



ITALY - May 2018

PROPERTY TAXES IN ITALY. 1

Property Taxes in Italy.

After the purchase, homeowners are subject to taxes on the ownership of the property in Italy, namely IUC (“Imposta Municipale Unica”). The IUC is a new Municipal Tax introduced by the Law n.147/2013. The IUC is composed by the IMU, TASI and TARI. The owner of real estate has to pay IMU, with the exception for main houses (“abitazione principale”); the TASI is the service charged to cover the costs of indivisible services and the TARI the tax on waste needed to finance the costs of the waste collection and disposal service.

IMU: Municipality taxation (“Imposta Municipale Unica”).

Who has to pay IMU.

Owners of buildings, land and building sites in the municipal territory are required to pay the IMU. If a real right of usufruct, use or habitation is established on the aforementioned properties, only the holder of the said real right is obliged to pay.

Exempt Subjects.

Pursuant to Law 147/2013, art. 1 paragraph 707 and 708, from 01/01/2014 the IMU does not apply for the following properties:

a) Main house, and related appurtenances that come with the house (“pertinenza”); this benefit isn’t applicable with the luxury homes. In fact, luxury homes are considered all those properties belonging to the following categories: A/1 (stately homes), A/8 (villas), A/9 (castles and palazzi with high artistic and historic value); b) House, and related appurtenances that come with the house, owned as property or usufruct by elderly or disabled, who acquire residence in institutions of hospitalization as a result of permanent hospitalization, with the condition that the house doesn’t have to be rented; c) House, and related appurtenances that come with the house, owned by Italian citizens not residing in the territory of the State as property or usufruct in Italy, retired in their Country of residence, with the condition that the house doesn’t have to be rented; d) Real estate units belonging to the “Cooperative Edilizie” (building cooperatives) as undivided property, used as main dwellings and related appurtenances of the assignees; e) Following the provision of legal separation, cancellation, dissolution or termination of the civil effects of the marriage, the conjugal house assigned to the spouse; f) Single property registered, or that could be registered, in the Land Registry (“Catasto”) as the only real estate unit, owned, and not leased by permanent staff belonging to the Armed Forces and to the Military and Civil Police Forces, also by the staff of the National Fire Brigade and, excluded some specific provisions, by the personnel belonging to the prefectural career. For those cases, the conditions of the habitual residence and of the personal residence are not required; g) Buildings for sale by the construction company, as long as this destination remains, with the condition that the house doesn’t have to be rented; h) Rural buildings for instrumental use; i) All cases in which is provided for exemption by the current legislation; For related appurtenances that come with the house (“pertinenza”) of the main dwelling are meant exclusively the buildings classified in the cadastral categories C/2, C/6 and C/7, with the maximum extent of n.1 appurtenant unit for each of the cadastral categories indicated, even if registered in cadastre together with the unit for residential use.

Methods and terms of payment.

Usually, you should pay the I.M.U. as follows: - First 50% the IMU tax by 16 June; - Second 50% the IMU tax by 16 December. You can pay the IMU with the F24 model, using the tax codes approved by the “Agenzia delle Entrate” (Italian Fiscal Agency).

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

The payment's rates of the IMU are those established by Resolution of the Municipal Authority ("Consiglio Comunale") territorially competent.

TASI: Tribute for indivisible services ("Tassa sui Servizi Indivisibili").

From January 1, 2016, according to the Law n. 208/2015, the main house ("abitazione principale") is exempt from the TASI taxation. The imposition requirement of TASI, according to the Law n. 147/2013, and to the Law Decree 16/2014 is the possession or detention, for any reason, of buildings (including the main house), any building areas, such as defined for the IMU, except for the agricultural land. The TASI rate is calculated by applying to the property value the rate deliberated annually by the Municipality ("Comune"). The tax base of the TASI is the same as the IMU, therefore follows the rules of the Law Decree n. 201/2011 and following modifications. Based on the definition of art. 43 of the TUIR ("Testo Unico delle Imposte sui Redditi"), the buildings subject to TASI are all the properties owned as instrumental goods related to the economic activity exercised by VAT subjects.

Methods and terms of payment.

Usually, you should pay the T.A.S.I. as follows: - First 50% the TASI tax by 16 June; - Second 50% the TASI tax by 16 December. You can pay the TASI with the F24 model, using the tax codes approved by the "Agenzia delle Entrate" (Italian Fiscal Agency). The payment's rates of the TASI are those established by Resolution of the Municipal Authority ("Consiglio Comunale") territorially competent.

TARI: Waste taxation ("Tassa sui Rifiuti").

The Stability Law of 2014 ("Legge di Stabilità") introduced the TARI. All subjects who occupy or hold, in any capacity even "de facto", properties and uncovered areas, for any use, capable of producing urban and similar waste, in the territory of each Municipality have to pay the taxation on waste. In the case of a duration's use within six months in the same calendar year, the tax is due only by the owner of the properties or areas as property, usufruct, use of dwelling house ("uso abitazione") and right of superficies ("diritto di superficie").

Methods and terms of payment.

Usually, you should pay the T.A.R.I. as follows: - First payment tranche (or whole payment), by 16 July; - Second payment tranche by 16 August; - Third payment tranche by 16 September; - Forth payment tranche by 16 October. You can pay the TARI with the F24 model, using the tax codes approved by the "Agenzia delle Entrate" (Italian Fiscal Agency).

TARI payment reduction cases.

The application of TARI has a limited extent both in the fixed and variable quota, if you make a specific application within the established terms, to the domestic users who are in the following conditions: 1) 30% reduction: if carried out by a single occupant, of over seventy years, resident in the Municipality, provided that the ISEE income is less than 20,000 euros (yearly), and it is subject to a special declaration; 2) 30% reduction: if carried out by persons residing or staying more than six months a year abroad, or if conducted by persons registered in the registry of Italians residing abroad (A.I.R.E.).

Discount for Landlords.

The Law n. 431 of 9 December 1998 introduced the rental agreement with an agreed rent. Homeowners who rent out their homes with an "agreed rental" contract ("contratto di locazione a canone concordato") will receive a 75% discount on the rates upon which the IMU and TASI taxation are calculated. This contract has a minimum duration of 3 + 2 years (or 3 + 3 years) of renewal for residential properties, or a minimum duration from 6 months to 3 years for rentals to university students and from 1 month to 18 months for brief contracts.

Agricultural land.

There is a differentiation between agricultural land ("terreno agricolo") and building area ("area edificabile"), in fact, the agricultural land benefits from an exemption from IMU and TASI. From 1 January 2016, there is an exemption for the IMU on agricultural land with particular characteristics of location and destination. Moreover, the uncultivated agricultural land is exempt from IMU payment, but this exemption is only available if the land's owner is a direct farmer and professional agricultural entrepreneur or if the land is located in mountain and hill towns.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or anyh opinions expressed in the articles.