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MAISTO E ASSOCIATI

EU TAX ALERT 2/2018



The EU Commission requests Italy to eliminate the tax restriction on the investments in Italian real estate made by non-resident EU citizens

On 25 January 2018, the EU Commission sent a reasoned opinion to Italy in connection with the domestic rules excluding non-resident foreign EU citizens from a beneficial tax regime on their first purchase of certain housing in Italy. The beneficial tax regime provides for the application of the registration tax at a reduced 2% rate (instead of the ordinary 9% rate). Where the transfer of property falls within the scope of the Italian VAT, which is alternative to the proportional registration tax, the beneficial tax regime provides for the application of VAT at a reduced 4% rate (instead of the ordinary 10% rate). The regime applies only to resident individuals and to non-resident Italian citizens enrolled in the Registry of Italian citizens residing abroad (AIRE). The exclusion from this beneficial tax regime of non-resident individuals, who are citizens of other EU Member States, violates the free movement of capital (Article 63 of the TFEU), according to the Commission. If Italy does not act within the next two months, the Commission may bring the case before the Court of Justice of the EU.

For further information

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