



## TRACEABILITY, TAPERING & RESTRUCTURING

Guide to IRPEF deductions 2025 — Art. 15 and 16-ter, TUIR

### THE 3 RULES LIMITING IRPEF DEDUCTIONS

## 2020

**Traceability**  
Traceable payment  
required for 19% relief

## 2020

**Tapering**  
Progressive reduction  
income > €120,000

## 2025

**Restructuring**  
Overall cap on  
deductible expenses

## 19%

**Base rate**  
Standard deduction  
under Art. 15 TUIR

### TAPERING FORMULA (INCOME > €120,000)

**Effective deduction = Potential deduction × (240,000 - total income) ÷ 120,000**

Above €240,000 of income the deduction is reduced to zero

▲ Tapering does NOT apply to: healthcare costs, agricultural loan interest, primary residence mortgage interest

### 2025 RESTRUCTURING: MAXIMUM DEDUCTIBLE EXPENSE CAP

DEPENDENT CHILDREN	INCOME €75,001 - €100,000	INCOME > €100,000
No children	€7,000	€4,000
1 child	€9,800	€5,600
2 children	€11,900	€6,800
3+ children or 1 disabled child	€14,000	€8,000

### EXEMPT FROM TRACEABILITY REQUIREMENT

These expenses can be paid in cash and remain deductible at 19%

- ✓ Medicines and medical devices
- ✓ Healthcare — public facilities
- ✓ Healthcare — private facilities accredited to the NHS (SSN)

### EXEMPT FROM TAPERING — ALWAYS DEDUCTIBLE IN FULL

These expenses are deducted in full even when income exceeds €120,000

- ✓ Healthcare expenses
- ✓ Interest on agricultural loans and mortgages
- ✓ Interest on mortgage for purchase / construction of primary residence

### WHAT IS INCLUDED IN THE 2025 RESTRUCTURING CAP AND WHAT IS NOT

✓ EXCLUDED	Healthcare expenses
✓ EXCLUDED	Investments in innovative start-ups and SMEs
✓ EXCLUDED	Interest on agricultural loans (no date restriction)
✓ EXCLUDED	Interest on primary residence mortgage signed ≤ 31.12.2024
✓ EXCLUDED	Deductible insurance premiums on contracts signed ≤ 31.12.2024
✓ EXCLUDED	Building renovation instalments for work paid ≤ 31.12.2024
✗ INCLUDED	Interest / premiums on contracts signed from 2025 onwards
✗ INCLUDED	Building bonus instalments for works paid from 2025 onwards

### INCOME > €120,000: DOUBLE PENALTY — TWO RULES APPLIED IN SEQUENCE

**STEP 1 → Restructuring: calculate the cap and remove excess expenses**

**STEP 2 → Tapering: reduce each remaining deduction proportionally based on income**

▲ The two rules always apply in sequence: restructuring first, tapering second