

KEY FIGURES 2025

PERSONNAL & ESTATE TAXATION

1 | INHERITANCE & GIFT

ALLOWANCES ON INHERITANCES & GIFTS		
Beneficiary	Gift	Inheritance
Spouse or civil partner	€1,000,000	€1,000,000
Direct lineal ascendant and descendant	€1,000,000	€1,000,000
Brother or sister	€100,000	€100,000
Disabled person (additional allowance)	€1,500,000	€1,500,000

The residual allowance available at the time of the gift depends on all gifts made by the donor to this person during their lifetime.

INHERITANCE & GIFT TAX SPOUSE OR CIVIL PARTNER/DIRECT LINEAL ASCENDANT OR DESCENDANT ARTT. 7 ET 56 D.LGS. 346/1990		
Net taxable portion	Rate	Calculation formula ⁽¹⁾
> €1,000,000	4%	$P \times 0.04$
⁽¹⁾ P = Net taxable portion		
INHERITANCE & GIFT TAX BETWEEN BROTHERS AND SISTERS ARTT. 7 ET 56 D.LGS. 346/1990		
Net taxable portion	Rate	Calculation formula ⁽¹⁾
> €1,000,000	6%	$P \times 0.06$
⁽¹⁾ P = Net taxable portion		

TAX ON OTHER INHERITANCES & GIFTS ARTT. 7 ET 56 D.LGS. 346/1990	
Family relationship	Rate
Between relatives up to and including 4 th degree relatives	6%
Between collateral relatives up to and including 3 rd degree relatives	6%
Between all other individuals	8%

2 | INCOME TAX

INCOME TAX (IRPEF) NATURAL PERSONS ART. 11 D.P.R.917/1986	
Taxable portion	Rate
Up to €28,000	23%
Over €28,000 up to €50,000	35%
Over €50,000	43%

2024 CORPORATE INCOME TAX (IRES) COMPANIES AND RELATED ENTITIES ARTS.73 AND 77 OF	
Taxable portion	Rate
Fixed rate	24% (fixed rate)
(*) Reduced rate of 20% for 2025 if the following conditions are met: 1. 80% of profits for 2024 are allocated to a dedicated reserve; 2. Qualified investment in capital goods Industry 4.0 and 5.0; 3. Maintain the average number of employees compared with the previous three-year period; 4. New permanent hires; 5. No recourse to short-time working.	

DIVIDENDS DISTRIBUTED BY IRES TAXPAYERS
<ul style="list-style-type: none"> → If the dividend is received by companies and commercial entities subject to IRES, 95% of the amount is tax-exempt (known as PEX or participation exemption); → If the dividend is received by companies and enterprises, the percentage of exemption is 41.86%; → If the dividend is received by non-commercial entities, there is no exemption; → If the dividend is received by natural persons who are not entrepreneurs, there is no exemption but the capital income is subject to a 26% withholding tax.

TAXATION OF CAPITAL GAINS ON TRANSFERS OF MOVABLE PROPERTY

Assets transferred	Taxation
Precious metals	26% substitute tax
Works of art, collectors pieces and antiques	<ul style="list-style-type: none"> • if the transfer represents a commercial activity carried out on a regular basis → business income • if the transfer is an occasional activity → other income • private collector à capital gains → exempt from taxation
Holdings (qualifying or non-qualifying)	26% substitute tax (*)

(*) Possibility of exempting capital gains relating to company holdings from the 18% substitute tax rate. [Law no. 207 of 30 Dicembre 2024, art. 1, paragraph 30, letter b)].

3 | LIFE INSURANCE

TAXATION OF LIFE INSURANCE POLICIES ON THE DEATH OF THE POLICYHOLDER

- If the policy is to be considered as a “pure” insurance policy, **the capital paid** at the time of the policyholder’s death does not form part of the estate and is therefore not subject to **inheritance tax**.
- From a civil point of view, the premium initially paid could be considered as a gift during life. This new interpretation proposed by some legal scholars would also have tax consequences. Indeed, when the final distribution is made to the beneficiary, the event may be considered to have been realised for inheritance tax purposes.
- On the contrary, whatever is accumulated during the term of the policy is not subject to inheritance tax as it is acquired by the beneficiary *in iure proprio and not in iure successionis*. However, this amount is subject to income tax, probably with a substitute tax at a rate of **26%**.
- If, on the other hand, the insurance policy is to be treated as a financial instrument, it will be included in the estate and subject to inheritance tax on the full amount. In this case, a favourable tax regime may apply because of the family relationship between the policyholder and the beneficiaries.

INCOME TAX

- The premiums paid can be deducted by up to 22% of the gross tax of natural persons (Article 15, paragraph 1, letter f), TUIR).
- Tax deferral: taxation at the time of the full or partial surrender of the policy.
- Only capital paid to cover demographic risk is completely exempt from IRPEF (Article 34, last paragraph, D.P.R.601/1973).
- The amount of this income – to be considered as capital income – must be determined as a difference between the amount received and the amount of premiums paid. Once the relative tax base has been determined, this income is subject to a substitute tax, applied by the insurance company, at 26%. The applicable tax rate is that in force in the periods when such income was realised. This tax treatment also applies in the event of the partial surrender of the insurance policy.
- If the policies are taken out with **non-resident insurers** operating in Italy under the free supply of services, the income deriving therefrom qualifies as return on capital. These policies must be submitted by the beneficiaries to a substitute tax of 26% of the income tax. The substitute tax must be applied in the tax period during which the right to the benefit is acquired.

4 | SEPARATION OF PROPERTY

TAX VALUATION OF USUFRUCT AND BARE OWNERSHIP

Age of usufructuary	% usufruct	% bare ownership	Age of usufructuary	% usufruct	% bare ownership
From 0 to 20	95	5	From 64 to 66	50	50
From 21 to 30	90	10	From 67 to 69	45	55
From 31 to 40	85	15	From 70 to 72	40	60
From 41 to 45	80	20	From 73 to 75	35	65
From 46 to 50	75	25	From 76 to 78	30	70
From 51 to 53	70	30	From 79 to 82	25	75
From 54 to 56	65	35	From 83 to 86	20	80
From 57 to 60	60	40	From 87 to 92	15	85
From 61 to 63	55	45	From 93 to 99	10	90

5 | TAX ON MOVABLE AND IMMOVABLE ASSETS ABROAD

TAX ON IMMOVABLE ASSETS LOCATED ABROAD (IVIE)

Persons subject to the tax	<ul style="list-style-type: none"> → Natural persons resident in Italy who own property abroad, for whatever purpose. → The tax does not apply to the ownership of immovable property used as a principal residence (and its outbuildings), or to the matrimonial home allocated to the spouse following legal separation, annulment, dissolution or cessation of the civil effects of the marriage.
Taxable base	<ul style="list-style-type: none"> → For countries belonging to the European Union or the European which guarantee an adequate exchange of information, the value to be used is firstly the cadastral value, as determined and revalued in the country where the property is located, for the payment of income or wealth taxes, or other taxes determined on the basis of the value of the property, even if the property has been received as an inheritance or a gift. If there is no cadastral value, the cost on the deed of purchase is used as reference or, failing that, the market value recorded in the place where the property is located. → For other States, the value of the property is the cost on the purchase deed or contracts or, failing that, the market value recorded in the place where the property is located.
Tax rate	<ul style="list-style-type: none"> → The rate is normally 1.06% of the value of the property and is calculated in proportion to the share of ownership and the months of the year in which it was owned. → The rate falls to 0.4% for property used as a main residence. → Any property tax paid in the state where the property is located can be deducted from the IVIE tax.
Reporting obligations	<ul style="list-style-type: none"> → Form RW in the income tax return.

**TAX ON FINANCIAL ASSETS HELD ABROAD
(IVAFAE)**

Persons subject to the tax	<ul style="list-style-type: none"> → Natural persons resident in Italy who hold financial products, current accounts and savings certificates abroad. → As from 2020, non-commercial entities and ordinary partnerships resident in Italy are also subject to the obligations to declare investments and activities provided for in Article 4 of Law Decree no. 167/1990 (known as tax control).
Tax base and tax rate	<ul style="list-style-type: none"> → The tax, calculated on the value of the financial products and payable in proportion to the share and period of ownership, is 2 per thousand. → For financial products held in States or territories with a privileged tax regime, as identified by the Order of the Minister for the Economy and Finance of 4 May 1999, as amended, as from 2024, the tax is set at 4 per thousand per year (Finance Act 2024 - Article 1(91)(b)). → For current accounts and passbooks held abroad, the tax is set at a flat rate of 34.20 euros for individuals and 100 euros for entities other than individuals - such as ordinary companies and non-commercial trusts - per current account or passbook savings account held abroad. The tax is not payable when the average annual value of deposits resulting from account statements and passbooks is under €5,000. For this purpose, all accounts or passbooks held abroad by a taxpayer with the same intermediary must be taken into account, regardless of how long the account was held during the year. If the taxpayer holds joint accounts, the amounts to which they are entitled on a pro rata basis are taken into account when determining the €5,000 limit. → The value of the financial products is the market value at the end of each calendar year in the place where they are held, using the documentation of the foreign intermediary for individual assets or the foreign insurance company. If the assets are no longer held on 31 December the market value recorded at the end of the holding period is used. → For financial assets listed on regulated markets, this is the value to be used. For shares, bonds and other securities, or financial instruments not traded on regulated markets and in cases where listed financial assets have been excluded from trading, the nominal value should be used or, failing that, the redemption value, even if it has been subject to official adjustment. → If the security has both a nominal value and a redemption value, the tax base is the nominal value. However, if there is no nominal value or redemption value, the tax base is the purchase value of the securities. → A tax credit equal to the amount of any wealth tax paid in the State where the financial products, current accounts and passbooks are held is deducted from the tax due. Under no circumstances may the credit exceed the tax due in Italy. → No tax credit is due if a double taxation treaty is in force with the State in which the financial asset is held (also covering wealth tax), which provides that the asset is taxed exclusively in the holder's State of residence. In this case, any wealth tax paid abroad can be claimed from the tax authorities of the country where the tax was levied, despite the provisions of the treaty.
Reporting obligations	Form RW in the income tax return

6 | TRANSFER AGAINST CONSIDERATION

**REGISTRATION FEES DUE ON SALES OF REAL ESTATE
(SOLD BY INDIVIDUALS)**

Tax base	<p>Sale price</p> <ul style="list-style-type: none"> → possibility of applying the automatic valuation system or the so-called price-value system (prezzo valore) for the purchase of residential property by individuals, based on the cadastral value of the property multiplied by a specific coefficient (126 in the case of purchase as a second home; 115.5 in the case of purchase as a main home).
Purchase without the "first home" tax advantage	<ul style="list-style-type: none"> → Registration tax of 9% - Land tax of 50 euros → Mortgage tax of 50 euros → exempt from stamp duties, special cadastral taxes and mortgage taxes
Purchase with the "first home" tax advantage	<ul style="list-style-type: none"> → Registration tax of 2% - Land tax of 50 euros → Mortgage tax of 50 euros → exempt from stamp duties, special cadastral taxes and mortgage taxes

**REGISTRATION FEES DUE ON SALES OF REAL ESTATE
(SOLD BY COMPANIES)**

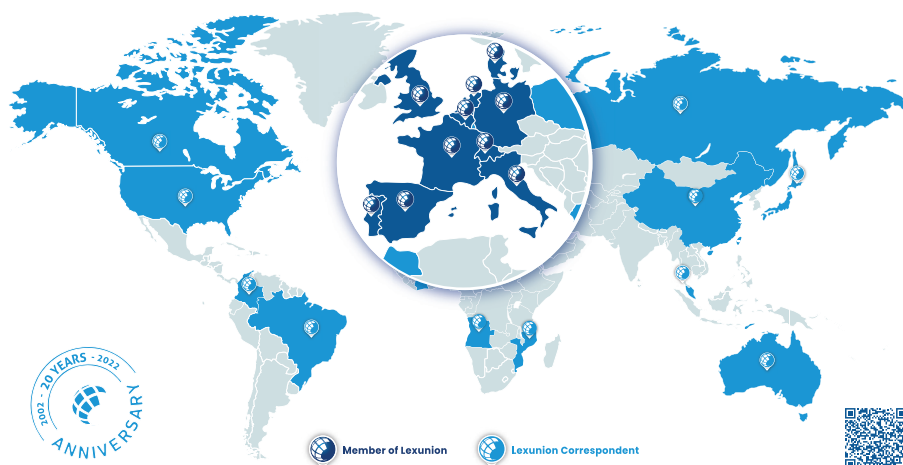
Tax base	Sale price	
Purchase without the "first home" tax advantage	<ul style="list-style-type: none"> → 10% VAT → Registration tax equal to 200 euros → Land registry tax equal to 200 euros 	<ul style="list-style-type: none"> → Mortgage tax equal to 200 euros → Stamp duty 230 euros → Mortgage tax 90 euros
Purchase with the "first home" tax advantage	<ul style="list-style-type: none"> → 4% VAT → Registration tax equal to 200 euros → Land registry tax equal to 200 euros 	<ul style="list-style-type: none"> → Mortgage tax equal to 200 euros → Stamp duty 230 euros → Mortgage tax 90 euros


REGISTRATION FEES DUE ON SALES OF COMPANY RIGHTS

Sale of company shares (S.R.L.)	→ Fixed registration tax of 200 euros - stamp duties of 15 and 65 euros - fees for the business register of 90 euros
Sale of shares	→ Fixed registration tax of 200 euros
Sale of shares in partnerships	<ul style="list-style-type: none"> → Fixed registration tax of 200 euros → Stamp duties of 156 euros → Business register fees of 90 euros

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