

"Old" and "new" cross-border workers

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The political key to the agreement is the transitional regime in Art. 9. Persons who, on the date of entry into force or between 31 December 2018 and that date, were working or had worked as cross-border workers in the cantons of Graubünden, Ticino or Valais for an employer there remain subject to exclusive taxation in Switzerland. For them, Switzerland continues to pay the compensation of 40 per cent to Italy until 2033. Italy does not tax their Swiss employment income.¹ Samuele Vorpe notes that this transitional regime perpetuates the 1974 model for an indefinite period, because the status lasts as long as the person continues to qualify as a cross-border worker.² The tax administrations describe these persons as *vecchi frontalieri* (old cross-border workers) and all others as *nuovi frontalieri* (new cross-border workers).

For the new cross-border workers the tax burden changes considerably. Switzerland levies the tax at source at 80 per cent of the ordinary rates. The cantonal tax administrations apply special tables for this purpose, designated R, S, T, U and V in Ticino, in place of the ordinary tables A, B, C, H and G.³ Italy taxes the full salary under IRPEF and the regional and municipal surcharges and credits the Swiss tax. Law No. 83/2023 softened the effect. It exempts from Italian income tax the first EUR 10,000 of employment income earned as a cross-border worker, excludes family allowances paid in Switzerland from the IRPEF base and allows the deduction of contributions paid in Switzerland to sectoral early-retirement schemes. It also created a State fund of EUR 89 million a year until 2033 for the border municipalities, to replace part of the compensation they lose, and a fund for the development of the border areas, which may finance infrastructure and wage supplements for Italian health workers. A further provision harmonized the Italian unemployment benefit (NASpI) with the Swiss benefit for the first three months.⁴ The Ticinese press estimated the resulting disadvantage of a new cross-border worker compared with an old

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one at up to about EUR 20,000 a year at higher incomes, a figure that depends heavily on the individual situation.⁵

Feature	Old cross-border workers	New cross-border workers
Who	active between 31.12.2018 and 17.7.2023	all others meeting Art. 2
Swiss tax	exclusive, ordinary rates	up to 80% of ordinary rates
Italian tax	none on Swiss salary	IRPEF with credit, EUR 10,000 exempt
Compensation to Italy	40% until 2033	none

Table 3: The two regimes of the agreement of 23 December 2020. Sources: as in the footnotes to this section.

1 Notes

1. Foglio informativo e FAQ (above); Vorpe (above). ↩
2. Vorpe (above). ↩
3. Repubblica e Cantone Ticino, Divisione delle contribuzioni, Direttiva sull'applicazione del Decreto Omnibus (October 2024), https://www4.ti.ch/fileadmin/DFE/DC/DOC-IF/nuovo_accordo/Direttiva_applicazione_Decreto_Omnibus.pdf. ↩
4. Camera dei deputati, dossier (above) (exemption raised from EUR 7,500 to EUR 10,000, exclusion of family allowances from the IRPEF base, deductibility of contributions for early retirement, EUR 89 million a year until 2033, development fund for the border areas, NASpI aligned with the Swiss benefit for the first three months). ↩
5. Tio.ch, "Frontalieri: una crescita strutturale che ridisegna il confine" (above). ↩

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