



BETTER
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Annex 1.11 Lombardy case study: Reduction of financial guarantees and simplification of permitting procedures for companies operating in the waste treatment and recycling sectors



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1 Introduction to the case study

This case study has been carried out within the EU Life Project BRAVE with the general aim of investigating the potential effects of the introduction of the IRAP (Regional tax on private companies) reduction for the EMAS/ISO14000 registered or certified organizations in Lombardy Region.

The approach adopted in the case study is based on the preliminary analysis of the Tuscany Region experience, that implemented this measure on 2003 for the first time (L.R. 19/12/2003 n.58 – Financial Bill for 2004), and of the related results. After that, the case study deals with the calculation of the theoretical effects of the implementation of the IRAP reduction measure in Lombardy, given the number of Lombardy enterprises and the whole amount of the IRAP contribute to the regional balance.

1.1 Motivation of case-study

The reduction of IRAP fee represents a fiscal benefit that should entail a major structural economic support towards EMAS/ISO14000 registered/certified organizations. As a consequence to this, it should entail a greater diffusion of EMAS registration and increase the organizations willingness not to lose their certification.

The main evidence to this comes from the Tuscany experience: the region reduced the IRAP fee from 3.90% to 3.21% for EMAS registered organizations and to 3.53% for ISO 14001 certified companies, observing a huge growth in number of new EMAS registered organizations, from 11 in 2004 to 132 in 2012 (growth of 1100%). In Lombardy region, on the contrary, the growth of EMAS registrations has been much lower, from 43 in 2004 to 142 in 2012 (growth of 230.23%), counting for a higher number of enterprises.

Therefore, according to the Lombard industrial setting, a wide number of enterprises represents the potential target for the IRAP reduction measure and consequently for a greater dissemination of the EMAS registration rate.

The main research issue addressed by case study thus is represented by the analysis of the potential effects of the implementation of the measure in Lombardy region, proceeding from the Tuscany experience, and assessing two different specific impacts:

- The financial impact on the regional balance as the number of EMAS/ISO14001 registered/certified organizations grows, according to five different scenarios;
- The financial impact on registered/certified organizations.

1.2 Background

The case study is mainly based on a previous project drawn by ARPA Lombardia in 2010, named “*SAPERRE – Semplificazioni Amministrative PER Emas*”. The purpose of that project was to detect simplification proposals in favor of those organizations that had adopted an *Environmental Management System* (EMS) like EMAS or ISO14001.

The project suggests nine different proposals, which are the result of a wide debate around both existing simplification and incentive measures, applied in other Italian regions and other European Member States, and possible brand-new innovative measures.

Each proposal is followed by two kinds of estimations:

- The necessary time period to settle and enforce the normative or regulation acts, distinguished in short, middle or long run;
- The evaluation of the economic effects that could rise from the enforcement of the measure proposed.

One of these proposals has become the main object of this case study, namely the IRAP rate reduction as a simplification measure for EMAS/ISO14001 registered/certified organizations.

1.3 Methodology

The methodology applied in the analysis to assess the results of IRAP reduction is based on setting-out five hypothetic scenarios on the growth of the number of EMAS/ISO14001 registered/certified organizations, looking at the financial consequence both on the regional balance and on the registered/certified organizations, analyzed according to different sales

ranges. The aim of the methodology is to calculate the potential effects of the measure in Lombardy within the different scenarios.

Since the data already available in the SAPERE project were updated at 2009, they have been readjusted and updated to the 3rd quarter of 2012.

The following steps can be identified:

- Identification of the possible level of application of measure;
- Collection of data regarding:
 - The regional IRAP levy deriving both from all the enterprises and from registered/certified organizations;
 - The number of Lombard enterprises, the number of registered and certified enterprises;
 - The aggregation of enterprises according to sales ranges and secondly according to the industry sector (manufacturing, agriculture, financial services, public administration).
- Calculation of the new regional tax levy deriving from registered/certified organizations to which a lower IRAP fee is applied;
- Calculation of the impact (percentage) of this lower income on the regional tax levy;
- Calculation of the impact (percentage) of this lower outflow on the enterprises balances.

2 The simplification measure

2.1 Description of the measure

The Regional fee on productive activities (IRAP) was introduced in 1997 (Legislative Decree on 15th December 1997, n.446) in order to support the financial expenditures for regional healthcare, with effects on companies' income of 1998. The organizations subject to IRAP, produce assets and services and consist in individual entrepreneurs, corporations, commercial and non commercial, trades and professions and some public authorities. Its taxable amount is constituted by the net value added produced in the Italian territory. All Italian companies pay IRAP and each Region can define the percentage to apply on the production within a range defined by Decree 446/1997.

The computation of the IRAP fee follows the rules of National Legislative Decree n 446/97 and the Civil Code. The article 2425 of Civil Code explains the process to define the amount on which IRAP is calculated: difference between the value and the cost of production (A – B).

A) "Value of production" is composed by:

- 1) Revenues from sales and services;
- 2) Changes in inventories of work in progress and finished goods;
- 3) Change on work in progress;
- 4) Increase of internal construction;
- 5) Other revenues and income;

B) "Cost of production" is composed by:

- 6) Raw materials, supplies, consumables and goods;
- 7) Services;
- 8) Use of property of others
- 9) Personnel salaries;
- 10) Depreciation and Amortization
- 11) Changes in inventories of raw materials, supplies and consumer goods;
- 12) Provisions for risks;
- 13) other provisions;
- 14) other operating expenses.

In Lombardy the IRAP percentage amounts to 3.90%, but it differs for certain categories of taxpayers, namely "banks and insurance companies" (5.25%), "financial companies" (5.25%), "public administrations" (8.50%), "Agriculture" (3.75%), "other categories" (3.90%), and it is not applied to not-for profit organizations.

The IRAP reduction is classified as a fiscal benefit measure for "better regulation". This classification is connected with the categories applied in the research on the existing simplification measures conducted during the sub action 3.1 and in the *Report on incentives for EMAS registered organisations*", COM(2004) 745 final.

I level case	II level case	
Regulatory relief	self declaration in the procedure of extension of a permission	
	self declaration in the procedure of achieving a permission	
	extension of permit period	
	fast track permits	
	modification in the aim of application	
	Information required for permits,	
	reduced reporting and monitoring requirements,	
	reduced inspections	
	Other derugulation proposals	
	Financial guarantee required for specific activities	
Reduction of administrative fees (environmental law)		
Better regulation	<i>fiscal benefits</i>	x
	public procurement	
	credit access,	
	funding support	
	technical and information support	
Other promotional incentives aimed to overcome participation burdens		
Enforcement Tool	Please specify, using short sentences (highlights approach), how EMAS and EMS approach could be included in the legislative text	

2.2 Description of the characteristics of the sector within the region

Since all productive fields and all service companies pay the IRAP fee, its reduction represents a measure that affects all organizations and is not circumscribed to a specific sector.

The regional number of private companies is very high (824,923 enterprises), and they are distributed by type of activity as follows:

Industrial sector	NACE Activity Code	Activity Total	Sector Total	%
A Agricoltura, silvicoltura pesca	A 01 Coltivazioni agricole e produzione di prodotti animali, caccia e servizi connessi	49,390	50,506	6.12%
	A 02 Silvicoltura ed utilizzo di aree forestali	926		
	A 03 Pesca e acquacoltura	190		
B Estrazione di minerali da cave e miniere	B 06 Estrazione di petrolio greggio e di gas naturale	9	418	0.05%
	B 07 Estrazione di minerali metalliferi	4		
	B 08 Altre attività di estrazione di minerali da cave e miniere	396		
	B 09 Attività dei servizi di supporto all'estrazione	9		
C Attività manifatturiere	C 10 Industrie alimentari	5,708	104,512	12.67%
	C 11 Industria delle bevande	254		
	C 12 Industria del tabacco	1		
	C 13 Industrie tessili	4,547		
	C 14 Confezione di articoli di abbigliamento	8,410		
	C 15 Fabbricazione di articoli in pelle e simili	1,998		
C 16 Industria del legno e dei prodotti in legno e sughero, esclusi i mobili; fabbricazione di articoli in paglia e	5,787			

	materiali da intreccio			
	C 17 Fabbricazione di carta e di prodotti di carta	1,178		
	C 18 Stampa e riproduzione di supporti registrati	4,116		
	C 19 Fabbricazione di coke e prodotti derivanti dalla raffinazione del petrolio	88		
	C 20 Fabbricazione di prodotti chimici	1,981		
	C 21 Fabbricazione di prodotti farmaceutici di base e di preparati farmaceutici	321		
	C 22 Fabbricazione di articoli in gomma e materie plastiche	4,019		
	C 23 Fabbricazione di altri prodotti della lavorazione di minerali non metalliferi	3,110		
	C 24 Metallurgia	1,489		
	C 25 Fabbricazione di prodotti in metallo, esclusi macchinari e attrezzature	25,802		
	C 26 Fabbricazione di computer e prodotti di elettronica e ottica	3,092		
	C 27 Fabbricazione di apparecchiature elettriche	4,143		
	C 28 Fabbricazione di macchinari ed apparecchiature n.c.a.	8,960		
	C 29 Fabbricazione di autoveicoli, rimorchi e semirimorchi	677		
	C 30 Fabbricazione di altri mezzi di trasporto	817		
	C 31 Fabbricazione di mobili	5,434		
	C 32 Altre industrie manifatturiere	7,355		
	C 33 Riparazione, manutenzione ed installazione di macchine ed apparecchiature	5,225		
D Fornitura di energia elettrica, gas, vapore e aria condizionata	D 35 Fornitura di energia elettrica, gas, vapore e aria condizionata	1,650	1,650	0.20%
E Fornitura di acqua; reti fognarie, attività di gestione dei rifiuti e risanamento	E 36 Raccolta, trattamento e fornitura di acqua	117	1,403	0.17%
	E 37 Gestione delle reti fognarie	172		
	E 38 Attività di raccolta, trattamento e smaltimento dei rifiuti; recupero dei materiali	1,002		
	E 39 Attività di risanamento e altri servizi di gestione dei rifiuti	112		
F Costruzioni	F 41 Costruzione di edifici	45,846	146,186	17.72%
	F 42 Ingegneria civile	1,282		
	F 43 Lavori di costruzione specializzati	99,058		
G Commercio all'ingrosso e al dettaglio; riparazione di autoveicoli e motocicli	G 45 Commercio all'ingrosso e al dettaglio e riparazione di autoveicoli e motocicli	21,722	195,574	23.71%
	G 46 Commercio all'ingrosso, escluso quello di autoveicoli e di motocicli	81,727		
	G 47 Commercio al dettaglio, escluso quello di autoveicoli e di motocicli	92,125		
H Trasporto e magazzinaggio	H 49 Trasporto terrestre e mediante condotte	22,651	28,546	3.46%
	H 50 Trasporto marittimo e per vie d'acqua	94		
	H 51 Trasporto aereo	62		
	H 52 Magazzinaggio e attività di supporto ai trasporti	4,940		

	H 53 Servizi postali e attività di corriere	799		
I Attività dei servizi di alloggio e di ristorazione	I 55 Alloggio	3,475	51,551	6.25%
	I 56 Attività dei servizi di ristorazione	48,076		
J Servizi di informazione e comunicazione	J 58 Attività editoriali	2,635	24,022	2.91%
	J 59 Attività di produzione cinematografica, di video e di programmi televisivi, di registrazioni musicali e sonore	1,964		
	J 60 Attività di programmazione e trasmissione	271		
	J 61 Telecomunicazioni	1,938		
	J 62 Produzione di software, consulenza informatica e attività connesse	9,527		
	J 63 Attività dei servizi d'informazione	7,687		
K Attività finanziarie e assicurative	K 64 Attività di servizi finanziari (escluse le assicurazioni e fondi pensione)	3,818	21,542	2.61%
	K 65 Assicurazioni, riassicurazioni e fondi pensione, escluse le assicurazioni sociali obbligatorie	292		
	K 66 Attività ausiliarie dei servizi finanziari e delle attività assicurative	17,432		
L Attività immobiliari	L 68 Attività immobiliari	70,094	70,094	8.50%
M Attività professionali, scientifiche e tecniche	M 69 Attività legali e contabilità	2,470	43,909	5.32%
	M 70 Attività di direzione aziendale e di consulenza gestionale	13,533		
	M 71 Attività degli studi di architettura e d'ingegneria; collaudi e analisi tecniche	5,129		
	M 72 Ricerca scientifica e sviluppo	815		
	M 73 Pubblicità e ricerche di mercato	9,152		
	M 74 Altre attività professionali, scientifiche e tecniche	12,768		
	M 75 Servizi veterinari	42		
N Noleggio, agenzie di viaggio, servizi di supporto alle imprese	N 77 Attività di noleggio e leasing operativo	2,462	27,380	3.32%
	N 78 Attività di ricerca, selezione, fornitura di personale	363		
	N 79 Attività dei servizi delle agenzie di viaggio, dei tour operator e servizi di prenotazione e attività correlate	2,509		
	N 80 Servizi di vigilanza e investigazione	461		
	N 81 Attività di servizi per edifici e paesaggio	12,242		
	N 82 Attività di supporto per le funzioni d'ufficio e altri servizi di supporto alle imprese	9,343		
O Amministrazione pubblica e difesa; assicurazione sociale obbligatoria	O 84 Amministrazione pubblica e difesa; assicurazione sociale obbligatoria	26	26	0.003%
P Istruzione	P 85 Istruzione	3,965	3,965	0.48%
Q Sanità e assistenza sociale	Q 86 Assistenza sanitaria	2,874	5,665	0.69%
	Q 87 Servizi di assistenza sociale residenziale	606		
	Q 88 Assistenza sociale non residenziale	2,185		
R Attività artistiche, sportive, di intrattenimento e divertimento	R 90 Attività creative, artistiche e di intrattenimento	2,698	8,653	1.05%
	R 91 Attività di biblioteche, archivi, musei ed altre attività culturali	196		
	R 92 Attività riguardanti le lotterie, le scommesse, le case da gioco	450		
	R 93 Attività sportive, di intrattenimento e di divertimento	5,309		
S Altre attività di servizi	S 94 Attività di organizzazioni associative	551	37,875	4.59%

	S 95 Riparazione di computer e di beni per uso personale e per la casa	6,996		
	S 96 Altre attività di servizi per la persona	30,328		
T Attività di famiglie e convivenze come datori di lavoro per personale domestico; produzione di beni e servizi indifferenziati per uso proprio da parte di famiglie e convivenze	T 97 Attività di famiglie e convivenze come datori di lavoro per personale domestico	0	0	0%
X Imprese non classificate	X Imprese non classificate	1,446	1,446	0.18%
Totale		824.923		100%

Table 1: table based on data provided by Camera di Commercio di Milano (2012)

3 Analysis

3.1 Analysis of the “level of application” of a measure

The level of adoption of the IRAP fee reduction has been investigated by formulating and setting out five hypothetic scenarios regarding each different levels of adoption of EMS (EMAS or ISO14001) by Lombard enterprises.

Firstly the following data have been collected:

- the total expected income from the IRAP fee in 2012 in the regional balance: 8,008,325,016.28 €;
- the total net expected income after deduction of sole proprietorships from the IRAP fee in 2012 in the regional balance: 7,415,708,965.08¹ €; a scenario without sole proprietorships has been formulated since it is highly unlikely that this type of enterprises would adopt EMAS or ISO14001, because of their dimensions and because of less human, economic and time resources available;
- the number of registered/certified Lombard enterprises in 2012:
 - EMAS registered organizations are 142;
 - ISO14001 certified organizations are 2,792;
- the IRAP fee: 3.9%.

The maximum possible percentage reduction of the IRAP is equal to 1% (as per Legislative Decree 446/97 Art. 176 c.3). Therefore the hypothetic new Lombard IRAP fee would be equal to:

- 2.9% for EMAS registered organizations;
- 3.2% for ISO14001 certified organizations.

Starting from these data, in each scenario the following parameters are assessed:

- the total income from the IRAP fee collected exclusively from registered and certified organizations;
- the consequent gap income for the regional balance;
- the impact (percentage) on the regional balance.

¹ This data is subject to a reasonable approximation, as we need a more detailed information about the tax fluxes

In the **zero scenario** the number of registered/certified organizations is that of 2012, thus 142 EMAS registered organizations (0.017% of total amount of Lombard enterprises) and 2,792 ISO14001 certified organizations (0.338% of total amount of Lombard enterprises).

In **scenario 1** the number of registered/certified organizations increases by 50% with respect to the 2012 number – EMAS registered organizations count for 0.026% of the total amount of Lombard enterprises and ISO14001 certified organizations count for 0.507% of the total amount of Lombard enterprises.

In **scenario 2** the number of registered/certified organizations increases by 100% with respect to the 2012 number – EMAS registered organizations count for 0.034% and ISO14001 certified organizations count for 0.676%.

In **scenario 3** the number of registered/certified organizations triples with respect to the 2012 number – EMAS registered organizations count for 0.051% and ISO14001 certified organizations count for 1.014%.

In **scenario 4** the number of registered/certified organizations has a ten times increase with respect to the 2012 number – EMAS registered organizations count for 0.170% and ISO14001 certified organizations count for 3.380%.

In the following table the results of the IRAP reduction measure on the regional balance are summarized.

total expected income from the IRAP fee in 2012 in the regional balance	€ 8,008,325,016.28
total net expected income after deduction of sole proprietorships from the IRAP fee in 2012 in the regional balance	€ 7,415,708,965.08
sole proprietorships count for 45.29% of the total amount of Lombard enterprises, thus their estimated impact on the total expected income from IRAP is approximately equal to 7.40%.*	

Table 2: preliminary data

* The 7.40% estimation derives from the following deduction: in the original SAPERE Project, sole proprietorships in 2010 counted for 57.29%, having therefore an impact on the total income from IRAP equal to 9.36%; proportionally for 2012, this fiscal impact has been calculated to be equal to 7.40%, sole proprietorships counting for 45.29% of total amount of Lombard enterprises. This approximation could stand to reason, considering that the number of that type of enterprises has decreased from 2010.

EXPECTED TOTAL INCOME AS THE REGISTERED/CERTIFIED ORGANIZATIONS NUMBER INCREASES

	Total income	% of registered/certified organizations on total enterprises	Total income from registered/certified organizations	Fee	Reduced fee (hp)	New total income from registered/certified organizations	Gap	Impact (%) on the regional balance
Current number of registrations/certifications								
<i>All enterprises</i>								
EMAS	€ 8,008,325,016.28	0.017%	€ 1,361,415.25	3.9%	2.9%	€ 1,012,334.42	€ 349,080.83	0.0044%
ISO:14001	€ 8,008,325,016.28	0.338%	€ 27,068,138.56	3.9%	3.2%	€ 22,209,754.71	€ 4,858,383.84	0.0607%
<i>Net data after deduction of sole proprietorships</i>								
EMAS	€ 7,415,708,965.08	0.017%	€ 1,260,670.52	3.9%	2.9%	€ 937,421.67	€ 323,248.85	0.0044%
ISO:14001	€ 7,415,708,965.08	0.338%	€ 25,065,096.30	3.9%	3.2%	€ 20,566,232.86	€ 4,498,863,44	0.0607%
The number of registrations/certifications grows by 50%								
<i>All enterprises</i>								
EMAS	€ 8,008,325,016.28	0.026%	€ 2,042,122.88	3.9%	2.9%	€ 1,518,501.63	€ 523,621.25	0.0065%
ISO:14001	€ 8,008,325,016.28	0.507%	€ 40,602,207.83	3.9%	3.2%	€ 33,314,632.07	€ 7,287,575.76	0.0910%
<i>Net data after deduction of sole proprietorships</i>								
EMAS	€ 7,415,708,965.08	0.026%	€ 1,891,005.79	3.9%	2.9%	€ 1,406,132.51	€ 484,873.28	0.0065%

ISO:14001	€ 7,415,708,965.08	0.507%	€ 37,597,644.45	3.9%	3.2%	€ 30,849,349.29	€ 6,748,295.16	0.0910%
<i>The number of registrations/certifications grows by 100%</i>								
<i>All enterprises</i>								
EMAS	€ 8,008,325,016.28	0.034%	€ 2,722,830.51	3.9%	2.9%	€ 2,024,668.84	€ 698,161.67	0.0087%
ISO:14001	€ 8,008,325,016.28	0.676%	€ 54,136,277.11	3.9%	3.2%	€ 44,419,509.42	€ 9,716,767.69	0.1213%
<i>Net data after deduction of sole proprietorships</i>								
EMAS	€ 7,415,708,965.08	0.034%	€ 2,521,341.05	3.9%	2.9%	€ 1,874,843.34	€ 646,497.70	0.0087%
ISO:14001	€ 7,415,708,965.08	0.676%	€ 50,130,192.60	3.9%	3.2%	€ 41,132,465.73	€ 8,997,726.88	0.1213%
<i>The number of registrations/certifications grows 3 times</i>								
<i>All enterprises</i>								
EMAS	€ 8,008,325,016.28	0.051%	€ 4,084,245.76	3.9%	2.9%	€ 3,037,003.26	€ 1,047,242.50	0.0131%
ISO:14001	€ 8,008,325,016.28	1.014%	€ 81,204,415.67	3.9%	3.2%	€ 66,629,264.14	€ 14,575,151.53	0.1820%
<i>Net data after deduction of sole proprietorships</i>								
EMAS	€ 7,415,708,965.08	0.051%	€ 3,782,011.57	3.9%	2.9%	€ 2,812,265.02	€ 969,746.56	0.0131%
ISO:14001	€ 7,415,708,965.08	1.014%	€ 75,195,288.91	3.9%	3.2%	€ 61,698,698.59	€ 13,496,590.32	0.1820%
<i>The number of registrations/certifications grows 10 times</i>								
<i>All enterprises</i>								
EMAS	€ 8,008,325,016.28	0.170%	€ 13,614,152.53	3.9%	2.9%	€ 10,123,344.19	€ 3,490,808.34	0.0436%
ISO:14001	€ 8,008,325,016.28	3.380%	€ 270,681,385.55	3.9%	3.2%	€ 222,097,547.12	€ 48,583,838.43	0.6067%
<i>Net data after deduction of sole proprietorships</i>								
EMAS	€ 7,415,708,965.08	0.170%	€ 12,606,705.24	3.9%	2.9%	€ 9,374,216.72	€ 3,232,488.52	0.0436%
ISO:14001	€ 7,415,708,965.08	3.380%	€ 250,650,963.02	3.9%	3.2%	€ 205,662,328.63	€ 44,988,634.39	0.6067%

Table 3: impact of the growing number of registrations and certifications on the regional balance of 2012

The analysis in the table above shows that, even in extreme case of a ten times growth in the number of EMAS registrations, the maximum income reduction for the regional balance would be about 0.04%, equal to € 3,232,488.52 (net data after deduction of sole proprietorships).

For that reason, the IRAP reduction measure should be associated with a compensation measure in order to maintain the regional budget balance and compensate the resulting gap. Tuscany, for example, in 2005 established the increase of special Tribute for landfill disposal of special waste from mining, extracting, constructing and metallurgic activities fee (L.R. 20/12/2004 no. 71, Art. 5 c. 2).

3.2 Analysis of Adopters' benefits

A complementary analysis has been carried out, aiming at assessing the potential impact of the adoption of the measure on registered/certified organizations.

Lombard enterprises have been branched in income ranges, as follow:

- Income lower than € 2,000,000;
- Income lower than € 5,000,000;
- Income lower than € 10,000,000;
- Income lower than € 50,000,000;
- Income higher than € 50,000,000.

The same evaluation has been made on Agriculture, Finance and Public Administration, even if they represent specific cases because of a different IRAP fee applied (see paragraph 2.1).

For each income range a specific enterprise has been chosen by way of an example, extrapolating the specific IRAP fee. Based on these data, the impact on enterprises has been calculated.

ESTIMATED IMPACT ON REGISTERED/CERTIFIED ORGANIZATIONS*

Income range	Industrial sector	Income	Fee	Fee rate	EMAS reduced fee	New rate	Gap	Gap (%)	ISO:14001 reduced fee	New rate	Gap	Gap (%)
< 2 M €	Production **	1,500,000	3.90%	19,240	2.90%	14,307	-4,933	-25.64%	3.20%	15,787	-3,453	-17.95%
< 5 M €	Production **	3,000,000	3.90%	38,480	2.90%	28,613	-9,867	-25.64%	3.20%	31,573	-6,907	-17.95%
< 10 M €	Production **	8,000,000	3.90%	102,614	2.90%	76,303	-26,311	-25.64%	3.20%	84,196	-18,418	-17.95%
< 50 M €	Production *	16,170,067	3.90%	207,409	2.90%	154,227	-53,182	-25.64%	3.20%	170,182	-37,227	-17.95%
> 50 M €	Production **	50,000,000	3.90%	641,337	2.90%	476,891	-164,445	-25.64%	3.20%	526,225	-115,112	-17.95%
	Production *	93,275,631	3.90%	1,084,000	2.90%	806,051	-277,949	-25.64%	3.20%	889,436	-194,564	-17.95%
	Production *	136,000,000	3.90%	1,236,687	2.90%	919,588	-317,099	-25.64%	3.20%	1,014,718	-221,969	-17.95%
	Production *	602,000,000	3.90%	15,942,000	2.90%	11,854,308	-4,087,692	-25.64%	3.20%	13,080,615	-2,861,385	-17.95%
	Production *	1,098,118,000	3.90%	15,198,000	2.90%	11,301,077	-3,896,923	-25.64%	3.20%	12,470,154	-2,727,846	-17.95%

Income range	Industrial sector	Income	Fee	Fee rate	EMAS reduced fee	New rate	Gap	Gap (%)	ISO:14001 reduced fee	New rate	Gap	Gap (%)
< 2 M €	Agriculture**	1,500,000	3.75%	18,500	2.90%	14,307	-4,193	-22.67%	3.20%	15,787	-2,713	-14.67%
> 50 M €	Financial*	602,000,000	5.25%	15,942,000	4.25%	12,905,429	-3,036,571	-19.05%	4.55%	13,816,400	-2,125,600	-13.33%

* = data from registered/certified organizations' balance sheets

** = data revision

Public Administration	Fee	Fee rate	EMAS reduced fee	New rate	Gap	Gap (%)	ISO:14001 reduced fee	New rate	Gap	Gap (%)
Municipality	8.50%	29,100	7.50%	25,676	-3,424	-11.76%	7.80%	26,704	-2,396	-8.24%

Table 4: impact on registrations and certifications

As the analysis shows, organizations of different dimensions and from different industrial sector, could achieve monetary savings up to about 25%. Public administrations could get significant savings as well, up to about 12%.

3.3 Environmental benefit analysis

The IRAP reduction measure does not imply a direct effect on the management system, therefore nor on environmental performance of the organizations that would benefit from it. Despite that, the introduction of such a fiscal benefit measure should lead to an increase of EMAS registrations/ISO14001 certifications, and to their maintenance, avoiding a potential higher withdrawal rate.

In addition to this, the savings following a lower IRAP fee could be invested in order to improve the effectiveness of the environmental management system. This should lead in turn to better EMS and thus to better environmental performance and lower environmental impacts.

3.4 Analysis of the achieved results at the macro level

A simplification measure like the IRAP fee reduction for registered/certified organizations could represent a significant incentive towards a noteworthy increase in the number of EMAS or ISO14001 adoptions. Consequently, a higher number of organizations should increase their ability to comply with environmental legislation.

This could lead to a potential major stakeholder satisfaction as well, in particular enterprises, because of the extremely positive, rapid and concrete effect of the measure itself, as money saving is.

As far as Lombardy region is concerned, the IRAP reduction measure should be associated with a compensation measure in order to maintain the regional budget balance and compensate the resulting gap, as mentioned above.

The IRAP reduction measure, thanks to its practical implication, should widen the EMS dissemination, leading to an increase of the schemes knowledge, and in turn to their appreciation and valorization.