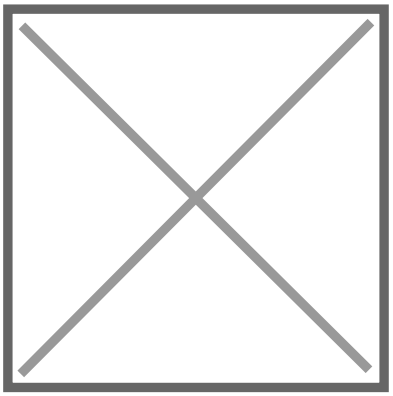

Extension of the “Impatriate Regime” for workers who moved to Italy in 2020: what happens after the first 5 years

Descrizione

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

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.

? 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.

Tag

1. Working in Italy

Data
09/10/2026
Data di creazione
16/07/2025