

ITALY – NEW 7% TAX REGIME FOR PENSIONERS

7 % OF FLAT TAX FOR PENSIONERS WHO MOVE THEIR RESIDENCY INTO ITALY



Tax opportunity for individuals

The 2019 Italian Budget Law introduced a **very favorable tax regime** for individuals who receive pension incomes from any non-Italian entity and who decide to move their residency into Italy. These individuals:

- are subject to **7% flat tax rate** on any non-Italian source income;
- are exempt from wealth taxes on assets held outside Italy.

Conditions needed for the special tax regime to apply

This special regime is available to individuals who:

- transfer their tax residency into a municipality with no more than 20,000 residents in one of these regions: Sicily, Sardinia, Calabria, Campania, Basilicata, Abruzzo, Molise and Puglia;
- have not been tax resident in Italy during the 5 previous years;
- receive a pension income paid by a non-Italian entity.

Necessary fulfillments

The individuals should opt in this regime by filing their annual tax return. This special tax regime is applicable for a total of **6 years** after the transfer of tax residency in Italy.

Next steps

Non-Italian pensioners should consider this opportunity in case they are planning to move in another Country during their retirement and they are

thinking to move into Italy.

This regime is also applicable to Italian individuals who worked abroad and now move-back in Italy for retirement. Before moving in Italy it is important to check if there are immigration aspects to be considered.

Transfer of residency

Our firm is available to discuss with pensioners who are considering to move their residency in Italy, in order to verify the application of this special tax regime.

We are available to assess any immigration issues, discuss about the relocation aspects, support on the immigration aspects and procedures needed.

We are also available to compare this special tax regime with the so called "non-domiciled tax regime". This latter tax regime allows the individuals, who move their tax residency in Italy, to pay a lump sum of Euro 100,000 per year to cover tax due on non-Italian incomes, under certain conditions ^(*).

For further information please contact us:

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^(*) This publication contains information in summary and it is just a general guidance. We do not accept any responsibility for loss to any person acting or refraining from action as result of any material in this publication. This publication should not be relied on as a substitute for professional advice