

## Questions and answers about the lease law 431/98

*How can law 431/98 be defined?*

It is the law regulating the house lease.

*Is it still possible to draw up a so-called lease «in derogation»?*

No, because law 431/98 has repealed the «control rent» law.

*When did law 431/98 become effective?*

On December 30, 1998.

*Which are the two procedures for renting a house, as foreseen by the lease law?*

The first way is the free procedure, the other one is the facilitated procedure.

*Which is the substantial difference between the two procedures?*

Rent fixing is free for the contracts of the first type; but not for those of the second one.

*What does « facilitated rent lease» mean?*

The rents have been fixed, i.e. negotiated, between the landlords and the tenants' Organisations.

*Why is the lease of the second procedure also formally called «facilitated lease» by Law 2/02?*

Because for this type of lease the law foresees a tax relief for landlords.

*What kind of tax relief?*

State fiscal relief on IRPEF, the personal income tax, on the registration fee and municipal tax relief on ICI, the annual property tax.

*What exactly is the tax relief?*

As for IRPEF, the tax relief consists in a 30% (in addition to 15%) rebate on the taxable income; for ICI in the rebates are set by the municipalities and, as concerns the registration fee, the taxable base is 70% of the annual rent.

*For which reason does the facilitated lease get a tax relief?*

Because the lease is lower than the market price.

*Is tax relief on IRPEF and register foreseen in all municipalities?*

No, only in the big cities, in the towns bordering on the metropolitan areas, in the capitals of the provinces and in the municipalities listed in a special list for areas having serious housing problems.

*Are these negotiations foreseen by law for all municipalities or only for those entitled to fiscal facilities?*

For all municipalities.

*Is tax relief on ICI always recognized?*

No, the decision is taken by the municipal councils which are entitled to do so according to law 431/98.

*Which is the minimum duration of the free lease and that of the facilitated one?*

Four years plus other four for the first one; three years plus two for the second one.

*Does the landlord always benefit from rebated tax rate on ICI, where it has been deliberated?*

No, only if his flat is rented as the tenant's main dwelling.

*Is it possible to draw up leases outside of law 431/98?*

Yes, those referred to properties classified A/1, A/8, A/9 by the property register, to historical and artistic buildings and leases for tourist purpose.

*Why should a landlord choose to rent with the facilitated procedure, if the prices are lower, more or less considerable way, than those of the market?*

The owner can choose this type of lease because of its shorter duration and the fiscal saving that varies for each case, also considering one's income as concerns IRPEF and decision of the municipalities on ICI rebate.

At the end of this reading there is a moral: it is better to not discard a priori the alternative represented by the facilitated lease (which is in many cases is almost obligatory) and acquire a through knowledge of it. Many people could be favourably surprised.