

Capital gains, wealth and inheritance

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The decisive difference lies in capital gains. Italy taxes capital gains of individuals on the sale of shares at 26 per cent.¹ Switzerland does not tax capital gains realized by individuals on movable private assets. The exemption has exceptions, among them the reclassification of gains of professional dealers in securities, the indirect partial liquidation and the transposition of shares to a company controlled by the seller, which turn the gain into taxable income.² For an entrepreneur who intends to sell his company within a few years, the move to Ticino before the sale can save a quarter of the price. Under Article 13 paragraph 3 of the convention, the gain on the sale of shares is taxable only in the state of residence of the seller.³ Italy cannot tax the gain of a person who is resident in Switzerland for treaty purposes, even if the company is Italian, and Switzerland exempts it under its domestic law. The Italian authorities know this configuration and examine the residence of sellers who moved shortly before a sale with particular care.

Wealth and inheritance point in opposite directions. Ticino levies an annual wealth tax whose cantonal rate rises to a maximum of 2.5 per mille on net assets above CHF 1,381,000 under the law in force in 2026, multiplied by the communal multiplier, while net assets below CHF 200,000 remain exempt.⁴ Italy levies no general wealth tax on residents, only the taxes on foreign real estate (IVIE) and foreign financial assets (IVAFE) and the municipal tax on real estate. A wealthy entrepreneur who moves to Ticino therefore pays an annual tax on his worldwide net assets that he did not pay in Italy, with the exception of foreign businesses and real estate. On death, Ticino exempts spouses and descendants from its inheritance and gift tax, while Italy taxes transfers to children at 4 per cent above an allowance of EUR 1 million per heir. Chapter E.V describes both regimes.⁵

Item Milan (Lombardy) Lugano (Ticino) Company profit tax IRES 24% + IRAP 3.9% About 16% (2025) Top marginal income 43% + up to 2.5% About 38–39% (2024), falling tax surcharges to about 33% (2030) Dividends (qualifying 26% final tax Partial taxation, top about holding) 25–27% Private capital gains on 26% Generally exempt shares Wealth tax None (IVIE/IVAFE on Annual, up to about 0.5% foreign assets) incl. commune Inheritance to children 4% above EUR 1 Exempt million per heir Standard VAT 22% 8.1%

Common misconception. Many entrepreneurs assume that moving to Ticino halves their tax. At company level the difference between Milan and Lugano is about eleven to twelve percentage points, and dividends from a Swiss company are taxed in Lugano at rates close to the Italian 26 per cent. The large differences lie in capital gains on the sale of shares, which Switzerland generally does not tax, and in inheritance tax. They are offset in part by the Swiss wealth tax. A move justified only by the expected dividend savings rarely pays for its costs and risks.

1 Notes

1. TUIR, Art. 68, text at Brocardi.it, <https://www.brocardi.it/testo-unico-imposte-redditi/titolo-i/capo-vii/art68.html>, and Legislative Decree No. 461 of 21 November 1997, Art. 5 (substitute tax of 26 per cent); extension of the 26 per cent regime to gains on qualifying participations from 1 January 2019 by Law No. 205/2017, Brocardi.it commentary on Art. 47 TUIR (above). ↩
2. DBG, Art. 16 para. 3 ("Die Kapitalgewinne aus der Veräusserung von Privatvermögen sind steuerfrei"), <https://www.droit-bilingue.ch/de-fr/6/64/642.11-16-19.html>, and Art. 20a para. 1 lit. a and b (indirect partial liquidation of a participation of at least 20 per cent; transposition to a company in which the seller holds at least 50 per cent), <https://www.droit-bilingue.ch/de-fr/6/64/642.11-20a-30.html>. ↩
3. DTA Switzerland–Italy, Art. 13 para. 3 (text above) ("sono imponibili soltanto nello Stato contraente di cui l'alienante è residente"). ↩
4. LT, Art. 49 para. 1 (tariff of the wealth tax of natural persons, top rate 2.5 per mille), <https://m3.ti.ch/CAN/RLeggi/public/index.php/raccolta-leggi/legge/num/580>. The combined rate including the communal multiplier is the author's approximation. ↩

5. See Chapter E.V, with the sources cited there (Ticino Law of 12 December 2023, in force 1 January 2024; Italian Legislative Decree No. 346 of 31 October 1990). ↩

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