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Financing of Churches in Italy *

A small look into the financing systems of Churches in Europe shows that in almost all states there are forms of support to denominations, which can be expressed in allocation of a certain sum or in specific tax facilitations¹. This is the result of exceeding the old separatist principle for which in any way the State may not contribute to the economic needs of denominations; second, it stems from a favorable attitude toward Churches and religion². Even the ex-communist countries start new relationships with churches, almost all states provide new ways of financing them, usually through a direct support to their social and religious activities³. In Italy, Art. 3 of Constitution requires the State to *remove all economic and social obstacles that, by limiting the freedom and equality of citizens, prevent full individual development and the participation of all workers in the political, economic, and social organization of the country*. This means that State intervenes to guarantee the freedom of citizens and to facilitate the satisfaction of the needs of everyone. The religious phenomenon is essentially social phenomenon, therefore it should be considered as other manifestations of social life. It should be protected and supported to guarantee the effectiveness of the right of religious freedom⁴.

The actual Italian financing system of Churches finds its roots on the Agreement on Church Entities and property reached between the Italian State and the Catholic Church in 1984. This document was given

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¹ See **G. ROBBERS**, *State and Church in the European Union*, II Ed., Nomos Verlagsgesellschaft, Baden, 2005.

² **C. CARDIA**, *Otto per Mille e offerte deducibili*, in **I. BOLGIANI**, *Enti di culto e finanziamento delle Confessioni religiose*, Bologna, Il Mulino, 2007, 232.

³ See **AA.VV.**, *Law and Religion in Post-Communist Europe*, Leuven (Belgium), Peeters Publishing, 2003.

⁴ **C. CARDIA**, *Manuale di Diritto Ecclesiastico*, II Ed., Bologna, il Mulino, 1999, 204.



effect by the Law No. 222 of 20 May 1985 and it regulates the financing system for Catholic Church; actually this financing system is applied to all denominations which have signed an agreement with the State⁵.

As we will see, this law tried to solve the problems descending from the old *beneficium* (benefice) system, consisted of an amount of property connected to the office exercised by each clergyman. They could directly manage the returns of their own benefice, but there were great disparities between the holders of rich and poor properties. Moreover the clergymen were divided by holders and no-holders of benefice. The State supplemented this situation by paying an additional sum of money (*supplemento di congrua*), trying to secure a sufficient living level for all clergymen. By this system, the State supplied the poorest benefices, trying to guarantee a minimum level of subsistence to all the holders⁶. The financing came directly from the State, so all citizens automatically contributed towards the payment of Catholic clergy, even if they were not Catholics. The Beneficial system was source of admixture between State and Church, since it involves the disbursement of public money, furthermore only to the Catholic Church⁷.

The reasons which led the Vatican-Italian Joint Commission for the ecclesiastical institutions (*Commissione paritetica italo-vaticana per gli enti ecclesiastici*) to reform the financing system depart from the canonical innovations⁸. The benefices were in crisis and the new *Codex Iuris Canonici* with cann. 1272 and 1274 gradually abolished them. Their property was transferred to the newly established bodies, the Diocesan Institutes for the Support of Clergy. Moreover, the Joint Commission

⁵ There are many denominations in Italy which have signed an Agreement with the State. They are: Union of Waldensian and Methodist Churches, Seventh-day Adventist Christian Church, Pentecostal Church (*Assemblee di Dio in Italia*), Union of Italian Jewish Communities, Christian Evangelical Baptist Union, Evangelical Lutheran Church. There are also Agreements waiting to be approved by the Parliament, with: Apostolic Church, Jesus Christ of Latter-day Saints Church (*Chiesa di Gesù Cristo dei Santi degli ultimi giorni*), Christian Jehovah's Witnesses (*Congregazione cristiana dei testimoni di Geova*), Orthodox Church (*Sacra Arcidiocesi d'Italia ed Esarcato per l'Europa meridionale*), Italian Buddhist Union (UBI), Italian Hinduist Union (UII). With Internal Ministry Opinion 11 April 2001, Italian Buddhist Institute Soka Gakkai has started negotiations for an Agreement with Italian State.

⁶ C. CARDIA, *Stato e Confessioni religiose*, II Ed., Bologna, il Mulino, 1992, 259. See also S. FERRARI, *State and Church in Italy*, in G. ROBBERS, *State and Church in the European Union*, cit., 221, and S. CARMIGNANI CARIDI, *L'otto per mille dell'IRPEF e la XIV legislature: prospettive «de iure condendo»*, in *Quad. Dir. Pol. Eccl.*, 2006, 137.

⁷ C. CARDIA, *Manuale di Diritto Ecclesiastico*, cit., 377.

⁸ Still from the Vatican Council II the beneficial system was criticized (*Presbyterorum Ordinis*, n. 20).



objectives were to introduce modern forms of financing: first of all, the new system is studied to be applied to other denominations in addition to the Catholic Church; second, it should facilitate the free contribution of citizens, for the pursuit and the satisfaction of religious purposes⁹, giving them the possibility to choose if they want to participate to the financing of the Church¹⁰.

With the Law no. 222 of 1985, the Italian state wants to set, together with the Catholic Church, how the financing will be used. The art. 28 definitively abolishes the beneficial system, meantime the art. 21 regulates the erection in every Dioceses of the Diocesan Institutes for the Support of the Clergy¹¹. These bodies provides to the financial support of clergymen performing a service in each Diocese. The new Catholic clergy sustenance system abolishes the old supplement sum payment (*supplemento di congrua*) and introduces a stipendiary support system, which aims to ensure «a substantial equalization of payment between all clergymen»¹².

The Law identifies the Italian Episcopal Conference as the competent body to adopt implementing provisions concerning sustenance of clergy. The Conference must set the measure of remuneration that ensures an adequate and dignified sustenance of clergy who performs service for the Diocese. This means that every clergyman has the right¹³, acting by civil trial if needed¹⁴, to receive the

⁹ No. 5 Report of the principles (*Relazione dei Principi*) of the Joint Commission for the ecclesiastical institutions.

¹⁰ C. CARDIA, *Stato e Confessioni religiose*, cit., 1992, 276.

¹¹ According to the art. 21 Law. No 222 of 1985 there is the possibility to erect an Inter-Dioceses Institute, by Agreement between the concerned Bishops. Moreover the Italian Bishops' Conference must erect the Central Institute for the Support of the Clergy, which aims to integrate the Diocesan Institutes resources. The Central Institution coordinates and programs the sustenance system, under the Italian Bishops' Conference guidance. It administers the revenues received by the new financing system and the assets formed. If the income is insufficient, the Diocesan Institutes ask to the Central Institute the sum needed to ensure every priest right remuneration.

¹² S. FERRARI, *State and Church in Italy*, cit., 222.

¹³ See P. FLORIS, *La remunerazione del clero*, in I. BOLGIANI, *Enti di culto e finanziamento delle Confessioni religiose*, cit., 253.

¹⁴ Law 222/1985 provides that the Conference must set accelerated settlements or complaints against the Diocesan Institute's provisions, ensuring in trial an adequate representation of the clergy. (Conference's ordinances no. 51 and 52, 30 December 1986). See C. CARDIA, *Manuale di Diritto Ecclesiastico*, cit., 391 and A. LICASTRO, *Contributo allo studio della giustizia interna delle confessioni religiose*, Milano, Giuffrè, 1995, 49.



remuneration from the Diocese¹⁵. Usually, clergymen benefit from all the remuneration defined by the Conference. If a priest receives salary or other remuneration, the Diocesan Institute gives him an *integration of the remuneration*, up to a measure of the one set by the Conference¹⁶.

The new financing system has marked characters of originality even in the experience of other European jurisdictions. It rejects the direct funding of churches, close to the confessional State system, and it refuses the separatist conception that only relies to faithful support. This new system subordinates the direct or indirect financing of Church to the citizen's manifestation of will, regardless of their denominational affiliation or their ideological convictions¹⁷.

Based on this approach, the Law no. 222/1985 establishes two competing financing systems, benefiting not only the Catholic Church, but also the other denominations which have signed an agreement with the state. The first type is the private flow of financing, consisting in the possibility of setting off from taxable income up to € 1,032.91 donations to the Central Institute of Clergy or similar bodies of other denominations. It is important to mention that tax facilitations only may be applied if donations are exactly made to the Central Institute or to the specific body of those denominations¹⁸. The Agreements with the State and Law 222/1985 for Catholic Church individuate the precise use of these sums, generally referred to the sustenance of clergy, according to the specific needs expressed by beneficiaries¹⁹.

¹⁵ The Italian Bishops' Conference with Act. No. 45 approved by ordinance no. 1603, 30 December 1986, individuates the holders of the remuneration, as regulated by Law 222/1985 and can. 1274 c.j.c. The Conference defines «service for the Diocese» the *fulltime* one, or rather, the service that is the priest's primary commitment, absorbing most of his daily time. The Conference sets a proportional remuneration to the priests who perform an *halftime* service. This kind of remuneration is not provided by Law 222/1985.

¹⁶ See artt. 33-24 Law 222/1985.

¹⁷ C. CARDIA, *Manuale di Diritto Ecclesiastico*, cit., 392.

¹⁸ See A. GUARINO, *Deducibilità fiscal ed erogazioni a favore delle Confessioni religiose*, in *Dir. Fam. e Pers.*, 1996, 821 to deepen the legal nature of these tax facilitations.

¹⁹ To be deductible from taxes amounts must be used: by the Catholic Church (Art. 46 Law no. 222/1985), to support the clergy sustenance system provided by the law; by the Seventh-day Adventist Christian Church (Art. 29 Law no. 516, 22 November 1988), to support ministers of religion, missionaries and specific needs of worship and evangelization; by the Pentecostal Church (*Assemblee di Dio in Italia*) (Art. 21 Law no. 517, 22 November 1988), to support the Church ministers of religion and needs of worship, care of souls and ecclesiastical administration; by the Union of Waldensian and Methodist Churches (Art. 3 Law no. 409, 5 October 1993) and the Christian Evangelical Baptist Union (Art. 16 Law no. 116, 12 April 1995), to worship, education and charities purposes; by the Evangelical Lutheran Church (Art. 26 Law no. 520, 29 November 1995), to support ministers of religion and specific needs of worship and



The financing data in these years notes that the faithful donations system in Italy is a real failure. The amounts resulted reach a very low level to other denominations too, historically closer to this kind of faithful participation than the Catholic one²⁰. The reasons may be individuated to the lack of advertising by all denominations to encourage and facilitate donations, or to the low limit provided for recoupment in 1986, when currency had a different value²¹. Maybe the failure comes from the Italian historical traditions. Italians usually prefer to offer their sums directly to their belonging community, better than they could offer to an abstract and far body as the Central Institute²².

Second type of financing system is called «eight for thousand» (*otto per mille*) and it is a quota of 0.8% of the revenue from annual income tax IRPEF (*Imposta sul reddito delle persone fisiche*), which is paid by all people liable to taxation who earn more than a certain minimum income produced in Italy²³. Taxpayers have to choose a preference in order to distribute the amount to the participant denominations. They

evangelization. For the Union of Italian Jewish Communities, art. 30 Law no. 101, 8 March 1989, as reformed by Law no. 638, 20 December 1996, does not explicitly provide a specific destination of the amounts, anyway by general principles they can be individuate to support the Jews Communities activities. According to the Agreements waiting to be approved by the Parliament, to be deductible from taxes amounts must be used: by the Apostolic Church (Art. 23 Agreement), the Christian Jehovah's Witnesses (Art. 16 Agreement) and Orthodox Church (*Sacra Arcidiocesi d'Italia ed Esarcato per l'Europa meridionale*) (Art. 19 Agreement), to worship, education and charities purposes; by the Jesus Christ of Latter-day Saints Church (Art. 21 and 23 Agreement), to religious or worship and preaching the Gospel activities, religious rites and ceremonies celebrations, worship services, missionary and evangelization activities, religious education, care of souls; by Italian Buddhist Union (Art. 9 and 18 Agreement) and the Italian Hinduist Union (Art. 10 and 19 Agreement), to the sustenance of ministers of religion and religious or worship activities, as meditative practices, initiations, ordinations, religious ceremonies, sacred texts readings and commentaries, spiritual care, spiritual retreats, monastic and secular training of ministers of religion.

²⁰ This kind of financing has reached good results only for Pentecostal Church, the Christian Evangelical Baptist Union and the Evangelical Lutheran Church, traditionally closer to receive direct support from their faithful.

²¹ There are many socially useful activities which donations enjoy of a higher recoupment limit. Maybe the lack of a reform depends to the bilateral source of Law, that needs a complex procedure (C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 246).

²² C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 240 observes that the amounts coming from «eight for thousand» financing system is very rich, so an incremental decrease of donations is inevitable. See also L. MISTÒ, *Il sostegno economico alla Chiesa Cattolica*, in *Quad. Dir. Pol. Eccl.*, 1998, 14.

²³ See Decree of President of Italian Republic D.P.R. no. 917, 22 December 1986.



do not choose to which denomination they will give their personal taxation quota; by their preference they choose how the total 0.8% levied by the State will be divided among all participants.

In their income tax declaration, taxpayers can determine who is to benefit, by ticking the respective box. They can choose between Catholic Church, Italian State or denominations that have signed an agreement with the State and have chose to participate to this financing system. So people can devolve the amount freely, to one or none of them, regardless of their denominational affiliation. Art. 47 clause 3 Law 222/1985 specifies that if taxpayers made no decisions, destination is established in proportion to the choices explicitly made. This means that «percentage which equals the proportion of persons who have not declared their preference is distributed among the different recipients in proportions to the choice made by the rest of population liable to income tax»²⁴.

According to the available data, in the income tax return of 2004, only 41.83% of taxpayers declared their preferences, with these choices²⁵:

Italian State	7.60%
Catholic Church	89.82%
Pentecostal Church (<i>Assemblee di Dio in Italia</i>)	0.18%
Seventh-day Adventist Christian Church	0.18%
Union of Waldensian and Methodist Churches	1.6%
Evangelical Lutheran Church	0.25%
Union of Italian Jewish Communities	0.37%

Pentecostal Church only receives the amount related to the expressed preferences and relinquish in favor of Italian State its right to the portion of 0.8% IRPEF equivalent to the unexpressed choices, while Christian Evangelical Baptist Union refused to participate to this financing system²⁶.

²⁴ S. FERRARI, *State and Church in Italy*, cit., 222.

²⁵ See document no. 20, Servizio Studi – Atti del Governo, *Ripartizione della quota dell'otto per mille del gettito IRPEF di pertinenza dello Stato per l'anno 2008 - Schema di D.P.C.M. n. 21 (art. 7, L. n. 76/1998)*, 22 September 2008, in <http://documenti.camera.it/leg16/dossier/Testi/B10026.htm>.

²⁶ According to the Agreements waiting to be approved by the Parliament, could participate to the «eight for thousand»: Orthodox Church (*Sacra Arcidiocesi d'Italia ed Esarcato per l'Europa meridionale*), Italian Buddhist Union (UBI), Italian Hinduist Union (UII), Apostolic Church and Christian Jehovah's Witnesses (*Congregazione cristiana dei*



By denominations themselves initiative, the «eight for thousand» financing system has gradually homogenized. Initially some denominations did not participate to this system, while others refused the amounts coming from the unexpressed choices. Progressively, almost all of them asked to participate to both of benefits²⁷. The last denominations that have followed this trend are Union of Italian Jewish Communities²⁸ and Union of Waldensian and Methodist Churches, who recently obtained to participate to the portion of 0.8% IRPEF equivalent to the unexpressed choices²⁹, while Pentecostal Church has started negotiations with the state to participate in this portion.

As we can see, the expressed declarations percentage is very low, it maybe depends by the presence of many taxpayers who are not required to submit the IRPEF income declaration, or by the lack of advertising from State and other denominations, except from Catholic Church. So the unexpressed choice quotas have very significant relevance in order to individuate the total amount destined to every participant. The allocation of these quotas has been criticized in doctrine³⁰. It was observed that every time citizens are asked to make a choice in a democratic way, who does not express a choice is out of game, he or she decides to entrust to others the quotas destinations³¹. Unexpressed choices could be included, because «eight for thousand» system refers not to personal taxpayer income declaration, but to 0.8%

testimoni di Geova) relinquish in favor of Italian State their right to the portion of 0,8% IRPEF equivalent to the unexpressed choices.

²⁷ C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 244.

²⁸ This denomination at first preferred the private faithful donations financing system, asking to raise the recoupment limit up to old Italian £ 7,500,000. After some years, with Law no. 638, 20 December 1996, it approved the choice to participate to the «eight for thousand» financing system, accepting the default recoupment level provided by the Law for donations.

²⁹ See Law no. 68, 8 June 2009 approving the review of Agreement. Previously, Law no. 409, 5 October 1993 approved the choice to participate to the «eight for thousand» for the amount coming from declared preferences only.

³⁰ In particular G. VEGAS, *L'otto per mille a vent'anni dalla revisione del Concordato Lateranense*, in *Quad. Dir. Pol. Ecl.*, 2004, 189 retains that allocating quotas by taxpayers' choices would compose a kind of referendum in respect of denominational affiliation which would contravene the principle of equality provided by art. 3 of Italian Constitution. On the contrary S. CARMIGNANI CARIDI, *L'otto per mille dell'IRPEF e la XIV legislature: prospettive «de iure condendo»*, cit., 145 notes that there is no correspondence between «eight for thousand» choices and denominational affiliation. Taxpayers can declare a denomination, or Italian State, regardless to their religious beliefs.

³¹ S. CARMIGNANI CARIDI, *L'otto per mille dell'IRPEF e la XIV legislature: prospettive «de iure condendo»*, cit., 151.



of the total amount, which the State decides to allocate according to the will expressed by taxpayers³².

It seems that including unexpressed choices quotas, Law 222/1985 determines an anomaly. Using the unexpressed choices quotas affects the principle of voluntariness. Whatever the reasons, if taxpayers do not make a choice, they show a rejection of financing system. Second, these quotas should be completely considered public money, so they should be absorbed into the general budget of State³³, in the same way it happens in five for thousand financing system, as we will see.

All the amounts coming from this financing system must be used according to criteria individuated with every denomination. A short analysis shows that every denomination uses the financing to different purposes. Pentecostal Church uses the amounts to social and humanitarian activities, for the benefit of third world countries too³⁴; Union of Waldensian and Methodist Churches³⁵, Seventh-day Adventist Christian Church³⁶ and Lutheran Church³⁷ use them to social, welfare, humanitarian or cultural purposes, in Italy and in other countries. Union of Italian Jewish Communities, uses the financing to protect Jewish religious interests in Italy, to promote the preservation of Jewish traditions and cultural goods, with particular regard to cultural activities, to preservation of historical, artistic and cultural heritage, to social and humanitarian interventions aimed especially to protect minorities against racism and anti-Semitism. These denominations do not use «eight for thousand» amounts to sustain the clergy, because according to them this sustenance should rely exclusively on faithful donations³⁸.

³² **A. NICORA**, *Intervento*, in **AA.VV.**, *Il nuovo regime giuridico degli enti e dei beni ecclesiastici*, Milan, Vita e Pensiero, 1993, 220. See also **L. MISTÒ**, *Il sostegno economico alla Chiesa Cattolica*, cit., 23.

³³ **C. CARDIA**, *Manuale di Diritto Ecclesiastico*, cit., 393. There were political reasons in the inclusion of unexpressed choices quotas to the «eight for thousand». It was no possible to individuate how people would accept this financing system, so Law 222/1985 guaranteed an adequate financing to denominations if there had been low participation. (**C. CARDIA**, *Otto per Mille e offerte deducibili*, cit., 237).

³⁴ Art. 23 Law no. 517, 22 November 1988.

³⁵ Art. 4 Law no. 409, 5 October 1993.

³⁶ Art. 30 Law no. 516, 22 November 1988.

³⁷ Art. 27 Law no. 520, 29 November 1995.

³⁸ **S. FERRARI**, *State and Church in Italy*, cit., 223. According to the Agreements waiting to be approved by the Parliament, amounts are used: by the Apostolic Church (Art. 24 Agreement), to social, cultural and humanitarian activities, in foreign countries too; by the Christian Jehovah's Witnesses (Art. 17 Agreement), to humanitarian, welfare, scientific and cultural purposes, in foreign countries too,



To Catholic Church, art. 48 Law 222/1985 provides that amount must be used to population worship purposes, sustenance of clergy, charitable assistance to the community or third world countries. For the most widespread religion, «eight for thousand» amount is very high, so primary purpose to sustenance the clergy is over satisfied. Actually, sums utilized to sustain the clergy are just over one third of entire amount, almost half are used to worship and pastoral needs, while 20% to charitable activities³⁹. So the question was raised whether it is possible to increase the remuneration of every priest⁴⁰, because two third of entire amount is used to «secondary» purposes. If «eight for thousand» amount continues to increase, it could create the paradox by which the sustenance of clergy becomes a secondary purpose of the financing system⁴¹. This situation suggests finding a way to avoid this amount increasing, reconsidering the destination of unexpressed choices quotas and the percentage level provided by this financing system⁴².

Art. 47 Law 222/1985 provides that amount from «eight for thousand» managed by the Italian State is used to social or humanitarian purposes. State shows a low interest about it, so this maybe caused the gradual decrease of the choice in its favor⁴³. It could

implementation and maintenance of worship buildings; by Orthodox Church (*Sacra Arcidiocesi d'Italia ed Esarcato per l'Europa meridionale*) (Art. 20 Agreement), to sustenance of ministers of religion, implementation and maintenance of worship and monasteries buildings, to philanthropic, welfare, scientific and cultural purposes, in foreign countries too; by Italian Buddhist Union (Art. 19 Agreement), to cultural, social and humanitarian activities, in other countries too and assistance and support to the cult. The unexpressed choices quotas will be exclusively used for humanitarian purposes; by the Italian Hinduist Union (Art. 20 Agreement), to cultural, social, humanitarian and welfare purposes, in foreign countries too.

³⁹ C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 248.

⁴⁰ About this problem, ecclesiastics consider that a still small remuneration increasing could not be in accordance with a commitment as the priest one, that should obey to a principle of voluntarism and service (C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 248).

⁴¹ C. CARDIA, *La legge 222/1985: attuazione, problemi, prospettive*, in AA.VV., *Dall'accordo del 1984 al disegno di legge sulla liberta religiosa: un quindicennio di politica e legislazione ecclesiastica*, Rome, Presidenza del Consiglio dei Ministri, 2001, 174. Italian State asked for a wider use of the sums to charitable activities and worship needs, especially to brake and stop the «ticket to entry phenomenon» to many artistic Churches, because it contrasts with faithful needs and Italian law. The Italian Bishops' Conference seems to have considered the problem (C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 249).

⁴² In this sense C. CARDIA, *Otto per Mille e offerte deducibili*, cit., 250.

⁴³ N. FIORITA, *L'autofinanziamento agevolato: critica di una definizione*, in *Dir. Eccl.*, 1997, I, 529.



often depend on dispersive, fragmentary or even distorted use of sums, compared to the destinations provided by the law⁴⁴. D.P.R. no. 76, 10 March 1998, as reviewed by D.P.R. no. 250, 23 September 2002, provides that sums will be devolved, through a specific request to Presidency of Ministers Council, to non-profit bodies whom pursue humanitarian and social purposes. In particular to World Hunger, extra ordinaries calamities, refugees care, Conservation of Cultural Property⁴⁵.

The way amount is used is criticized. Larger part is dedicated to Conservation of Cultural Property: these interventions are directed to restoration, exploitation, public usability of movable or real estates, including intangible ones, which are of particular, architectural, artistic, historical, archaeological, ethnographic, scientific, bibliographic and archival interest⁴⁶. Part of this amount is destined to ecclesiastic bodies belonging to the Catholic Church. So it substantially determines an indirect financing to this denomination, moreover coming from quota determined by taxpayers who chose Italian State⁴⁷.

Law no. 266, 23 December 2005 established a new five for thousand financing system. It has the «eight for thousand» same procedure and can be considered another way to finance churches in Italy. It is a quota of 0.5% of the revenue from IRPEF, financing non-profit bodies, volunteer activities, social promotion associations, scientific research, universities, health research⁴⁸. There is only a difference, concerning the taxpayers' unexpressed choices quotas, as I said, they are not assigned to recipients, avoiding the showed «eight for thousand» anomaly. Five for thousand can be considered another way of financing churches, because ecclesiastic bodies of Catholic Church or

⁴⁴ **I. PISTOLESI**, *La quota dell'otto per mille di competenza statale: un'ulteriore forma di finanziamento (diretto) per la Chiesa Cattolica?*, in *Quad. Dir. Pol. Eccl.*, 2006, 165 observes that there were no advertisings by the State; furthermore, the specific destinations provided by the Law should have been a viable alternative to taxpayers who do not want to finance a denomination, but wants to finance social and humanitarian purposes.

⁴⁵ Art. 2 Law 350, 24 December 2003 reduced the sums coming from «eight for thousand» quota that must be used for these specific destinations.

⁴⁶ Art. 2 D.P.R. no. 76, 10 March 1998.

⁴⁷ **I. PISTOLESI**, *La quota dell'otto per mille di competenza statale: un'ulteriore forma di finanziamento (diretto) per la Chiesa Cattolica?*, cit., 178.

⁴⁸ Art. 1 clause 337, Law no. 266, 23 December 2005. There are many provisions financing cultural and artistic goods. Law no. 1089, 1 June 1939 and Law no. 1552, 21 December 1961 allocate sums for expenses incurred in restoration and preservation of cultural heritage. See also Law no. 253, 5 June 1986. With Art. 3 Law no. 512, 2 August 1982, artistic and cultural goods owners enjoy of tax facilitations to expenses incurred in maintenance, protection or restoration, or to donations directed to finance maintenance, protection or restoration of cultural goods.



other denominations that have signed an Agreement with the State can receive sums from this system, only for the social activities they organize⁴⁹.

The described financing system of Churches follows the Spanish model and substantially mixes Anglo-Saxon tradition, which tends to provide tax facilitations, with European tradition, linked to State contribution to denominations⁵⁰. As we could see, the precondition for access to the two main financing system of donations and «eight for thousand» is to draw up an agreement with Italian State, so denominations still have no Agreement or do not want it, are excluded. Problems may arise in cases where State rejects their application⁵¹, then to solve this point should be important fixing by Law the objective criteria of choice if and when sign an agreement, to avoid arbitrary decisions⁵².

«Eight for thousand» it is set on a principle based on taxpayers' democratic will, they may choose to allocate the preferred quota destination, to a denomination or to the State, apart from their denominational affiliation. This is the difference with German financing system, based on denominational affiliation of taxpayers, who are called to pay a specific Church tax to their denomination. People desiring to be free of the tax may achieve that result by leaving the Church⁵³. «Eight for thousand» system, as we could see, is totally independent to taxpayers' denominational affiliation.

There are many additional forms of direct or indirect funding of denominations, scattered amongst various other legal provisions. First, there are regional laws providing lots of parcels of land for the erection of churches buildings⁵⁴, second, provisions which facilitates the loan or

⁴⁹ Five for thousand and «eight for thousand» financing system are not alternative. See also **G. RIVETTI**, *La disciplina tributaria degli enti ecclesiastici. Profili di specialità tra attività no profit o for profit*, II Ed., Milan, Giuffrè, 2008, 183.

⁵⁰ **C. CARDIA**, *Otto per Mille e offerte deducibili*, cit., 239.

⁵¹ **S. FERRARI**, *State and Church in Italy*, cit., 224.

⁵² This could be achieved through a reform of the Law on Religious Freedom. See **C. CARDIA**, *Manuale di Diritto Ecclesiastico*, cit., 233.

⁵³ **G. ROBBERS**, *State and Church in Germany*, in **G. ROBBERS**, *State and Church in the European Union*, cit., 89 specifies that «withdrawal from the Church is effected by de-registering with the proper State officials and simply means that one has, according to the State classification, officially ended one's membership of the particular Church in question».

⁵⁴ See R.D. no. 383, 3 March 1934, Law no. 865, 22 October 1971 and Law no. 10, 27 January 1977. The State is the owner of many artistic Churches in Italy. The Fund Buildings for Worship (*Fondo Edifici per il Culto*, FEC) manages this heritage, as provided from Title 3 of Law 222/1985. The administration is entrusted to the Ministry of Interior and is exercised by the General Directorate for Religious Affairs



hire of State real property to church bodies with only minimal rental payments⁵⁵. There are also various tax reliefs in favor of entities with an ethical purpose, intended to heterogeneous activities and subjects. So it is difficult to draw a complete, organic and unitary reconstruction of every facilitation, but we can describe some. Ecclesiastic bodies enjoys of an exemption from value added tax⁵⁶ (*Imposta sul valore aggiunto*, IVA) and a rebate of 50% on corporation tax (*Imposta sul reddito delle società*, IRES) only to income from charitable and education activities⁵⁷. Municipal property tax (*Imposta comunale sugli immobili*, ICI) is excluded for buildings used exclusively to worship and for many buildings of Catholic Church⁵⁸. ICI is excluded for buildings used by entities resident in Italian State, which sole or main activity is not commercial, destined exclusively for welfare, social security, health, education, accommodation, cultural, recreational, sporting and religious or worship activities⁵⁹. Ecclesiastic bodies of Catholic Church or denominations with an Agreement can assume the status of ONLUS (Social Utility Non-profit Organization), they can enjoy the benefit tax system only for solidarity activities provided by the Law⁶⁰.

and, in the province, by prefects. The FEC is responsible for extraordinary maintenance, preservation, restoration, protection and enhancement of buildings.

⁵⁵ See Law no. 390, 11 July 1986 and **S. FERRARI**, *State and Church in Italy*, cit., 223.

⁵⁶ See Art. 68 let. f) D.P.R. no. 633, 26 October 1972.

⁵⁷ Charitable and education activities cannot be the major body activity, but they must be in instrumental relationship with this one. See D.P.R. no. 601, 29 September 1973, and **G. RIVETTI**, *La disciplina tributaria degli enti ecclesiastici. Profili di specialità tra attività no profit o for profit*, cit., 205.

⁵⁸ Art. 7 let. d) and e) D. Lgs. No. 504, 30 December 1992.

⁵⁹ Art. 7 let. i) D. Lgs. No. 504, 30 December 1992. Art. 16 let. a) Law 222/1985 defines as religious or worship activities for Catholic Church those intended to worship and care of souls, clergy and religious training, missionary purposes, catechesis, Christian education.

⁶⁰ According to Art. 10 D. Lgs. no. 460, 4 December 1997 ONLUS activities are: 1) social care; 2) health care; 3) charities; 4) education; 5) training; 6) amateur sport; 7) protection, promotion and enhancement of artistic and historical interest things, including libraries; 8) protection and enhancement of nature and environment, except of ordinary collection and recycling of special and dangerous municipal waste; 9) promotion of culture and art; 10) protection of civil rights; 11) scientific research of particular social interest held by foundations, universities, or research institutions.