



Extension of the **Impatriate Regime** for workers who moved to Italy in 2020: what happens after the first 5 years

Descrizione

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The so-called **impatriate regime** (Regime degli impatriati), aims to attract highly skilled workers to Italy by offering a significant tax incentive: partial tax exemption on employment, self-employment, and business income produced in Italy.

• Standard duration: first 5 years

- Workers who transferred their tax residence to Italy in **2020** benefited from the regime for **five years**, starting from the year they became tax residents in Italy.
- For them, the **last year of the initial benefit period was 2024**.

• What happens after 2024?

As a rule, the regime expires after five years. However, Italian law allows an **extension for an additional five years** (up to a total of ten years), under specific conditions.

• Conditions for the 5-year extension

To continue benefiting from a tax reduction from **2025 to 2029**, the worker must meet at least one of the following conditions before the end of 2024:

1. **Have at least one minor or dependent child**, including those in pre-adoptive foster care.



2. Purchase a residential property in Italy after the move (or within the 12 months before the transfer).

Tax benefit during the extension

- During the **first five years**, eligible workers benefited from a **70% exemption** on qualifying income (or even 90% for those working in southern Italy).
- During the **extension period**, the tax exemption is reduced to **50%**.
- No **lump-sum payment** or additional contributions are required to access this extension (unlike the special rules for professional athletes).

Summary table

Period	Exemption	Conditions	Payment required?
First 5 years (2020-2024)	70% (or 90% south)	Residence abroad for ≥ 2 years + move to Italy + work mainly in Italy	No
Additional 5 years (2025-2029)	50%	At least one minor child or residential property purchase	No

Procedural requirements

- The worker must **opt for the extension** by indicating it in their 2025 Italian tax return (submitted in 2026).
- It is advisable to inform the employer to ensure correct application of reduced tax withholdings.
- Documentation proving the existence of the child or property ownership must be retained for potential tax audits.

Example

Let's assume:

- A worker moved to Italy in 2020.
- They have a minor child born in 2023.
- Their last year of standard benefit is 2024.

In this case, they qualify to extend the regime from 2025 to 2029 with a **50% tax exemption**, without paying any extra fee.

Conclusion



- Workers who moved to Italy in **2020** will see their initial 5-year benefit end in **2024**.
 - If they have a minor child or bought a home in Italy, they can extend the benefit for another 5 years (2025–2029) at a **50% exemption** rate.
 - No lump-sum contributions or additional costs are required.
 - Timely option and proper documentation are crucial to continue enjoying the benefit safely.
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Need support?

If you or your clients are eligible for the extension, it is highly recommended to plan in advance, check compliance, and prepare the necessary documentation.

Data

11/02/2026

Data di creazione

16/07/2025