# Italian exit tax for individuals: the 2027 Budget Bill proposal for those moving their tax residence abroad

**Please note:** this guide describes a proposal in Article 17 of the 2027-2029 budget bill, submitted to the Italian Chamber of Deputies and not yet approved. The text may change during the parliamentary process; this guide will be updated.

By Pietro Cumpostu, Chartered Accountant (Dottore Commercialista) Updated 4 November 2026

## In brief

- **What it is:** a 26% tax on unrealised capital gains for those transferring their tax residence abroad.
- **Who it would affect:** those resident for at least six of the last ten tax periods, with financial assets of at least EUR 800,000.
- **In practice:** payment within 180 days, or deferral with a 50% advance payment and a guarantee.
- **Status:** bill, art. 17 of the 2027-2029 Budget Bill (A.C. 3174), not yet approved.

To assess your own case: **Contact**

**IN SHORT**

Italy currently has no exit tax for individuals who do not carry on a business: a person who moves their tax residence abroad pays no tax on gains that have accrued but have not been realised. The 2027-2029 Budget Bill, now before Parliament, proposes to introduce one (Article 17, which would add a new Article 307-bis to the Income Tax Code, Legislative Decree 117/2026). Under the text as presented, a person who has been resident for at least six of the last ten tax years and holds shareholdings, securities, funds, derivatives or crypto-assets worth at least EUR 800,000 would pay 26% on unrealised gains within 180 days, with the option of deferring payment when moving within the European Union or to States that cooperate in tax collection. The rules would apply where the loss of residence takes effect from 1 January 2027 and may change during the parliamentary process, which must end by 31 December 2026.

## The current position: no exit tax for individuals until 2026

Until 31 December 2026, exit taxation applies only to those carrying on a business: Article 166 of Presidential Decree 917/1986 (TUIR), which implements Article 5 of Directive (EU) 2016/1164, taxes unrealised gains on business assets when the residence or the assets leave Italy. From 1 January 2027 the same rules move to Article 193 of the new Income Tax Code (Legislative Decree No. 117 of 19 June 2026), which replaces the TUIR (Articles 376 and 377).

For an individual who does not carry on a business, moving residence abroad is not currently a taxable event. The Italian Revenue Agency confirmed this in ruling No. 208 of 14 August 2025: a person moving abroad may keep their securities account in Italy under the administered savings regime and, if they revoke that option, doing so "does not constitute a taxable realisation of capital gains". Gains are taxed when the assets are sold, under the rules for non-residents and the tax treaty with the new State of residence. The general rules for leaving Italy are described in the guide on moving tax residence abroad.

## The proposal: Article 17 of the 2027 Budget Bill and new Article 307-bis of the Income Tax Code

Article 17 of the Budget Bill for 2027-2029, approved by the Council of Ministers on 28 October 2026 (Bill A.C. 3174, submitted to the Chamber of Deputies on 30 October 2026), is headed "Exit taxation of persons not carrying on commercial businesses". It would add to Legislative Decree 117/2026 a new Chapter VI-bis containing Article 307-bis, placed right after the rules on the substitute tax on capital gains and other financial income (Articles 304-307, which from 2027 restate Articles 5-7 of Legislative Decree 461/1997).

According to the explanatory report to the Bill, the aim is to "preserve the Italian State's taxing rights over financial income accrued during tax residence in Italy and not yet realised when tax residence is moved abroad". The text refers to a decree of the Minister of Economy and Finance for the implementing rules (paragraph 8 of Article 307-bis): guarantees, refunds and reporting obligations will largely depend on that decree, which does not yet exist.

## Who would pay the exit tax: individuals, simple partnerships and non-commercial entities

Under the text as presented, the tax applies to **individuals** who move their tax residence out of Italy and have been resident there for **at least six of the last ten tax years** before the move (Article 307-bis, paragraph 1). Paragraph 7 extends it to **simple partnerships** (società semplici) and equivalent entities not carrying on commercial businesses (Article 5 of the Code) and to the **non-commercial entities** of Article 82(1)(c) of the Code (formerly Article 73(1)(c) TUIR). That provision expressly covers trusts whose sole or main object is not a commercial activity, and the same letter also includes collective investment undertakings (UCIs), which are however deemed resident if set up in Italy: moving a trust's residence abroad, for example by changing the trustee, would therefore fall within the proposal. However, under Article 82(3) a trust set up in a State that does not allow an adequate exchange of information is deemed resident in Italy, unless proven otherwise, where at least one settlor and one beneficiary are resident in Italy: in those cases a change of trustee

may not be enough to lose Italian residence. The treatment of trusts with identified beneficiaries, whose income is attributed to the beneficiaries, will need to be clarified by the implementing decree.

The tax would apply only if three further conditions are all met (Article 17(2) of the Bill and Article 307-bis(2) and (3)):

- the loss of tax residence takes effect **on or after 1 January 2027**;
- the move results in Italy **losing its taxing rights** over the income concerned: according to the explanatory report, income that Italy can still tax, including under the applicable treaty, is outside the charge;
- the **total fair market value** of the assets and rights concerned is at least **EUR 800,000** on the last day of the tax year before the one in which the loss of residence takes effect.

Residence is determined for the whole tax year (Article 2 of the Code, restating Article 2 TUIR). As a rule, therefore, values would be measured on 31 December of the year before the first year in which the person is no longer resident. Valuation at 31 December 2026 therefore concerns only those who were resident for most of 2026 and physically left in the second part of the year, since they lose residence from 2027; those who are no longer resident for 2026 fall outside the proposal. The text does not say how this rule interacts with the split-year treatment provided by some treaties.

## Which assets are covered and how the EUR 800,000 threshold works

The tax would apply to the financial "miscellaneous income" listed in Article 76(1)(d) to (i) of the Code (currently Article 67 TUIR):

- **qualifying and non-qualifying shareholdings** in Italian and foreign companies (shares, quotas, rights or securities to acquire them);
- **securities** other than those representing goods, mass certificates, **units in investment funds** and other collective investment undertakings, **foreign currencies** and **precious metals**;
- **derivatives** and forward contracts;

- disposals of **receivables** and of contracts producing investment income;
- **crypto-assets**.

**Real estate** and cash in accounts without a currency component are outside the text. For insurance policies and certain types of foreign funds, the scope will need to be clarified by the implementing decree.

The EUR 800,000 threshold refers to the **total value** of the assets concerned, not to the amount of the unrealised gains (explanatory report). It is an entry threshold, not an allowance: once it is exceeded, the tax is calculated on all gains, with no exempt portion. The text does not say how fair market value is determined; the general rule in Article 9 of the Code (currently Article 9 TUIR) refers, for listed securities, to the average price over the last month and, for other shareholdings, to the company's net equity pro rata. This point, too, awaits the decree.

## How the tax would be calculated: taxable base, 26% rate and government bonds

The taxable base is the **sum of the positive differences** between the fair market value of each asset or right on the last day of the previous tax year and its recognised tax cost, determined under Article 77(7) of the Code (currently Article 68(6) TUIR). Under the text as presented, unrealised losses on individual holdings do not reduce the taxable base.

The rate is not stated in Article 307-bis, which refers to "the provisions ordinarily applicable to the respective types of income". For this income it is the **26%** substitute tax of Article 304(1) of the Code, as the technical report confirms. For Italian **government bonds** and equivalent securities, and for bonds issued by States that allow an adequate exchange of information and by their local authorities, gains are counted at **48.08%**: the effect is equivalent to the 12.5% rate that applies to those bonds.

For assets acquired by inheritance, the cost is the value assessed or declared for inheritance tax purposes; for assets received as a gift, the donor's cost (Article 77 of the Code). Historical cost applies even to assets acquired before becoming resident in Italy: for individuals there is no entry-value rule like the one for businesses (Article 192 of the Code, currently Article 166-bis TUIR).

## Payment within 180 days or deferral with a 50% advance payment and a guarantee

The tax would be due **within 180 days** of the date on which the loss of residence takes effect (Article 307-bis, paragraph 4).

A person moving to a **European Union Member State**, or to a non-EU State with which agreements are in force allowing an adequate exchange of information and mutual assistance in the recovery of tax claims comparable to Directive 2010/24/EU, could **opt for deferral** on three conditions:

- paying an **advance of 50%** of the tax within the 180 days;
- providing an **adequate guarantee**, whose type and amount are left to the decree;
- the deferral lasts **five tax years** for moves within the European Union and **ten** in the other eligible cases.

The text provides for no interest on the deferred tax, unlike the rules for businesses (Article 193(11) of the Code). It does not list the non-EU States that have collection-assistance agreements comparable to the Directive: this must be checked State by State and will also depend on the decree.

## Selling, gifting or returning to Italy during the deferral period

During the deferral period the proposal distinguishes three situations (Article 307-bis, paragraphs 5 and 6):

- **sale for consideration**: the tax applies to the **lower** of the unrealised gain at the reference date and the gain actually realised. If the price is below the tax cost, according to the explanatory report no tax is due; any increase in value after departure is in any event outside the Italian charge;
- **gift**, or transfer to controlled companies or entities, to family members or to companies they control: the **entire unrealised gain** at the reference date is taxed;

- **no disposal** within the period, **death**, or **return** to Italy during the period: no tax is due on the assets not disposed of, and any excess paid is refunded, under procedures left to the decree.

The advance already paid is credited against the tax due on each transaction. Under the text, the refund applies to those who chose deferral: a person who pays the full tax within 180 days gets no refund if they later return to Italy or if the assets fall in value.

## Tax treaties, low-tax jurisdictions and new residents

**Tax treaties.** The charge applies only if Italy loses its taxing rights. Where the treaty with the new State of residence leaves Italy the right to tax the gain (for example, in many treaties, for shares deriving their value mainly from real estate in Italy, along the lines of Article 13(4) of the OECD Model), the exit tax would not apply to those assets. The text does not, however, provide for coordination with the new State of residence: if that State taxes the full gain on sale, without recognising an entry value or a credit for the Italian tax, double taxation may arise.

**Low-tax jurisdictions.** Italian citizens removed from the population register who move to States other than those identified by ministerial decree are deemed resident unless they prove otherwise (Article 2(3) of the Code; currently Article 2(2-bis) TUIR). If the presumption is not rebutted, residence is not lost and the exit tax does not apply; if it is rebutted, the proposal would apply and, absent collection-assistance agreements, without the option of deferral. The text contains no express coordination between the two rules.

**New residents under the substitute tax.** The proposal contains no rules for those who opted for the substitute tax on foreign income for new residents (Article 246 of the Code, currently Article 24-bis TUIR, described in the dedicated guide).

> **My view:** After six years of residence, unrealised gains on foreign shareholdings would also appear to fall within the charge. In my view, however, the tax is aimed at ordinary taxpayers: the new residents regime (Article 24-bis TUIR) is a special favourable regime, and during the regime foreign income is already covered by the annual lump-sum tax. An explicit clarification in the law would still be welcome, and several technical and EU-

> law questions remain open, to be followed during the parliamentary process and in the implementing decree.

## EU law compatibility issues

The Court of Justice of the European Union has ruled several times on exit tax mechanisms for individuals, notably in its judgments of 11 March 2004, Case C-9/02, de Lasteyrie du Saillant, and 7 September 2006, Case C-470/04, N, which examined the taxation of unrealised gains on emigration, guarantees required to suspend payment and the treatment of later falls in value. A case on the Polish exit tax for individuals, C-430/25, is pending: the Advocate General delivered her opinion on 15 October 2026 and the Court has not yet given judgment.

Some features of the proposal, such as the advance payment and guarantee required even for moves within the European Union, the absence of any offset for unrealised losses and the use of historical cost for assets acquired before arrival in Italy, may therefore be debated in the light of this case law. Some commentators have already raised the issue. The picture may change with the final text of the law and with the Court's judgment; for moves to Switzerland, the EU-Switzerland Agreement on the Free Movement of Persons is also relevant.

## What to do in practice: planning a move of tax residence abroad

1. **Follow the Budget Bill**: the text may change until it is approved, expected by 31 December 2026, and many aspects will depend on the implementing decree.
2. **Check the conditions**: years of residence in Italy in the last ten tax years, and the date from which the loss of residence would take effect under Article 2 and the applicable treaty.
3. **Map the financial assets**: fair market value and tax cost of each shareholding, security, fund, derivative and crypto-asset, identifying those Italy would continue to tax under the treaty.

4. **Estimate the tax** in both scenarios, payment within 180 days or deferral with a 50% advance and a guarantee, and check whether the new State of residence qualifies for deferral.
5. **Assess the new State of residence**: how it treats the gain on sale (entry value, credit for the Italian tax) and whether there is a risk of double taxation.
6. **Plan transactions during the deferral period**: sales, gifts, contributions to controlled companies or transfers to family members have different effects on the tax due.
7. **Review structures**: simple partnerships, non-commercial trusts and non-commercial entities would fall within the proposal, as would transactions that move their residence.

## Key risks of the new exit tax

- **The rule is not yet final.** The text is a proposal: the threshold, rate, start date and deferral may change in Parliament. Decisions based only on the Bill should be reviewed against the approved text.
- **Start date.** What matters is the year from which the loss of residence takes effect, not the date of physical departure; a person resident for most of 2026 who leaves in the second part of the year loses residence only from 2027 and would fall within the proposal: they should check carefully from which tax year they cease to be resident.
- **Tax without a sale.** The tax is due on gains not yet received: cash is needed for payment within 180 days or for the 50% advance and the guarantee.
- **No refund without deferral.** Under the text, a person who pays the full tax at once recovers nothing if the assets fall in value or if they return to Italy.
- **Double taxation.** The text provides no coordination with the new State of residence: the same gain could be taxed twice.
- **Structures and internal transfers.** Gifts and transfers to family members or controlled companies during deferral trigger tax on the entire unrealised gain; trusts and simple partnerships would fall within the proposal.
- **Compliance and penalties.** Guarantees, refund procedures and tax return sections will be set by the implementing decree; errors in calculation or payment would be subject to the general rules on tax penalties.

## Legal sources

- Bill A.C. 3174, submitted to the Chamber of Deputies on 30 October 2026: Budget Bill for the 2027 financial year and multi-year budget 2027-2029 – Chamber of Deputies page
- Bill A.C. 3174, Volume II, text of the Bill, Article 17 (pp. 30-33) – Chamber of Deputies
- Bill A.C. 3174, Volume I, explanatory report (pp. 97-99) and technical report (pp. 235-237) on Article 17 – Chamber of Deputies
- Legislative Decree No. 117 of 19 June 2026 (Income Tax Code) – Official Gazette
- Article 2 of Legislative Decree No. 117/2026 – Normattiva
- Article 76 of Legislative Decree No. 117/2026 – Normattiva
- Article 77 of Legislative Decree No. 117/2026 – Normattiva
- Article 82 of Legislative Decree No. 117/2026 – Normattiva
- Article 193 of Legislative Decree No. 117/2026 – Normattiva
- Article 246 of Legislative Decree No. 117/2026 – Normattiva
- Article 304 of Legislative Decree No. 117/2026 – Normattiva
- Article 166 TUIR – Normattiva
- Directive (EU) 2016/1164, Article 5 – EUR-Lex
- Ruling No. 208 of 14 August 2025 – Italian Revenue Agency
- Court of Justice of the EU, judgment of 11 March 2004, Case C-9/02, de Lasteyrie du Saillant – EUR-Lex
- Court of Justice of the EU, judgment of 7 September 2006, Case C-470/04, N – EUR-Lex
- Court of Justice of the EU, Opinion of the Advocate General of 15 October 2026, Case C-430/25 – EUR-Lex

## Frequently asked questions

### Does someone who moves their tax residence out of Italy in 2026 pay the exit tax?

It depends on when they leave. The proposal would apply only where the loss of tax residence takes effect from 1 January 2027, and what matters is the tax year, not the date of physical departure: a person who was resident for most of 2026 and left in the second part of the year loses residence only from 2027 and would fall within the proposal, with values measured on 31 December 2026; a person who is no longer resident for 2026 is outside it. The text may change in Parliament.

## Who would be subject to the new Italian exit tax?

Individuals resident in Italy for at least six of the last ten tax years who move their residence abroad and hold shareholdings, securities, funds, derivatives or crypto-assets with a total value of at least EUR 800,000. The proposal extends to simple partnerships and non-commercial entities, including non-commercial trusts.

## How much would the Italian exit tax be?

26% of the sum of unrealised gains, that is the difference between fair market value and tax cost of each asset on the last day of the year before the move; for government bonds and equivalent bonds the effective rate is 12.5%. The EUR 800,000 threshold is not an allowance.

## Can payment of the exit tax be deferred?

For moves within the European Union, or to States that cooperate in exchange of information and tax collection, the proposal allows a 50% advance payment, a guarantee, and payment of the balance only if the assets are sold within five years (EU) or ten years (other States). If there is no sale within the period, no tax is due on the assets not sold and any excess advance paid is refunded, under procedures to be set by the implementing decree.

## Does the exit tax apply to real estate?

No. Under the text as presented it covers only financial income: shareholdings, securities, fund units, currencies, precious metals, derivatives, receivables and

crypto-assets. Real estate and cash without a currency component are outside its scope.

### What happens if I move back to Italy?

If deferral was chosen and the person returns during the period, no tax is due on the assets not sold and any excess paid is refunded, under procedures to be set by ministerial decree. Under the text as presented, a person who paid the full tax at once is not entitled to a refund.

More answers on the topics of this guide are on the FAQ.

## Related questions

- Does someone who moves abroad pay an exit tax on their shareholdings?
- When is an individual tax resident in Italy?
- Does AIRE registration mean I no longer pay tax in Italy?
- Which ties with Italy can cast doubt on a move to the UAE?
- What should one know when moving from Italy to Switzerland?

## Other guides

- Moving tax residence abroad
- Italy–UAE tax residence
- Italy's flat tax for new residents
- Foreign dividends and the tax credit
- All practical guides

All frequently asked questions – short answers on international tax and HNWIs, moving tax residence and generational transfers, holdings, trusts and foundations, court-appointed experts

## Contact

Outcomes and obligations depend on the facts of each case, the new State of residence and the text that is finally approved: for an analysis of the specific case, see the contact page.

Contact form

Legislation is cited with the article numbering of the Income Tax Code (Legislative Decree 117/2026) applicable from 1 January 2027 and, where useful, of the TUIR. For information only; it does not replace advice on a specific case.