

Flat Tax for New Residents: Your Path to a Simplified Life in Italy

Introductory Overview

Dreaming of a fresh start in Italy with significant tax advantages? The innovative €200,000 flat tax regime is designed to welcome High Net Worth Individuals ("HNWI") and their families and offers a remarkably straightforward and beneficial way to manage your foreign income. Regulated by Article 24-bis of the Italian Income Tax Code ("TUIR") and recently updated, Italy is positioning itself as a top European destination for those seeking both tax efficiency and legal certainty.

Who Can Apply?

This regime is perfectly suited for:

- Individuals (Italian or foreign) who transfer their tax residence to Italy from August 10, 2024 (effective from the 2025 tax year).
- Applicants who have not been tax resident in Italy for at least 9 out of the 10 years preceding the transfer.
- Entrepreneurs, investors, executives, professionals, and wealthy individuals whose primary income sources are foreign.



FLAT TAX FOR NEW RESIDENTS

Key Benefits

Experience a simplified tax life with these compelling advantages:

- Fixed Substitute Tax: A flat €200,000 per year on all foreign-source income, regardless of the amount or type (e.g., dividends, interest, capital gains, rents, royalties).
- Family Inclusion: Extend this benefit to eligible family members (including spouse, chil dren, parents, in-laws, siblings, sons-in-law, daughters-in-law) by paying an additional fixed €25,000 per year for each. This fixed amount is due irrespective of whether the fam ily member generates any personal income.
- **Exemption from Foreign Asset Reporting:** No obligation to complete the foreign asset disclosure (Section RW of the Italian tax return), nor to pay IVIE (tax on real estate abroad) or IVAFE (tax on financial assets abroad) on foreign assets.
- **Exemption from Inheritance and Gift Tax:** Your foreign assets are exempt from Italian inheritance and gift tax.
- Simplicity & Predictability: This is a clear, certain, and straightforward tax regime; progressive personal income tax rates do not apply to foreign-source income.
- Long-Term Benefit: The regime can last for up to 15 years from the transfer of tax residence to Italy.

Application Process

Here's what you need to know about applying:

- You must transfer your tax residence to Italy and maintain your habitual residence in the country.
- The option must be exercised in the tax return relating to the year of transfer or the following year (Section NR of the Italian tax return).
- Mathematical The €200,000 flat tax payment must be made by June 30 of the year following the relevant tax year.
- Self-Application: The regime can be activated autonomously by the taxpayer, provided legal requirements are met, without the need for a ruling from the Italian Tax Authority.
- Optional Advance Ruling: While not mandatory, it is recommended to file an advance tax ruling (**"interpello"**) with the Italian Revenue Agency. This can confirm your eligibility and help clarify specific or complex cases, potentially avoiding future disputes.

Important Considerations:

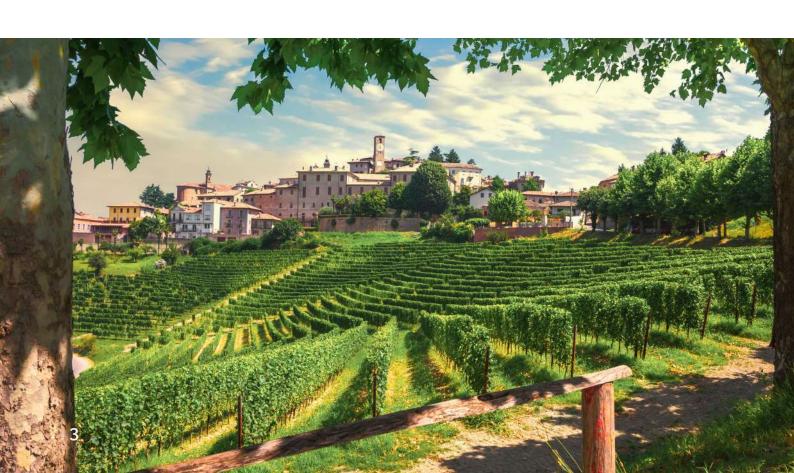
- Italian-source income remains subject to ordinary Italian personal income tax.

 You cannot claim foreign tax credits for taxes paid abroad on income covered by the flat tax.
- The regime can be revoked and will lapse if the fixed tax is not paid or if eligibility requirements are no longer met.
- Buying property in Italy can be a rewarding investment, but it involves navigating a complex legal and tax system that varies by region. While notaries and estate agents play key roles, they aren't responsible for protecting your interests. Hiring a trusted lawyer is essential to ensure your investment is secure, with proper documentation, compliant contracts, and full legal protection. For prospective buyers, particularly those from foreign countries, seeking professional guidance is absolutely essential. This invaluable support serves to mitigate risks and pave the way for a seamless and hassle-free transaction experience.

This flat tax regime is a strategic tool for efficient personal and family tax planning, offering certainty, simplification, and competitive advantages compared to similar regimes in other leading European countries.

Ready to Explore Your Options?

Contact us today to learn more about how the Italian Flat Tax for New Residents can benefit you and your family. Our experts are here to guide you through every step.



PROMETHEAN ADVISORY LIMITED

Telephone: +356 22264220

E-mail: info@promethean.mt

Web: www.promethean.mt

Malta Office: Office 1, Piazzetta Business Plaza, Ghar il-Lembi Street, Sliema SLM 1560, Malta.

Italy Office: Via San Raffaele, 1 Milano 20121, Italy



Scan to access Digital Visit Card

