

## **Super rich, real estate attracts investments thanks to the Flat Tax**

In one year they have more than doubled: they choose our country for tax reasons

Investments in luxury homes by foreigners with large fortunes are increasing greatly. In just three years the number increased by almost 800%, going from 98 in 2017 to almost 800 in 2020. The merit must be found in the tax discount that our country offers to ultra-rich individuals (with assets exceeding 30 million dollars) who take up residence in Italy, thanks to which they can pay a flat tax of 100 thousand euros a year, regardless of their income. A replacement amount for Irpef on income produced abroad without restrictions on the work activity carried out. In essence, those who choose this system pay that amount and are then fine with the Italian tax authorities. He will no longer have to pay a cent, regardless of how much he has earned. However, as for all other citizens resident in the Peninsula, earnings made in Italy remain taxed, on which ordinary taxation and therefore the highest marginal rate of 43% will continue to apply. A benefit introduced in 2017 to attract capital, and therefore investments, to head to Italy. The benefit of the single tax dedicated to billionaires, to be paid in a single payment and valid for 15 years, can also be extended to family members, to whom a flat rate of 25 thousand euros is applied. It is also possible to submit a specific "preventive request for ruling" to ask the tax administration to dispel any doubts regarding the existence of the necessary requirements to access the discount. Furthermore, joining the system also entails other benefits in terms of controls.

However, the requirements for accessing the relief are rather strict: only those people who have had residence abroad for at least 9 tax periods during the last 10 years (i.e. 9 years out of 10) can benefit from the flat tax, a useful condition to avoid the abuses of those who intend to move their residence outside the Italian borders and then return a few months later and benefit from the relief.

But who chooses to come to Italy to pay less taxes? Based on surveys carried out shortly after the introduction of the law, the so-called rentiers dominated, but then the share of individuals still active from a working point of view increased. There are therefore above all bankers, footballers, models, pilots, actors and influencers. Finally, as regards the countries of origin, at the

beginning they were mainly European countries, with Great Britain in the lead. Then arrivals from South and North America became more frequent and, before Moscow decided to invade Ukraine, from Russia.