

# Fiscal Benefits for Agricultural Properties in Italy



**T**he agricultural sector in Tuscany is currently in a period of strong growth. According to the Unioncamere-Infocamere, the number of agricultural and food businesses managed by people under 35 has grown by more than 7 percent. In Tuscany over 3000 of these businesses are headed by people under 35, especially in the province of Massa Carrara, followed by Lucca, Pistoia, and Prato.

This is a dynamic sector, though it is often buffeted by the brutal blows of an unstable economic climate and sometimes has to deal with unfair trade practices. Still, it manages to find new means of recovery and growth.

The agriculture sector is sustained not only by those working in this area, with their own labor and dedication, but also by the Italian legislation, which still furnishes agriculture entrepreneurs with important financial and fiscal benefits.

Who can benefit from these opportunities? The two main entrepreneurial roles having access to the various benefits provided to the agricultural sector are the “Direct Cultivator” (*Coltivatore Diretto*) and the “Agricultural Business Professional” (*Imprenditore Agricolo Professionale*, or IAP), assuming that they are enrolled in the appropriate assistance and insurance plans. Briefly, the regulation defines these roles as follows:

- **Direct Cultivators** are those who dedicate themselves directly, habitually, and prevalently to the manual cultivation of the lands, and/or to the raising of animals. At least one-third of the labor directly involved in the agriculture business must be done by these individuals and their own family members.
- **Agricultural Business Professionals (IAP)** are those agricultural entrepreneurs who possess the professional knowledge and competencies indicated in art. 5, Regulation 1257/1999/CE. They must dedicate at least 50% of their own time to this activity, and obtain at least 50% of their own earnings from the same.

Among the various benefits for those working in the agriculture sector, we should focus here on those offered to individuals wishing to acquire agriculture properties and accessories.

These financial benefits have already been in force for small farm properties, and since 2013 they also apply to IAPs. They allow the acquisition of agricultural properties and accessories under a scheme of reduced taxation. In particular, only a cadastral fee of 1% of the purchase price, and registry and mortgage taxes in the fixed amounts of 200 euro each, will be required.

These benefits are not only available to those who already possess the qualification of “Direct Cultivator” or “IAP” but they also extend to subjects who have not yet obtained these qualifications at the moment of acquiring the agriculture property and accessories, as long as they have enrolled in the welfare system for agriculture workers and have already requested these qualifications from the competent regional office. This must then be formally obtained and certified within 24 months (otherwise the benefits will be cancelled).

To better appreciate the value of these benefits, consider the situation of agricultural lands and accessories acquired by private individuals who do not meet the above requirements. The normal applicable registry tax is 15% of the purchase price.

Finally, we should note that these benefits extend to the Direct Cultivator or IAP's spouses and family members. They can acquire the lands with the aforementioned benefits as long as the agricultural status is maintained.

These are, therefore, important benefits that can lead to notable savings in taxes, not only for those who wish to enlarge their own agricultural activity, but also for those who wish to invest in a country with a growing agricultural sector.



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