Italy’s 2026 Short-Term Rental Reform: Three-Property Threshold, CIN Enforcement, and EU Platform Reporting

Descrizione

Italy has restructured the tax and regulatory framework for short-term rentals from 1 January 2026, with a second wave of changes arriving in May 2026 under EU Regulation 2024/1028. The combined effect is a tighter environment for anyone letting a property for stays under 30 days — and a particularly important moment for international owners who rely on platforms such as Airbnb, Booking.com and Vrbo to reach guests.

The three-property threshold

The 2026 Budget Law has lowered the threshold at which short-term rental activity is classified as a business from five properties to **three**. Owning or managing three or more properties used exclusively for lettings of less than 30 days now triggers mandatory VAT registration, opening of a **Partita IVA**, social security contributions to INPS, and full business accounting.

This is a significant change. Small foreign investors who built a portfolio of three or four Italian apartments for vacation rental — a very common profile among international buyers — are automatically reclassified as businesses from this year, even if they previously enjoyed the straightforward **cedolare secca** treatment.

Cedolare secca: what stays and what changes

For non-professional hosts (one or two properties), cedolare secca remains available. The rate is **21% on the first property** and **26% on each additional property**, applied on gross rental income in lieu of IRPEF and local surtaxes. A proposal during the 2026 Budget Law debate to raise the first-property rate to 26% was dropped, so the pre-2026 structure has survived for the smallest landlords.

Owners above three properties lose access to cedolare secca entirely. Rental income falls into ordinary business taxation, subject to IRPEF on progressive brackets, IRAP in certain cases, and VAT where the activity takes on a hotel-like character (breakfast, cleaning between guests, reception desk).

CIN and the end of anonymous listings

Every property offered for short-term tourist use must now display a **CIN (Codice Identificativo Nazionale)** issued by the national accommodation database. Platforms are required to verify CIN compliance and delist properties without one. Fines for CIN violations range from **€800 to €8,000** per property. Over 620,000 CINs were issued in the first year of operation — an indicator of just how actively the authorities are enforcing the new regime.

May 2026: EU platform reporting kicks in

From **20 May 2026**, EU Regulation 2024/1028 requires platforms to transmit booking data directly to national authorities on a monthly basis. Owner identity, property address, number of nights booked, and amounts received will all flow automatically to the tax authorities. Foreign owners who, under previous opacity, were informally relying on platform payouts to a foreign bank account should assume that this data is now visible to the Agenzia delle Entrate in real time — and that any mismatch between declared income and reported bookings will be pursued.

Practical points for international owners

Anyone holding two properties and considering a third should run the numbers carefully — the tax, accounting and social-security burden of crossing the business threshold can easily outweigh the marginal return on a single extra unit. A different corporate structure (such as an Italian SRL) may work better at scale, but brings its own regime and compliance costs. For owners already at or above three properties, the priority is proper VAT registration and bookkeeping from day one of 2026 — corrective filings later in the year are possible but expensive.

A Note for U.S. Citizens

U.S. citizens remain taxable on worldwide rental income regardless of Italian residency status. Italian tax paid under cedolare secca or IRPEF is generally creditable in the United States via the **Foreign Tax Credit**, but cedolare secca’s flat structure sometimes produces mismatches with U.S. Schedule E mechanics, where expenses are normally deductible against gross rent. Properties held through Italian companies, or bank accounts used to receive rental payouts, can also trigger **FBAR**, **FATCA**, and in some cases **PFIC** reporting. These layers should be planned together before any scaling of Italian rental activity.

Final Considerations

The 2026 reform does not make short-term rental unattractive in Italy, but it ends the informal era. Owners who cross the three-property threshold, owners approaching it, and owners of even a single property without a CIN all face concrete compliance steps this year. Professional advice is strongly recommended before restructuring or expanding a portfolio.

Data

03/07/2026

Data di creazione

24/04/2026