GCASE INTERNATIONAL

GUIDE TO REAL ESTATE TAXATION IN ITALY

For foreign buyers and property owners

2026 EDITION

A practical overview of purchase taxes, annual property charges, rental income and sale-related taxes. Rules can differ according to the buyer, seller, property category, use and municipality.

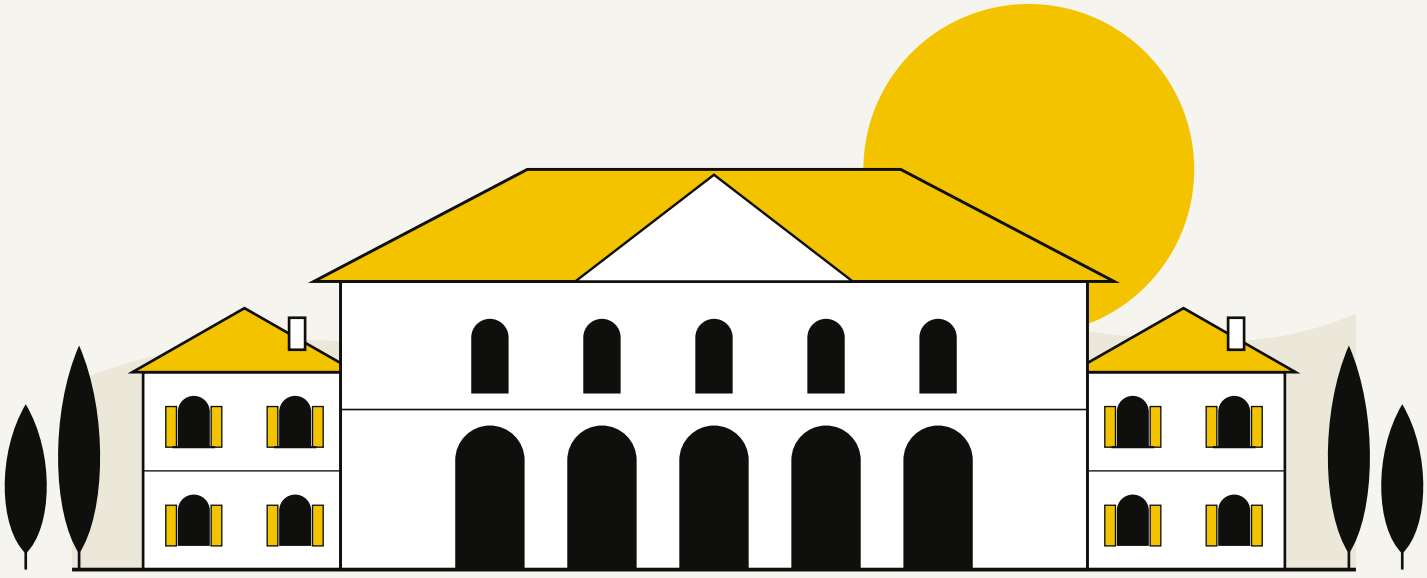
> Important
> **This guide is general information, not individual tax or legal advice. Before signing a preliminary agreement or deed, ask an Italian notary and a tax adviser to confirm the treatment of the specific transaction.**

Prepared with reference to official Italian tax guidance and legislation available as of 20 October 2026.

At a glance

The tax outcome is not determined by nationality alone. The key questions are: who is buying, who is selling, whether the sale is subject to VAT, whether the buyer qualifies for the “first home” relief, how the property is classified, and how it will be used.

Event	Main rule of thumb
Purchase from a private individual or a VAT-exempt business	Registration tax is generally 9% (or 2% with qualifying first-home relief), plus fixed mortgage and cadastral taxes. Minimum registration tax generally €1,000, subject to applicable credits and rules.
Purchase subject to VAT	VAT is generally 10% for ordinary residential property, 22% for A/1, A/8 and A/9 luxury categories, or 4% where first-home VAT relief applies. Registration, mortgage and cadastral taxes are generally €200 each.
Annual ownership	IMU may apply; the ordinary main residence is generally exempt except A/1, A/8 and A/9. TARI depends on the local rules and who occupies/holds the property.
Rental income	Taxation depends on ordinary income-tax rules or an eligible substitute regime. Long-term residential leases and short-term rentals have different conditions.
Sale	A taxable capital gain may arise on a sale within five years; a separate rule can apply to certain properties benefiting from the 110% Superbonus within ten years.



1. Taxes on purchase

The seller's status matters, but it does not mean every sale by a company is automatically subject to VAT. Residential sales by businesses are generally VAT-exempt unless a statutory exception applies or the seller validly opts for VAT where permitted. A sale by a private individual is not made subject to VAT merely because the buyer is a company.

Standard purchase-tax overview

Transaction	Main tax treatment
Private seller, no first-home relief	Registration tax: 9% of the applicable tax base (often cadastral value under the "price-value" system when available); mortgage tax €50; cadastral tax €50.
Eligible first-home purchase, no VAT	Registration tax: 2% of the applicable tax base; mortgage tax €50; cadastral tax €50. Eligibility and residence/other conditions must be checked.
VAT-taxable residential sale, ordinary home	VAT: generally 10%; registration tax €200; mortgage tax €200; cadastral tax €200.
VAT-taxable sale with first-home relief	VAT: generally 4% if all legal requirements are met; registration, mortgage and cadastral taxes generally €200 each.
Luxury residential property (A/1, A/8, A/9)	The first-home relief is unavailable. Where VAT applies, the rate is generally 22%; where VAT does not apply, proportional registration tax generally applies.

VAT is commonly due on residential sales by the construction or renovation company within five years of completion; after that period, VAT may still apply in certain cases if the seller validly opts for it. Special cases exist, so the deed and seller's VAT position must be checked.

The "first home" relief

"First home" is a defined tax benefit, not simply a property that the buyer intends to use as a main residence. Eligibility depends on statutory requirements, including the property category, ownership of other homes and the buyer's relationship to the municipality. In the ordinary case, the buyer must transfer residence to the municipality where the property is located within 18 months; this is not the same as becoming an Italian tax resident within 18 months. Specific rules and exceptions may apply to Italian citizens living abroad and other categories.

> **For purchases taxed by registration tax, the cadastral-value "price-value" system may be available to qualifying private buyers of residential property, if the legal requirements and request are met. Ask the notary to confirm the tax base, benefits and transaction taxes before signing.**

2. Annual property taxes and charges

IMU (municipal property tax)

IMU is a municipal tax. An ordinary main residence is generally exempt, except residential properties classified as A/1, A/8 or A/9, for which specific rates and a statutory deduction may apply. Second homes, investment properties and many non-residential properties are generally within the scope of IMU. Exemptions and reductions can apply in specific circumstances.

For ordinary cadastral residential buildings, the usual calculation is:

> **IMU = cadastral income × 1.05 × 160 × applicable municipal rate**

The coefficient is set by national law for the property category; it is not chosen by the municipality. The applicable rate and any relief must be checked in the official 2026 municipal resolution/prospectus for the specific property.

Worked example (illustrative only)

Step	Calculation
Cadastral income	€500
Revalued cadastral income	€500 × 1.05 = €525
Tax base	€525 × 160 = €84,000
IMU at an assumed rate of 10.6‰	€84,000 × 0.0106 = €890.40 for a full year, before any applicable reductions or pro-rating.

Do not treat 10.6‰ as a universal 2026 rate. Rates depend on the municipality, property type and the applicable approved resolution. The Ministry of Economy and Finance publishes the official municipal IMU rates and resolutions.

Payment

The usual statutory deadlines are 16 June for the first instalment and 16 December for the balance. The first instalment is generally calculated using the previous year's rate and the applicable rules; the balance settles the amount due for the current year. Payment is commonly made using F24. Non-residents should confirm available payment channels with the municipality or their tax adviser; bank transfer is not universally accepted.

TARI (waste collection charge)

TARI finances municipal waste collection and disposal. It is governed by local regulations and tariffs. It is not correct to say that the owner is always liable regardless of use: the liable person is generally the person who possesses or occupies the premises, subject to local rules. For temporary use not exceeding six months in the same calendar year, liability generally rests with the owner or holder of the relevant real right, subject to the applicable rules.

Charges are commonly calculated using floor area and, for residential premises, the number of occupants or an assumed household size. Registration, reductions for unoccupied/unused premises and payment dates vary by municipality. Ask the Comune for its 2026 TARI regulation and tariff; do not rely on a national average as a quote for a specific home.

3. Tax on rental income

Rental income from Italian real estate can be taxable in Italy even where the owner is not resident there. A tax treaty may provide relief from double taxation in the owner's country of residence, but it does not normally remove the need to assess Italian obligations.

Long-term residential leases

An eligible individual landlord may choose the *cedolare secca*, a substitute tax that replaces IRPEF and certain additional taxes and, in relevant cases, registration and stamp duties. The usual rate is 21% for eligible residential leases at a free rent, or 10% for qualifying agreed-rent contracts that meet the statutory and local requirements. The regime is not generally available to companies or for leases made in the course of business, and other eligibility limits apply.

If cedolare secca is not available or not chosen, rental income is generally taxed under ordinary income-tax rules, with the applicable calculation and deductions depending on the taxpayer and circumstances. "Progressive taxation" is therefore not the only possible route.

Short-term rentals (typically contracts of no more than 30 days)

For eligible short-term residential rentals carried out by individuals outside a business, the substitute-tax rate is 21% for one residential unit chosen by the taxpayer and 26% for the other relevant units. The short-term rental regime is limited to no more than four apartments per tax period; above that threshold, the activity is presumed to be carried on as a business. Separate administrative obligations may apply, including the National Identification Code (CIN), regional/municipal requirements and guest reporting.

> **Do not confuse the 10% rate for qualifying agreed-rent long-term leases with short-term rentals. They are different regimes with different conditions.**

4. Taxes when selling a property

Capital gains (plusvalenza)

For an individual selling a property outside a business, a gain is generally taxable if the property is sold for consideration within five years of purchase or construction. Important exceptions include property acquired by inheritance and, in many cases, a home used as the seller's or family members' main residence for most of the period between purchase/construction and sale. The details depend on the facts.

Where applicable, a 26% substitute tax may be requested through the notary for certain real-estate capital gains; otherwise the gain may be taxed under the ordinary rules. It is inaccurate to describe every taxable property gain as automatically subject to 26%.

The taxable gain is not simply sale price minus purchase price. The calculation generally takes account of the purchase/construction cost and qualifying documented costs inherent to the property. Treatment of particular renovation costs depends on the rules and the benefit used; do not assume every renovation or energy-efficiency expense is deductible.

Special ten-year rule for certain Superbonus properties

A separate rule may tax gains on certain properties sold within ten years after completion of qualifying works subsidised under the 110% Superbonus. Statutory exclusions include, among others, certain inherited properties and properties used as a main residence for the required majority of the relevant period. Specific restrictions apply to the calculation of costs, particularly where the 110% benefit was used with credit transfer or invoice discount. Obtain case-specific advice before sale.

5. Purchases by foreign companies or other legal entities

The correct starting point is the nature of the seller and the legal VAT treatment of the specific sale. For residential property, a company seller may make a VAT-exempt sale or a VAT-taxable sale depending on the statutory rules and any valid option. A private individual acting outside a VAT business generally does not charge VAT.

Seller / transaction	General starting point	Typical transfer taxes
Private individual, acting privately	No VAT; proportional registration tax generally applies.	Registration generally 9% (or 2% if qualifying first-home relief applies); mortgage €50; cadastral €50.
Business seller, VAT-exempt sale	VAT not charged; proportional registration tax generally applies.	Registration generally 9% (or 2% where eligible); mortgage €50; cadastral €50.
Business seller, VAT-taxable residential sale	VAT generally 10%; 22% for A/1, A/8, A/9; 4% may apply if first-home VAT relief is available.	Registration, mortgage and cadastral taxes generally €200 each.

A company generally cannot claim the individual “first home” relief in the same way as an eligible individual. VAT recovery is not automatic: it depends on the buyer’s VAT status, the property’s use, the connection with taxable transactions, statutory restrictions and proper documentation. Residential property can be subject to particular limits on deductibility.

Permanent establishment and ongoing taxes

Owning Italian property does not automatically require a foreign company to establish an Italian permanent establishment. Whether a permanent establishment exists depends on the company’s actual activities and the applicable domestic law and tax treaty. Rental, development, management and resale activities should be reviewed separately for corporate income tax, VAT and local obligations.

Companies holding Italian property may be liable for IMU and TARI under the same general local frameworks, subject to applicable exemptions and rules. Companies do not receive the ordinary main-residence IMU exemption available to eligible individuals merely because a property is used as an office or home for someone connected with the company.

6. Practical checklist for a foreign buyer

- [ ] Before making an offer, identify the buyer (individual or company), seller, cadastral category, intended use and whether the seller's transaction is VAT-exempt or VAT-taxable.
- [ ] Ask the notary for a written estimate of registration, mortgage, cadastral and VAT charges, including the tax base and any first-home relief.
- [ ] Check ownership, planning/building compliance, cadastral data, liens and condominium charges as part of legal due diligence.
- [ ] For annual costs, obtain the relevant Comune's 2026 IMU rate/prospectus and TARI regulation/tariff.
- [ ] If renting, confirm the correct income-tax regime and any CIN, regional, municipal and guest-registration obligations.
- [ ] Before selling, review the five-year rule, main-residence/inheritance exceptions, qualifying costs and any Superbonus-related ten-year rule.
- [ ] For non-residents, check the tax treaty and filing/payment obligations in both Italy and the country of tax residence.

Official references and scope

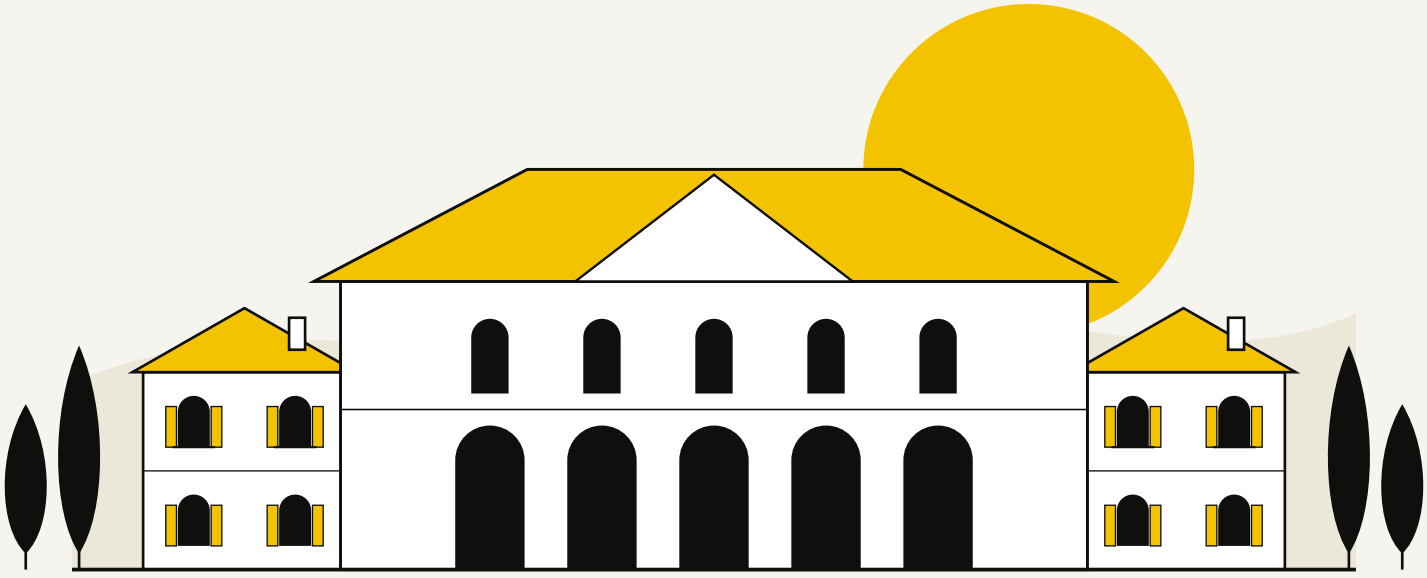
The following official sources were used to verify the main points. Always check the version applicable to the date of the transaction and the specific municipality.

1. Agenzia delle Entrate, "L'acquisto della casa: le imposte" – purchase taxes, VAT exceptions, first-home treatment and minimum registration tax:
https://www1.agenziaentrate.gov.it/web_app_entrate/guida_acquisto_casa.html/1000

2. Agenzia delle Entrate, 730/2026 guidance on residential rental income and cedolare secca, including long-term and short-term rental rates:
https://infoprecompilata.agenziaentrate.gov.it/portale/sl/web/guest/semplificata-mod-fabbricati

3. Agenzia delle Entrate, guidance on real-estate gains and Superbonus-related sales, including the ten-year rule:
https://infoprecompilata.agenziaentrate.gov.it/portale/semplificata-mod-redditi-di-capitale

4. Ministero dell'Economia e delle Finanze, official 2026 IMU municipal rates and resolutions:
https://www1.finanze.gov.it/finanze2/dipartimentopolitichefiscali/fiscalitalocale/nuova_imu/dati/download.htm?anno=2026

5. Legge 30 dicembre 2023, n. 213, art. 1, paragraph 63 – short-term rental substitute tax rate framework:
https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2023-12-30;213~art1

Scope limitation: this is a practical overview, not an exhaustive account of every special regime. The guide does not provide individualized advice on inheritance/gift taxes, registration of preliminary contracts, cadastral reclassification, VAT recovery by businesses, treaty residence, corporate income tax calculations or special regional/municipal rules. Confirm these matters with an Italian notary or qualified tax professional.