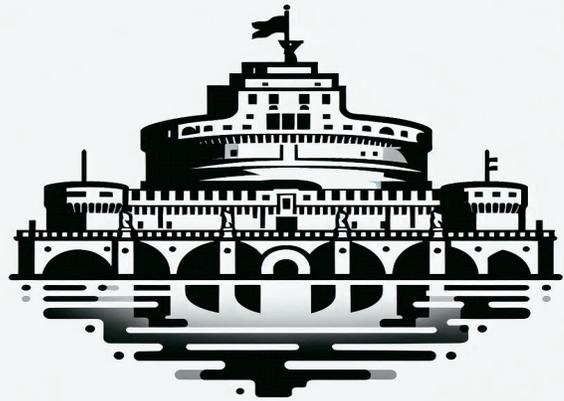


ITALIAN FLAT-TAX FOR FOREIGNERS



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FLAT-TAX FOR FOREIGNERS



OVERVIEW

Italy offers special tax regimes designed to attract **high-net-worth individuals (HNWIs)** and **foreign retirees** seeking to relocate to the country. These regimes include a **flat tax on foreign income** and a **reduced tax rate for pensioners** who settle in designated areas of Southern Italy.

FLAT TAX FOR HIGH NET WORTH INDIVIDUALS

Key Features

- Fixed annual tax of **€200,000** on **all foreign income**, regardless of the amount.
- Option to extend the regime to family members at **€25,000 per person**.
- Exemption from **foreign asset reporting (RW Form)** and **wealth taxes**.
- No additional tax on **foreign income remitted to Italy**.
- Duration: **Up to 15 years**, unless terminated earlier.

Eligibility Criteria

To qualify, applicants must:

- Have **lived outside Italy for at least 9 out of the last 10 years** before relocating.
- Apply for a **tax ruling** to confirm eligibility with the Italian tax authorities.
- Officially move to Italy and register as a resident (**Anagrafe della Popolazione Residente**).

Flexibility & Exclusions

- Individuals can **exclude specific countries or assets** from the flat tax and opt to pay ordinary Italian taxes on those incomes instead.
- Capital gains from **selling substantial equity interests** within **5 years** of opting in are taxed at standard rates.
- **Controlled Foreign Company (CFC) rules** do **not apply** under this regime.

Inheritance & Gift Tax Exemption

- Foreign assets **passed on as inheritance or gifts** remain **exempt** from Italian taxation.

- Italian inheritance and gift taxes only apply to assets located in Italy.

Fast-Track Visa Option

- For **non-EU nationals**, residency applications are fast-tracked if they:
 - Invest at least **€250,000** in an Italian start-up.
 - Invest at least **€2 million** in Italian government bonds.
 - Invest **€500,000** in an Italian company.
 - Donate **€1 million** to a philanthropic cause.
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FLAT TAX FOR FOREIGN PENSIONERS (7% Regime)

Key Features

- Fixed **7% tax** on **all foreign income**, including pensions.
- No wealth taxes on **foreign-held real estate and financial assets**.
- Exemption from **foreign asset reporting (RW Form)**.
- Applies for **six years**.

Eligibility Criteria

To qualify, applicants must:

- **Receive a foreign pension.**
- Relocate to **Southern Italy** (small towns in regions such as Sicily, Calabria, Sardinia, Campania, Basilicata, Abruzzo, Molise, or Puglia).
- Move from a country with which Italy has a **tax treaty or cooperation agreement**.
- Not have been a **tax resident in Italy for the past 5 years**.

Flexibility

Individuals can **opt to exclude** income from certain countries, which would then be taxed under Italy's **ordinary tax rules** with potential **foreign tax credits**.

Our Assistance

We provide expert guidance on:

- **Eligibility assessment** for the flat tax regimes.
- **Tax ruling applications** with the Italian Revenue Agency.
- **Relocation planning and compliance**.
- **Inheritance and wealth tax structuring**.