



2021 GUIDE FOR “INPATRIATE” WORKERS



NEXUMSTP Tax-Employment Committee

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TAX RELIEF FOR INPATRIATE WORKERS APPLICABLE TO INDIVIDUALS TRANSFERRING THEIR FISCAL RESIDENCE TO ITALY

The Tax Authority provides for significant relief measures for individuals who transfer their tax residence to Italy to conduct professional activities.

In particular, the subject of this work is THE TAX REGIME FOR INPATRIATE WORKERS¹

It is a temporary tax relief applicable to workers who **transfer their residence to Italy** (Article 16, of Legislative Decree no. 147/2015).

The relief is applied provided that:

- » The Applicant has transferred his/her fiscal residency to Italy²;
- » before transferring to Italy, the natural person had his/her fiscal residency abroad for a minimum period of time.
- » the work activity is predominantly carried out in the Italian territory.

Italian citizens who are not registered in the Registry of Italians Residing Abroad (AIRE) can also apply for the tax relief provided that, in the two tax periods preceding the transfer, they have resided in another country, pursuant to an agreement against double income taxation.

The tax relief is applicable to the **tax period** in which the person becomes fiscally resident in Italy.

For taxpayers who meet the prerequisites, in the tax period in which the **residency is transferred** and in the following 4 fiscal years, the income from employment (or similar), self-employment and business activities (limited to sole proprietorships) produced in Italy contributes to the **total income** limited to 30% of the amount, or to 10% if the residency is established in any of the following regions: Abruzzo, Molise, Campania, Apulia, Basilicata, Calabria, Sardinia and Sicily.

The tax relief can be extended to five additional fiscal years for workers with at least **one minor child** (even in pre-adoptive foster care) and for those who become owners of at least one residential real estate unit in Italy after the transfer, or in the previous 12 months. For the extension period, incomes that are suitable for a tax relief contribute to the formation of the taxable amount for 50% of their amount, or for 10% in the case of workers with at least three minor children (even in pre-adoptive foster care).

Pursuant to Art. 8-bis of Legislative Decree 148/2017, the tax relief is applied in compliance with and within the limits of the so-called *de minimis* tax regimes.

The main issues concerning the tax relief will be discussed in detail below.

¹It should be noted that the tax provisions envisaged for professional athletes is beyond the scope of this discussion

² Paragraph 2 of Article 2 of the TUIR (Consolidated Tax Law) considers as resident of Italy natural persons who, for most of the tax period, i.e. for at least 183 days (or 184 days, in the case of a leap year), are registered in the Registers of the Resident Population, or have established their domicile or residency in Italy, pursuant to the Italian Civil Code

As of 1 January 2017, for the income deriving from subordinate and similar work and self-employment produced in Italy by workers who transfer their tax residency to Italy, taxation is determined upon on a percentage of the income amount (50% until 29 April 2019 and 30% thereafter), provided that certain conditions are met.

The tax relief is available for individuals who, for most of the tax period, are **registered in the Register of the Resident Population, or have established their domicile or residency** in Italy, pursuant to the Italian Civil Code.

The beneficiary loses his/her entitlement to the tax relief if residency in Italy is not maintained for at least 2 years. In this case, the Tax Authorities will recover the tax relief amount previously applied.

The two-year period of residency in Italy starts from the time in which the worker becomes fiscally resident.

In the case of a **fixed-term** employment contract expiring prior to the expiry of the two-year period, or in the event of termination of the permanent employment prior to the **expiry of the two-year period** for reasons not attributable to the worker, the latter does not lose entitlement to the tax relief provided that he/she does not transfer his/her residency outside Italy before the end of the two-year period.

REGULATION FOR TRANSFERS UP TO 29 APRIL 2019

For transfers of tax residency occurring no later than 29 April, 2019, in order to identify the requirements for receiving the incentive provided for by Art. 16 of Legislative Decree 147/2015, it is necessary to distinguish between:

I) HIGHLY-QUALIFIED AND SPECIALISED MANAGERS AND WORKERS (PARAGRAPH 1)

Executive roles (managers) refer to executives, or middle-level managers or even employees performing managerial functions.

The requirements of high specialisation or qualification are met if the Applicant:

» Has an **advanced academic title**, issued by competent authorities in the country where it was awarded, and which certifies the completion of an advanced education programme lasting at least three years, and the related advanced professional qualification falling within level 1 (legislators, entrepreneurs and top management), level 2 (intellectual, scientific and highly specialised professions) or level 3 (technical professions) of the ISTAT CP 2011 classification of professions certified by the country of origin and recognised in Italy.

Workers with **advanced qualifications or specialisation**, unlike managers, do not necessarily have to hold managerial roles or perform tasks related to high specialisation.

QUANTIFICATION AND DURATION OF THE TAX RELIEF:

The taxable income on which the **taxation is calculated is equal to 50%**. The tax relief is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy.

BENEFICIARY SUBJECTS:

The tax relief is made available to all individuals, EU and non-EU citizens, who transfer their tax residency to Italy. In detail, the tax relief concerns:

- » also workers without a college degree (Managers);
- » work in Public Administration agencies is not allowed;
- » forfeiture is envisaged if the beneficiary does not keep his/her tax residence in Italy for 2 years.

ENTITLEMENT REQUIREMENTS:

1. not having been a resident of Italy in the 5 tax periods prior to Repatriation;
2. transfer the tax residency to Italy;
3. commitment to residing in Italy for 2 years;

4. commitment to working in Italy for at least 183 days for each tax year (184 in leap years);

With regard to point 4, in the case of subsequent employment, due diligence concerning the prevalence of business activities in Italy must take into account any work performed during the entire tax period. The calculation of the 183 working days includes not only working days, but also holidays, public holidays, weekly rest periods and other non-working days. Days of travel lasting more than 183 days or posting abroad cannot be counted. If the requirement can be met **only for some tax periods** included in the five-year period for which it is possible to receive the tax relief, the worker will be able to benefit from it only for the years in which the requirement is met, it being understood that the other years will contribute to the calculation of the five-year period. For example: if a worker who is fiscally resident in Italy is sent abroad for 200 days, he/she will not be able to benefit from the tax relief for that year (see pages 32-33 of Revenue Agency Circular 17/E 2017).

5. if employees work in a resident company, also by virtue of secondment from a foreign company, and hold managerial roles, or met the advanced qualification or specialisation requirements.

With regard to point 5, the notion of resident business includes any legal entity that conducts an economic activity consisting in the offer of goods and services on the market, regardless of legal status, organisational form and methods of financing, and excluding any Public Administration agency. Both fixed-term and permanent employment are relevant, as well as employment that is fiscally similar to employment relationships (See page 32 of Revenue Agency Circular 17/E of 2017)

II) WORKERS WITH COLLEGE DEGREE (PARAGRAPH 2)

QUANTIFICATION AND DURATION OF THE TAX RELIEF:

As discussed above, the taxable income on which the taxation is calculated is equal to 50%. The tax relief is applicable for a **maximum of 5 years** starting from the year of transfer of the tax residency to Italy.

BENEFICIARY SUBJECTS:

The tax relief is intended for all natural persons, EU citizens, and citizens of non-EU countries, limited to countries with which a double taxation agreement or an agreement on the exchange of tax information is in force, and who transfer their fiscal residency to Italy. In detail, the tax relief concerns:

- » only workers with college degree;
- » work in Public Administration agencies is allowed;
- » forfeiture is envisaged if the beneficiary does not maintain his/her tax residency in Italy for 2 years

ENTITLEMENT REQUIREMENTS:

1. college degree;
2. continuous employment abroad in the last 24 months, or continuous studies abroad in the last 24 months and award of an academic qualification (degree or postgraduate specialisation);
3. transfer the tax residency to Italy;
4. commitment to residing in Italy for 2 years.

WORK ACTIVITIES CARRIED OUT IN ITALY

With reference to the requirement of work activities to be carried out in Italy, work does not necessarily have to be consistent with the academic qualification held. If resulting from employment, it can be carried out indifferently at **companies or public or private entities**, and not necessarily at entities that conduct commercial activities (as envisaged, instead, for managers and qualified or specialised workers).

III) SELF-EMPLOYED WORKERS (PARAGRAPH 1-BIS)

QUANTIFICATION AND DURATION OF THE TAX RELIEF:

As discussed above, the taxable income on which the taxation is calculated is equal to 50%. The tax relief is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy.

BENEFICIARY SUBJECTS:

The tax relief is made available to all individuals, EU and non-EU citizens, who transfer their tax residency to Italy. In detail, the tax relief concerns:

- » also workers without a college degree;
- » forfeiture is envisaged if the beneficiary does not maintain his/her tax residency in Italy for 2 years.

ENTITLEMENT REQUIREMENTS:

1. not having been resident in Italy in the 5 tax periods prior to repatriation;
2. transfer the tax residency to Italy;
3. commitment to residing in Italy for 2 years;
4. commitment to working predominantly in Italy for at least 183 days for each tax year (184 in leap years);

WHAT CHANGED

EXTENTION OF THE TAX RELIEF DURATION FOR “PREVIOUSLY” INPATRIATE WORKERS

Article 1, paragraph 50 of Law 178/2020 (Budget Law 2021) has added paragraph 2-bis to Art. 5 of Legislative Decree 34/2019, providing for the possibility, for inpatriate workers who transferred to Italy no later than 29 April, 2019, to extend the tax relief to an additional period of 5 fiscal years.

REQUIREMENTS FOR EXTENSION OF THE TAX RELIEF

Article 1, paragraph 50 of Law 178/2020 (Budget Law 2021) has added paragraph 2-bis to Art. 5 of Legislative Decree 34/2019, providing for the possibility, for inpatriate workers who transferred to Italy no later than 29 April, 2019, to extend the tax relief to an additional period of 5 fiscal years.

1. have been registered on the AIRE Register or, alternatively, are citizens of EU member states;
2. have transferred their residency to Italy before 30 April 2019;
3. as of 31 December 2019, they are the beneficiaries of the inpatriate worker tax regime.

HOW TO EXERCISE THE OPTION

For the purpose of extending the tax relief, the option is exercised through the lump sum payment submitted via Form F24, without the possibility of applying the compensation option

WHEN TO EXERCISE THE OPTION

By 30 June of the year following the last year of application of the tax relief (if the period ended on 31 December 2020, by 30 August 2021).

HOW MUCH DOES IT COST TO EXTEND THE TAX RELIEF

The option is exercised by paying:

- a. An amount equal to **10%** of the income from employment and self-employment produced in Italy and to which the tax relief is applied (in their effective extent, therefore not only for the taxable part), relating to the tax period prior to that in which the option is exercised, if at the time of exercising the option, the subject:
 - » has at least **1 minor child** (also in pre-adoptive foster care);
- OR**
- » has or will become **the owner of at least one residential real estate unit in Italy.**
 - b. an amount equal to **5%**, calculated as above, **if:**
 - » has at least **3 minor children** (also in pre-adoptive foster care);

AND

- » has or will become the **owner of at least one residential real estate unit in Italy.**

In both cases, the requirement of being or becoming the owner of at least one residential real estate unit in Italy is met if the purchase, alternatively:

- » took place in the **12 months preceding the transfer** to Italy;
- » took place **after the transfer** to Italy;
- » **will take place within 18 months from the date of exercise of the option** (under penalty of the restitution of the additional tax relief received, without the application of penalties)

The real estate unit can be purchased by **the worker or by his/her spouse, cohabitant or children, even in co-ownership mode.**

In addition to the above payment, a written request must be submitted to the withholding agent.³³ For individuals who are self-employed, the option must be declared in the tax return relating to the tax period in which the option was exercised through payment.

³³ For the basic contents of the communication, see point 2.2 of the Provision of the Revenue Agency of 3 March 2021

REGULATION FOR TRANSFERS AS OF 30 APRIL 2019

Article 5 of Legislative Decree 34/2019 (Economic Growth Decree) has modified the access requirements to and the extent of the tax relief, expanding and making the tax regime even more convenient for those who transfer their tax residency to Italy starting in 2020. The most important changes include the increase in the reduction percentage of the taxable income from eligible income from 50 to 70 percent, and the extension of the eligible period to 5 additional years, in some cases expressly provided for by law.

EFFECTIVE DATE OF THE TAX RELIEF

- » **from the 2019 tax period for persons who have transferred their residency to Italy as of 30 April 2019 and no later than 2 July 2019;**
- » **from the tax period 2020 (or later), for subjects who have transferred their residency to Italy as of 3 July 2019.**

ENTITLEMENT REQUIREMENTS:

- » Workers must not have resided in Italy in the **2 tax periods prior** to the transfer;
- » Workers undertake to **reside in Italy for at least 2 years;**
- » The work activity must be **performed mainly in Italy** (no requirement relating to high qualification is applied).

By express provision (Article 16 paragraph 5-ter of Legislative Decree 147/2015), Italian citizens **not registered on the AIRE** Register, who have returned to Italy as of 1 January 2020, can also receive the tax relief, provided that, in the two tax periods prior to the transfer, they have resided in another State pursuant to a Convention against double taxation on income.

INCOME SUBJECT TO THE TAX RELIEF

- » Income from subordinate or similar employment;
- » Income from self-employment;

to which are now added

- » Business income (limited to the form of a sole proprietorship).

Therefore, the tax relief does not apply to:

- » business income produced by commercial partnerships and charged, for transparency purposes, directly to each shareholder, in proportion to their percentage of ownership;
- » business income produced by limited liability companies whose shareholders are exclusively natural persons and charged, for transparency purposes, directly to each shareholder, in proportion to their percentage of ownership, pursuant to Article 116 of the TUIR.

QUANTIFICATION OF THE TAX RELIEF:

The income entitling the taxpayer to the relief contributes to the formation of the taxable income tax, to the extent of 30%, with an **exemption of 70%** of its amount.

For taxpayers who transfer their residency to one of the **southern regions** (Abruzzo, Molise, Campania, Apulia, Basilicata, Calabria, Sardinia and Sicily) the **exemption rises to 90%**, thus quantifying the taxable share to the extent of 10% of the income produced.

It should be noted that the Tax Decree has extended the greater reliefs already provided for workers who transfer their residency to Italy starting with the 2020 tax period, also for workers who returned to Italy as of 30 April 2019 and who, in the absence of the aforementioned legislative provision, would still have enjoyed the tax relief in question, but in the less favorable version (tax reduction of 50% and not 70% of the income produced in Italy), thus amending an evident discrepancy between subjects who would have returned in 2020 and those who were already back in Italy as of 30 April, 2019. As a result, as indicated in **Circular 33/E of the Revenue Agency**, *"if the requirements and conditions provided for by the law are met, taxpayers who have transferred their tax residency to Italy starting from 30 April 2019 can benefit from the tax relief in question, according to the new provisions in force since 1 May 2019:*

- » starting from the 2019 tax period, if they have transferred their tax residence to Italy as of 30 April and no later than 2 July 2019; or
- » starting from the 2020 tax period, if they have transferred their tax residence to Italy as of 3 July 2019.

For example, provided that all relevant statutory requirements are met, a person who has transferred his/her tax residency to Italy:

- » on 5 February 2019, will be able to benefit from the tax relief in the version in force until 30 April, 2019 (with a 50 percent tax reduction for the entire five-year period);
- » on 5 May, 2019, will be able to benefit from the tax relief in the version in force as of 1 May, 2019 (with tax deduction of 70 percent for the entire five-year period), starting from the 2019 tax period;
- » on 5 July 2019, will be able to benefit from the tax relief in the version in force as of 1 May, 2019 (with tax deduction of 70 percent for the entire five-year period), starting from the 2020 tax period.

Taking into account the formulation of the regulatory provisions, the tax relief measure must be applied uniformly for the entire period of time and, therefore, its percentage for incentivised income must be applied consistently for the reference five-year fiscal period.

It follows that, if the taxpayer benefited from the tax relief to the extent of 50 per cent (since, for example, he/she returned to Italy for tax purposes in the 2018 tax period), he/she cannot take advantage of the higher tax relief regime (tax reduction of 70%) for the residual tax periods of the eligible five-year period".

DURATION OF THE TAX RELIEF

The tax relief is applicable in general for **5 years** starting from the year of transfer of the tax residency to Italy.

It is possible to benefit from the tax relief for an **additional 5-year tax period** by applying a percentage of exemption different from the percentage applicable to the initial five years, and specifically:

a 50% exemption, corresponding to a taxability of 50% of the income produced, if the taxpayer:

» **has at least one minor child or a dependent child** (also in pre-adoptive foster care);

OR

» in the event that a **residential real estate unit is purchased in Italy**, both after the transfer and in the 12 months prior to the transfer (the real estate unit can be purchased directly by the taxpayer, or his/her spouse, cohabitant or children, also in co-ownership mode).

The **exemption increases** from 50% to **90%**, and, therefore, the taxable amount is equal to 10% of the income produced, if there are at least **3 children under age or dependent or in foster care**. It should be noted that the aforementioned conditions, which allow an extension of the tax periods eligible for relief, cannot be combined with each other, and, therefore, the extension is only possible for 5 additional tax years. In short, the income tax deduction can be applied for a maximum period of 10 years.

The extension of the time-contingent relief if the taxpayer has at least one minor or dependent child, even in pre-adoptive foster care, is permitted both if the child was born before the transfer to Italy, and thereafter, provided that this condition is still applicable within the expiry of the first five years of relief application. For example, for a person who has returned to Italy for tax purposes in 2020, a child (i.e., the third child) must be born by 31 December 2024, in order to extend the relief for a total of ten fiscal years. The circumstance that, after the return to Italy, the children become of age (or are no longer dependent for tax purposes), does not result in the loss of the tax relief referred to in Article 16, as it pertains to the additional five years. Circular 33/E 2020 of the Revenue Agency specifies that "The inpatriate worker is deemed to have the right to the tax relief even in the event that his/her minor or dependent children are not resident in Italy at the time the taxpayer transfers to Italy, provided that any such children transfer their tax residence to Italy within the first five years of application of the tax relief for their parent's benefit".

The extension of the time-contingent benefit in the event of purchase of real estate is allowed in all cases in which the inpatriate purchases a residential real estate unit in Italy within twelve months prior **transferring to Italy**. The provision also establishes that the purchase can also take place "after" the taxpayer returns to Italy; this means that, for the purposes of tax relief applicability, the inpatriate must purchase the real estate property within and no later than the first 5 tax periods of relief application and remain in Italy for the entire period of applicability. As it pertains to the real estate ownership requirement, if the taxpayer happens to be the owner of a previously purchased residential property in Italy, he/she will still be eligible to receive the relief extension, since no exclusions have been contemplated in the regulation in this regard. With reference to the requirement relating to the ownership of the real estate unit, the Revenue Agency specified that the taxpayer is not entitled to the extension if the purchase concerns only bare ownership or the right of usufruct. The signing of a preliminary sale agreement is not sufficient to ensure applicability of the relief extension, since the entitlement can only be applied if the parties involved in the purchase/sale transaction formally undertake to enter into a final purchase/sale agreement at a later time.

METHOD OF APPLICATION OF THE RELIEF BY SELF-EMPLOYED WORKERS

Self-employed workers can apply for the tax relief **directly at the time they file their tax returns**.

These subjects may also benefit from the relief by effect of the withholding tax applied by their client(s) at the time their compensation is paid. In this case, they must submit a written request to each client, detailing personal information (name, surname and date of birth), Tax ID, date of return to Italy, a declaration attesting that the requisites to receive the tax relief have been met, current residence in Italy, and a declaration attesting that the tax reliefs provided for by Article 44 of Law Decree no. 78/2010 ("Tax relief for teachers and researchers returned to Italy"), as well as by Law no. 238/2010 ("Tax incentives for workers who return to Italy"), and Article 24-bis of the TUIR ("Optional relief for new residents") have not been applied. The client who receives this declaration, upon payment of any consideration due, will apply a 20% withholding tax on the reduced taxable amount based on the provisions of the tax relief regulation.

In the event that the inpatriate worker has not submitted any request to his/her client(s) during the tax period in which repatriation took place, nor has he/she provided proof thereof in any relevant tax returns submitted beyond the filing deadline, the **tax relief is not applicable** to said tax periods.

It should be noted that "filing deadline" refers to the standard deadline for filing the Individual Tax Returns on the dedicated Form.

In the event that the taxpayer has not made use of the tax relief at the time of tax filing, he or she may apply it by submitting the Individual Income Form (so-called "Form Amended within the Deadline") within the filing deadline.

Furthermore, tax returns submitted within ninety days from the expiry of the deadline are considered valid, without prejudice to the application of administrative penalties for delay (so-called "late filing"); therefore, in order to apply the tax relief in question, taxpayers who have not submitted their tax return by the deadline may submit their late returns bearing the income subject to relief in reduced amount.

Since this is an optional tax regime, the possibility of filing a so-called "revised supplementary return to the benefit of the taxpayer" beyond the term of ninety days from the standard deadline is not permitted.

Finally, it should be noted that if the filing deadline has expired, the taxpayer can still benefit from the regime in question for the remaining tax periods of the five-year eligibility period in accordance with the methods set out above, by applying the regime based on the provisions in force in the tax period in which his/her residency was transferred to Italy.

Therefore, a self-employed person who has transferred his/her tax residency to Italy in the 2017 tax period, if he/she has not provided proof that the tax relief was applied to the relevant tax returns and the returns of the following year (2018), whose terms have expired, cannot apply the relief for those years. Otherwise, with reference to the tax periods from 2019 to 2021, it is possible to benefit from the relief, giving proof thereof in the relevant tax returns.

Below we are providing a sample of the tax returns that a self-employed worker must provide to his/her client(s) (for the period of extension of the tax relief, the provision of the Revenue Agency of 3 March 2021 does not provide for a specific communication template for the self-employed worker; at present, we recommend using the same format in place for subordinate employees)

To (Withholding Agent's Information)

Request for tax relief following the transfer of fiscal residency to Italy "INPATRIATED WORKERS" (LEGISLATIVE DECREE 147/2015, Art. 16, paragraph 1, as amended and supplemented)

The Undersigned

Born in _____ on _____

Resident in Italy as of _____ Address _____

Tax ID _____

VAT no. _____

Office phone _____ Mobile phone _____

Email _____

IS HEREBY REQUESTING

The application, upon payment of the fee, of a withholding tax of 20% on the taxable amount equal to (indicate 30% or 50%, depending on the case) based on the provisions of the tax relief regulations.

Furthermore, under his/her own responsibility, pursuant to Arts. 46-47 of Presidential Decree 445/2000

DECLARES

that he/she meets the requirements to receive an IRPEF tax breaks provided for by Legislative Decree 147/2015, Art. 16, as amended and supplemented, and specifically that he/she:

» Transferred his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR, and he/she has been registered in the Registry of the Resident Population (APRI) in Italy as of _____

» WAS NOT a resident in Italy in the two tax periods prior to the transfer, and he/she commits to remaining in Italy for at least two continuous years;

» did not, in previous tax periods and/or at the same time, availed himself/herself of the tax relief provided for by Legislative Decree 78/2010, Article 44, as well as Law 238/2010 and Article 16 of Legislative Decree 147/2015

OR (alternatively)

*» Already partially benefited from the same tax relief from
to _____*

The Undersigned declares that he/she is aware of the civil and criminal penalties, pursuant to Art. 76 of Presidential Decree 445/2000, to be levied against anybody who makes untruthful declarations, and he/she undertakes to promptly notify the occurrence of conditions that involve a change in the tax relief requested (for example, changes to the tax residency).

The Undersigned acknowledges that the data contained in this self-certification will be processed predominantly with electronic tools, and may be provided to other public bodies for the fulfilment of their institutional purposes.

(Date)

(Signature)

Article 2 of the TUIR (paragraph 2) considers as residents of Italy natural persons who, for most of the tax period, i.e., for at least 183 days (or 184 days in the case of a leap year), have been registered in the Registers of the Resident Population, or have their domicile or residency in Italy.

SUPPORTING DOCUMENTATION

- » ID
- » DOCUMENTATION RELATING TO THE PREVIOUS FOREIGN RESIDENCE
- » ITALIAN VAT CERTIFICATE

METHOD OF APPLICATION OF THE RELIEF BY SUBORDINATE WORKERS

To benefit from the tax relief described in the previous paragraphs, entitled workers who receive employment income, must submit a written request to their employer.

The request, submitted pursuant to Presidential Decree no. 445/2000, must contain:

- » personal details (name, surname and date of birth)
- » Tax ID
- » information on the date of return to Italy, and the date of first hire in Italy (in the case of subsequent hires, or more than one subordinate employment)
- » declaration attesting to the applicant's fulfilment of the requisites needed to receive the tax relief
- » information concerning the current residence in Italy
- » commitment to promptly notify any change to the taxpayer's residency status prior to the end of the minimum statutory period which entitles the tax payer to the relief
- » declaration attesting that the taxpayer is not simultaneously receiving the tax relief provided for in Article 44 of Decree Law no. 78/2010 , Law no. 238/2010, Article 16 of Law Decree no. 147/2015, and Article 24-bis of TUIR.

The employer applies the relief starting from the pay period following the request and, at the time of adjustment, from the date of hiring, by withholding taxes on the taxable base reduced to the percentage of taxable income provided for by the relief provision, and to which the related deductions are made.

If the employer is not able to apply the relief, the taxpayer can still request its application at the time he/she files his/her tax returns, provided that he/she meets the statutory requirements. In this case, the employment income must already be listed in a reduced amount. The request must be submitted to the current employer even in the case of a second or an additional hiring (with respect to the one for which the worker returned to Italy).

Below is a sample of the declaration that an Employee must provide to his/her employer.

To (Withholding Agent's Information)

**Request for tax relief following the transfer of fiscal residency to Italy
"INPATRIATED WORKERS" (LEGISLATIVE DECREE 147/2015, Art. 16, paragraph 1, as amended
and supplemented)**

The Undersigned

Born in _____ on _____

Tax ID _____

Resident in Italy as of _____ Address _____

Employed at _____ As of _____ Contract expiry date _____

Office phone _____ Mobile phone _____

Email _____

Under his/her own responsibility, pursuant to Arts. 46-47 of Presidential Decree 445/2000, and by virtue of the employment contract entered into with.. (Withholding Agent's information), for (xxx, describe activities)

DECLARES

that he/she meets the requirements to receive an IRPEF tax breaks provided for by Legislative Decree 147/2015, Art. 16, as amended and supplemented, and specifically that he/she:

- » *Transferred his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR, and he/she has been registered in the Registry of the Resident Population (APRI) in Italy as of _____*
- » *WAS NOT a resident in Italy in the two tax periods prior to the transfer, and he/she commits to remaining in Italy for at least two continuous years;*
- » *did not benefit, in previous tax periods and/or at the same time, from the tax relief provided for Decree Law 78/2010, Art.44, Law 238/2010 and Art. 16 of Legislative Decree 147/2015*

OR (alternatively)

- » *Already partially benefited at (Withholding Agent's information) or other employer from the same tax relief from _____ to _____*

The Undersigned declares that he/she is aware of the civil and criminal penalties, pursuant to Art. 76 of Presidential Decree 445/2000, to be levied against anybody who makes untruthful declarations, and he/she undertakes to promptly notify the occurrence of conditions that involve a change in the tax relief requested (for example, changes to the tax residency).

The Undersigned acknowledges that the data contained in this self-certification will be processed predominantly with electronic tools, and may be provided to other public bodies for the fulfilment of their institutional purposes.

(Date)

(Signature)

A taxpayer who, despite being resident or domiciled abroad, has never removed his/her name from the Register of the Resident Population is not entitled to request the tax relief. (ADE Circular 17/E/17) The tax relief is applied starting from the tax period in which the taxpayer becomes fiscally resident in Italy. Article 2 of the TUIR (paragraph 2) considers as residents of Italy natural persons who, for most of the tax period, i.e., for at least 183 days (or 184 days in the case of a leap year), have been registered in the Registers of the Resident Population, or have their domicile or residency in Italy.

SUPPORTING DOCUMENTATION

- » ID
- » ACADEMIC TITLES
- » CURRICULUM VITAE
- » DOCUMENTATION RELATING TO THE PREVIOUS FOREIGN RESIDENCE
- » APRI (Registry of the Resident Population in Italy) REGISTRATION CERTIFICATE issued by the Municipality of Residence, or tax residency certificate issued by the Revenue Agency.

To (Withholding Agent's Information)

Request for tax relief following the transfer of fiscal residence to Italy "INPATRIATED WORKERS" (LEGISLATIVE DECREE 147/2015, Art. 16, paragraph 1, as amended and supplemented)

The Undersigned

Born in _____ on _____

Tax ID _____

Resident in Italy as of _____ Address _____

Employed at _____ As of _____ Contract expiry date _____

Office phone _____ Mobile phone _____

Email _____

Under his/her own responsibility, pursuant to Arts. 46-47 of Presidential Decree 445/2000, and by virtue of the employment contract entered into with.. (Withholding Agent's information), for (xxx, describe activities)

DECLARES

that he/she meets the requirements to receive an IRPEF tax breaks provided for by Legislative Decree 147/2015, Art. 16, as amended and supplemented, and specifically that he/she:

- » *Wishes to avail him/herself of the extension of the tax relief for:*
- » **Number of children or dependent children, born on**
- » *Purchase of a residential unit in Italy (within 12 months prior to or after the transfer to Italy)⁴⁴*
- » *Transferred his/her fiscal residency to Italy pursuant to Art. 2, paragraph 2 of the TUIR, and he/she has been registered in the Registry of the Resident Population (APRI) in Italy as of*
- » *is a permanent resident of Italy as of (on the date of submission of the request for extension of the tax relief)*
- » *Undertakes to promptly notify the withholding agent of any change in residency or domicile*
- » *Did not, in previous tax periods and/or at the same time, availed himself/herself of the tax relief provided for Decree Law 78/2010, Art.44, Law 238/2010 and Art. 16 of Legislative Decree 147/2015*
- » *Paid the amount of Euro on, pursuant to Art. 5, paragraph 2 bis lett. a) and b) pf Decree Law 34/2019*
- » *That the first year in which the inpatriate worker applied the tax relief was*
- » *That the amount of employee income produced in Italy in the tax period preceding the year in which the option was exercised is of Euro*

⁴ The real estate unit can be purchased by the worker or by his/her spouse, cohabitant or children, even in co-ownership mode.

The Undersigned declares that he/she is aware of the civil and criminal penalties, pursuant to Art. 76 of Presidential Decree 445/2000, to be levied against anybody who makes untruthful declarations, and he/she undertakes to promptly notify the occurrence of conditions that involve a change in the tax relief requested (for example, changes to the tax residency).

The Undersigned acknowledges that the data contained in this self-certification will be processed predominantly with electronic tools, and may be provided to other public bodies for the fulfilment of their institutional purposes.

(Date)

(Signature)

SUPPORTING DOCUMENTATION

- » ID
- » APRI (Registry of the Resident Population in Italy) REGISTRATION CERTIFICATE issued by the Municipality of Residence, or tax residence certificate issued by the Revenue Agency
- » PAYMENT RECEIPT pursuant to Art. 5, paragraph 2 bis lett. a) and b) of Decree Law 34/2019

The tax relief options are summarised in the Table below:

TYPE	RECIPIENTS	TAX RELIEF	REQUIREMENTS	CLARIFICATION	EXPIRY
<p>WORKERS "INPATRIATE" Managers AND HIGHLY-QUALIFIED AND SPECIALISED MANAGERS AND WORKERS (ART. 16, PAR. 1, LEG. DECREE 147/2015)</p> <p>NO LATER THAN 29 APRIL 2019</p>	<p>All categories of natural persons, and EU and non-EU citizens</p>	<ul style="list-style-type: none"> » Exemption of 50% of income from subordinate and similar employment in Italy » The benefit is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy 	<ul style="list-style-type: none"> » Residency outside Italy for 5 fiscal years preceding » Transfer his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR » Commitment to maintaining his/her residency in Italy for at least 2 years » Work activities predominantly carried out in Italy » Work in a company resident in Italy, by virtue of employment at said company or at a company, including a foreign company, that is controlled or owned by or associated to said company » Hold managerial roles or meet advanced qualification or specialisation requirements 	<ul style="list-style-type: none"> » Can also be applied to workers WITHOUT college degree » Employment at Public Administration agencies is not permitted 	<p>Disapplied if the taxpayer changes his/her residence prior to 2 the transfer</p>
<p>INPATRIATE WORKERS WITH COLLEGE DEGREE (ART. 16, paragraph 2, of Legislative Decree 147/2015)</p> <p>NO LATER THAN 29 APRIL 2019</p>	<p>All natural persons, EU and non-EU citizens limited to countries with which a convention against double taxation or an agreement on the exchange of tax information is in force</p>	<ul style="list-style-type: none"> » 50% exemption from employment or similar income produced in Italy » The benefit is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy 	<ul style="list-style-type: none"> » Having been employed, self-employed or engaged in business activities abroad for 24 months, or having studied abroad for 24 months and having earned an academic qualification » Transfer his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR » Commitment to maintaining his/her residency in Italy for at least 2 years » Work as an employee or similar status in Italy 	<ul style="list-style-type: none"> » Only for workers with college degree » Work in Public Administration agencies is allowed 	<p>If the residency is transferred before 2 years from repatriation, the tax relief is no longer applicable</p>
<p>"INPATRIATE" SELF-EMPLOYED WORKERS (ART. 16, paragraph 1-BIS of Legislative Decree 147/2015)</p> <p>NO LATER THAN 29 APRIL 2019</p>	<p>All natural persons, EU and non-EU citizens</p>	<ul style="list-style-type: none"> » 50% exemption from self-employment income produced in Italy » The relief is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy 	<ul style="list-style-type: none"> » Residency outside Italy in the 5 tax periods prior to the transfer » Transfer his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR » Commitment to maintaining his/her residency in Italy for at least 2 years » Work activities predominantly carried out in Italy 	<p>Can be applied also to workers WITHOUT college degree</p>	<p>If the residency is transferred before 2 years from repatriation, the tax relief is no longer applicable</p>

TYPE	RECIPIENTS	TAX RELIEF	REQUIREMENTS	CLARIFICATION	EXPIRY
<p>FOR ALL "INPATRIATE" WORKERS (ART. 16, of Legislative Decree 147/2015 AMENDED BY ART. 5 OF DECREE LAW 34/2019)</p> <p>AS OF 30 APRIL 2019</p>	<p>All natural persons, EU and non-EU citizens</p>	<ul style="list-style-type: none"> » 70% exemption from employment or similar income, as well as self-employment or corporate employment produced in Italy » For subjects who transfer their residency to Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sardinia and Sicily, the exemption is 90% » The relief is applicable for a maximum of 5 years starting from the year of transfer of the tax residency to Italy » Under certain conditions, the tax relief is applicable for 5 additional years with the exemption reduced to 50% (or 90% if additional requirements apply) » The extension of the tax relief to 5 additional years is also envisaged for workers who repatriated at an earlier time, provided that certain conditions are met 	<ul style="list-style-type: none"> » Residency outside Italy in the 2 tax periods prior to the transfer » Transfer his/her fiscal residency to Italy pursuant to Art. 2 of the TUIR » Commitment to maintaining his/her residency in Italy for at least 2 years » Work activities predominantly carried out in Italy 	<ul style="list-style-type: none"> » Registration on the AIRE Register is no longer required during the period of residency abroad » In addition to the income categories already envisaged, the tax relief also applies to the recipients of corporate income (sole proprietorships only) » For all types of income, work must be predominantly conducted in Italy 	<p>If the residency is transferred before 2 years from repatriation, the tax relief is no longer applicable</p>

Milan

Via Borromei, 2

Turin

Corso Matteotti, 42

Rome

Piazzale delle Belle Arti, 2

Via Nairobi, 40

Via G. Paisiello, 55

Via della Magliana, 65/R

Via Nomentana, 935

Bologna

Via G. Amendola, 14

Via G. Papini, 18

Perugia

Viale Centova, 6

Naples

Via G. Porzio, 4 - Isola G8 - C.D.N.

Padua

Via Giacinto Andrea Longhin, 103

Ferrara

Via Darsena, 67

Olbia

Via Georgia, 41 - Torre 3

Cesano Boscone (MI)

Via R. Sanzio, 5

Bollate (MI)

Via Giovanni Pascoli, 10

Brendola (VI)

Piazzetta Risorgive, 21

Umbertide (PG)

Via della Vignola, 5

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