot be combined:

- nor with the tax credit granted to natural persons who take out a mortgage or land loan to purchase or renovate their main residence in mountain municipalities, referred to in art. 27 of the same Law 131/2025 (see § 5 above);
- nor with the IRPEF deduction of 19% of the interest expenses of mortgage loans contracted for the purchase of the real estate unit to be used as a main residence, referred to in art. 15 co. 1 letter b) of the TUIR;
- nor with IRPEF deductions for rents, pursuant to art. 16 of the TUIR.

6.4 IMPLEMENTING PROVISIONS

A subsequent Ministerial Decree will define the criteria and procedures for granting the tax credit in question, including the criteria for identifying the "neighboring municipalities" to the mountain ones.

7 TAX CREDIT FOR SCHOOL STAFF WHO MOVE TO A MOUNTAIN OR NEIGHBORING MUNICIPALITY

Art. 7 of Law 131/2025 recognizes, starting from the year 2025, a tax credit in favor of school staff who move to the mountain municipality where they work or to a neighboring municipality.

7.1 BENEFICIARIES

The tax credit is due to school staff who work in mountain schools of all levels, and who for service reasons:

- rents a property for residential use in a mountain municipality or in a neighboring municipality;
- or buys a residential property in the mountain municipality or in a neighboring municipality with mortgage or land financing, however denominated.

Mountain schools

For the purposes of recognition of the tax credit, the following qualify as "*mountain schools*":

- kindergartens, primary and secondary schools located in a mountain municipality;
- as well as schools with at least one complex located in a mountain municipality (in the latter case, schools benefit from the measures provided for by Law 131/2025 limited to this complex).

7.2 EXTENT OF THE TAX CREDIT

In the case of rental of residential property by school staff, the tax credit is equal to the lower amount of:

- 60% of the annual rent of the property;
- the amount of 2,500.00 euros.

In the event of the purchase, by the school staff, of a residential property with mortgage or land financing, the tax credit is equal to the lower amount of:

- 60% of the annual amount of funding;
- the amount of 2,500.00 euros.

Increase for small municipalities with linguistic minorities

The amount of the tax credit for school staff is increased if the mountain municipality in which they work, jointly:

- it has a population of up to 5,000 inhabitants;
- at least 15% of residents belong to one of the historical linguistic minorities referred to in Law 482/99 (these are the Albanian, Catalan, Germanic, Greek, Slovenian and Croatian linguistic minorities and those speaking French, Franco-Provençal, Friulian, Ladin, Occitan and Sardinian).

In this case, the tax credit for school staff is due to an amount equal to the lower amount of:

- 75% of the annual rent or the annual amount of the loan;
- the amount of 3,500.00 euros.

7.3 HOW TO USE THE TAX CREDIT

The tax credit must be used in the tax return.

Prohibition of cumulation

The tax credit referred to in art. 7 of Law 131/2025 cannot be combined:

- nor with the tax credit granted to natural persons who take out a mortgage or land loan to purchase or renovate their main residence in mountain municipalities, referred to in art. 27 of the same Law 131/2025 (see § 5 above);
- nor with the IRPEF deduction of 19% of the interest expenses of mortgage loans contracted for the purchase of the real estate unit to be used as a main residence, referred to in art. 15 co. 1 letter b) of the TUIR;
- nor with IRPEF deductions for rents, pursuant to art. 16 of the TUIR.

7.4 IMPLEMENTING PROVISIONS

A subsequent Ministerial Decree will define the criteria and procedures for granting the tax credit in question, including the criteria for identifying the "neighboring municipalities" to the mountain ones.

8 CONTRIBUTION EXEMPTION FOR SMART WORKING WORKERS

Article 26 of Law 131/2025 provides for an exemption from employer contributions for workers who carry out work in agile mode pursuant to Law 81/2017 (so-called "*smart working*") and move to a mountain municipality.

8.1 SCOPE OF APPLICATION

The contribution exemption concerns companies that promote agile work as an ordinary way of performing work.

To access the exemption, the worker:

- must not have reached the age of 41 on 20.9.2025 (date of entry into force of Law 131/2025);
- must have an open-ended employment contract with the company;
- must permanently carry out work in agile working mode in a mountain municipality, with a population of less than 5,000 inhabitants;

- must transfer their main residence and permanent domicile from a non-mountain municipality to the mountain municipality.

8.2 STRUCTURE AND EXTENT OF THE EXEMPTION

The exemption concerns contributions paid by the employer, with the exclusion of INAIL premiums (the calculation rate of pension benefits remains unchanged).

The measure of the contribution exemption is:

- 100% for the years 2026 and 2027, up to a maximum amount of € 8,000.00 on an annual basis, reparameterized and applied on a monthly basis;
- 50% for the years 2028 and 2029, up to a maximum amount of € 4,000.00 on an annual basis, prorated and applied on a monthly basis;
- 20% for 2030, up to a maximum amount of € 1,600.00 on an annual basis, reparameterized and applied on a monthly basis.

8.3 CONDITIONS

The contribution exemption:

- it is recognized in compliance with the criteria and within the limits of the salary ceiling defined by the implementing Ministerial Decree;
- it applies in compliance with the limits and conditions set out in European Commission Regulations No. 2831 of 13.12.2023, No. 1408 of 18.12.2013 and No. 717 of 27.6.2014, relating to the application of Arts. 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid;
- it is granted within the maximum limit of the allocated resources.

8.4 IMPLEMENTING PROVISIONS

The contribution exemption will be operational only after the issuance of a special implementing Ministerial Decree, which will define the criteria and procedures for granting the benefit.

9 ONE-OFF CONTRIBUTION FOR NEWBORNS

Art. 29 of Law 131/2025 recognizes a contribution for each child born or adopted and registered in the registry, after 20.9.2025 (date of entry into force of Law 131/2025), of one of the mountain municipalities with a population not exceeding 5,000 inhabitants.

This incentive aims to counter the depopulation of these municipalities.

The contribution is recognized as a *one-off* starting from the year 2025 and within the overall limit of 5 million euros per year.

9.1 AMOUNT

The amount of the *one-off contribution* will be determined by a subsequent decree of the Minister for the Family, Birth and Equal Opportunities.

The value of the contribution does not include the disbursements relating to the single and universal allowance.

9.2 PROCEDURES FOR GRANTING

The criteria, parameters and procedures for the granting of the contribution, including the residency requirements of the minor, and the related monitoring mechanisms, will be established with the decree determining the amount.

10 TEMPORARY FORESTRY CONSTRUCTION SITES AND WORKER SAFETY

Art. 17 of Law 131/2025 defines the type of "temporary forestry construction sites" and delegates to a subsequent interministerial decree the task of providing for specific provisions regarding the rules on worker safety referred to in Legislative Decree 81/2008.

10.1 DEFINITION

Pursuant to the new letter s-ter) of art. 3 paragraph 2 of Legislative Decree 34/2018, "temporary forestry or woodland use sites" are defined as any place where silvicultural interventions are carried out of cutting, logging, preparation, including transshipment or transport, debarking or chipping of woody or shrubby mass, ordinary maintenance of the forest road system serving the same, provided that it is carried out functionally, jointly or sequentially with the aforementioned works.

Exclusions

On the other hand, this does not include the interventions of:

- care of urban and residential green areas;
- pruning, care and maintenance of orchards.

10.2 CERTIFICATE OF REGULAR EXECUTION OF THE WORKS

On the basis of the new Article 10-bis of Legislative Decree 34/2018, a certificate of regular execution of the works in temporary forestry sites is issued by a qualified technician at the end of the sustainable forest management activities.

The Regions may provide for exemption from this certification in relation to "*small interventions*".

10.3 WORKER SAFETY

A specific interministerial decree will establish specific provisions for the aforementioned temporary forestry sites:

- in compliance with the measures on health and safety in the workplace and related responsibilities referred to in Legislative Decree 81/2008;
- in relation to the temporary nature of the construction sites and the specific context in which the activities are carried out.