

**STUDIO ASSOCIATO PICOLLI, DIFINO & COLOMBO**

AMBROGIO PICOLLI \* MARIO DIFINO \* PAOLO G. COLOMBO \* ATTILIO PICOLLI - DOTTORI COMMERCIALISTI, REVISORI CONTABILI  
PAOLO TINELLI - AVVOCATO, REVISORE CONTABILE

**STUDIO ASSOCIATO PICOLLI, DIFINO & COLOMBO**

AMBROGIO PICOLLI \* MARIO DIFINO \* PAOLO G. COLOMBO \* ATTILIO PICOLLI \* MANUELA O. CANE  
DOTTORI COMMERCIALISTI, REVISORI CONTABILI  
PAOLO TINELLI - AVVOCATO, REVISORE CONTABILE

**ITALY**

- 1. Inheritance tax**
- 2. Gift tax**
- 3. Tax on the increase in value of real property**
- 4. Registration tax**
- 5. Double-taxation relief**
- 6. Tax on real estates value (ICI)**

**Milano, 13 February 2004**

04PortDoing08  
AP/MC

**1. Inheritance tax** (*tassa sulle successioni*) has been abolished in all circumstances from 25 October 2001.

A 3% registration tax is applicable on real estates.

**2. From 25 October 2001 Gift tax** (*tassa sulle donazioni*) is not applicable if the beneficiary is:

- the spouse
- a direct descendant or direct forebear
- a relative down to the fourth degree

A 3% registration tax is applicable on real estates.

**Any other beneficiary** is subject to the registration tax applicable on the asset transferred if its value exceeds € 180.759,91. Registration tax is applicable on the value exceeding € 180.759,91. Registration tax is applicable on the taxable amount as follows:

- real estates: 10% (7%+3%)
- cash : € 129,11, plus 3 % on the amount exceeding € 180.759,91
- Treasury Bonds and interest in companies: € 129,11
- jewels and art masterpieces: € 129,11 plus 3 % on the amount exceeding € 180.759,91
- receivables: € 129,11, plus 0.5 % on the amount exceeding € 180.759,91
- individual entrepreneurs: € 129,11 plus 3 % on the amount exceeding € 180.759,91

The value on which the above registration tax is applied is the *current value*. Penalties applicable where a difference is assessed are:

- for **real estates**, if current value (i.e., the cadastral value) exceeds the value declared by the individual, a penalty ranging from 100% to 200% of the additional tax due is applicable, plus interests
- for **other movable goods**, if 75% of the current value exceeds the value declared by the individual, a penalty ranging from 100% to 200% of the additional tax due is applicable, plus interests

**3. Tax on the increase in value of real property (*imposta sull'incremento di valore degli immobili, INVIM*)**

INVIM has been abolished effective the **1<sup>st</sup> of January 2002**.

**4. Registration tax (*imposta di registro*)**

The rate of registration tax on transfer of real estates located in Italy made by individuals is 10% (7%+3%).

**5. Double-taxation relief**

Unilateral relief is available in Italy for both residents and non-residents in respect of foreign gift and inheritance taxes paid on assets situated abroad that are also liable to Italian inheritance and gift tax. The relief is by way of credit, up to a maximum of the Italian tax attributable to those assets.

Italy has entered into estate-tax treaties with the following countries:

- Denmark
- France
- Greece
- Israel
- Sweden
- United Kingdom
- United States

These treaties override the domestic law of participating countries if more favourable. They seek to avoid double taxation primarily by reconciling differences in rules defining residence (domicile) of individuals and *situs* of property.

**6. Tax on real estates value (*imposta comunale sugli immobili, ICI*)**

This local tax is applicable annually on an imputed value based on the “cadastral value” of real estates. Normally such value approximates the current value. The tax rate is normally 0,5%.

ICI is due as follows:

- 50% by June 30<sup>th</sup> of the relevant calendar year

- 50% by December 20<sup>th</sup> of the relevant calendar year

Any change in ownership of real estates should be filed normally at the same time income tax return is to be filed.

04PortDoing08  
AP/MC