



Italy's 2026 New-Resident Tax Regime: Key Changes for International Taxpayers

Descrizione

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Italy continues to offer a special tax regime for individuals transferring their tax residence to the country after a prolonged period abroad. Commonly referred to as the **new-resident flat tax regime**, this incentive is designed to attract high-net-worth individuals and internationally mobile taxpayers by providing certainty and simplification in the taxation of foreign income.

With the **2026 Budget Law**, the regime has been confirmed but significantly recalibrated.

Eligibility

The regime is available to individuals who:

- become tax resident in Italy; and
- have not been Italian tax residents for at least **9 of the previous 10 years**.

Once elected, the regime may apply for a maximum period of **15 years**.

How the regime operates

Taxpayers opting for the regime are subject to:

- a **fixed annual substitute tax on foreign-source income**;
- ordinary taxation on **Italian-source income**.

Foreign assets and income covered by the regime are excluded from Italian wealth taxes and related reporting obligations, offering a high degree of administrative simplicity.

What changes from 2026



For individuals transferring tax residence **from 1 January 2026**, the annual flat tax amounts are increased as follows:

- **–300,000 per year** for the main taxpayer;
- **–50,000 per year** for each qualifying family member included in the election.

The increase represents a substantial adjustment compared to prior years and directly affects the overall cost of accessing the regime.

What remains unchanged

The reform does not alter:

- the eligibility criteria;
- the duration of the regime;
- the scope of income covered, which remains limited to foreign-source income.

Strategic considerations

The 2026 changes confirm Italy's intention to maintain the new-resident regime while narrowing its focus. The regime remains attractive for individuals with **significant foreign income or complex international structures**, but the higher fixed tax requires a careful evaluation of expected benefits versus cost.

For prospective new residents, advance tax planning is essential to assess:

- effective tax savings compared to ordinary Italian taxation;
- interaction with double tax treaties;
- timing of the transfer of residence.

Conclusion

Italy's new-resident tax regime remains a key instrument in international tax planning, but from 2026 it is clearly positioned as a **selective regime for high-income taxpayers**. Proper structuring and professional advice are crucial to ensure that the regime is both accessible and advantageous under the updated framework.

Data

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Data di creazione

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