Coming to Work in Italy

Descrizione

FOR EMPLOYEES, SECONDEES AND REMOTE WORKERS

Work in Italy and half your salary can go untaxed

The *impatriati* regime is one of Europe's most generous relocation incentives. It also has five conditions, a four-year commitment, and one rule that quietly disqualifies people who assume they are covered.

Check your case — free 15-minute call

See the five conditions

50%

of qualifying income exempt from Italian tax — 60% if you have a minor child

€600,000

the annual income ceiling the relief applies up to

5 years

how long it lasts, against a four-year commitment to stay

Is this page for you?

- You are relocating to Italy on an Italian employment contract
- You are being seconded or posted to Italy by a foreign employer
- You will keep working remotely for a company that has no presence in Italy
- You are an Italian national coming back after years abroad
- You are self-employed and moving your professional practice to Italy
- You are arriving on a digital nomad visa and want to know what it costs

If you hold a U.S. passport, start with our page for U.S. citizens instead — the American side changes which Italian regime is worth having.

The rule that decides everything

Most people assume the incentive depends on who pays them. It does not. In January 2026 the Italian Revenue Agency put the question beyond doubt: what matters is where the work is physically performed, not where the employer sits.

> Your employer can be in Boston, Berlin or Bangalore. If you do the work from Italy, the regime is on the table.
>
> The corollary is less comfortable: you have to be able to prove it. Days in Italy, travel records, a letter from the employer describing the arrangement. The burden sits with you, not with them.

This opened the regime to a group that had spent two years being told it did not qualify — people who moved to Italy and simply kept their foreign job. It also means the arrangement has to be documented from day one, not reconstructed three years later when a question arrives.

One warning that belongs to your employer but lands on you: if you habitually conclude contracts from Italy, your foreign employer can end up with a permanent establishment here, and an Italian corporate tax bill with it. Companies that discover this late tend to solve it by ending the arrangement.

TIMING

The date you arrive is a tax decision

You become an Italian tax resident for a given year if, for more than 183 days, you were registered with the local population registry (*Anagrafe*), or had your habitual abode here, or had your centre of personal and economic interests in Italy.

01

Residency takes the whole year with it

Italy has no split-year treatment. Cross the line and the entire calendar year is Italian — including the bonus you were paid in February, before you had ever seen the office.

02

The regime starts when residency starts

The five years run from the first year of Italian residence. Arriving in November means burning a whole year of relief on two months of salary.

Moving in the second half of the year, and registering accordingly, is often worth more than any negotiation on the relocation package.

THE NUMBERS

What it is actually worth

Italian income tax (IRPEF) is progressive. From 1 January 2026 the middle band was cut from 35% to 33%.

UP TO €28,000	23%
€28,001 – €50,000	33%
OVER €50,000	43%

Take a gross salary of €80,000, before regional and municipal surcharges.

ORDINARY TAXATION

€26,600

IRPEF due — an effective rate of 33.3%

Taxable base€80,000

Exempt portion—

IMPATRIATI REGIME

€10,400

IRPEF due — an effective rate of 13%

Taxable base€40,000

Saved each year€16,200

€81,000

What that difference adds up to across the five years the regime lasts — and €97,000 if you have a minor child, which lifts the exemption to 60%. It is the largest single number in most relocation decisions, and it is decided by conditions you meet or miss before you arrive.

Figures are illustrative and exclude local surcharges and social security. Self-employed professionals also pay INPS contributions of roughly 26% under the Gestione Separata, calculated on the reduced taxable base — a second, quieter saving.

ELIGIBILITY

Five conditions, all of them at once

CONDITION ONE

Years spent abroad

Not tax resident in Italy for the three preceding tax years. This becomes six or seven years if you keep working for the same employer, or for a company in the same group.

WHERE PEOPLE TRIP

The extended requirement is the single most common disqualifier. See the section below — it catches people who never suspected it applied to them.

CONDITION TWO

A commitment to stay

You must remain an Italian tax resident for at least four years. Leave earlier and the relief is recovered, with interest.

WHERE PEOPLE TRIP

A two-year assignment with a vague extension clause is not a four-year commitment. Model the downside before you opt in.

CONDITION THREE

Work carried out mainly in Italy

The activity has to be performed predominantly on Italian soil — in practice, more than 183 days a year.

WHERE PEOPLE TRIP

Frequent travellers and regional roles. If you spend four months a year in other offices, the arithmetic gets tight and needs tracking.

CONDITION FOUR

A qualifying profile

A graduate-level qualification, an authorisation to practise a regulated profession, or five years of documented specialised experience.

WHERE PEOPLE TRIP

Foreign degrees sometimes need a declaration of value. Start that paperwork early — it moves at consular speed.

CONDITION FIVE

The right kind of income

The relief covers employment income, income assimilated to employment such as directorships and collaborations, and self-employed professional income. It does not cover business income, dividends, interest, capital gains or rents — those are taxed in full, alongside the wealth taxes on any assets you keep abroad (IVIE at 1.06% on foreign property, IVAFE at 0.2% on foreign

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financial assets).

WHERE PEOPLE TRIP

Equity compensation. Whether an option or an RSU falls inside the relief depends on when it vested and where you were living at the time — one of the most contested areas in practice.

The Employer of Record trap

If you keep working for the same employer, or any company in the same group, the three years abroad become six — or seven, depending on the arrangement. Most people know this. Very few realise how widely “the same group” is read.

In 2026 the Revenue Agency settled the point: continuity is judged on the formal corporate structure, not on the substance of the relationship. What counts is whether the entity that paid you abroad and the one paying you in Italy belong to the same group under Article 2359 of the Civil Code.

> It does not matter that the Employer of Record only ran the payroll.
>
> Nor that the businesses you actually worked for were unrelated companies with nothing in common. If the same EoR group signed both contracts, continuity applies — and the three-year requirement becomes six or seven.

This lands hardest on people hired through international employment platforms, which now sit behind a large share of cross-border hiring. Two entirely different jobs, two unconnected clients, one payroll provider — and a disqualification nobody saw coming.

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It is checkable in advance, in an afternoon. It is not fixable afterwards.

CONTRIBUTIONS

Where your social security is due

Tax and social security are decided by different rules, and they do not always point to the same country. Postings are the exception; everything else defaults to Italy.

POSTED FROM THE EU

- Up to 24 months
  You can stay in your home country's system with an A1 certificate, under EU Regulation 883/2004.
- After that
  You normally fall under the system of the country where you actually work — Italy.

POSTED FROM THE UNITED STATES

- Up to 5 years
  The Italy–U.S. totalisation agreement, in force since 1978, allows a considerably longer posting than the EU rules, with a certificate of coverage from the home authority.
- Note
  The exemption applies to genuine postings — not to being hired locally.

If you are hired directly by an Italian employer, or you are self-employed here, Italian contributions apply from day one. For the self-employed that means INPS *Gestione Separata* at roughly 26% of taxable income — a cost frequently left out of relocation budgets, and one that is calculated on the reduced base if the impatriati regime applies.

WHAT GOES WRONG

The five mistakes we see most

01
Assuming the employer's country decides it

It does not — the place where the work is performed does. People turn the regime down because their employer is abroad, and people claim it without being able to show where they were.

02
Missing the group-continuity rule

Same employer or same group means six or seven years abroad, not three. With an Employer of Record in the chain, “same group” reaches much further than anyone expects.

03
Not documenting the days

Boarding passes, calendars, a letter from the employer describing the arrangement. Assembled as you go it is trivial. Reconstructed four years later, under a request from the Revenue Agency, it is not.

04
Treating the four-year commitment as a formality

An early departure means the relief is recovered with interest, in a year when you have already spent it and may no longer be an Italian resident. The exit has to be modelled before the entrance.

05

Expecting the relief to cover everything

It applies to employment and professional income only. Business income, dividends, interest, capital gains and rents are taxed in full — and foreign assets bring IVIE, IVAFE and the reporting that comes with them.

A sixth, for the employer rather than the employee: continuous remote work from Italy can create a permanent establishment, and with it an Italian corporate tax exposure. Worth raising with them before they discover it on their own.

WORKING TOGETHER

What we actually do

We are a Milan and Monza firm of *dottori commercialisti* and statutory auditors, working in English and Italian. Most of our clients arrive before the move, which is when the decisions that matter are still open.

Eligibility review before you sign — including the group-continuity check

FIXED FEE AFTER THE FREE CALL

Timing the move and the residence registration to the best tax year

FIXED FEE AFTER THE FREE CALL

Applying the regime: employer instructions, payroll set-up, documentation file

FIXED FEE AFTER THE FREE CALL

Annual Italian tax return, including foreign asset reporting (quadro RW, IVIE, IVAFE)

FIXED FEE AFTER THE FREE CALL

Social security: A1 and certificates of coverage, INPS registration

FIXED FEE AFTER THE FREE CALL

Permanent establishment review for your employer, if the risk is real

FIXED FEE AFTER THE FREE CALL

Every engagement is confirmed in a written engagement letter, with the fee agreed in advance, before any work starts.

Questions we are asked most

I work remotely for a foreign company. Do I qualify?

In principle yes, since January 2026 this is settled: the regime follows where the work is performed, not where the employer is established. You still have to meet the other conditions and be able to document your presence in Italy.

I was hired through an Employer of Record. Does that count as the same employer?

Possibly, and this is the point most people miss. Continuity is assessed on the corporate group of the entity that pays you, regardless of whether the EoR only handled payroll. If the same EoR group paid you abroad and pays you in Italy, the three-year requirement becomes six or seven.

What happens if I leave Italy before the four years are up?

The relief already claimed is recovered, with interest. It is worth modelling that outcome before opting in, particularly on assignments with an uncertain end date.

Are my stock options and RSUs covered?

It depends on when they vested and where you were resident during the vesting period. This is one of the most contested areas in practice and should be reviewed on the actual plan documents, not by analogy.

Does the digital nomad visa come with a tax regime?

No. The visa governs your right to be here; it creates no special tax treatment. Ordinary residence rules apply, and depending on your situation the impatriati regime or the flat-rate *forfettario* may be available — they are separate questions from the visa.

Where do I pay social security?

If you are posted from another EU country, in your home system for up to 24 months with an A1 certificate. If posted from the United States, for up to five years under the totalisation agreement. If hired locally or self-employed in Italy, in Italy from day one.

NEXT STEP

Check it before you sign, not after you move

Fifteen minutes is enough to tell you whether you qualify, what the relief is worth on your actual numbers, and what would put it at risk. In English or in Italian, at no cost.

Book your free call

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GO DEEPER

Hold a U.S. passport? Start here instead

Working remotely for a foreign employer: the regime now officially applies

Employer of Record continuity and the extended foreign residence requirement

Italy’s digital nomad visa: tax and social security

Foreign employers and Italy’s permanent establishment risk

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Foreign assets and Italian tax residency: quadro RW, IVAFE and IVIE

This page is general information based on Italian rules in force in August 2026, and is not advice on any specific situation. Tax outcomes depend on individual circumstances and the rules change frequently. Last reviewed: August 2026.

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