

The impatriate regime

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The second Italian instrument targets people who work. With effect from 2024 Legislative Decree No 209 of 27 December 2023 replaced the earlier regime for impatriate workers of Art. 16 of Legislative Decree No 147 of 2015. The old regime had exempted 70 per cent of employment and self-employment income, or 90 per cent in the southern regions. Under Art. 5 of the new decree, 50 per cent of the income from employment or self-employment performed in Italy is exempt up to an income of EUR 600,000 a year. The exemption rises to 60 per cent if the worker moves with a minor child or has a child during the period. The worker must not have been resident in Italy for the three previous tax periods, or for six or seven if he or she works for the same employer or group as before. He or she must also commit to remain resident for at least four years, be highly qualified or specialized and perform most of the work in Italy. The benefit lasts five tax periods. Persons registered in the population register by 31 December 2023 keep the old regime.¹

The regime is used on a large scale: about 45,000 taxpayers claimed it in their returns for 2024.² For Ticino it is relevant in two ways. Young Italian bankers, lawyers and asset managers who have worked in Lugano for several years can return to Milan under the regime with a significant tax advantage, which affects the labour market of the Lugano financial centre. Families who move back to Italy after a period in Ticino may combine the impatriate regime for an active member with the flat tax for a member who lives on investment income. The same person can no longer combine the two regimes after a transfer of residence from 1 January 2027, since Decree-Law No 38 of 2026 prohibits such cumulation, although persons who transfer their residence by 31 December 2026 may still use both. Italy also offers pensioners who move to small municipalities in the south of the country a substitute tax of 7 per cent on foreign income under Art. 24-ter TUIR. That instrument has little relevance for the wealthy families discussed here.³

1 How Ticino competes

Since 2017 Ticino and Lombardy have therefore offered competing regimes to the same clients. The following comparison shows the main differences for a wealthy family without gainful activity.

Feature Ticino (expenditure) Italy (Art. 24-bis TUIR) Basis Expenditure, min. CHF Fixed EUR 300,000 tax 429,100 Foreign income Covered by base Covered by fixed tax Wealth taxes Wealth tax (lump-sum) No IVIE/IVAFE Gainful activity Not in Switzerland Italian income taxed normally Family Exempt 4% above EUR 1 m (Italian assets inheritance tax only)

Table: Ticino and Italian regimes for wealthy new residents compared (2026).⁴

The comparison does not produce a single winner. For a family with high foreign investment income, no Italian-source income and assets that it intends to leave to children, the Ticino regime is often cheaper. The tax on a base of CHF 429,100 is well below EUR 300,000, while the inheritance tax is nil. A family with significant Italian-source income loses much of the Ticino advantage because of the treaty rule on modified lump-sum taxation. For such a family the Italian flat tax, combined with the ordinary taxation of Italian income in Italy, may be simpler. Since the Ticino lumpsum regime is closed to active entrepreneurs, their comparison is between ordinary Ticino taxation, made more attractive by the 2024 reform, and ordinary Italian taxation with or without the impatriate regime. The Italian increases of 2024 and 2026 have narrowed the price advantage of Milan for the very wealthy, but the Italian regime remains attractive for persons with very large foreign incomes.

Non-tax factors are often decisive. Families choose Lugano for security, Swiss schools and international schools, the Swiss health system, the stability of the franc and of the legal order, proximity to Swiss banks and the possibility of staying close to Milan. They choose Milan for its economic and cultural life, its international schools, its airports and its social networks. Many wealthy families avoid the choice by keeping homes in both places, which is precisely the situation in which the residence rules described above become dangerous. The practitioner's task is to make the choice explicit and to ensure that the family's life corresponds to the residence it has declared.

2 Notes

1. Giulia Sorci, "Nuovo regime degli impatriati: approvazione definitiva del decreto sulla fiscalità internazionale", RSM Italy, 22 December 2023, <https://www.rsm.global/italy/rsmsts/it/node/235> (consulted 5 October 2026). ↩
2. Cafarelli, QuiFinanza (above). ↩
3. TUIR, Art. 24-ter, Brocardi.it, <https://www.brocardi.it/testo-unico-imposte-redditi/titolo-i/capo-i/art24ter.html> (consulted 5 October 2026), inserted by Legge 30 dicembre 2018, n. 145, Art. 1, para. 273, and last amended in 2026. deQuo (above), on the prohibition of cumulation under Decreto-legge n. 38/2026 for transfers of residence from 2027. ↩
4. Compiled from the sources cited in this section and in the section on Ticino's taxes. The comparison is simplified: the Ticino base is the minimum for 2024, whereas the actual base depends on expenditure and rental value. ↩

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