



ATTRACTIVE REGIME IN ITALY



IN A NUTSHELL

With the aim of supporting growth at an economic and cultural level, the Italian Government has decided to introduce facilitation measures aimed at attracting human resources to Italy. Currently, there are 4 facilitation measures, each targeting a different public, but all sharing the need to transfer tax residence to Italy. The attractive regimes are not cumulative with each other.



WHO CAN BENEFIT AND UNDER WHAT CONDITIONS

The common denominator of these measures is the need to transfer tax residence to Italy under art. 2 of the TUIR, recently subject to changes. In all these cases, having resided abroad, prior to the transfer to Italy, is required, varying depending on the facilitation scheme.

The applicability of these schemes is allowed to all subjects who decide to transfer their residence to Italy, respecting its objective and subjective requirements.



THE ATTRACTIVE REGIMES FOR WORKERS

> 1. THE «IMPATRIATES» REGIME

The « impatriates » regime was recently modified by Legislative Decree 209/2023.

- **Conditions:** not having been a resident in Italy for at least 3 years before the transfer and undertake to remain a resident in Italy for at least 4 years. Specific conditions are provided for in case of transfer to Italy where the employer is part of the same group. Compared to the past, it is also required to have high qualifications or specialisations.
- **Incentive regime:** income from an employment or independent work, carried out in Italy, will contribute to the formation of the taxable base for IRPEF for an amount equal to 50%. Those returning to Italy with at least one minor dependent child will benefit from an enhanced incentive which goes up to 60%. Compared to the previous scheme, an innovation is introduced: the maximum cap is 600,000 euros per tax period.
- **Duration:** the duration of the scheme is 5 years, without the possibility of extension, in contrast to what was previously provided.

> 2. PROFESSORS AND RESEARCHERS

The regime relating to the return in Italy of teachers and researchers provides for a 90% reduction in work income produced over a total period of 6 years, this regime can be extended if there are minor dependent children. In addition, it is necessary to conduct teaching or research activity in Italy.



INCENTIVE REGIMES FOR NEW RESIDENTS AND PENSIONERS

> 1. NEW RESIDENTS 24 bis TUIR

- **Conditions:** the requirement of transferring tax residence to Italy, as provided for by art. 2 TUIR, and not have been a tax resident in Italy for at least 9 of the 10 years preceding the one for which the option is valid. The attractive regime is open to foreign and Italian citizens. In addition, the option can be extended to the spouse and family members. To ensure greater security, it is possible to submit an advance ruling in order to obtain confirmation of the existence of the conditions required by law.
- **Incentive regime:** the option allows to benefit from the application of a flat tax of 200,000 euros per year on income produced abroad. For each family member benefiting from the regime, the additional tax due is 25,000 euros.

The option provides an exemption from the obligation of tax monitoring on foreign-held assets and from the payment of IVIE and IVAFE and also covers inheritance and gift tax on assets held abroad, thus derogating from the rules normally provided for residents in Italy according to the ordinary regime.

- **Validity of the option and duration:** the choice of the option is perfected by the filing of the tax return related to the tax period during which the residence is transferred and by the payment of the substitute tax before 30 June. If no event affecting the validity of the option occurs, the option is considered tacitly renewed. The option automatically expires after 15 years from the first tax period of validity of the option.

> 2. FLAT TAX FOR PENSIONERS

Individuals, non-residents for at least the previous 5 years and holders of retirement income paid by foreign countries, who transfer their tax residence to Italy in one of the municipalities of the southern regions, which have less than 20,000 inhabitants, can benefit from an optional tax scheme that provides for the taxation of all income produced abroad with a substitute tax of 7% for a duration of 10 years. In addition they are exempted from the obligation of monitoring foreign assets and the payment of IVIE and IVAFE. The choice of the flat tax is perfected by the filing of the tax return related to the tax period during which the residence is transferred.

EDMOND DE ROTHSCHILD'S INTERNATIONAL WEALTH PLANNING
NETWORK IS AT YOUR DISPOSAL FOR ANY FURTHER INFORMATION.

This document is issued by the Edmond de Rothschild Group. Redacted July 2024.

It has no contractual value and is provided for information purposes only and does not constitute personalized legal, tax or accounting advice. This document should not be construed as an offer of financial products or services or a recommendation to buy or sell a financial instrument or to subscribe to a financial service. The information contained herein has not been reviewed in light of your personal circumstances or your specific objectives or needs. You should consult your own independent advisors. This document is based on information from external sources or documents deemed reliable. The Edmond de Rothschild Group endeavours to ensure that the information contained herein is accurate, complete and up to date but cannot guarantee its completeness or accuracy. Any investment involves risks, in particular the risk of loss of capital and fluctuations in value and return. In no event shall any entity of the Edmond de Rothschild Group, its directors or employees, be liable for any direct or indirect damages, losses, costs, claims, compensation or other expenses arising out of the use or distribution of this document or any decision taken in reliance thereon. Unless otherwise indicated, the sources used in this document are those of the Edmond de Rothschild Group. This document is confidential and intended solely for use by the Edmond de Rothschild Group and the persons to whom it is issued. Any reproduction or use of all or part of this document and its contents, in any form and for any purpose whatsoever, is strictly prohibited, except with the prior written consent of the Edmond de Rothschild Group. Copyright © Edmond de Rothschild Group - All rights reserved