**Studio legale bottino**



**FLAT TAX FOR NEW RESIDENTS IN ITALY**

In the “2017 Budgetary Law”, definitively approved on 7 December 2016, the Italian Government has introduced a series of dispositions aimed at creating incentives for foreign investments in Italy.

Who have a large patrimony , could be interested in obtaining a fiscal residence in Italy through the combination of two dispositions contained in the 2017 budgetary law:

* Tax benefit for newly-domiciled subjects, namely establishing a flat-rate tax on earnings generated abroad.
* The “Investor’s Visa”.

The Director of Revenue has also approved the checklist template to attach to the request to get  a preventive assessment of the tax authorities regarding the eligibility for the tax-benefit. The benefit of the single tax can even extend to family members, it will apply a flat rate of 25 thousand euro.

**WHO MEET THE REQUIREMENTS**

Who had never been resident in Italy for at least 9 yearly tax period up to 10 previous, including who transferred in Italy in 2016 if he was abroad in the previous 9 tax period.

**HOW MANY**

The taxation of € 100,000.00 a year + 25.000,00 for each relatives cover all the income earned abroad ( not those produced in Italy) The claimant can indicate any country to be excluded from this kind of taxation

**PREVENTIVE REQUEST (Interpello)**

Article 24 bis of Italian tax law (TUIR) states that is possible (but it is not compulsory) to provide a specific preventive affidavit (interpello) to the Revenue Office (Agenzia delle Entrate) delivered by hand, by registered mail with return receipt or notice electronically, using certified mail. With this affidavit the claimant attests his situation asking directly and previously to the Revenue to have an assessment of his  eligibility  to the flat taxation.

**WHEN TO DO THE REQUEST**

Taxpayers who meet the requirements can join the new regime at the time of submission of the tax return, related to the tax period in which it was transferred to the tax residence in Italy or in the immediate aftermath.

**HOW TO DO THE REQUEST**

In the request-form the taxpayer must indicate:

* personal data and, if already assigned, the tax code, home address in Italy, if already resident;
* the status of non-resident in Italy for a time at least equal to nine tax years during the ten preceding years:.
* the Country or the Coutries in which he had the last tax residence during the last 10 years before the request;
* Contries or overseas territories for which he intends to exercise the option of not using the substitute tax.

He must also fill in a”check list” to examine the condition of the absence of tax residence in nine ten tax years before entering the flat tax.

see here [check list form](http://www.cgil.lombardia.it/wp-content/uploads/2016/03/Modello_Checklist.pdf)

**BENEFIT EXTENDING TO THE FAMILY MEMBERS**

The flat-rate scheme can be extended to one or more family members in possession of the requirements, through a specific indication in the tax return related to the tax period in which the family moved the tax residence in Italy or in the next. In this case, the substitute tax is equal to 25 thousand euro for each of the family to which the effects of the same option are extended.

**DEADLINE**

The request of this tax benefit option  must be exercised within the period for submission of tax returns, even if it is not yet responded to by the Inland Revenue to the preventive requests.

The application may be filed even if they are not time-barred to enter in fiscal residence in Italy. Received the green light Revenue (even for silence / consent), the neo resident will be awarded with the facility for the next fifteen years. The payment of substitute tax, in the amount of 100 thousand euro, must be made in a lump sum, for each tax period of the scheme effective, by the due date for payment of the balance of income tax.

**COSTS AND FEES**

The request involved different activities, starting from all necesary to claim residence in Italy such as

* obteining Visas
* find a house (rent or buy one)
* enrol in the **General Registry Office** and obtain an identity card that is valid for the length of the permit of stay. You can also obtain your tax identification number **(Codice Fiscale)**. This tax identification number is alphanumeric, that is, it contains alphabetical letters and numbers, with which the Ministry of Finance identifies you. Everyone has his/her own tax identification number.
* acquire a Permit to stay
* go to the town hall (comune) and ask for a residency permit (**permesso di residenza)**
* **enroll in the National Healt service**