European Commission: Italian Subsidies for Digital Equipment Endorsed

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The support measure contained in the Italian Law 296/2006 of 27 December 2006, which grants an income tax deduction to consumers who purchase television sets with integrated tuner and digital decoders during 2007, has been found to be compatible with EC Treaty state aid rules. The income tax reduction amounts to 20% of the price paid for the equipment (up to a maximum deduction of EUR 200 per decoder) and represents a total budget measure of EUR 40 million.

Though the measure was found to give an indirect advantage to broadcasters using digital technologies (who benefit from state-subsidised means to build and develop a digital clientele at a faster pace and at reduced costs), the Commission endorsed it because it was nonetheless found to respect the principles of transparency, necessity, proportionality and technological neutrality.

Similar Italian subsidies granted in 2006 (see IRIS 2007-4: 4) were also approved on account of their technology-neutral characteristics (a.o. criteria). In such a scenario, support is available irrespective of whether the decoder is used for terrestrial, cable or satellite channels. Should the digital equipment display interactive features, these must be provided through programme interfaces (APIs) using open standards, in line with Article 18 of the Framework Directive for electronic communications networks and services.

"State aid: Commission endorses subsidies for digital equipment in Italy" press release of 28 June 2007, IP/07/960

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