

The background of the entire page is a vibrant, high-angle photograph of a coastal town. The buildings are multi-story and painted in various colors, including yellow, orange, pink, and white, with green shutters. They are built on a steep, green hillside that descends to a rocky shore. The water is a deep, clear blue, and several small boats are anchored in the harbor. The sky is a clear, bright blue. A semi-transparent white diagonal overlay covers the bottom right portion of the image, where the main text is placed.

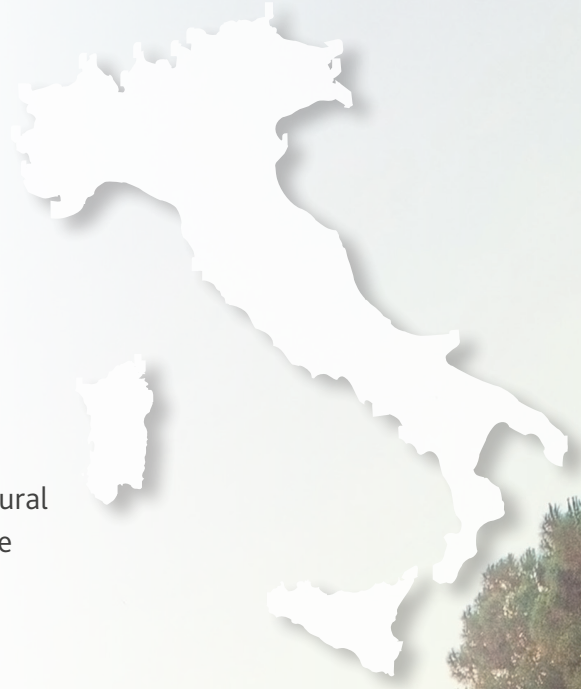
# Individuals moving to live in Italy

Special tax regimes

## Flat Tax regime for New Residents

The Italian Budget Law n° 232/2016 for 2017 introduced a significant tax incentive regime to attract foreign High Net Worth Individuals to move to live in Italy and transfer their tax residence herein.

The above mentioned tax regime, provided for by article 24-bis of the Italian Income Tax Act, makes Italy an attractive destination not only for its culture, its artistic heritage, its natural beauty, its food, its fashion and life style and wonderful people but also for achive relevant tax relief.





## MAIN FEATURES OF THE REGIME

A new Italian tax resident may opt to pay a yearly flat tax of EUR 300,000 in respect of his/her foreign income, instead of the ordinary progressive tax rates. For individuals who transferred their residence to Italy, for the purposes of Article 43 of the Italian Civil Code, before 1 January 2026, the annual flat tax amount is reduced to EUR 200,000.

An individual who opts for the Flat Tax Regime, paying the above yearly flat tax, can transfer foreign income to Italy without paying any additional tax (no remittance mechanism). Moreover he/she is neither requested to disclose his/her foreign assets and estate into Italian individual tax return nor to pay Wealth Taxes on these latter. The individual is requested to pay ordinary income taxes only for the income sourced in Italy (if any).

This Regime, which represents an exception to the general principle of worldwide taxation for Italian tax residents, may substitute the Individual Income Tax (ranging from 23% up to 43% and substitutive tax of 26% for financial income) and the Regional and Municipal Income Taxes on income sourced abroad as well as the Wealth Taxes on financial assets (IVAFE - 0,2%) and on immovable properties held abroad (Ivite - 1,06%).

However, no foreign tax credit will be granted against the flat tax for taxes paid abroad. For this reason, the Legislator lets the taxpayer the possibility to exclude income arisen in one or more specific countries, to which then the ordinary regime will apply. Only in this case taxes paid abroad can be used to offset Italian taxes.

The Flat Tax Regime can be extended, upon request, to one or more family members (when these satisfy the same conditions provided for the main taxpayer) with an additional payment of EUR 50.000 (EUR 25.000 for individuals who have transferred their residence, for the purposes of art.43 of the Italian Civil Code, before 1 January 2026).

The loss of requirements for a family member does not imply the automatic exit of the main taxpayer; vice versa, the end for the main one implies the end of the regime also for the other family members.

Option is valid for 15 fiscal years and is revocable.

Benefit ceases in case the flat tax payment is missed.



## REQUIREMENT

In order to benefit from the tax measure, the individuals who transfer their tax residency to Italy are required to have not been tax resident in Italy for at least 9 out of the past 10 years.



## MAIN BENEFITS

By opting for the Flat Tax Regime individuals will benefit from:

- Yearly flat tax of EUR 300.000 regardless the amount of the income sourced abroad and the value of the assets and real estate owned and located abroad
- No taxation on remittance basis for income sourced abroad and brought into Italy
- Possibility to extend the special regime to one or more family members with an additional payment of EUR 50.000 per year
- Long period of validity of the option (15 years) and possibility to revoke it anytime
- Exemption from the disclosure of the foreign assets and estate into the Italian individual tax return
- Exemption from Italian Inheritance and Gift taxes relating to assets and real estate owned and located abroad, with clear benefit of tax optimisation for those individuals



## EXCLUSION

The Flat Tax Regime does not apply on:

- income sourced in Italy
- capital gains on qualifying shares, for five years after application.



## HOW TO BENEFIT

The new Italian tax resident may opt for the Regime in his/her Italian Individual tax return and the option is valid for 15 years and is revocable.

To check if the individual could be eligible for the Flat Tax Regime, he/she can apply for a tax ruling to the Italian Tax Authorities.

This application is not mandatory, but it is advisable to submit it in order to obtain an opinion from the Tax Authorities and secure his/her own tax position.

## HOW CAN WE HELP HIGH NET WORTH INDIVIDUALS MOVING TO ITALY?

- Flat Tax assessment of eligibility and convenience check
- Tax analysis on assets and income
- Comparison with other tax relief
- Exit tax check
- Residency status test
- Preparation and submission of tax ruling application
- Tax compliance during the Italian sojourn
- Wealth and inheritance tax planning

## Tax relief for workers who move to Italy

The Italian Government, with the aim of promoting economic, scientific and cultural development of the country, has provided, over the years, several incentives and tax relief in order to attract human resources to Italy.

The Legislative Decree No. 209 of 27 December 2023, amongst other things, implements a "new" beneficial tax regime for Impatriates, replacing the former regime.

Individuals already benefitting from the former regime and those who are registered as residents in Italy on or before 31 December 2023 (or sportsmen with an employment agreement concluded within this date) will remain on/can opt for the former regime for its natural 5 or 10-year term. Therefore, they will not be impacted by the new rules.

Although the new regime in force from 2024 provides for reduced advantages compared to the regime in force until 31 December 2023, it represents an interesting tax relief suitable for workers who choose to relocate to Italy.



### MAIN FEATURES OF THE REGIME

Workers who move their tax residence to Italy can benefit from a favourable tax regime that allows them to be subject to taxation (i.e. Individual tax with progressive tax rates ranging from 23% up to 43%) only on 50% of their Italian employment income or self-employment income for a five fiscal-year period.

The benefit will be capped at an annual income of Euro 600.000 – no relief will be available for incomes above this amount, therefore over Euro 600.000 ordinary taxation applies.

The Regime also applies to Italian citizens who transferred their tax residence abroad and decide to move back to Italy.

It also applies to Italian citizens who relocated abroad without being enrolled on AIRE (Register of Italians Resident Abroad) but nonetheless can be considered tax residents abroad according to a Double Tax Treaty in force with the country(ies) where they have lived in the last three years before their relocation to Italy.

### REQUIREMENTS

The Impatriates Regime applies if the worker:

- a) is highly qualified or specialised, as defined by specific Italian legislation;
- b) has not been a tax resident in Italy for:
  - **the last 3 fiscal years** before moving to Italy



If the person works in Italy for the same entity for which he/she was employed abroad before the transfer or for an entity belonging to the same group the worker must be tax resident abroad for:

- **at least 6 fiscal years**, if he/she has not previously worked in Italy in favour of the same company or of a company belonging to the same group;
  - **at least 7 fiscal years**, if he/she, before his/her transfer broad, was employed in Italy by the same company or by a company belonging to the same group.
- c) commits to maintain the Italian tax residency for at least four consecutive tax years. If the worker does not remain for that minimum term, the benefit of the relief will be lost, and he/she will need to refund the amount of lower taxes paid, together with interests;
  - d) will work or perform his/her work activity for the greater part of the tax period from Italian territory.



## MAIN BENEFITS

By opting for the Inpatriates Regime the worker will benefit from:

- taxation only on 50% of his/her Italian employment income or self-employment income, with the possibility to reduce the exemption to 60% if the worker has at least one minor child (under eighteen years old) at the time of the transfer to Italy. In the case of the subsequent birth or adoption of a child, the extra benefit will apply from the tax year in which the child is born or adopted up to the end of the original 5-year period.
- long period of validity of the option (5 years)
- the extension of validity for an additional 3 years, after the initial five, if the worker who has opted for the regime in fiscal year 2024 purchases a residential real estate unit to be used as a main residence on or before 31 December 2023 and, in any case, in the 12 months before the transfer.

## HOW TO BENEFIT

In order to benefit from the Inpatriates Regime employees must submit a written request to their Italian employer, who will then apply the tax relief directly to their payroll.

Self-employed workers, on the other hand, can opt for the exemption directly in their Italian Individual tax return.

## HOW CAN WE HELP WORKERS MOVING TO ITALY?

- Assessment of eligibility
- Comparison with other tax reliefs
- Residency status test
- Preparation of the request to the employers
- Italian tax compliance while the package is in place

## EXCLUSION

The Inpatriates Regime does not apply to income sourced abroad which will be subject to ordinary taxation regime.

The 50% (or 60%) tax exemption is capped to income up to Euro 600.000.

Moreover, the worker is required to disclose his/her foreign assets and estate into the Italian individual tax return, paying Wealth Taxes on them.

Under some circumstances, the Inpatriates Regime may be applied together with the Flat Tax Regime.



**CONTACTS:****BDO (Italy)**

Viale Abruzzi, 94  
20131 Milan

Tel +39 02 58 20 10

[centrostudi@bdo.it](mailto:centrostudi@bdo.it)

BDO is among the leading organisations for professional business services.

**Audit | Advisory | Digital | Tax | Law**

While every effort has been made to ensure the accuracy of the information contained herein, this publication is intended for general guidance only and does not constitute, and should not be construed as, professional advice or an expression of any opinion of BDO, whether in whole or in part. No reliance should be placed on this publication for the purpose of addressing any specific matter, and no action should be taken or refrained from on the basis of the information contained herein without obtaining appropriate professional advice. BDO accepts no responsibility or liability for any loss arising from any action taken or not taken in reliance on this publication. Readers should contact the relevant BDO member firm in their respective jurisdiction to discuss their particular circumstances.

BDO Italia S.p.A., an Italian Limited Company, BDO Advisory Services S.r.l., Limited Liability Company, BDO Tax S.r.l. Stp, Professional Corporation (STP), BDO Law S.r.l. Sta, Lawyer Corporation, BDO InTech S.r.l., Limited Liability Company, BDO Trade & Customs S.r.l., single-member Limited Liability Company, BDO Audit Services S.r.l., Limited Liability Company, - together hereinafter referred to as "BDO Italy" - are members of BDO International Limited, a UK company limited by guarantee, and form part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

BDO (Italy) reserves all rights to use and reproduce all content reported herein. It is also expressly prohibited to use such content to train artificial intelligence systems. It is further specified that the contents herein are protected by industrial secrecy and constitute proprietary know-how of BDO (Italy). Accordingly, any disclosure, use, or reproduction thereof, in any form or by any means, is strictly prohibited without the prior written authorisation of BDO (Italy).

© 2026 BDO (Italy) - All rights reserved.

Printed on FSC® certified paper supporting responsible forestry.

[www.bdo.it](http://www.bdo.it)

