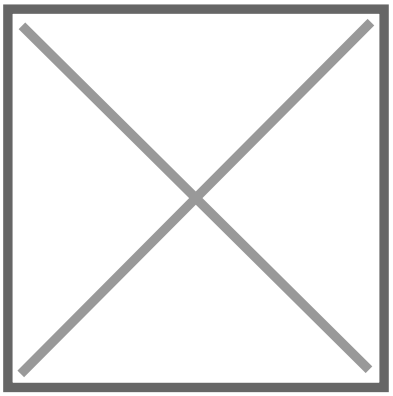

Impatriati Regime and Minor Children: Why Families Moving to Italy Can Now Access the 60% Exemption More Easily

Descrizione

A recent clarification from the Italian Revenue Agency has expanded how the impatriati regime interacts with one of its most attractive features: the enhanced exemption for taxpayers with minor children. Response No. 82 of March 20, 2026 addressed a practical question that had been troubling international families and their advisors — whether the enhanced benefit applies when the children are already tax resident in Italy before the parent actually returns. The answer is yes, with significant consequences for planning a family relocation.

The current inbound workers regime, set out in Legislative Decree 209/2023, reduces the taxable base on Italian-source employment and self-employment income. The standard benefit cuts the taxable portion to 50% of income produced in Italy, applied for five tax years and capped at a maximum eligible income of €600,000 per year. For a worker returning under qualifying conditions, this halves the IRPEF burden on Italian earnings for half a decade, which is why the regime has become central to relocation planning for international professionals.

The Enhanced Benefit for Families

Where the taxpayer has at least one minor child who is tax resident in Italy, the taxable base falls further, from 50% to 40%. In practical terms, this means 60% of Italian-source income is exempt from IRPEF instead of 50%. The enhanced benefit is also triggered by the birth or adoption of a child during the five-year incentive window — in which case the improved treatment applies from the tax period in which the event occurs and continues for the remaining eligible years.

The benefit requires the child to be tax resident in Italy, and that residence must be maintained throughout the benefit period. If the child later leaves Italy, the enhanced treatment ceases from the year in which that condition is no longer satisfied.

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What the March 2026 Clarification Adds

The key point in Response No. 82/2026 is the timing of the child's residence. The Revenue Agency confirmed that it is not necessary for the child's transfer to Italy to coincide with, or follow, the parent's relocation. A minor child who was already resident in Italy before the incoming worker actually qualifies as a resident triggers the enhanced benefit, provided Italian residence is preserved for the duration of the regime.

This matters in real-life patterns the firm sees often: a parent who spent recent years working abroad while the family remained in Italy; a couple where one spouse relocated ahead of the other with the children; or international families who sent children to Italian schools before committing to a full household move. Under the previous reading, some practitioners were cautious about claiming the enhanced 60% exemption in these scenarios. The 2026 clarification removes that uncertainty.

The same ruling reaffirms a second important point: the regime is compatible with smart working for a foreign employer. A worker who returns to Italy while continuing the same employment relationship with a non-Italian company may still qualify, provided the activity is performed predominantly from Italian territory and the other statutory conditions — including the foreign residence requirement prior to transfer — are satisfied.

A Note for U.S. Citizens

Because the United States taxes its citizens on worldwide income regardless of residence, a U.S. citizen benefiting from the Italian impatriati regime still files a U.S. return. The enhanced 60% Italian exemption means a smaller amount of Italian tax is paid on the same gross Italian income, which in turn reduces the Foreign Tax Credit available on the U.S. return. The practical result is that the Italian saving can translate into a higher residual U.S. liability rather than a straightforward net reduction in total tax. FBAR and FATCA obligations remain unchanged. A coordinated U.S.–Italy projection is essential before assuming the headline benefit will flow through to cash savings.

Final Considerations

The impatriati regime is one of the most powerful tools Italy offers to international workers, and the enhanced rate for families makes it particularly relevant to households planning a long-term move. The March 2026 clarification opens the door to a broader set of scenarios, but the rules on tax residence, timing of the transfer, and the child's continued Italian residence leave no room for improvisation. Anyone considering a move — or already inside the five-year window — should have the family's situation reviewed before filing decisions are locked in.

Tag

1. Working in Italy

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