

## ITALY – Thanks to “impatriate tax regime” now Italy is one of the most attractive country for individuals from a tax perspective

Top managers, self-employed, employees, sport professionals who move into Italy have up to 90% of tax exemption



### Lowest taxation for individuals who moves their residency into Italy

The Italian Government, with Law n. 58 entered into force on 30 June 2019, provides the best tax incentive ever seen to attract individuals. Employees, self-employed, sport professionals, pensioners, researchers and professors are **exempt to pay taxes on up to 90%** of their incomes. Italy becomes one of the most attractive country after the recent strengthened of its “impatriate tax regime”.

### Employees and self-employed

Employees and self-employed, who move into Italy and have not been resident in Italy in the prior 2 years, are allowed to pay taxes on only 30% of their incomes (**70% of exemption**). As a further benefit, if the residency is moved into one of the southern Italian regions (i.e. Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sardinia or Sicily), taxes are due on only 10% of incomes (**90% of exemption**). The following table shows the huge savings and the actual tax rate (from 8.95% to 2.3%) thanks to “impatriate tax regime”, if the individual taxable income is € 150K.

Employees or self-employed	no regime	taxation on 30%	taxation on 10%
Total income	150.000	150.000	150.000
Taxable income	150.000	45.000	15.000
Italian personal income tax	57.670	13.420	3.450
<b>Net income</b>	<b>92.330</b>	<b>136.580</b>	<b>146.550</b>
Actual tax rate	38,45%	8,95%	2,30%

This special regime is applicable for **5 years**. If the individuals **purchase a house** after the transfer to Italy or in the preceding 12 months, or have at least one minor or dependent child, the regime applies for

**5 additional tax periods**. In these further 5 years, individuals are taxable on **50% of their incomes**. However, if individual has at least three minor or dependent children, the taxable income is **reduced to 10%** during these further 5 years.

### Sport professionals

The tax benefit for sport professionals is subject to the same conditions provided for employees and self-employed, but the taxable income is **reduced to 50%**. Furthermore, athletes should pay an additional tax contribution equal to 0.5% on their incomes.

Also this special regime is applicable for 5 years, plus additional 5 years if the athletes purchase a house after their transfer to Italy or in the preceding 12 months, or they have at least one minor or dependent child. This special regime applies to sport professionals, team managers, sport trainers and directors of the following federations: FIGC (Football Leagues SERIE A, B e C), FIP (Italian Basketball Federation), FCI (Italian Cycling Federation) and FIG (Italian Golf Federation).

### Next steps

The procedure for application of these regimes need detailed tax planning and analysis, we have deep experience to assist individuals to optimize their international tax costs. We help companies to leverage this Regime in their HR strategies (\*)

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